

**HOW THE FEDERAL GOVERNMENT CAN BEST ASSIST IN
PREPARING THE NIGER DELTA REGION FOR A FUTURE NIGERIA
ECONOMY THAT WILL BE LESS RELIANT ON THE FOSSIL FUEL**

PRESENTATION

BY

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PRESENTATION BY THE HONOURABLE MINISTER OF NIGER DELTA AFFAIRS SEN. OMOTAYO ALASODURA ON HOW THE FEDERAL GOVERNMENT CAN BEST ASSIST IN PREPARING THE NIGER DELTA REGION FOR FUTURE NIGERIA ECONOMY THAT WILL BE LESS RELIANT ON FOSSIL FUEL AT THE NIGERIA BLUE ECONOMY STAKEHOLDERS CONFERENCE HELD AT BWC HOTEL, VICTORIA ISLAND, LAGOS, 15TH - 17TH FEBRUARY, 2022

Protocols

It gives me great pleasure to be invited here at this programme of the Nigeria Blue Economy Stakeholders Conference. I am particularly delighted as I express my sincere appreciation to the organizers of this auspicious event, particularly at this period when efforts are being made by the Government towards the diversification of the economy to be less reliant on fossil fuel.

2. Permit me to commence my presentation by first introducing my Constituency as a Government Official, which is the Ministry of Niger Delta Affairs. The Ministry was created in September 2008 to serve as a primary vehicle for the execution of Government policies, plans and programmes for the rapid socio-economic development of the Niger Delta Region. Also, the Ministry formulates policies and execute plans, programmes and other initiatives as well as coordinates the activities of other Agencies, Communities, Donors and relevant Stakeholders involved in the development of the Region.

3. The Delta Region of Nigeria, generally referred to as “The Niger Delta”, consists of the oil and gas producing States on the coastal area of Nigeria and the adjoining oil and gas bearing States. Essentially, the

Region is made up of nine states; namely, Abia, Akwa Ibom, Bayelsa, Cross River, Delta, Edo, Imo, Ondo, and Rivers States. It occupies an area of about 75,000 km² and has a coastline spread of 540 km. Presently, over 95% of all the oil and gas activities in Nigeria takes place in the Niger Delta. According to the World Bank report of 2020, the Region contributes over 80% of Nigeria's revenue and accounts for about 95% of the nation's foreign exchange earnings.

3. Prior to the discovery of oil, the Region was well endowed with some natural resources, which provides foreign exchange earnings to the Country. These resources include oil palm, rubber, cocoa and timber, as cash crops; and yams, rice, plantain, banana, cassava, as food crops. However, the exploration and exploitation of oil brought about stagnation to the development of agriculture in the Region. This has also, negatively impacted on the coastal and environmental areas of the Region, through environmental devastation, degradation and pollution, with the resultant effects of gross decline in both flora and fauna life. In essence, the witnessed economic growth in the Region, does not translate into correspondent improvement in the living conditions of the people. Hence, the Region has become noted for high unemployment, restiveness, disenchantments and militancy among other vices.

4. Oil has been a cornerstone of the current energy system in Nigeria. Even with climate change, high price volatility and a long history of social and environmental concerns, crude oil still accounted for about 32% of

the global energy mix before the COVID-19 pandemic and is expected to remain strong for at least a few decades. Despite much scholarship on the ‘resource curse,’ which underscores the paradoxical (and potentially negative) effects of resource endowment on economic development, there is still some expectation that oil wealth can translate into broad-based development. This expectation is particularly high among communities located near oil development infrastructure, who hope to benefit from revenues, jobs, compensation payments, or other ‘trickle down’ effects to improve their economic well-being. Yet, much of the existing researches indicates that coastal communities remain on the fringes of these developmental prospects; bearing many costs without receiving many benefits due to lack of skills, limiting job access and environmental consequences.

5. Consequent upon the above, Nigeria, whose source of revenue is heavily dependent on oil sector, may now need to set realistic goals towards diversification. This implies that the nation needs to do more towards ensuring that it meets the target, especially as the country’s economy is heavily dependent on revenue from fossil fuel. No doubt, revenue from the non-oil sector has been on the increase within the past few years. To corroborate this assertion, the Vice President, His Excellency, Professor Yemi Osinbajo, had at the Nigerian Society of Chemical Engineers (NSCHE) 51st Annual International Conference/AGM held recently in Lagos, posited that revenue recently

flowing into the nation's treasury are majorly from non-oil and gas exports. Osinbajo, who spoke through the Minister of Science, Technology and Innovation, Dr. Ogbonnaya Onu, said the Federal Government had worked assiduously to ensure that the country achieve economic diversification. According to him, the nation could not afford to be taken off-guard as crude oil and gas were no longer the major fuels that drive global economies as more technologically developed nations of the world have switched to clean and renewable energy. Many countries in different continents are now preparing themselves to depend less on fossil fuels.

6. In November 2021, the Minister of Finance, Budget and National Planning, Hajiya Zainab Ahmed, said the country's non-oil revenue had risen by 15.7 per cent above the FG's targets to N1.15 trillion. Also, the recently published GDP report by the National Bureau of Statistics (NBS) showed that the sector grew by 5.44 per cent in real terms during the reference quarter (Q3, 2021). The growth recorded in the sector was mainly driven by trade, Information and Communication (Telecommunication) followed by Financial and Insurance (Financial Institutions); Manufacturing (Food, Beverage & Tobacco); Agriculture (Crop Production); Transportation and Storage (Road Transport).

7. In one of its recent publications, the World Bank had defined the Blue Economy as "the sustainable use of ocean resources for economic growth, improved livelihoods, and jobs while preserving the health of

ocean ecosystems.” It is against this backdrop that the ‘Blue Economy’, as an emerging concept, which encourages better stewardship of our ocean or ‘blue’ resources is being advocated as a veritable tool of diversification. The blue economy model aims at improving human wellbeing and social equity, while significantly reducing environmental risks and ecological scarcities, as it focuses on the fisheries sector and marine and coastal resources. The blue economy has diverse components, including established traditional ocean industries such as fisheries, tourism, and maritime transport, but also new and emerging activities, such as offshore renewable energy, aquaculture, sea-bed extractive activities, and marine biotechnology and bioprospecting as well as sea ports, for transportation. Our oceans are a crucial asset, a precious habitat to millions of species, a vital carbon sink, and a key determinant of environmental and human health. The oceans also provide an essential source of food and act as an enabler of global trade - an emerging idea called the blue economy.

8. Globally, the Blue Economy has an asset base of over \$24 trillion. It is said to generate at least \$2.5 trillion each year from the combination of fishing and aquaculture, shipping, tourism, and other activities. Water bodies such as the oceans, seas, rivers, lakes, marshes, and bays collectively host about 2.2 million plants species, diverse wildlife and other life-forms that represents over 50% of life on earth. These are a large segment among the resources from where we derive our foods,

medicines and livelihoods that drive socio-economic development globally.

9. As I bring my presentation to a close, I wish to state that for Nigeria to adequately prepare for a future of Blue Economy and to tap into the wealth and opportunities it provides, the country must urgently:

- i. Utilise the potential resources of the oceans, seas, rivers and lakes for the socio-economic emancipation and sustainable development of the Region. This initiative is being considered to be on the front burner;**
- ii. Develop the Blue Economy Strategic Framework that would capture the right maritime policies, for the Niger Delta Region. This would be spear-headed by the Ministry of Niger Delta Affairs, in collaboration with other stakeholders in the sub-sector;**
- iii. Initiate a stakeholders' forum in the Region, to highlight on the benefits of this concept, for effective buy-in;**
- iv. Bring together all actors working in the Region for the formulation of the necessary legal backing to the concept; and**
- v. Vigorously implement the policy, fairly and squarely, for the benefit of the Niger Delta, in particular, and the country at large.**

10. Thank you.