



MINISTRY OF PETROLEUM RESOURCES

THE INAUGURAL MEETING OF THE NATIONAL COUNCIL ON HYDROCARBON (NCH), HELD AT THE NICON LUXURY HOTEL, ABUJA FROM MONDAY 21ST – 22ND NOVEMBER, 2016

COMMUNIQUE

The inaugural meeting of the National Council on Hydrocarbons (NCH) was held on the 21st November, 2016 and was declared open by the Honourable Minister of the FCT, Mallam Muhammed Musa Bello. The Meeting was presided over by the Honourable Minister of State for Petroleum Resources, Dr. Ibe Kachikwu. In attendance also was the Permanent Secretary, Dr. Mrs Jamila Shu'ara. The theme for the meeting was **“Realising the Potential of Hydrocarbon in Nigeria:**

2. The meeting of the Council was preceded by a one day Technical Session held on Monday 21st November, 2016 under the Chairmanship of the Permanent Secretary, Ministry of Petroleum Resources, **Dr. Jamila Shu'ara**. The Technical Session processed a total of thirty-six (36) Memoranda for Council considerations.

3. In Attendance were the Honourable Minister, Ministry of Petroleum Resources, Honourable Minister FCT (represented by Director of Establishment, Mallam Muhammed Saliu), Members of the National Assembly, Commissioners from the Oil Producing and exploration States,

Heads of Departments and Agencies, Representatives of Security Services as well as Representatives of Tertiary Institutions. Also present were officials from International Oil Companies, Representatives of Labour Unions, Members of Youth Groups in the Oil Producing States, Professional Bodies and Associations, Non Governmental Organisation (NGOs) and other relevant Agencies.

4. After extensive deliberations on the memoranda received other salient contributions on how to review, strengthen and initiate robust policies for the Oil and Gas sector, **the Council noted and adopted** as follows:

- i. The need for the use of metrics and measures to calibrate remediated and regenerated polluted areas.
- ii. The need for relevant Agencies to streamline all environmental regulatory roles in Oil and Gas Industry and to integrate Host Communities into their business models in order to encourage the protection of oil and gas facilities.
- iii. The need for operators to deploy efficient technological innovations that would reduce gas flares emissions.
- iv. That all boundaries should be properly mapped out and coordinated so as to minimise boundary related issues
- v. The Ministry of Niger Delta and other relevant MDAs to create effective interface with host communities.
- vi. That relevant agencies should utilize the existing framework to enhance collaboration for effective monitoring of environmental pollution.

- vii. The need to enforce environmental regulations that oblige operators to restore the environment back to status quo
- viii. The advancement in the petroleum industry and the need to pay attention to the use of broadband infrastructure.
- ix. That relevant Government Agencies should acquire specialized equipments for the Armed Forces to operate effectively in the Niger Delta area.
- x. The need for relevant stakeholders to maintain adequate supply chain of petroleum products in the riverine areas.
- xi. The need to support NNRA in the area of specialised equipment such as detectors and aerial vehicles to be used for environmental surveillance including radiological measurement in oil and gas sector of the economy for safety, security, safeguard and emergency preparedness and response purposes.
- xii. The need to accelerate gas infrastructure(transmission pipelines, processing units, storage units) along gas corridors to ease availability of Gas in oil and gas parks, oil and gas free zones and other manufacturing locations supporting oil and gas activities.
- xiii. The need to encourage relevant Agencies to collaborate at Inter-Ministerial Levels to promote linkages between oil and gas and other sectors of the economy.
- xiv. The need to encourage and support operators in Research and Development (R&D) activities of the industry and academia.

- xv. The need for PEF (M) Board to work within its current mandate to maximize the potential of the use of hydrocarbon to strengthen the downstream sector.
- xvi. The need for the MPR to initiate policies that will encourage fair and equitable distribution of opportunities, services and infrastructure to all communities in the oil and gas sector.
- xvii. The need to encourage Stakeholders to develop and promote locally made Modular Refineries to enhance domestic capacity for the refining of petroleum products in Nigeria.
- xviii. The need to empower PPPRA to commence the process of open access regime and work-out appropriate and competitive tariff
- xix. The need to develop Gas to power infrastructure in order to meet the nation's energy requirements and for MPR to collaborate with relevant stakeholders to protect gas infrastructure from vandalism.
- xx. The need for PTI to digitalise its operational processes and to collaborate with relevant stakeholders as a certification hub for artisans in the country.
- xxi. The need for MPR to strengthen collaborations with National Bureau Statistics to generate reliable statistical data for oil and gas operations.
- xxii. The constraints of liquidity in the gas to power value chain and the need for MPR to liaise with MoF and the CBN to issue guidelines on FOREX risk for gas pricing.
- xxiii. The absence of coastal terminals and jetties to facilitate easy discharge of LPG to inland depots across the country and the need for

investors to participate in the manufacture of Gas Cylinders and Accessories by issuing appropriate incentives.

- xxiv. The need for NOSDRA to synergise with other MDAs with similar mandate.
- xxv. The need for transparency initiatives in the development of the new Draft National Gas Policy.
- xxvi. The need to reduce multiple charges by the various regulatory agencies vis-a-vis high cost of production and to ease doing business in Nigeria.
- xxvii. The need to step down the request to include the three tier of government in the process of issuance of the oil mining license.
- xxviii. The need to encourage the use of advanced drilling techniques in Nigeria.
- xxix. The need for enhancement of safety standard and best practices for air traffic especially in the oil producing areas.

4. The following commendations were made by the Council:

- i. His Excellency, President Muhammadu Buhari, GCFR and the Federal Executive Council were commended for approving the establishment of the National Council on Hydrocarbon.
- ii. Council also commended Stakeholders and Nigerians for responding positively to the call for memoranda and for participating actively and,
- iii. The Minister of State for Petroleum Resources and his team for driving the initiative that established the National Council on Hydrocarbons.

6. **At the end of the meeting the Council resolved** that the next National Council meetings be held at Akwa Ibom State in 3rd quarter, 2017 and at Cross Rivers State in 2nd quarter, 2018

Motion for Adoption by **Olufemi Adebayo**, Executive Secretary, Depot and Petroleum Products Marketers Association (DAPPMA) **and seconded** by **Echefuna Onyebebeadi** on behalf of the Host Communities **on this day 22nd November, 2016**