

COMMUNIQUÉ ISSUED AT THE SECOND STAKEHOLDERS' ENGAGEMENT ON INTEGRATION OF MODULAR/ARTISANAL REFINERY OPERATIONS INTO THE OIL AND GAS SECTOR AND CURRENT CHALLENGES OF REVENUE LOSS, PETROLEUM PRODUCT SCARCITY AND ENVIRONMENTAL POLLUTION AND NEGOTIATED WAY – OUT” HELD ON MARCH 22, 2022 IN ABUJA

PREAMBLE

The Office of the Senior Special Assistant to the President on Niger Delta Affairs in collaboration with the Presidential Amnesty Office organized the second stakeholders' engagement on integration of the modular/artisanal refinery operations into the oil and gas sector in order to mitigate the current challenges of revenue loss, petroleum scarcity and environmental pollution and negotiated way – out.

OBJECTIVES

The objectives of the second stakeholders' engagement include the following:-

- i. The examination of what needs to be done in addressing energy challenges in the country
- ii. Identification of the challenges of modular/artisanal refinery operations on the environment, black soot and carbonization
- iii. Analyzing the impacts of environmental degradation on agricultural productivity and land infertility
- iv. Examination of revenue leakages/losses and what need to be done to prevent these leakages.
- v. Appraising the place of artisanal refining in the recently signed petroleum Industry Act.

RESOLUTIONS

After exhaustive deliberations on the issues, the following resolutions were arrived at:-

- i. Scale up the activities of the modular/artisanal refineries in the Niger Delta for more economic benefit to the country.
- ii. Government should take inventory of the domestic modular/artisanal refinery operators and send them to the Federal University of Petroleum, Effurun (FUPRE) for further training.
- iii. Need for formalization of the modular/artisanal refinery operators in Nigeria.

- iv. Subsidization of modular/artisanal refinery license by 70% in order to allow artisanal operators to acquire these licenses.
- v. Curb the activities of the security personnel involved in illegal bunkering in the Niger Delta
- vi. Need for continuous interface between the Federal Government and the operators of modular/artisanal refineries in the country to assist the government in curbing cases of illegal bunkering
- vii. The government should minimize their threats in order to allow artisanal operators to come out to engage more with the government.
- viii. Opening up of the Petroleum Industry process to allow for more participation including the modular/artisanal operators.
- ix. Approve the implementation of the recommendations from the first stakeholders' engagement.
- x. The Federal Government should approve the formation of the Presidential Artisanal Crude Oil Refining Development Initiative (PACORDI).
- xi. Foreign Technical Partners who are willing to invest in the oil industry in the country should be encouraged to partner with the artisanal operators with the involvement of the communities.
- xii. The Federal Government through the Amnesty Programme has trained a lot of engineers, welders and fabricators hence should be included when the modular/artisanal refineries would be set up/formalized.
- xiii. Emphasis must be placed on the safety of the people of the Niger Delta in the operations of the modular/artisanal refineries.

APPRECIATION

The meeting appreciates The President and Commander-In-Chief of the Armed Forces, President Muhammadu Buhari, GCFR for approving this stakeholders' engagement which is very timely in addressing some of the current challenges in the oil industry that have led to the loss of revenue and the present petroleum scarcity