



**FIFTH (5<sup>TH</sup>) MEETING OF THE NATIONAL COUNCIL ON HYDROCARBONS (NCH) HELD AT CREEK HAVEN RESORTS, ONOPA, YENAGOA, BAYELSA STATE ON THURSDAY 26<sup>TH</sup> NOVEMBER, 2020**

**COMMUNIQUE**

The **Fifth (5<sup>th</sup>) Meeting of the National Council on Hydrocarbons (NCH)** was held on Thursday 26<sup>th</sup> November, 2020 at **Creek Haven Resorts, Onopa, Yenagoa, Bayelsa State** under the Chairmanship of the **Honourable Minister of State for Petroleum Resources, Chief Timipre Sylva**. The theme of the meeting was **"The Gas Potentials of Nigeria: Optimizing the Gas Value Chain"**.

2. The Council Session was preceded by the meeting of experts and stakeholders on hydrocarbons from **Tuesday 24<sup>th</sup> to Wednesday 25<sup>th</sup> November, 2020**.

3. The Council deliberated on **thirty-nine (39)** Memoranda submitted to it, and adopted the following resolutions:

- i. The Nigerian Gas Industry and policy makers must focus on cost levers and stakeholders for a robust gas growth as follows:
  - (a) Cost competitiveness to improve the relative cost of gas to other energy sources, though a combination of Liquefied Natural Gas (LNG) cost efficiency, pricing, environmental externalities and promoters of local gas production in markets around the world;
  - (b) Security of Supply through the development of enhanced nature and infrastructure, more flexible commercial models and new modular access-enabling technologies/e.g., Floating Storage Regasification Unit (FSRUs); and
  - (c) Promoting Environmental Sustainability of gas by reducing urban air pollution, developing low carbon technologies for gas, integrating renewable gas sources into existing infrastructure and limiting methane emissions.
- ii. Development of Production Sharing Contract (PSC) Gas Commercialization Terms as an enabler to drive key upstream infrastructural project to enhance deliberate gas production for increased reserves, drive private sector investment in midstream and downstream facilities which will ultimately create job opportunities and increase revenue to government.

- iii. Approve a National Sensitization Programme by the department of Gas to encourage the Public on the use of clean energy sources, such as, Liquefied Petroleum Gas (LPG) in place of kerosene and fire wood.
- iv. Approval of stakeholders' engagement programme and special consideration in the award of scholarships and employment opportunities for Niger Delta people in the oil and gas sector as contained in the relevant Parastatals and Agencies' mandate to curb vandalism and restiveness.
- v. To designate Petroleum Training Institute (PTI) as the centre for the establishment of the proposed National Gas Centre; lead provider and coordinator of training services in the professional areas; and as provider of consultancy and research services for policy implementation.
- vi. The need for Council members and relevant stakeholders to attend, support and sponsor the 4<sup>th</sup> edition of the Nigerian International Petroleum Summit (NIPS) schedule for March 2021.
- vii. The Ministry of Petroleum Resources to work closely with relevant Agencies such as Infrastructure Concession Regulatory Commission (ICRC), Nigerian National Petroleum Cooperation (NNPC), Department of Petroleum Resources (DPR) on Public Private Partnership (PPP) in order to optimize the gas value chain and increase revenue arising from the exploitation of Nigeria's abundant gas resources.
- viii. That the Nigerian Gas Processing and Transportation Company (NGPTC) should domesticate and denominate the price for gas transactions in Naira.
- ix. Recommend that funding mechanism/intervention be established (e.g., by using PSC gas revenues currently escrowed) to address all current power sector debts; engagement of independent audit firm(s) to carry an audit of the revenue collection mechanism of the DISCOs from 2014 to date; preferential concessionary status that the power sector enjoys should be maintained; and that the issue of Foreign Exchange (FX) of gas producers and suppliers to the Power Sector be addressed.
- x. Recommend to FEC for approval, adoption of the existing Petroleum Equalization Fund Management Board Model for the development of Gas and Social infrastructure on a portfolio basis, and to be managed by the Petroleum Equalization Fund (Management) Board (PEF(M)B) and amend the PEF(M)B Act to reflect its role of Gas & Social Infrastructure Fund Manager at a proposed 1% levy for all petroleum products.

- xi. NNPC and other operators to explore the gas potentials of the Northern Benue Trough for economic growth of the region.
- xii. The HMSPR to declare year 2021 – 2030 as “Decade of Gas” for Nigeria, in order to sustainably optimize the gas value chain.
- xiii. To create a West Africa regional Hydrocarbon Hub in Nigeria given her position as Africa’s largest proven Gas reserves, and to maximize both domestic and International Gas market share.
- xiv. That there is need to accord support for the passage of the Nuclear Safety Security and Safeguard (NSSS) Bill by the Senate.
- xv. Council recommends collaboration between the Ministry of Petroleum Resources and other relevant stakeholders with a view to transform all illegal petroleum refineries to modern petroleum refineries using local content approach; thereby providing employment for the restive youth in Niger Delta Region.
- xvi. Constitution of a Multi-Disciplinary and Multi-Stakeholders’ Joint Pollution Monitoring Team to follow-up on the measures (short and long term) proffered by various government institutions and to provide expertise on how to address pollution in a sustainable manner.
- xvii. Mandate and extract definite date from NNPC to revive refineries in the country to restore the supply of AGO, PMS and DPK to Aba and other states depots.
- xviii. The Ministry of Petroleum Resources collaborate with other relevant agencies to encourage investors to key into the huge gas potentials and power plan in the state.
- xix. The Federal Ministry of Works and Housing should expedite action on the subsisting contract on Nembe-Brass Road (sections 1 & 2) to allow for accessibility, which will boost economic growth, especially gas commercialization.
- xx. That there is need for the Federal Government to site the proposed Nigerian Upstream Regulatory Commission in Bayelsa State and include at least two (2) representatives of the Oil Producing States in the Governing Board of the Commission.
- xxi. DPR to improve on its monitoring activities on domestic gas business to prevent accident and save lives and properties.
- xxii. Government to set a timeline of 31<sup>st</sup> December 2021 for abolition of the importation of LPG to Nigeria considering Nigeria’s enormous gas resources.

- xxiii. MPR to continue to fashion out policy initiatives that will sustain already existing strategies and programmes of deepening Domestic Gas Consumption in Nigeria.
  - xxiv. That there is need to implement the Community Engagement Standard (CES), that guarantees Community Right/Host Community recognition by IOCs such that they do not undermine the rights and benefits of the host communities at it concerns right to sustainable development.
  - xxv. That there is need for appropriate working synergy between the State and the Federal Government on policies and regulations that would encourage participation of the citizens of Niger Delta region, such as including the State Government in all major decisions concerning negotiations on Gas Sales and Gas Flare Policy among others.
4. Council expressed deep appreciation to the Government and good People of Bayelsa State for providing the conducive environment that culminated in the successful hosting of the 5<sup>th</sup> National Council on Hydrocarbons.
5. Council agreed that the next National Council will hold in Port Harcourt, Rivers State in 2021. The date and venue of the **6<sup>th</sup> National Council on Hydrocarbons Meeting** will be communicated to members at a later date.

**Dated This Thursday, 26<sup>th</sup> November 2020,  
in Yenagoa, Bayelsa State.**