HEDA RESOURCE CENTRE

SPOTLIGHTING THE OIL & GAS

A Review of the 2020/2021 Marginal Fields Bid Licensing Round in Nigeria

ACEP Africa Centre for Energy Policy

MAY 2023

A PUBLICATION OF
HEDA RESOURCE CENTRE

SPOTLIGHTING

THE OIL AND GAS

A Review of the 2020/2021 Marginal Fields Bid Licensing Round in Nigeria

Report Prepared by Dr. Dauda Garuba & Mr. Ademola H Adigun

For

Human and Environmental Development Agenda

(HEDA Resource Centre)

May 2023

Please direct inquiries to: HEDA Resource Centre, 15a, Yinusa Adeniji Street,
Off Muslim Avenue, by Toyin Roundabout, Ikeja, Lagos, Nigeria.

info@hedang.org
Twitter: @Hedagenda
Facebook: @Hedagenda
Instagram: @Hedagenda
Toll Free line: 08004332277

This publication can be downloaded charge free at www.hedang.org

Acknowledgement

HEDA Resource Centre wishes to acknowledge the invaluable contributions of the researchers, Dr. Dauda Garuba and Mr Ademola H Adigun. Dr. Garuba is an independent researcher and development sector consultant with extensive experience on governance, security and development, including the management of natural resources. Mr Adigun is a natural resource governance consultant. He supports anti-corruption works in oil and gas reforms.

HEDA thanks critical stakeholders and experts who were interviewed by our experts in the cause of gathering data and stakeholders input into the process of developing the book. We also wish to appreciate those who made notable contributions to the report during the experts' validation meeting held specifically for the purpose of this publication in Abuja on February 22, 2023.

To this extent, HEDA wishes to thank the Nigeria Extractive Industries Transparency Initiative (NEITI) CEO/Executive Secretary, Dr. Orji Ogbonnaya; the Ogoni Solidarity Forum; CHRICED; Policy Alert; CITAD; Centre LSD; the Nigerian Upstream Petroleum Regulatory Commission (NUPRC); Nigeria's Federal Ministry of Environment; the Publish What You Pay Campaign; and all other state and non-state actors who contributed to the report during the experts validation meeting.

HEDA further wishes to thank its Programmes Manager, Mr. Ridwan Adigun Sulaimon who managed the project and provided a critique of the draft report; also Mr Ismail Tijani, HEDA's staff who designed the publication. Indeed, HEDA wishes to appreciate its Chairman, Mr Olanrewaju Suraju for overall management of the project, supervision of team members and liaising with critical stakeholders.

Finally, HEDA is grateful to the Africa Centre for Energy Policy (ACEP) for providing the support for this publication and the project.

Table Of Contents

PART 1:

SUMMARY

Executive Summary

The marginal field oil sub-sector has become the cornerstone of Nigeria's upstream petroleum local content development strategy. In both conceptual and contextual sense, marginal field is any discovered oil field that has been left unattended for a period of not less than ten (10) years effective from the date of its discovery or such field as the President may identify as a marginal field. The focus on marginal fields oil development anchors on the 1970s indigenization policy of government aimed at promoting and protecting indigenous capital to counter-balance multinational dominance of Nigeria's economy.

Rationale of the Study and Method of Data Collection

Nigeria has had only two successful marginal fields bid licensing rounds (the 2003/2004 and the 2020/2021) in history. This study appraised the 2020/2021 exercise against the backdrop of global standard practice and the country's past experience with a view to identifying milestones and infractions for possible future redress. It was conducted at a critical time in Nigeria's oil industry history repleted with mix results. Among them were low discovery and drilling activities, high cost of production, declining joint venture (JV) production and revenues, and other gamut of challenges.

These challenges included manifest decline in gas for power supply, job creation, project funding constraints, maturing fields amidst aging facilities without corresponding development of new fields, growing insecurity compounded by oil theft, and uncertainties around reforms anticipated in the Petroleum Industry Bill (PIB). All of these stifled investment and production outputs in a sense that terribly affected the growth and development of the oil and gas industry.

The bid round exercise was thus conceived to promote indigenous participation in oil and gas business such that will increase proven reserves to 40 billion and 220 trillion cubic feet respectively by 2030 and revive long abandoned oil production fields to facilitate the delivery of three million barrels per day to raise more money for the country, as well as boost employment and local capacity development.

The study relied on both primary and secondary data sources, leveraging long time relationship between the researchers and oil and gas stakeholders across public and private sectors as well as published materials. The publish materials came in form of legal records, guidelines of past bid licensing processes, reports and analyses of global trends in oil license bids and awards, as well as various media reports and analyses of the 2020/2021 exercise in Nigeria.

Findings: Milestones, Gaps and Lessons Learned

Except for delayed timelines of the process and apparent exclusion of civil society which elicited widespread claims of opacity, the exercise was largely conducted in compliance with the guidelines that defined its process. This included use of a *Pre-Qualification Committee* largely constituted by lawyers who reviewed and decided on the submitted Expressions of Interest (EOI) and a *Bid Evaluation Committee* comprising largely engineers and economic/business minded members who assessed the technical and commercial plan of applications submitted. From the point of announcement of the 57 fields that were up for grab to the point of issuance of certificates of award to the bid winners, the process captured a total of 665 companies that expressed initial interest.

A number of companies were dropped during the different processes of the pre-qualification, bid evaluation and payment for the awarded fields. Of the 665 companies that submitted EOIs, 535 were pre-qualified, while 460 fully paid applications and bid processing fees. Of these, 400 companies finally submitted 477 applications for the 57 marginal fields that were on offer, out of which 161 companies were shortlisted for the bid with 48 out of the 57 fields emerging successful as at 28 June 2022.

The 2020/2021 marginal fields bid licensing round recorded anticipated milestones. Besides expanding the space for indigenous participation in the oil and gas industry and raising the potential for growing proven reserves, it also fetched the federal government N200 billion and US$7 million. To the extent to which it departed from past experiences of award of oil license to portfolio investors who ended up 'trading' the papers for a flip, the exercise was widely acclaimed. It changed the narrative of perennial scandals about derailment from due process, corruption and conflict of interest (COI) perpetrated by Politically Exposed Persons (PEPs).

The exercise also opened the door for many downstream sector companies an opportunity to make significant inroad into upstream petroleum development sector. Among such winners are A.A. Rano, Ardova Plc, Genesis, Matrix Energy, MRS, NIPCO and Shafa. Given that many of the assets relinquished by the multinationals into the marginal bid pool of assets were either already producing or near production, they only possibly require financing to bring such assets to first oil and production; thus deepening the confidence for investment made and the potential for increased reserves, production outputs, job creation and local content development.

Notwithstanding these achievements, the 2020/2021 marginal fields BLR had its challenges. Among these were:

Unanticipated delays precipitated by the COVID-19 pandemic

Structure of Governance Funding and Profit-sharing Formula

- Unanticipated delays precipitated by the COVID-19 pandemic, the transition from DPR to NUPRC in compliance with institutional and operational provisions in the PIA 2021 which became enacted in the middle of the bid process, and the resort to institute a committee to clear the mess created under the DPR regime, leveraging the Alternative Dispute Resolution Centre (ADRC);
- Absence of cross-institutional reference with agencies like NEITI, NESREA and NOSDRA that have significant mandate on some critical issues covered in the guidelines used for the bid licensing round;
- Allegations of high fees and levies charged which saw a drop in the number of shortlisted applications and/or merger companies (although not sufficiently evident);
- Allegations of undue access to insider information that complemented Competent Person Reporting (CPR) and Net Person Value (NPV) sources to reach decisions that tended to swing decision for deals or walks away;
- Arbitrary lumping of strange bedfellows into SPVs without regard to capacity, competence and previous experience all of which triggered disagreements around proposed share equities, structure of governance, funding and profit-sharing formula; and
- Hush-talks' about official and unofficial payments by bidders, but without all of which were mere allegations without evidences. Overall, despite taking longer than originally planned time, the 2020/2021 marginal fields bid exercise produced the desired outputs with useful lessons learned. The specifics of those lessons were that:

NUPRC has the capacity to mediate and reconcile such disputes and conflicts over equity share, governance structure, funding and profit-sharing

- Nigeria and its upstream oil regulatory agency (i.e. NUPRC) can actually conduct bid rounds without the often recounted clogs of corruption scandals that have painted the country in bad image and the claim that licensing is the weakest link in its oil governance;
- Bid exercises can actually be rid of overbearing powers/interference of the Minister/Minister of State for Petroleum Resources and be business-driven;
- NUPRC has the capacity to mediate and reconcile such disputes and conflicts over equity share, governance structure, funding and profit-sharing formula that conflagrated the co-owned fields (SPVs); and
- There exception to claims that delays are bad for business, given the gains of the deployment and conclusion of the process on the provisions of the PIA 2021.

Conclusion and Recommendations

Despite the observed glitches and delays, Nigeria's 2020/2021 marginal fields bid licensing round was largely a success story. However, it is recommended the authorities look out for following in the future:

- Watch out to mitigate real or imagined allegations about the happening of untoward practices across stakeholders, particularly civil society who felt undermined and not carried along the process.
- Cross-institutional checks for key legal and operational provisions such environmental and spill regulations (e.g. NESREA and NOSDRA) as well as due process requirements in the extractive industries (NEITI) such as Beneficial Ownership and Contract Transparency which are expectedly held in strict collaboration with the civil society. It is not just enough to claim transparency, it is also necessary for stakeholders, including the civil society, to see the process as undeniably followed.

- Respect basic rights of investors and companies to decide who to form SPVs or not, rather than force mergers of persons/companies with diverse degree of competence, work culture and disagreeable profit sharing formula.
- The NUPRC and the Ministry of Petroleum Resources should continue in collaboration with other stakeholders in the oil and gas industry, including the civil society to realise the central goal and objectives of oil bid licensing round, while equally acting as a check on one another for the overriding interest of Nigeria's economic growth and development.

Nigeria's Economic Growth And Development

- Full disclosure of information comprising amount of money paid by companies, names of companies that scaled through or fall behind every stage, owners of the owners, plans for host community development and contract transparency should be prioritized in the process
- Broader stakeholders' buy-in and respect for independence of investor companies to determine mergers and formation of SPVs and level of equity participation and profit sharing formula should be guaranteed instead of forcing merger of strange bedfellows.

PART 2:

INTRODUCTION

Background and Methodology

The marginal field oil sub-sector has become the cornerstone of Nigeria's upstream petroleum local content development strategy. Deriving from the interest generated by the two successful licensing rounds ever held in the history of the country (2003/2004 and 2020/2021), it is curious that the marginal fields regime has given a strong exploration and production (E&P) image to companies that play in the oil and gas sector. Aligning with a long time indigenization policy of 1970s aimed at protecting indigenous capital to counter-balance multinational dominance of Nigeria's economy, the evolution of marginal fields as a strategic tool for indigenous participation in upstream petroleum sector is defined in Paragraph 16A of the Petroleum (Amendment) Act 1996 which provides that:

(1) The holder of an oil mining lease may, with the consent of and on such terms and conditions as may be approved by the President, farm-out any marginal field which lies within the leased area.

(2) The President may cause the farm-out of a marginal field if the marginal field has been left unattended for a period of not less than 10 years from the date of the first discovery of the marginal field.

In line with these provisions, marginal field is generically defined as "such field as the President may, from time to time, identify as a marginal field." It is an oil field with not enough net income to make it worth developing at a given time and/or which has not been exploited for a period not less than 10 years. Across the different times that Nigeria's marginal field licensing bid rounds either held on scheduled or cancelled, this definition has been fairly consistent without any significant change(s), except for a tweak of semantics.

The definition adopted for the 2001 bid exercise was "any field that has reserves booked and reported annually to the [DPR] and has remained un-produced for a period of over 10 years." The inclusive 2013 exercise defined marginal field as "any field that has (oil and gas) reserves booked and reported annually to the Department of Petroleum Resources (DPR) and has remained un-produced for a period of over 10 years." The prepared *Guidelines for the Award and Operations of Marginal Fields in Nigeria* (2020) defines marginal field as "any field that has been discovered and has been left unattended for a period of not less than ten (10) years, from the date of first discovery or such field as the President may, from time to time, identify as a marginal field."

While hoarding may be a reason for the delayed or non-development of many marginal fields, the different guidelines for marginal fields licensing emphasize factors/conditions such as limited economic viability, absence of infrastructure and profitable consumers, high cost of development and fiscal levies, and significant oil characteristics differentials (e.g. high viscosity and low API gravity).

Other factors are reasons of high gas and low oil, abandonment by leaseholders for economic and operational reasons, leaseholders' farm-outs as part of portfolio rationalization programmes, and technological constraints. However, all of these challenges may change for better, depending on technical or economic condition of different times.

Nigeria has had a number of oil licensing bid rounds in history, except that only two have focused solely on marginal fields. These are the 2003/2004 and the 2020/2021 exercises. The 2003/2004 bid licensing culminated in the licensing of 24 acreages to 31 companies. Prior to that exercise, the NNPC had conducted a behind-close-door bid assessment which selected eight companies under a new marginal field policy in 2000 whose approval was overrode by then President Olusegun Obasanjo.

Another attempt in 2013 to award 31 marginal fields (16 onshore and 15 offshore) slipped into a disquiet after flag-of advertisement that started from 13 December and conduct of three roadshows and promise of announcement of result on 11 April 2014. Uncertainties predicated by the stalled passage of the Petroleum Industry Bill (PIB) then and the allegation that the fields were not bankable were the most prominent reasons for the failure. Based on characteristics already highlighted above and many more others such as lack of technical capacity and absence of the requisite wherewithal to finance marginal fields acquired through political influence, only 17 of the 30 marginal field acreages awarded in history are producing. That the 2020/2021 exercise came 18 years after a long wait associated with bureaucratic inertia makes it a big event requiring an interrogation about what has changed from the record of previous oil block and marginal field licensing round.

Unlike any other marginal bid round ever organised in Nigeria, the 2020/2021 exercise saw the participation of 665 entities of which 161 companies were shortlisted for Petroleum Prospecting Licenses (PPLs) with 48 out of the 57 fields presented in the bid round awarded as at 28 June 2022. Post-event feedback has shown some stakeholders lauded and eulogized the exercise, while some others have critiqued it, arguing that the process did not carry all along. The latter have specifically argued that the exercise significantly undermined transparency and accountability even from the preparatory stage. In particular, the civil society has upbraided and accused the former Department of Petroleum Resources (DPR) for not providing for its involvement in the process as much as it has also critiqued the transmuted Nigerian Upstream Petroleum Regulatory Commission (NUPRC) for not disclosing the results of the bid, months after the exercise was concluded.

This study is a postmortem of the 2020/2021 petroleum bid licensing round (BLR) in Nigeria. It seeks to appraise and assess the exercise against the backdrop of established global standards for good practice and the country's history of past licensing rounds with a view to identifying milestones and red flags/infractions requiring public engagement and redress. This is necessary, realizing that with the passage of the Petroleum Industry Act 2021, “no new marginal field shall be declared under this Act.”

To the above extent, the output is intended for use by HEDA and its partners as an advocacy document that alerts the relevant authorities on the risks posed to due diligence and good business behavior with a view to ensuring that beneficiaries of bad behaviours are exposed and tamed to sanitise the petroleum sector.

This report is presented in six parts. Following this introductory background and context of the research is a methodological note that speak to the approaches and techniques adopted for the research. Part three talks about the fundamental and standard practices in oil bid licensing round with reference to various approaches by a few countries. The fourth section talked of Nigeria's 2020/2021 bid round which came to a close with the issuance of certificate to winners in July/August 2022. Analysis of the process against milestones and challenges recorded was done in the fifth section, while the last section covered concluding remarks and recommendations. Across the spectrum, the study tried to bridge analysis in the work in a manner that balances academic and policy focus with a view to meeting diverse needs of readers, including advocacy by civil society organisations working on oil and gas governance.

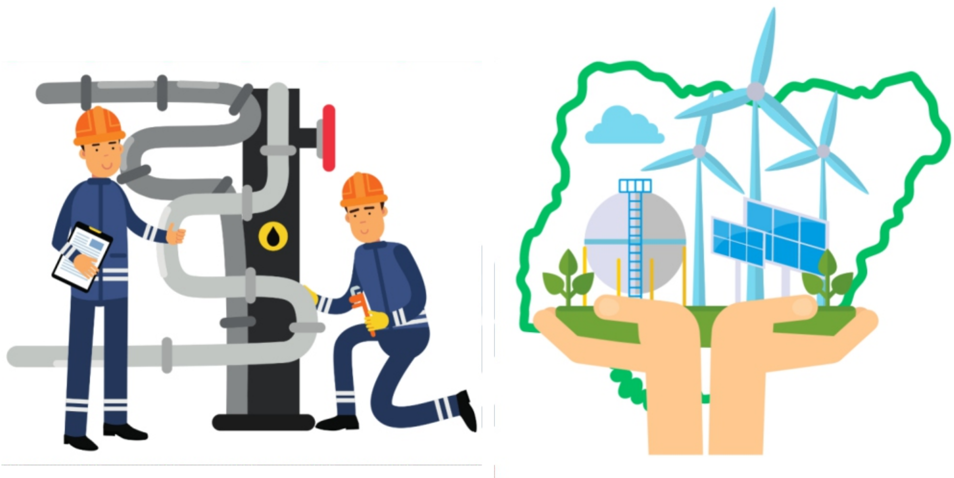
Methodological Note

The study relies on both primary and secondary sources for data collection and analysis. Primary data were sources from key informant interviews (KIIs) with relevant stakeholders in the petroleum industry across public and private sector, including regulators, winners and losers in the bid round exercise. The interviews exposed the researchers to the rationale behind the legal, regulatory, and procedural frameworks for the 2021 petroleum licensing bid round.

Drawing on their network of formal and informal relationship with stakeholders in the oil and gas industry, including experts manning investment and compliance desks in banks, the researchers accessed information about financial instruments that were sought and/or syndicated to undertake the bid licensing. The interaction provided opportunity to assess their disposition and otherwise to the exercise.

The same networks of long collaborative work relations were used to source information from journalists covering the petroleum industry, especially members of the Energy Correspondents of Nigeria (ECN) and Media Initiative for Transparency in Extractive Industries (MITEI). Deliberate efforts were made to follow up with specific individuals who reported on the exercise.

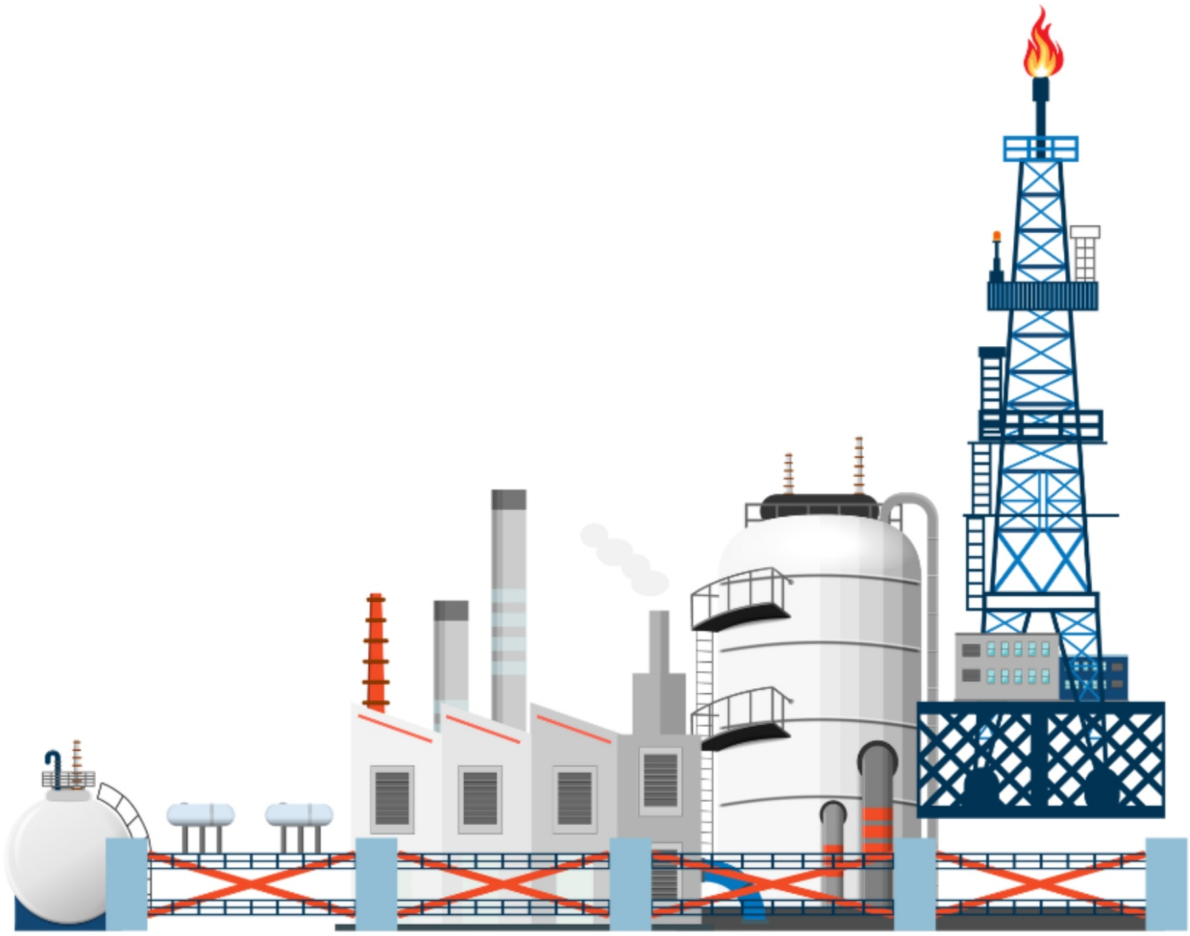
Also, the researchers identified and targeted representatives of civil society groups working on oil and gas, especially signatories to the protest press releases made on the process, to ascertain further their grouse with the 2021 marginal field licensing round for any probable milestones and infractions observed.



THE SAME NETWORKS OF LONG COLLABORATIVE WORK RELATIONS WERE USED TO SOURCE INFORMATION FROM **JOURNALISTS** COVERING THE PETROLEUM INDUSTRY, ESPECIALLY MEMBERS OF THE **ENERGY CORRESPONDENTS OF NIGERIA (ECN)**

Secondary materials were sourced from an avalanche of published and unpublished materials to situate the global context in which Nigeria's 2021 marginal licensing bid round finds premise. More specifically, desk reviews were undertaken to provide global context to petroleum bid round with a view to relating trends to the Nigerian reality and practice. Priorities were given to the body of work done by Natural Resource Governance Institute (NRGI) and other similar works in Ghana, Liberia, Madagascar and United States.

Overall, information gathered from both primary and secondary sources were coded, analyzed, and presented in prose, tables and diagrams, using multiple triangulation techniques to resolve any possible conflicting position(s). In doing this, the researchers demonstrated professionalism and deployed requisite research ethics to mitigate personal biases (subjectivity) and ensure validity and reliability of outputs of the assignment.



PART 3:

CONTEXTUALIZATION

Fundamentals and Standard Practice in Oil Bid Licensing Rounds

There has been an increasing global shift in the approach for choosing investors in upstream petroleum sector from direct negotiation to competitive tendering. The competitive bid licensing approach is meant to provide a level playing field for prospective investors, and to ensure that only companies with the requisite financial muscles and technical capacities to deliver maximum benefits and returns on investment are awarded oil block licenses.

While Nigeria may have had a long tradition of operating direct negotiation of oil licensing award regime, it has since bought into the idea of balancing competitive bid approach to oil licensing with indigenous participation in the oil and gas industry.

Overtime, the downturn in the oil and gas industry often precipitate bid round hosting. Some countries modify bid rounds processes through an amendment of fiscal terms and contracts, while others simply push incentives to stimulate marginal fields development for purposes of increasing reserves and meeting local and export demands with overall goal of boosting revenue earnings. Expectedly, a bid round that is worth the competition demonstrates high potential through well-organized and well-promoted geological data availability that speaks to robust expectations.

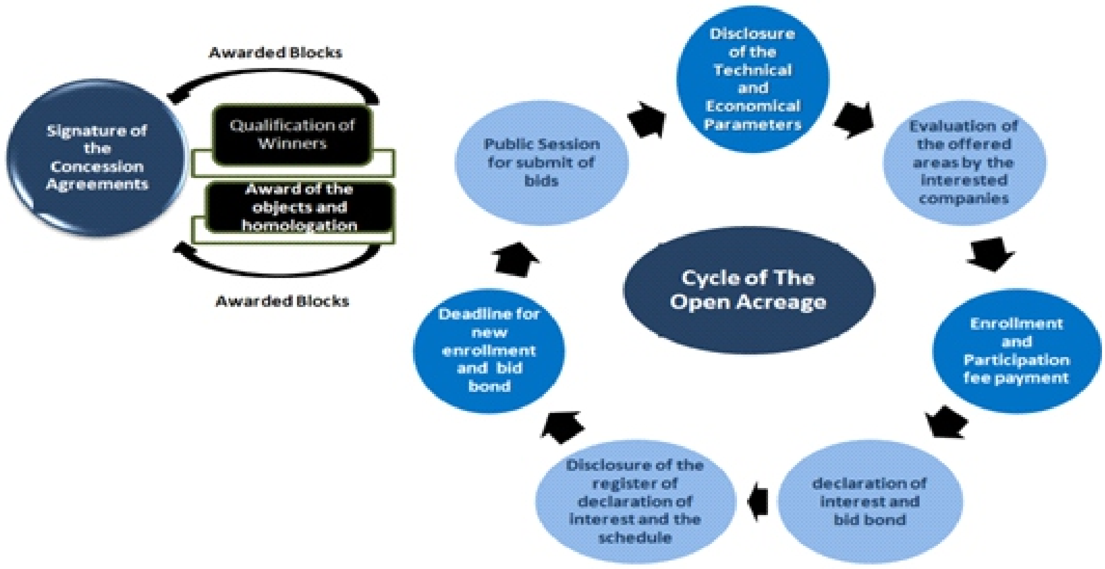
By practice, the regulatory authority of a country announces the opening of bid rounds, the number of blocks on offer (including their location and sizes) as well as the requirements and deadlines for bid submissions.

[8] Extractive360 (2020). Nigeria CSOs Decry Exclusion from Marginal Fields Bid Round Process. June 26. Available at: https://extractive360.com/2020/06/25/nigerian-csos-decry-exclusion-from-marginal-fields-bid-round-process/

[9] Obas Esiedesa (2021). Group Questions Results of 2021 Marginal Oil Fields Bid Rround. Vanguard. 20 January. Available at: https://www.vanguardngr.com/2022/01/group-questions-results-of-2021-marginal-oil-fields-bid-round/#:~:text=The%20oil%20bid%20round%20was,of%20oil%20from%20the%20fields.

Beyond website and newsletters many countries also organize road shows to make presentation to potential investors about the blocks on offer, the requisite criteria for the bids and the country's fiscal regime. All applicants (individual and/or consortium of companies) are thus expected to meet the administrative process of bid submissions to prove their legal (incorporation) technical (engineering) and financial (monetary) capacity.

As shown in Figure 1, a broad categorization of oil bid round processes covers announcement, participation and closure of the bid round.



Details of implementation of activities across these three broad categorisations are country specific. For instance, the United States has a slightly modified bid round process that grants its Bureau of Ocean Energy Management (BOEM) powers to manage offshore energy resources under the Department of Interior (DOI) which prepares an oil and gas leasing programme “that involves a proposed schedule of lease sales of acreage over a 5-year period” before a proposal is approved. The most recent of such Proposed Final Programme (PFP) covers 2017–2022.

In its 2018-2019 bid licensing round, Madagascar operated a scorecard that emphasised financial strength and technical expertise which placed *Weighing Factor Maximum Point* at 15% and *Technical and Financial Work Programme* at 83%, and Quality, Health, Safety and Environment at 2%. Ghana was much interested in procedural steps and analysis of red flags developed for ascertaining "inherent corruption risks that undermine the transparency" in oil bid round processes. More specifically, the NRGI work that gave credence to the bid round exercise in Ghana leveraged NRGI's earlier experiences and collaboration with Mexico and Lebanon regulatory authorities to become the pointers for Ghana's "four methods to drive a successful first oil licensing round – i.e. investment in data, creation of a level-playing field for investors, promotion of transparency, and engagement with civil society.

Liberia's bid round in the view of NRGI expresses how "short-term and extremely severe financial needs of a government can hamstringed the bandwidth to thoroughly analyse deals destined to last decades and divert the attention of citizens and watchdog groups.

Notwithstanding the seeming broad and common procedures for oil bid licensing, a combination of global rules of competition and national priorities define approaches that are often adopted by countries who conduct them.

Why the 2020/2021 Petroleum Licensing Bid Round Matters: Goal and Objectives

Oil has been the mainstay of Nigeria's economy, having allowed it to crowd out other vital sectors. More than any other government in history, the Buhari administration is about the only administration that has demonstrated the big push to diversify the economy away from oil. This has not cleared the challenges, given that the diversification itself relies on oil revenue earnings for it to happen.

[10]Peter Elliot (2019). Global Bid for Successful Licensing Rounds. *GeoExPro*, Vol. 16 (2). Available at: https://www.geoexpro.com/articles/2019/04/global-bid-for-successful-licensing-rounds

[11]Maryse Jackman (2922). Oil and Gas Bid Rounds: How Do They Work? Available at: https://jpt.spe.org/twa/oil-and-gas-bid-rounds-how-do-they-work

[12]Ibid.

[13]Ghana's First Oil Licensing Round Monitoring Report: Civil Society Licensing Round Monitoring Group 2020. Available at: https://www.resourcedata.org/dataset/rgi21-ghanas-first-licensing-round-monitoring-report/resource/092ce22e-438b-4120-9f06-1a55d121daa7

[14]Edna Osei & Ishmael Ackah (2018), Four Methods to Drive a Successful First Oil Licensing Round in Ghana. Available at: https://resourcegovernance.org/blog/four-methods-drive-successful-first-oil-licensing-round-ghana

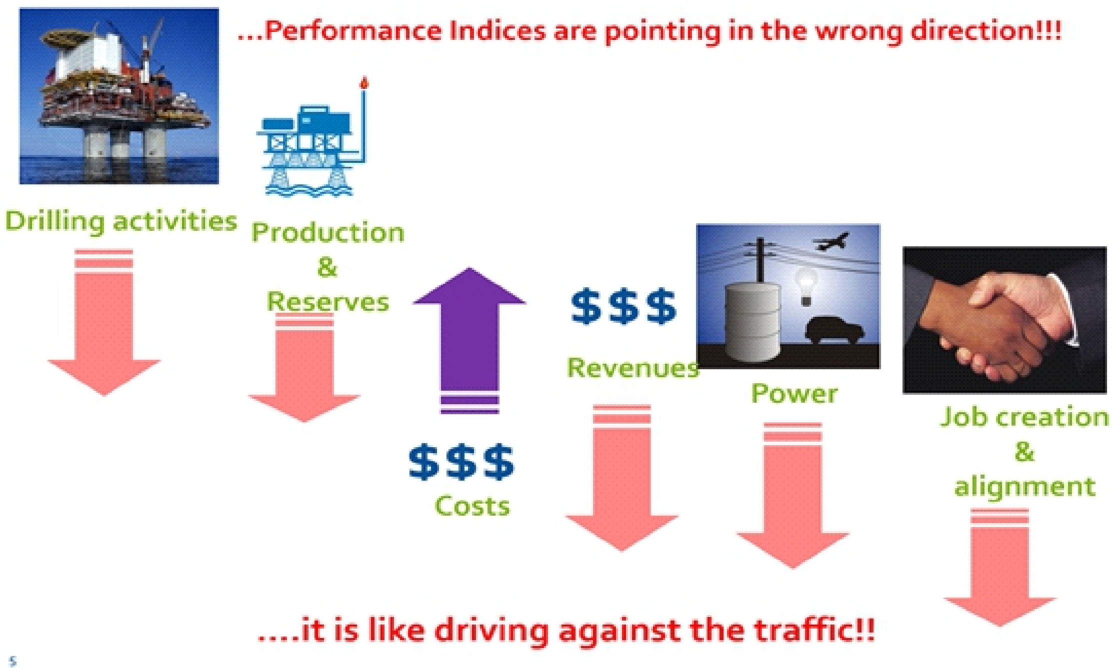
[15]NRGI (2014). Liberia's Oil Block Bid Round: Comments and Questions. Available at: https://resourcegovernance.org/analysis-tools/publications/liberias-oil-block-bid-round-comments-and-questions-nrgi-and-acet

The 2020/2021 marginal licensing round happened after a long wait and series of postponements spanning different administrations since the first exercise held in 2003/2004. It followed a long history of decline in the oil and gas sector compounded by lingering reform efforts, prominent among which was the passage of the Petroleum Industry Bill (PIB) that lasted over two decades to be enacted into law.

Among the negative indices of the industry were decline in drilling activities, crude oil production and reserves, rising cost of production and declining revenue earnings by 15% in Joint Venture (JV) against 9% in Production Sharing Contract respectively in 2013. Nigeria's JV production cost had also experienced a hike from $10/bbl in the 1990s to $27/bbl in 2014. Perhaps, more intriguing was an unprecedented decline in JV production calculated as 62% within a 10-year period.

There were also growing concerns about other challenges which included crowding out impact of petroleum sector from other sectors of the economy, resulting in manifest decline in power supply and job creation, as well as a combination of other factors such as project funding constraints, maturing fields without new developments, aging facilities, growing security and oil theft challenges in the Niger Delta region

Figure 2: State of Nigeria's Petroleum Industry



Source: Chika Onuegbu (2012). The 2012 Petroleum Industry Bill(PIB):An Overview, PENGASSAN.

Indeed, the stifled investment in exploration activities due to uncertainties around oil sector reform and the growing inability by Nigeria to deliver its allocated crude oil quota for international market by the Organisation of Petroleum Exporting Countries (OPEC) compounded the situation. In the face of growing signs of maturity, near stagnancy of reserves in the Niger Delta (see Table 1) and the reality of energy transition, concerns are rife about the fate of Nigeria's economic survival without oil, thus flagging the need for a quick solution.

Table 1: Oil & Gas Reserves 2010-2018

Year	Oil Reserves (MMbbls)	Condensate Reserves (MMbbls)	Total (Oil+Condensate) (MMbbls)	Natural Gas Reserves		
				Associated Gas	*Non-Associated Gas*	*Total Gas*
2010	31.219.00	5.313.97	**36.523.97**	92.945	89.872	**182.817**
2011	31.169.60	5.077.81	**36.247.41**	92.904	90.530	**183.434**
2012	32.233.24	5.905.86	**37.139.10**	89.725	92.529	**182.258**
2013	31.813.51	5.257.32	**37.070.06**	89.652	92.298	**181.950**
2014	31.870.00	5.578.24	**37.448.24**	90.094	97.904	**187.998**
2015	31.642.91	5.418.15	**37.062.06**	97.208	94.857	**192.065**
2016	31.271.77	5.467.41	**36.739.18**	97.253	101.485	**198.738**
2017	31.419.72	5.552.20	**36.971.91**	96.360	102.730	**199.090**
2018	31.667.75	5.334.35	**37.002.10**	101.980	98.810	**200.790**
2019	Inaccessible	Inaccessible	**37**	Inaccessible	Inaccessible	**Nil**
2020	Inaccessible	Inaccessible	**36.8**	Inaccessible	Inaccessible	**Nil**

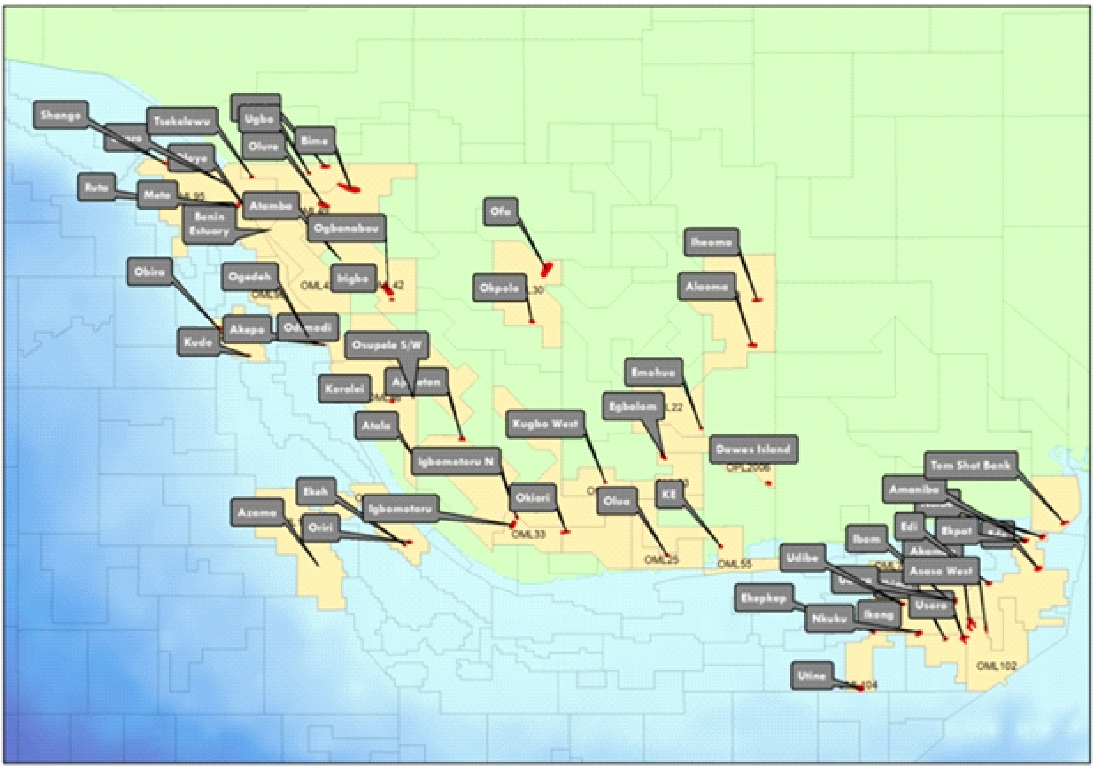
Source: Compiled from DPR's Oil and Gas Annual Reports. All reserves are as at 31 December of the reported year. Available at: https://www.nuprc.gov.ng/oil-gas-industry-annual-reports-ogiar/

This situation prompted the drive to increase oil and gas reserves to 40 billion barrels and its gas reserves to 210 trillion cubic feet (tcf) by 2025, and a further expansion of proven gas reserves to 220 tcf by 2030 and daily crude production to three million per day. Marginal fields licensing was thus a strategy designed to accelerate the requisite investment to deliver on this ambition. It was intended "to revive production of oil in fields that have been abandoned for at least 10 years from the date of first discovery" and to enhance the country's capacity to meet its production quota allocated by the Organisation of Petroleum Exporting Countries (OPEC).

Accordingly, 57 fields spread across onshore, swamp (shallow water) and offshore (deep sea) were farmed out for award through competitive bid process.

The fields were those identified as free from encumbrance by way of litigation arising from past licensing exercise. Cumulatively, the 57 marginal fields are estimated to hold one billion barrels of oil and near five trillion cubic feet (tcf) of gas. Figure 3 shows the locations of the designated marginal fields in a map.

Figure 3: Locations of Nigeria's the 2020/2021 Marginal Fields Licensing Round



Source: Ed Reed (2021). Nigeria expects marginal field production in 2022, Energy Voice, 28 May. Available at: https://www.energyvoice.com/oilandgas/afr ica/ep-africa/326293/nigerias-marginal-fields-2022/

[17]Abimbola Agboluaje (2020). PIB and Marginal Fields Allocation to Boost Nigerian Oil Reserves to 40 Billion Barrels. *Arbitarz*, 14 October. Available at: https://arbiterz.com/pib-and-marginal-fields-allocation-to-boost-nigerian-oil-reserves-to-40-billion-barrels/

[18]Oladehinde Oladipo (Nigeria's Revenue Prospects Brighten as NUPRC Mulls New Investment Options. *BusinessDay*, 11 August. Available at: https://businessday.ng/energy/article/nigerias-revenue-prospects-brighten-as-nuprc-mulls-new-investment-options/

Coming after repeated failed promises, the central goal of the licensing round was to deepen local participation in upstream petroleum sector with a view to growing the country's reserves and raising more money for economic growth through increased production capacity, investors' capital inflow, and local capacity development in the industry. More specifically, the objectives were to:

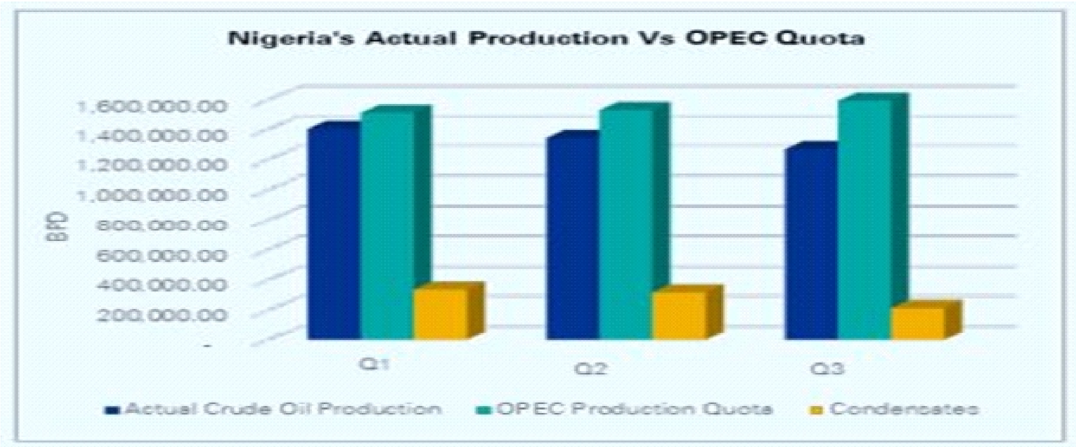
- Grow production capacity by expanding the scope of participation in Nigeria's petroleum sector, through diversification of resources and inflow of investment;
- Increase oil and gas reserves base through aggressive exploration and development effort;
- Reduce cost of production;
- Provide opportunity for portfolio rationalization;
- Promote indigenous participation in the sector thereby fostering technology transfer;
- Provide opportunity to gainfully engage the pool of high level technically competent Nigerians in the our and gas sector; and
- Promote common usage of assets/facilities to ensure optimum utilization of available capacities.

The leadership of the defunct DPR, Sarki Auwalu, was particularly emphatic about this when, in relation to contemporary challenges affecting Nigeria's capacity to meet its OPEC quota (see Figure 4), he said:

We want to grow the reserves because the growth of the reserves gives us global competitiveness. OPEC will only give you volumes based on your recoverable reserves. Investment is coming. Once we form the SPVs [special purpose vehicles] for field development, you can see capital inflow into Nigeria, and definitely, we see a very bright future.

Then, we expect to add more volumes because it is a game of numbers

Figure 4: Nigeria's Annual Production Vs OPEC Quota



Source: Adewale Ajayi & Itoro Adediran (2021). Nigerian Oil And Gas Industry Update - December 2021. Abuja: KPMG

The same expectation to increase reserves and raise money is underscored in Auwalu's statement that: *We expect first oil from most of the marginal fields, for which we just concluded the bid round, around January 2022…. All the problems that had slowed production will go, and we need that money for the country*.

Underneath the expectations from the bid round, were fears about governance issues of resort to discretionary in place of transparency and accountability. The fears were justified, given the experiences that had trailed previous exercises (marginal and full block), many of which ended in litigations and non-performance.

Against the backdrop of the baggage constituted by Oil Prospecting License (OPL) 245 awarded to Malabo Oil and Gas limited which placed Nigeria in the global watch of corruption in oil block licensing, stakeholders advocated for transparency and accountability as well as other strategies that would block loopholes and guarantee a level playing field for all would-be applicants and maintain strict compliance to the rule of the game.

ĞŇĪ ŇŇŇ ĂČĆČĈÅ Nigeria expects marginal field production in 2022, Energy Voice, 28 May. Available at: https://www.energyvoice.com/oilandgas/africa/en-africa/326293/nigeriasmarginal-fields-2022/

Processes and Procedures for the Bid Round

As applicable in global best practice and in all the open and competitive bid exercises (blocks or marginal fields) before it, the 2020/2021 marginal field licensing round went through a process defined by guidelines that highlighted legal provisions and regulatory framework. Information, Communications and Technology (ICT) infrastructure played a huge role in the round as it was held electronically, and the COVID-19 protocol particularly facilitated compliance to the process. All submissions were made via electronic portal, and a virtual data room was created that enabled all the applicants that paid for and participated in the process to access, pry and download data.

However, one key characteristic of the exercise was that while the defunct DPR initiated the process in line with the then legal provisions and regulatory framework, the successor NUPRC midwifed it up to closure with slight modifications to align with the Petroleum Industry Act, 2021 which became the new operating legal regime. Put differently, the guidelines that initiated the marginal fields awards were prepared with Oil Prospecting License (OPL) in mind, while the passage of the Petroleum Industry Act, 2021 saw the processes tweaked to align with the new legal provisions to reflect Petroleum Prospecting License (PPL). Notwithstanding this, there were no significant changes to the principles and spirit intended for the exercise, knowing that the alignment covers for the already known fact that there shall be no other marginal field bid rounds.

As technical arm of the Ministry of Petroleum Resources with the broad mandate of policy implementation, regulatory compliance, statutory revenue collection, data repository and licensing operations in line with petroleum laws, statutes and other subsidiary legislations, the DPR (now NUPRC initiated the 2020/2021 licensing round via announcement and release of *The Guidelines for Award and Operations of Marginal fields in Nigeria in 2020*.

The process, as defined in the guidelines, involved the launch of the marginal fields bid portal with contents highlighting specific requirements, registration/request for expression of interest (EoI), Pre-qualification of interested companies, Announcement of pre-qualified companies, Data prying/Leasing/Purchase reports, Submission of Technical and commercial bids by prequalified companies, Evaluation of submitted technical and commercial bids, and Announcements of bids.

The bid round portal highlighted specific requirements, which unlike the previous exercise attached monetary value for registration. Other items which attracted fees were Application and bid processing, Data prying, Data Leasing, Competent Person Report (CPR) and Feed Specific Report (FSR). All of these payments, except Data prying fee, were compulsory. Table 2 shows the designated fees payable in the 2020/2021 marginal field bid licensing round. Signature bonus was added to the list of payment, except that it was paid only by successful bidders before the marginal field award.

Table 2: Fee Payable for 2020 Marginal Fields Bid Round

S/N	Description	Amount (Per field)
1.	Registration fee	N500,000
2,	Application fee	N2,000,000
3.	Bid licensing fee	N3,000,000
4.	Data prying fee	$15,000
5.	Data leasing fee	$25,000
6.	Competent Person Report	$50,000
7.	Field Specific Report	$25,000

Source: DPR (2020). *Guidelines for the Award and Operations of Marginal Fields in Nigeria*. Abuja: Department of Petroleum Resources. P.22.

Registration, Application and Bid Licensing fees were, as indicated in the guidelines for the bid round paid into the Treasury Single Account (TSA), while Data prying, Data leasing, Competent Person Report and Field Specific Report fees were paid into the National Data Repository account, and Signature Bonus paid into the Federation Account.

Across the entire process, the selection bid round covered a spectrum of issues that can be classified into legality status of the applicant company such as registration with the Corporate Affairs Commission (CAC) and the composition of the board to attest to true indigeneity of members/investors; financial capacity in form of bank account balances, and technical competency of staff and evidence of operational spread and past works.

The screening process of 2020/2021 marginal field licensing round was divided into two broad phases, namely: pre-qualification and bid submission/evaluation. Unlike in the past when only one committee oversaw the two phases, DPR (now NUPRC) instituted two different committees that handled the assignment. The pre-qualification exercise which started after the submission of Expression of Interest (EoI) was handled by a committee largely populated by lawyers. As spelt out in the guidelines for the 2020/2021 marginal bid round, the teams were guided by the rules of general application which also included that all applications made must be pre-qualified. Beyond interrogating the indigeneity status of the company to ensure it is wholly Nigerian, the process investigated the background and federal character of applicant companies to establish the extent of their ownership which as required in law and the guidelines regulating marginal fields should either be wholly (100%) or substantially (51%). The process also required a check to ascertain the field(s) on which interest are expressed by applicant companies as well as ensure that the latter and their promoters/investors are neither currently owing the federal government nor holding assets that are operated in a non-business-like manner. This process saw many companies fell off at pre-qualification stage which started with registration/EoI.

Companies who scaled this stage were invited to submit technical and commercial proposals via the designated online portal, after which a second team – i.e. Bid Evaluation Committee – drilled further down on the submissions The composition of the Bid Evaluation Committee was skewed in favour of people in technical and finance field to reflect the shift of attention to technical and commercial competencies of the applicant companies. The key areas of focus by the committee were evidences supplied on technical and managerial capability, premium, Nigerian (local) content, host community participation.

Technical and managerial capability checks saw companies who submitted proposals demonstrate how they met the goal of understanding and development of marginal fields in the most expeditious manner – in line with the government's urgent need to grow reserves and raise money effective 2022. The proof of such capability included showing the number of years of experience of oil and gas projects supervised, managed and executed by the candidate company and/or its Director(s) and the experience in business management, finance and administration, including presenting evidence proposals on how to develop the marginal fields sought within a short time of award.

The team also assessed each proposal based on evidence of applicant companies' ability and willingness to pay approved Signature bonus, if applications are considered successful and the fields are offered for award.

The team also assessed the comprehensiveness of the local content development strategy of the applicant companies with particular respect to indigenous manpower development as well as material supplies and service rendering. Furthermore, within the context of the Host Community Development Fund provisions in the 2021 PIA which became effective during the licensing round, deeper interrogations were made about commitment to social impact and community participation and development projects.

Overall, based on previous criteria used to award past marginal fields licenses and new realities, the following key information and rules were requested and ensured:

- Certified copies of three years' annual returns submitted to Corporate Affairs Commission (CAC) preceding the date of the application – as evidence of performance and compliance to established rules;
- Details of petroleum assets previously held and extent of development to convince evaluation team that applicant companies do not have a history of underdevelopment petroleum assets and subleasing of licenses to warrant the granting of a new license;
- Insulation from any previous corruption charges or criminal/l convictions or indictments of dishonesty and/or failure to disclose relevant information to a governmental authority – be it in Nigeria or elsewhere around the world for which it has not been cleared;
- Particulars of key personnel who will oversee the company's operations when the bid becomes successful and the award granted to ascertain personnel with possible criminal records that may warrant a company's disqualification from applying from the process;
- Workplan detailing partners and foreseeable subcontractors (if already known) to enable background check on them for previous infractions and possible disqualification from applying for petroleum exploration and production; and
- Interestingly, information about beneficial owners of applicant companies in line with provisions in the CAMA 2020 to ascertain that there are no politically expose persons (PEPs) and conflict of interest (COI).

Attempts were made to keep to the timelines for the bid round, but strict compliance was difficult, resulting in additional week added to the approved six months for EoI and the award process lasting beyond nine months thereafter. Applications were received from 665 companies. A number of companies were dropped during different processes of pre qualification and bid evaluation, leading to 535 companies pre-qualified and 460 fully paid application and bid processing fees of these 400 companies finally submitted 477 applications.

Table 3: Breakdown of Numbers Across Stages of the 2020/2021 Bid Licensing Round

Total Registered Companies	Total Prequalified Companies	Total Companies (Application and Processing Fees Paid)	Bid Submissions - Total Companies	Bid Submissions - Total Number of Submissions
665	535	460	400	477

Source: NUPRC, Marginal Field Bid Round. Avail
https://www.nuprc.gov.ng/marginal-field-bid-round/

The close of the bid evaluation, 161 companies were shortlisted as the best candidate for the competitive bid process. The number was arrived at through a ratio 1:5 selection of applications for each field. The then Director/CEO of DPR explained the process as:

… we looked at fields with respect to the number of applicants on the field and we selected the best. And we put together the 57, you have five applicants, you take the best one; 10 applicants, we take two; 15, we take three; 20, we take four, and we got all these together and that was how we came up with the number we shortlisted and we know not all of these numbers may be able to complete the process and that number will shrink again. So, the process started with 600 plus, we got to 500 plus, we got down to 300 plus, now we got to 161. We don't know the number we will get down to. So, the process is on and we are optimistic that because of the process we put in place, a lot of people that feel they must have, if they are not successful to be shortlisted, they must really say whatever that is in their mind.

Monetarily, the marginal field bid licensing round fetched the federal government N200 billion and US$7 million. This revelation by the Minister of Petroleum Resources complements earlier clue offered by the defunct DPR's Director/Chief Executive Officer, Sarki Auwalu, who had said N500 million was charged as application and processing fee per field. With 477 applications and other payments for data lease (averaged between $65,000 and $115,000) and optional payment for data prying ($50,000 per bid, the sum realized is understandable.

The Bid Evaluation edged towards conclusion with 128 companies emerged as successful bidders and were requested to pay Signature bonuses within 45 working days from the date of the bid.

The Signature bonus value is charged in relations to available information about the Net Present Value (NPV) of a field in terms of reserves and discounted cash flow. The NUPRC which succeeded the DPR upon the passage of the PIA 2021 and finalized the process "announced that full payments were received from 119 awardees, with nine others making part payments, while 33 others did not meet the deadline for the payment." In accordance with the provisions of the guidelines for the bid exercise, the 33 companies who could not meet the deadline for the payment would have forfeited their rights of award of the fields reserved for them to the next (second qualified) preferred bidder(s). Table 4 details the 48 fields that were declared awarded as at 28 June 2022 , although more fields may have been added to the basket as the NUPRC, the successor to the DPR, worked tirelessly to resolve issues that emerged from the exercise.

Table 4: Marginal Fields Won during the 2020/2021 Bid Licensing Round

S/N	Marginal Field	S/N	Marginal Field	S/N	Marginal Field
1.	Abiala	17.	Ekepkep	33.	Ndibe
2.	Ajaketon	18.	Ekpat	34.	Nkuku
3.	Akamba-Mfoniso	19.	Emohua	35.	Obira
4.	Alaoma	20.	Ibom	36.	Ogbanabou
5.	Amaniba	21.	Gwato	37.	Okpolo
6.	Apani	22.	Igbomotoru North	38.	Olove
7.	Asasa West	23.	Igbomotoru PPL	39	Olua
8.	Atala	24.	Iheoma	40	Olure
9.	Atamba	25.	Ikong	41.	Omofeio
10.	Benin Estuary	26.	Kaka	42.	Osuopele SW
11.	Bime	27.	Korolei	43.	Ruta
12.	Bita	28.	Kudo	44.	Udibe
13.	Dawes	29.	Kugbo West	45.	Ugbo
14	Ede	30.	Kuri	46.	Usoro
15.	Edi	31.	Mesan	47.	Utine
16	Egbolom	32.	Meta	48	Ibom

Among the beneficiary companies from the exercise are A.A. Rano Nigeria Ltd, Aida Energy Ltd, Ardova Plc, Deep Offshore Integrated Service Ltd, Duchess Energy and Emadeb Energy Services Ltd. DuPaul Mainstream Company Ltd, Duport Midstream Company Ltd, Island Energy Ltd, Kasiva Ltd, Matrix Energy Ltd, Shafa Exploration and Production Company Ltd, Sigmund Oil Field Ltd, Sun Trust Oil Company Ltd, Vhelbherg Exploration and Production Development Company Ltd.

Others are PetroGas Energy, Genesis Hydrocarbons, Samora Oil & Gas Ltd, Ardova PLC, Terra Energy Services Ltd, Mainland Energy Ltd, Energia Ltd, Bono Energy, Calm Marine, Virgin Forest Energy, Tempo Energy Nigeria Ltd, Deep Offshore Services Nigeria Ltd, North Oil Company, Shepherdhill Petroleum Company Ltd, Hilltop Global, Twin Summit, Oodua Oil, MRS, Pierport, Metropole, Pioneer Global, Akata, NIPCO, Aida, YY Connect, Accord Oil, Pathway Oil.

The DPR and its successor NUPRC were stringent on the timeline for payment of the charged Signature bonuses in line with the earlier revelation that one of the reasons for the bid round was the need to raise money. “This stringent timeline makes access to finance an important consideration for prospective bidders and presents opportunities for cash rich foreign mid-caps looking to increase their acreage portfolios”

Combined with the huge capital required for investment in the round, the situation elicited consideration for collaboration and joint investments, including banks and financial institutions at the core of the entire exercise. In doing that, parties reverted to the provisions in the guidelines which requires that:

In reaching an agreement on the terms and conditions of the farm-out arrangement, the parties must, as a matter of necessity, agree on equitable consideration and structure of same. To Facilitate such a negotiation, it is important for each party to determine on its own, the worth of the farm-out interest on offer (considering the status of the field i.e. whether it is in the appraisal or development of the phase of its life cycle as such considerations affect the value and associated risks).

The farm-out agreements also cover commercial considerations over-riding royalty due to the farmor and monetary/in-kind payment of tariff for transportation by the farmee to the farmor. Other elements considered in the farm-out agreements were indemnity relating to environmental and community and abandonment issues, field data of farm-out areas due for transfer/handover, appraisal and deep drilling relating to new technologies and pools discoveries, share of cost of decommissioning and abandonment, and straddle fields/reservoirs.

Other grounds stressed were basic understanding that field operations were sole risk and that operational rights anchor on full payment of all bonuses and fees and approval by the President of the Federal Republic of Nigeria with demonstrable community development plan of activities.

While a number of companies took advantage of this window and entered into farm-out agreements and formation of Special Purpose Vehicles (SPVs) to drive the fields won, it did not work out for others, leading to a "no deal" and crash out for others. The details of these will be discussed in the next section on analyses and challenges.

[20]NUPRC (2022). Marginal Field Bid Round. Available at: https://www.nuprc.gov.ng/marginal-field-bid-round/
[21]Olusola Bello (2022). FG Realizes N200Bn, $7m From Oil Bid Round, as Awardees Get Licenses. *Arbiterz*, 29 July. Available at: https://arbiterz.com/fg-realizes-n200bn-7m-from-oil-bid-round-as-awardees-get-licenses/
[22]Oil Field Africa (2021). Nigeria 2020 Marginal Fields Bid Round to End First First Quarter of 2021. *Oil Field Africa*, 9 February. Available at: https://oilfieldafricareview.com/nigeria-2020-marginal-fields-bid-round-to-end-first-quarter-of-2021/

PART 4:

ANALYSIS

Analysis of Milestones and Challenges

As already stressed, the key interests in the 2020/2021 marginal field bid round were to promote indigenous participation, boost oil and gas reserves and production, raise money, and boost employment generation and local capacity development in the sector. Considering that the bid round eventually held despite several postponements since the last exercise (2003/2004), there was every reason to acknowledge the huge milestones recorded by both the government and the companies that emerged winners of the blocks that were up for grab. In acknowledging the success of the exercise, a source said its handling was "a step toward the projected future licensing round in Nigeria's extractive sector thanks to NUPRC."

The exercise did fetch the federal government N200 billion and US$7 million, prompting the Minister of State for Petroleum Resources, Timipre Sylva, to say that the bid exercise was "a giant milestone" for the Buhari administration, adding that about 70% of the entire bid winners had fully paid up. Deriving from government's desire for money, the managers of the process ensured that the exercise was not characterised by scandals of the past. A source from NUPRC informed the researchers that the process was strict to the point that mere suspicion of criminal records, Politically Exposed Persons (PEPs) and/or traits of criminal records against any member of board of a company were enough reason to fail the pre-qualification stage.

An investment banker, complemented by a former compliance banker, informed the researchers that many of the assets relinquished by the multinationals into the marginal bid pool of assets were either already producing or near-oil production, having been well appraised and tested." They only required financing to bring such assets to first oil and production.

---

[23] Bassey Udo (2022). 2020 Oil Bid Round: Finally, Nigerian Government Set to Issue Licenses to Winners. *Mediatracnet*, 25 June. Available at: https://mediatracnet.com/2020-oil-bid-round-finally-nigerian-govt-set-to-issue-licenses-to-winners/

[24] Ola Alokolaro (2021). Financing Options for Marginal Fields, Nigeria. Energy Council, 11 January. Available at: https://energycouncil.com/articles/financing-options-for-marginal-fields-nigeria/

[25] DPR (2020). Guidelines for the Award and Operations of Marginal Fields in Nigeria. Abuja: Department of Petroleum Resources. Pp.15-17.

[26] Kingsley Jeremiah (2022). Lessons from Nigeria's 2020 marginal bid round. *The Guardian*, 17 June. Available at: https://guardian.ng/energy/lessons-from-nigerias-2020-marginal-bid-round/

[27] Interview (Lagos, Lagos State), 24 November 2022.

This assurance, while confirming earlier statement by the former Director of DPR, Sarki Auwalu, informed the demonstrated enthusiasm by companies to invest in them. With the licenses issued to the companies that emerged winners, other objectives such as the intention to increase reserves and production, generate jobs, raise indigenous participation and local content capacity development in the sector will take turn to trickle in.

A glance at the list reveals a great inroad made by many companies already operating in the downstream petroleum sector. Among these companies are A.A. Rano, Ardova Plc, Genesis, Matrix Energy, MRS, NIPCO and Shafa. The researchers were informed that most of the companies joined SPVs of partners with experience in upstream petroleum development.

A source within the NUPRC also acknowledged the success of the bid round exercise, pointing to strict compliance to the rules and conditions under which the exercise held. In particular, the source referenced the very minimal physical contacts between the regulator (DPR/NUPRC) and companies that participated in the exercise. In other words, as much as COVID-19 proved a challenge to the process, it was also an enhancer in view of the manner it limited physical contact between representatives of companies and DPR (later NUPRC) officials.

An informant at the level of the Energy Correspondents of Nigeria (ECN) commended the bid round, citing it as “a brilliant idea by the government to raise funds.” Two other media sources also rated the bid round above the previous exercise arguing that it was implemented under newer and better rules based on transparency of the process and alignment with provisions of the law. One of them added that “key stakeholders were involved in the final round that was shown live on NTA.” This claim, perhaps, referred to the 28 June 2022 function organized by NUPRC at Transcorp Hilton Hotel in Abuja where 48 marginal fields were announced as winners. Otherwise, informants across diverse stakeholders complained that the entire process was shrouded in secrecy.

[28] Interview (Lagos, Lagos State), 31 October 2022.
[29] NTA is the Nigerian Television Authority, a Nigeria's government television station. Interview (Abuja), 31 October 2022.
[30] Interview (Uyo, Akwa Ibom), 29 October 2022.
[31] See Section 5.4.5, of *Guidelines for the Award and Operations of Marginal Fields in Nigeria.* Abuja: Department of Petroleum Resources. P,11
[32] Interview (Uyo, Akwa Ibom State), 29 October 2022.
[33] Ibid.
[34] Interview (Lagos, Lagos State), 24 November 2022.
[35] A media source hinted the researchers about this in their interview of 31 October 2022.
[36] Interview with an investor in the marginal field bid round (01 November 2022).

Despite the widely acclaimed success of the process, a few sources had issues/challenges with the process. They said, even though transparent, the bid exercise witnessed many investors leveraged undue access to insider information to reach decisions. More specifically, a particular source alleged that such insider information facilitated the offer of a marginal top-up to flip the result in favour of certain applicant companies. Some other companies also relied on such insider information about Competent Person Reporting (CPR) and Net Person Value (NPV) report to walk away from the fields they had earlier expressed interest and were already set to win.

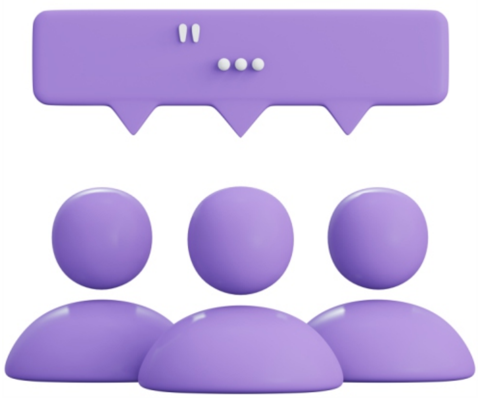
Issues were also raised with delayed release of result at every stage of the bid round processes up to when the final list of winners was disclosed. A source at NUPRC explained that the dynamics and pace of changes in the bid exercise did not warrant the kind of updates anticipated by stakeholders, adding that such disclosure was dangerous to be susceptibility of progression/withdrawal from the process.. This position did not sit well with civil society who expressed far more concerns and worries that to work in close doors and keep silence on such an important exercise was a recipe for speculation and suspicion of corruption. In more specific sense, a representative of the CSO has this to say about the exercise:

As CSOs, we were concerned about the transparency of the process. It was important that the public was aware of who was bidding, how much was being received as fees, and so on. Despite being a huge revenue source for government, the bid round has been shrouded in secrecy from the very start. We only heard that some companies had been shortlisted but the names were not published. This secrecy … continued until the close of the bid round, where companies were awarded licenses some months ago but the public had no way of knowing who has been awarded what assets. Knowledge of who is operating in their backyards is very important for host communities, as it is the very basis of their ability to claim rights and redress for the almost inevitable social and environmental consequences of such operations.

The information also has implications for tracking revenues flowing into government coffers from the bid round process. That was why in one of our press releases earlier this year, we asked the NUPRC to reveal the identity of successful awardees, and details of the corresponding fields, fees and signature bonuses collected so far.

Civil society's interest in the 2020/2021 marginal fields bid round was much more than money. It was also about the transparency of the process and its alignment with the PIA 2022, especially commitment to host community development and other requirements on a couple of reform issues such as Beneficial Ownership and Contract Transparency. For instance, the guidelines for the bid round only stated that "consideration shall be given for host community/state participation, as well as commitment to social project and/or proposal aimed at the socio-economic development of the populace" without regard to community development as a binding prerequisite for awards. The civil society construed such a minimal reference as capable of posing a serious risk that would result in push back of social and community considerations "to the backseat by the successful bidders in the face of competing financial obligations."

Thus, voices in the constituency said:



… we needed to see how the bid round would align with ongoing reforms in the oil and gas sector, including the PIA 2021 and the requirements on contract transparency and beneficial ownership reforms. We have been informed by the government that the licensees will be subject to the PIA 2021. The licenses awarded are contracts and, under the PIA 2021, should be published by the NUPRC. This is yet to happen and we are expecting that. Knowing the successful awardees can also be a first step towards unravelling their beneficial owners, which will enable the media, civil society, legislators, and anti-corruption agencies to verify the integrity of the process, for example by spotting conflicts of interest. [33]

The marginal fields bid licensing round threw up other challenges or constraints which hindered and delayed the early close-out and issuance of the operational licenses to winners of the exercise.

Top of these challenges was the arbitrary lumping of bidders together in different Special Personal Vehicles (SPV) as co-owners of marginal fields without regard for divergent governance background and business culture. More specifically, the defunct DPR was accused of not doing “a great job” in this light; the leadership was alleged to have made the whole process very opaque. Many investors also complained about the lack of consideration for capacity, competence and previous experience, thus making it difficult for those who claimed they have cut their edge in the business “to accept percentage shares in oil fields with strangers and groups that have little or no experience in the oil industry.” A source in a sister regulatory agency informed the researchers that there were indiscriminate and arbitrary award of share percentages to parties in the SUVs created.

Realising that they had no idea about the persons in the SPVs they were pulled into, many potential “investors ignored their allocations as it did not make sense to invest such huge funds with people that they knew little or nothing about.” Thus, contrary to inability to pay high fees, one of the reasons for withdrawal from the bid license process by many investors was communications breakdown over incompatibility on several issues, including competence/capacity, divergent work culture and proposed profit sharing. Indeed, it is alleged that much of the delays experienced in the closing out on the process emanated from this problem as the leadership of the successor NUPRC needed extra time to clean up the mess created by the leadership of the precursor DPR.

The former addressed the mess by setting up committee, using the ADR Centre (ADRC), formation of SPVs, equity participation and part payments. In fact, the researchers had it on good authority that the magnitude of the mess created which the leadership of the successor NUPRC had to correct, including allegations of corruption, was such huge that Mr. Presidency had to drop the former from the list of names forwarded to NASS for consideration and confirmation for the NMDPRA Board. Consequently, the exit of Sarki Auwalu also saw a reversal of the dismissal of some Assistant Directors who were allegedly relieved of their duties for reasons of being “obstacles” on his way.

Beside issues of transparency, fees charged for participation in the marginal bid exercise were considered too high in some quarters, thus warranting a drop in the number of shortlisted applications and the forced merger of strange bedfellows into joint ownership of same fields. Indications are that this was not much of a problem where governance, funding and profit-sharing formula was agreed by parties who decided to pool together SPVs to pursue their ambition.

However, it was entirely different in other way round. An inquiry about the nature of financing pressure (if any) this put on the

banking/financial sector elicited a response that suggested that it:

… puts little or no financing pressure on the banking sector as most of the funding by participants were sourced outside of the banking sector from commodity traders, other businesses seeking to invest in oil and gas and venture capitalists, hence no much pressure on the financial system to fund the assets for acquisition.

The bid licensing round had gaps with respect to cross-institutional reference and collaboration with critical agencies such as the Nigeria Extractive Industries Transparency Initiative (NEITI), National Environmental Standards and Regulations Enforcement Agency (NESREA) and National Oil Spill Detection and Response Agency (NOSDRA). NEITI is the country brand of the global Extractive Industries Transparency Initiative (NEITI) established by an Act of the National Assembly in 2007 to promote transparency and accountability in the management of Nigeria's oil, gas and mining revenues. The Act establishing it makes defines among its mandate:

Evaluate without prejudice to any relevant contractual obligations and sovereign obligations the practices of all extractive industry companies and government respectively regarding acquisition of acreages, budgeting, contracting, materials procurement and production cost profile in order to ensure due process, transparency and accountability.

Similarly, NESREA is the agency responsible for environmental regulation, protection and safety in Nigeria. Among its core functions is to: *enforce compliance with guidelines, and legislation on sustainable management of the ecosystem, biodiversity conservation and the development of Nigeria's natural resources.*

Established under the Ministry of Environment by an Act of the National Assembly, NODRA coordinates "coordinate and implement the National Oil Spill Contingency Plan for Nigeria" It thus "monitor, respond and ensure compliance to the country's signatory to the 1990 International Convention on Oil Pollution Preparedness, Response and Cooperation."

[37]Interview with investment baker, 24 November 2022.
[38]Section 3(b), NEITI Act 2007.
[39]Section 2, NESREA (Establishment) Act, 2007.
[40]Section 5, NOSDRA Act, 2006.

Across board, the researchers could not at any time in the course of data collection established that DPR/NUPRC interfaced with any of these key agencies during the 2020 marginal bid licensing process – obviously inelegant for inter-agency collaboration. While an excuse that the process was initiated under an old legal regime (i.e. 1969 Petroleum Act) may be tenable, later efforts by the successor NUPRC to DPR to re-align operation in compliance with bid round provisions in the PIA 2021 (after its enactment) could have been extended to NEITI based on the content of Section 74(7) that:

The bids received based on the bid parameters in subsection (2) through an open, transparent, competitive bidding process, shall include an electronic bidding process, open to public and conducted in the presence of representatives of the Nigeria Extractive Industries Transparency Initiative, the Federal Ministry of Finance and the Federal Ministry of Petroleum Resources."

That it did not happen makes it an aberration, and with the cases of NESREA and NOSDRA, cross-institutional gap in the marginal field bid licensing exercise.

Allegations were also raised about official and unofficial payments by bidders, but such allegations were only been at the level of 'hush-talk', and none is officially on record. What is however sure is that some of the awardees, like others before *them*, may lack the financial capacity to operate the oil fields. Although opportunity for local bank financing existed, other options such as equity contributions from mutual integration and net-worth individuals with sheer enterprise would have overrode the resort to them.

Thus, notwithstanding the challenges that accompanied the 2020/2021 marginal fields bid licensing round, the process was largely accepted as a huge departure from past failures. To the extent that the awardees were able to get their governance, funding and technical capacity/competency right, there are opportunities for a good return on investment. Any default in this, especially on the governance bit that strung strange bedfellows together in some awarded fields, could be a recipe for disputes and conflicts, and may also stifle the development of such assets.

1969 Petroleum Act
may be tenable,
later efforts by the
successor **NUPRC**
to **DPR**

PART 5:

CONCLUSION

Conclusion: Lessons Learned and Recommendations

Nigeria's 2020/2021 marginal field bid licensing round came nearly two decades after the 2003/2004 exercise which delivered 24 licenses. It took such a long time to come due to series of plans and cancellations. In fact, the number of fields unveiled for the bid round – 57 in all – were adjudged “too” plenty due to the length of time between the two exercises which included the 31 fields declared, but later postponed bid round in 2013.

The 2020/2021 exercise took longer than was original planned/expected, due to challenges of COVID-19 and the transition from DPR into NUPRC as provided for in the PIA 2021. Thus while it started under the DPR, the process was concluded under the NUPRC regime. Indeed, the transition to NUPRC and the ire drew by the arbitrary merger of what became described as strange bedfellows left enough problems that culminated into a major pre-occupation for the new leadership of NUPRC to fix and/or manage. Time, by way of delayed closure of the process, was the only biggest casualty in dealing with the challenges of the exercise.

The exercise produced the desired outputs with useful lessons learned. The first of such lessons is the proof that the Nigeria can actually conduct a bid round that is free of the usual corruption scandals that have often suggested that licensing is the weakest link in Nigeria's oil governance. Whatever allegations, if any, may have been made about the unofficial payments in the 2020/2021 bid round, would only have been at the level of 'hush-talk', lacking any official verification or confirmation.

The second point is that the new NUPRC has what it takes to transform the petroleum sector without having to rely on undue and overbearing powers of the Minister Petroleum Resource (Mr. President, in this situation) and Minister of State for Petroleum Resources. Overtime, concerns have been expressed about the need to reduce the overbearing powers of the Minister of Petroleum Resources in oil and gas license issuance. Such political interference in a strictly business matter has induced conflict of interest (CoI) as had happened in the OPL 254 award now famously known as Malabo Oil Scam.

The **2020/2021** exercise took longer than was original planned/expected, due to challenges of **COVID-19**

[41] Interview (Uyo, Akwa Ibom) with a CSO representation on 29 October 2022.

Having cleared the baggage of opacity and lack of accountability associated with its predecessor (DPR) by leveraging pass experiences of oil license award papers' trading for flip and instituting a committee that used the Alternative Dispute Resolution Centre (ADRC), It is hoped that NUPRC will get better as it evolves into its profit driven responsibilities. A proposed 2022/2023) bid round for major oil blocks will be a litmus test in this regard.

Thirdly, there are also lessons learned in terms of capacity of NUPRC to mediate disputes and conflicts of governance, funding and profit-sharing formula that conflagrated the SPVs of co-owned fields. Even though some investors still walk away over disagreements on these key issues, a delivery of 48 fields out of 51 as at 28 July 2022 ahead of the presentation of certificates to award winners was not a mean achievement – bearing in mind that more other fields would have been added afterwards.

Perhaps more fundamental about the lessons learned in the bid exercise is the fact that not every delay in certain situations is necessarily bad. Despite the observed protraction of the process, the end turned out "a blessing in disguise since it … gave ample opportunity for aligning the round with the PIA 2021." With PIA 2021 being the operational legal regime in the middle of the bid round exercise, the NUPRC – the successor to DPR – was duty bound to demonstrate progressive obligation to the key institutional practices such as contract and beneficial ownership transparency, host community development and environmental management than were provided for in the marginal field guidelines that kick-started the exercise.

Moving forward, it will be apt to make a number of recommendations. First is the need for full information disclosure at all stages of the bid licensing round (BLR) from the very beginning of expression of interest up to the issuance of certificate of award. The absence of this during the 2020/2021 BLR informed real or imagined allegations about the happening of untoward practices across stakeholders, particularly civil society who felt undermined and not carried along the process

Cross-institutional checks for inter-agency collaboration with NEITI, NESRA and NOSDRA for key legal and operational provisions from oil spills, environmental protection and other governance processes such as beneficial ownership and contract transparency are recommended to be held in strict collaboration with civil society. It is not just enough to claim transparency, it is also necessary for stakeholders, including the civil society, to see the process as undeniably followed.

.

Any future bid round, especially the forthcoming 2022/2023 oil bloc exercise, should respect basic rights of investors and companies to decide who to form SPVs or not, rather than force mergers of persons/companies with diverse degree of competence, work culture and disagreeable profit sharing formula. In strict business sense, companies should exercise the right to choose and decide how they form their SPVs in the event of merger on specific oil fields.

The NUPRC and the Ministry of Petroleum Resources should continue in collaboration with other stakeholders in the oil and gas industry, including the civil society to realise the central goal and objectives of oil bid licensing round, while equally acting as a check on one another for the overriding interest of Nigeria's economic growth and development. This is necessary knowing that overall economic performance of the country is as important as what the oil bid round major blocks or marginal fielis) is meant to promote.

The NUPRC and the Ministry of Petroleum Resources should continue in collaboration with other stakeholders in the oil and gas industry

References

Adam Smith International (2014). *Licensing Guidelines & Procedure: Support to NEITI to Monitor Bid Rounds and Issuance of Petroleum Mining Licenses*.

Agboluaje, Abimbola (2020). PIB and Marginal Fields Allocation to Boost Nigerian Oil Reserves to 40 Billion Barrels. *Arbitarz*, 14 October. Available at: https://arbiterz.com/pib-and-marginal-fields-allocation-to-boost-nigerian-oil-reserves-to-40-billion-barrels/

Ajayi, Adewale & Adediran. Itoro (2021). Nigerian Oil and Gas Industry Update - December 2021. Abuja: KPMG

Alokolaro, Ola (2021). Financing Options for Marginal Fields, Nigeria. *Energy Council*, 11 January. Available at: https://energycouncil.com/articles/financing-options-for-marginal-fields-nigeria/

Bello, Olusola (2022). FG Realizes N200Bn, $7m From Oil Bid Round, as Awardees Get Licenses. *Arbiterz*, 29 July. Available at: https://arbiterz.com/fg-realizes-n200bn-7m-from-oil-bid-round-as-awardees-get-licenses/

Department of Petroleum Resource (2010-2020). Oil and Gas Annual Reports. Available at: https://www.nuprc.gov.ng/oil-gas-industry-annual-reports-ogiar/

Department of Petroleum Resource (2020). *Guidelines for the Award and Operations of Marginal Fields in Nigeria*. Lagos: Department of Petroleum Resources.

Department of Petroleum Resources (2013). Guidelines for Farm-out and Operation of Marginal Fields. Lagos: Department pf Petroleum Resources.

Elliot, Peter (2019). Global Bid for Successful Licensing Rounds. *GeoExPro*, Vol. 16 (2). Available at: https://www.geoexpro.com/articles/2019/04/global-bid-for-successful-licensing-rounds

Esiedesa, Obas (2021). Group Questions Results of 2021 Marginal Oil Fields Bid Round. Vanguard. 20 January. Available at: https://www.vanguardngr.com/2022/01/group-questions-results-of-2021-marginal-oil-fields-bid-round/#:~:text=The%20oil%20bid%20round%20was,of%20oil%20from%20the%20fields.

Extractive360 (2020). Nigeria CSOs Decry Exclusion from Marginal Fields Bid Round Process. June 26. Available at: https://extractive360.com/2020/06/25/nigerian-csos-decry-exclusion-from-marginal-fields-bid-round-process/

FGN (1996). *Petroleum (Amendment) Decree No. 23 of 1996*. Available at: https://www.chr.up.ac.za/images/researchunits/bhr/files/extractive_industries_database/nigeria/laws/Petroleum%20Amendment%20Decree.pdf

FGN (2006). National Oil Spill Detection and Response Agency Act, 2006. Available at: https://faolex.fao.org/docs/pdf/nig124170.pdf

FGN (2007). Nigeria Extractive Industries Transparency Initiative Act 2007. Available at: https://neiti.gov.ng/cms/wp-content/uploads/2021/08/NEITI-Act.pdf

FGN 2007). National Environmental Standards and Regulations Agency Act, 2007. Available at: https://faolex.fao.org/docs/pdf/nig124170.pdf

Jackman, Maryse (2022). Oil and Gas Bid Rounds: How Do They Work? Available at: https://jpt.spe.org/twa/oil-and-gas-bid-rounds-how-do-they-work

Kulasingam, Raj (2014). Marginal Fields in Nigeria: Recent Developments. *Dentons*.

Natural Resource Governance Institute (2014). Liberia's Oil Block Bid Round: Comments and Questions. New York: Natural Resource Governance Institute. Available at: https://resourcegovernance.org/analysis-tools/publications/liberias-oil-block-bid-round-comments-and-questions-nrgi-and-acet

Natural Resource Governance Institute (2020). *Ghana's First Oil Licensing Round Monitoring Report: Civil Society Licensing Round Monitoring Group 2020*. New York: Natural Resource Governance Institute Available at: https://www.resourcedata.org/dataset/rgi21-ghanas-first-licensing-round-monitoring-report/resource/092ce22e-438b-4120-9f06-1a55d121daa7

Nigeria Natural Resource Charter Benchmarking Exercise Report. Lagos: Centre for Public Policy Alternative.

Nigerian Upstream Petroleum Regulatory Commission (2022). Marginal Field Bid Round. Available at: https://www.nuprc.gov.ng/marginal-field-bid-round/

Oil Field Africa (2021). Nigeria 2020 Marginal Fields Bid Round to End First Quarter of 2021. *Oil Field Africa*, 9 February. Available at: https://oilfieldafricareview.com/nigeria-2020-marginal-fields-bid-round-to-end-first-quarter-of-2021/

Oladipo, Oladehinde (2022). Nigeria's Revenue Prospects Brighten as NUPRC Mulls New Investment Options. *BusinessDay*, 11 August. Available at: https://businessday.ng/energy/article/nigerias-revenue-prospects-brighten-as-nuprc-mulls-new-investment-options/

Onuegbu, Chika (2012). The 2012 Petroleum Industry Bill (PIB): An Overview (Power Point). PENGASSAN.

Osei, Edna & Ackah, Ishmael (2018), Four Methods to Drive a Successful First Oil Licensing Round in Ghana. Available at: https://resourcegovernance.org/blog/four-methods-drive-successful-first-oil-licensing-round-ghana

Reed, Ed (2021). Nigeria expects marginal field production in 2022, Energy Voice, 28 May. Available at: https://www.energyvoice.com/oilandgas/africa/ep-africa/326293/nigerias-marginal-fields-2022/

Udo, Bassey (2022). 2020 Oil Bid Round: Finally, Nigerian Government Set to Issue Licenses to Winners. *Mediatracnet*, 25 June. Available at: https://mediatracnet.com/2020-oil-bid-round-finally-nigerian-govt-set-to-issue-licenses-to-winners/

Interviews Conducted

Interview with media practitioners based in FCT–Abuja (31 October 2022).

Interview with two members of Energy Correspondent of Nigeria (media practitioner based in Lagos, Lagos State (31 October 2022).

Interview with media practitioner based in Lagos, Lagos State (24 November 2022).

Interview with civil society representative based in Uyo, Akwa Ibom State (29 October 2022)

Interview with an investor who participated in the 2020/2021 marginal field bid round based in the Niger Delta region (01 November 2022).

Interview with a retired Banking Compliant Expert based in Lagos, Lagos State (24 November 2022).

Interview with an Investment Banker based in Lagos, Lagos State 24 November 2022.

ABOUT HEDA

HEDA Resource Centre is a prominent Nigerian organization committed to promoting good governance, combating corruption, and advocating for environmental justice. Founded in 2001 and officially incorporated as a non-governmental organization in 2004, HEDA conducts research, policy advocacy, training, and citizens' awareness campaigns in various areas such as anti-corruption, food security, climate change, human rights, public sector accountability, and electoral reform. This paper aims to provide an overview of HEDA's mission, achievements, and collaborations in its pursuit of fostering transparency, accountability, and sustainable development in Nigeria.

Vision and Mission:

HEDA's vision is to ensure that every individual in Africa, regardless of their circumstances, can enjoy the benefits of good governance and live with dignity in a sustainable environment. The organization's mission revolves around serving as a policy and campaign center for research, training, and advocacy on crucial issues like the environment, good governance, anti-corruption efforts, sustainable development, and human rights.

Partnerships and Recognition:

HEDA has established strong partnerships with various media outlets, including online, broadcast, and print media, to effectively articulate informed views on policies and programs related to good governance, food security, accountability, and sustainable development. Furthermore, HEDA has attained observer status with significant international bodies such as the UN Economic and Social Council (ECOSOC), the UN Framework Convention on Climate Change (UNFCCC), and the Green Climate Fund, enhancing its influence and ability to contribute to global initiatives.

Contribution to Transparency and Accountability:

HEDA has made significant contributions to transparency and accountability in Nigeria through extensive research and advocacy efforts. The organization's **Compendium Of 100 High-Profile Corruption Cases** in Nigeria has garnered attention from local and international partners, including the UK's National Crimes Agency (NCA). This publication has served as a basis for investigations on illicit asset tracing and recovery. HEDA's transparency and anti-corruption campaigns, along with its media engagement, have exposed scandals such as the Malabu Oil Deal (OPL 245), leading to the suspension of the mining lease. The Organization also made a publication on the Oil Deal titled; “**Corrupt Practices in Nigeria's Oil Industry: OPL 245 Case Study**” and this has attracted a refund of $85 million to Nigeria from the United Kingdom. The organisation and its partners blew the whistle on a private jet belonging to former Petroleum Minister, Dan Etete, believed to be a proceed of the OPL245 deal and the Nigerian Government had it seized when it was moved out of Dubai to Canada. HEDA's activism in the judiciary also earned it recognition, as it became part of the National Judicial Council's Committee on the Monitoring of Trials of Financial Crimes and Corruption Cases in Nigeria. In a continual effort to promote transparency and accountability, also published a collection of corruption cases not investigated by the EFCC, ICPC, Senate and House Committees of the Nigerian law-making body- The National assembly between year 1999 till 2022 in a published article titled; **'Impunity Galore: A Chronicle of Some Unresolved High Profile Corruption Cases in Nigeria (1999-2022)'**.

Innovative Tools and Initiatives:

HEDA has leveraged technology to enhance its work in combating corruption and promoting accountability. The organization developed the **"Illicit Asset Tracing App"**, available for download on both Google Play Store and Apple Store and has been downloaded over 13000 times locally and internationally. This app, integrated with the Asset Tracing website, enables individuals to anonymously report illicit wealth of Politically Exposed Persons (PEPs), thus supporting the work of anti-graft agencies. Additionally, in collaboration with other stakeholders and with support from the MacArthur Foundation, HEDA established the Anti-Corruption Situation Room (ACSR). This quarterly platform brings together state and non-state actors, including anti-corruption agencies, youth groups, persons with disabilities, civil society, communities and religious leaders, and various community representatives to discuss corruption-related issues, set agendas for government action, and empower citizens to hold public officials accountable. The initiative has held over 30 session with each attended by about 50 stakeholder groups across Nigeria. The initiative attracted the United Nations Office on Drugs and Crimes (UNODC) in Nigeria and it partnered with HEDA to organised some special ACSR sessions.

HEDA developed the Illicit asset tracing App downloadable via https://play.google.com/store/apps/details?id=com.hedang.assettacing as well as on the Apple Store via https://apps.apple.com/ng/app/assettracing/id1471320020 which was integrated to "asset" tracing website http://assettracing.org/ and has been downloaded over 13000 times locally and internationally. The platforms helps individuals to report illicit wealth of Politically Exposed Persons (PEPs) anonymously to aid the work of anti-graft agencies.

Leadership and Collaboration:

HEDA has played leadership roles in various civil society collaborations, both locally and internationally. It hosts the secretariat of the Civil Society Network Against

Corruption (CSNAC), a network of over 150 anti-corruption organizations and individuals in Nigeria. HEDA is also an active member of the Procurement Monitoring Working Group (PPMWG) and the Anti-corruption thematic group of the Open Government Partnership (OGP) Nigeria. The organization continues to collaborate with critical stakeholders, such as Integrity International Institute (III), to advocate for the establishment of an International Anti-Corruption Court (IACC).

Commitment to Climate Justice and Sustainable Development:

HEDA is actively engaged in addressing climate justice and promoting sustainable development. The organization produced State-specific Seasonal Climate Prediction documents based on NiMet's predictions, and has supported farmers and food production by organizing sensitization workshops and radio programs. HEDA's involvement in the UN Framework Convention on Climate Change (UNFCCC), Conference of Parties (COP) events, such as the Climate Justice Circle (CJC), has facilitated discussions by organizing the "**Climate Justice Circle (CJC),**" with an over-arching theme: "**On the road to COP27**" featuring no less than 37 experts including women, youth, and persons with disabilities (PWDs), to address climate change challenges. This was was also followed by a post COP27 dialogue.

Moreover, HEDA plans to collaborate with other state and non-state actors with the support of the MacArthur Foundation, to convene at least three (3) sessions of the Anti-Corruption Situation Room (ACSR), this year at National and sub national levels for a periodic public perception of leadership and governance in Nigeria in order to set the anti-corruption agenda for Nigeria's incoming government, underscoring its commitment to sustainable development.

The Organization is also currently generating petitions and mobilizing protests against uninvestigated alleged cases of corruption before Nigeria's Anti-Graft Agencies - The Economic and Financial Crimes Commission (EFCC), and Independent Corrupt Practices and Other Related Offences Commission (ICPC), and instituting international public interest litigation.

As HEDA continues its endeavors, it remains a vital force for positive change in Nigeria and serves as an inspiration to other organizations dedicated to similar causes.

HEDA has a toll free line: **08004332277**, which has received hundreds of phone calls from members of the public on sundry issues of corruption, human rights abuses, transparency and accountability. Some of the cases have been taken forward through petitions, Freedom of Information requests and Public Interest Litigations.

HEDA
RESOURCE CENTRE

15a, Yinusa Adeniji Street, Off Muslim Avenue, by Toyin Roundabout, Ikeja, Lagos, Nigeria.

Info@hedang.org

www.hedang.org

@Hedagenda

TOLL FREE 08004332277

HEDA
RESOURCE CENTRE

ACEP
Africa Centre for Energy Policy