

13 % OIL DERIVATION REFUNDS

**We have released 1.98trn so far...FG
Oil producing states debt Profile ...N3.3 trn...DMO
We Demand Accountability.... Host Communities
Showcase your Development Projects... Pandef, Others.**





Oil-producing states shared N450bn in 2021 as 13% derivation



The principle of derivation as encapsulated under the proviso to Section 162 (2) of the 1999 Constitution as amended, is geared towards providing a recompense to the producers of any natural resources for the expropriation and sequestration of their rights to control and manage same, by the Nigerian State. Instructively, however, and in the implementation of the above proviso, Government has neither reflected nor implemented the proper and true meaning of the derivation principle and it is yet to even deem it necessary, and expedient as a matter of utmost urgency to increase the 13% derivation through a periodic review of Revenue Allocation Act as provided for under *Section 32 (b) of Item N of the Schedule to the*

Constitution thereby bringing same into conformity with changing realities, such as in this instance, the dwindling price of crude oil in the Global Market.

The Presidency has recently released a list of nine oil-producing states in the country that received a total of N625.43 billion from the federation account for 13 percent oil derivation, subsidy, and SURE-P refunds between 2021 and 2022. Garba Shehu, Senior Special Assistant to the President on Media and Publicity, released the list in Abuja. Shehu listed the states that benefited from the refunds in the statement as Abia, Akwa-Ibom, Bayelsa, Cross

River, Delta, Edo, Imo, Ondo, and Rivers. The presidential spokesperson stated that it was necessary to publish the list of states in light of Rivers Governor Nyesom Wike's challenge to governors in the Niger Delta region to account for funds received. Shehu, citing data obtained from the Office of the Accountant-General of the Federation, stated that N477.2 billion was released to the nine states as refund of the 13 percent derivation fund on withdrawal from excess crude account (ECA) without derivation from 2004 to 2019, leaving an outstanding balance of N287.04 billion.

"The three largest benefitting States were Akwa Ibom (N1.6billion), Delta State (N1.4billion) and Rivers State (N1.32billion)," Shehu said.

"According to the figures, under the 13 percent derivation fund on withdrawal from ECA without deducting derivation from 2004 to 2019, Abia received N4.8 billion with outstanding sum of N2.8 billion, Akwa-Ibom received N128 billion with outstanding sum of N77 billion, Bayelsa with N92.2bn, leaving an outstanding of N55 billion.

"Cross River got a refund N1.3 billion with a balance N792 million, Delta State received N110 billion, leaving a balance of N66.2 billion, Edo received N11.3 billion, with a balance of N6.8 billion, Imo, N5.5 billion, with an outstanding sum of N3.3 billion. "Ondo got N19.4 billion with an outstanding sum of N11.7 billion while Rivers was paid 103.6

billion, with an outstanding balance of N62.3 billion.

"The states were paid in eight instalments between October 2, 2021 and January 11, 2022, while the ninth to twelfth instalments are still outstanding." On the 13 percent derivation fund on deductions made by NNPC without payment of derivation, the nine oil producing states were paid in three instalments this year, with the remaining 17 instalments outstanding.

"Under this category, Abia State received N1.1 billion, Akwa-Ibom, N15 billion, Bayelsa, N11.6 billion, Cross River, N432 million, Delta N14.8 billion, Edo N2.2 billion, Imo N2.9 billion, Ondo State N3.7 billion, and Rivers N12.8 billion. "Meanwhile, the benefitting States shared N9.2 billion in three instalments in April, August and November 2022 as refunds on the 13 percent derivation exchange rate differential on withdrawal from the ECA. He said that President Buhari considers it a matter of honour and decency that debts owed to states or anyone for that matter be repaid, and in time without regards to their partisan political affiliations.

"The president will continue to render equal service to all the states of the federation and an acknowledgment of this by Governor Nyesom Wike of Rivers State and the others is not out of place. "The refunds to the oil producing states will continue," the statement said.



PANDEF, others tasks N'Delta governors to showcase development projects

The total debts of 10 oil-producing states rose from N2.04tn in December 2015 to N3.35tn as of June 2022, according to sub-national debt reports of the Debt Management Office. This means that a total of N1.31tn was borrowed within a period of about seven years by the states. The 10 states are: Rivers, Akwa Ibom, Delta, Edo, Abia, Ondo, Imo, Cross River, Bayelsa and Lagos. This came as findings by The PUNCH show that the oil-producing states received the sum of N6.4tn in federal allocation and 13 per cent derivation fund.

The Federal Government disbursed a total of N1.98tn as a share of the 13 per cent derivation fund to oil-producing states, the Minister of Finance, Budget, and National budget, Zainab Ahmed, disclosed in Abuja, at the sixth edition of the PMB Administration Scorecard. She stated that the amount was paid in seven years despite some of the funds preceding the current administration.

She said, "One of the key functions of the Ministry of Finance Budget and National Planning is in support of states. The President understands very clearly that this economy wouldn't have been growing consecutively or wouldn't have been able to pull ourselves out of recession twice. "We wouldn't have been able to grow consistently without enabling the states to grow because it is a federation.



together as one to achieve the targets that he has set for the country. So, everybody goes to support sub-national governments. "In seven years, we have disbursed N1.98 trillion in funds to oil-producing states."

The PUNCH recalls that the 13 per cent derivation fund has been a controversial issue after comments by Rivers State Governor, Nyesom Wike, alleging that the oil-producing states had refused to disclose their own shares paid by the Federal Government from

1999 to all the Niger Delta States. Ahmed further said that the government had supported states of the federation N5.03tn and an additional \$3.4bn since 2015. She said, "With respect to sub-national governments, the ministry goes over and above its statutory role to provide financial support to States: "A total of N5.03tn plus an additional \$3.4bn has been released to states by the Federal Government over the life of this administration. "Each of these payments has distinct repayment terms with some given as grants and others as loans with favourable repayment terms, including a long amortization period.

"The support covers the 13 per cent Derivation refund to oil-producing states, refunds for construction of federal roads, ecological support, support from the Development of Natural Resources Fund, Paris Club refunds, support from the Stabilisation Fund, COVID intervention amongst others."

"The non-oil revenue share of funding the Federal Government has improved. We have been able to move from contributing 35 per cent to the federal budget to contributing 73 per cent to the financing of the federal budget."

"Mr. President has been very uniquely generous in his support to states. I can say no president has provided the level of support provided to the states of the Federation. "He understands that the federating units need to work

Reeling out the details, Ahmed said N445bn was given as salary bailout to states except Akwa Ibom, Anambra, Jigawa, Lagos and Yobe in September 2015, while N340bn was disbursed to states except Lagos and Osun as excess crude loan. Also, N610bn was allocated to all

states, except Lagos, as a budget support facility. Other support included: \$2.67tn as an outright Paris Club refund; N750m disbursed in 2021 as an SFTAS reward; and N600bn paid as withdrawal from payment of subsidy in April 2022. Speaking further, the minister revealed that the non-oil sector had continued to maintain high-level performance in terms of revenue generated, adding that it was currently the mainstay of the nation's economy. She said that the sector contributed N1.71tn out of the total revenue of N4.19tn, an outturn of 100.7 per cent compared to the budget projection.

"Today, I call your attention to the very high performance of the non-oil sector of our economy. As of September 2022, the Federal Government's share of oil revenues to fund the budget was N535.5bn representing 32.6 per cent performance), while non-oil tax revenues totalled N1.71tn an outturn of 100.7 per cent compared to the budget projection. "The non-oil revenue share of funding the Federal Government has improved. We have been able to move from contributing 35 per cent to the federal budget to contributing 73 per cent to the financing of the federal budget." On the N6.4tn windfall Oil-producing states got N4.46tn from Federation Account Allocation Committee between 2016 and 2020, according to data from the National Bureau of Statistics collated by The PUNCH. When combined with the N1.98tn allocated to oil-producing states as a share of the 13 per cent derivation, the amount moves to N6.4tn. Within the period under review, Delta got the highest allocation of N804.27bn while Cross River got the least, N147.86bn. The allocation of other states was as follows: Akwa Ibom, N769.19bn; Lagos, N523.63bn; Rivers, N675.54bn; Edo, N255.32bn; Abia, N225.47bn; Ondo, N250.86bn; Imo, N234.37bn; and Bayelsa, N575.39bn.

According to the NBS, FAAC gets oil revenues and related taxes, revenues from the Nigerian Customs Service, company income tax, any sale of national assets as well as surplus and dividends from state-owned enterprises. Meanwhile, the total debts of 10 oil-producing states rose from N2.04tn in December 2015 to N3.35tn as of June 2022, according to sub-national debt reports of the Debt Management Office. A further breakdown showed that in 2015, a total of N1.22tn was from domestic creditors while \$1.84bn (or N817.27bn at the Central Bank of Nigeria's exchange rate of N444.17 per dollar as of November 1, 2022) was from external sources. By June 2022, N2.42tn was borrowed from domestic sources while \$2.31bn was from foreign sources such as the World Bank and African Development Bank.

For sub-national domestic debts, Lagos leads with the most debt, from N218.54bn domestic debt in 2015 to N797.31bn by June 2022. It is followed by Delta; whose debt rose from N320.61bn domestic debt in 2015 to N378.88bn by June 2022. Third on the list is Rivers, from N134.97bn domestic debt in 2015 to N225.51bn by

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June 2022.

For foreign debt, Lagos leads with the most debt, from \$1.21bn in 2015 to \$1.27bn by June 2022. It is followed by Edo, whose external debt increased from \$168.19m to \$268.31m. Cross River is next, from \$136.4m to \$215.74m within the period under review.

However, the Pan Niger Delta Forum and popular rights activist, Ann Kio-Briggs, have taken a swipe at the Federal Government over claims that the N1.98tn it disbursed to the Niger Delta region was not commensurate with the level of development in the region. The National Publicity Secretary of PANDEF, Ken Robinson, said, "As you know, the fact of the matter is that it is the resources of the Niger Delta people that the Federal Government of Nigeria is plundering, wasting over the years. To say that they have given the Niger Delta N1.98tn as reported and all that is unnecessary. What is N1.98tn?"

"How much has been taken away from the Niger Delta compared to the devastation that has been done to the Niger Delta environment and the livelihoods of the people that have been decimated? "And all these complicate or increase the social and economic challenges of the area. There are more people who ordinarily would have been involved in farming or fishing who are now looking for jobs."

The PANDEF spokesman explained that no amount of funds allotted to the crude oil and gas-rich region was too much, being the goose laying the golden egg. He, however, said it was not an excuse for the poor

governance in the country, which he said was not peculiar to the Niger Delta alone. "And I think that some of these governors in the Niger Delta should also do more in terms of showcasing what they are doing with the resources that they got. And that we will say that whether the level of development is commensurate to the amount of money received is relative because of the difficult terrain the Niger Delta is faced with in terms of developmental challenges." On her part, Kio-Briggs said the Federal Government must be specific and come up with facts as to which agency or governors the amounts they claimed to have disbursed was given for purposes of accountability. She said, "First of all, I don't like it when the government says that they have disbursed so much money. "When you want to give information, you have to give credible, verifiable, truthful information to people, so that people can make



Edwin Clark
PANDEF leader

up their minds. You can't make up their minds for them. "Why do I say this? You can't just say you have disbursed so much to Niger Delta, no. Say I have disbursed N2.3trillion hypothetically to the Niger Delta Development Commission; I have disbursed N5. 2tn to the Ministry of Niger Delta." Continuing, Kio-Briggs stated that the people of the region were not fools to believe hook, line and sinker anything the Federal Government says.

Meanwhile, Governor Ifeanyi Okowa of Delta State has said the state is the most solvent in the country, with enough credit to liquidate all outstanding fiscal obligations. Okowa spoke through his Chief Press Secretary, Mr Olise Ifeajika, while speaking to The PUNCH in Asaba. He said, "This 13 per cent accrued to the oil-producing area for the past seven years included what NDDC and DESPADEC gave. But the one the state

commissioner for finance stated earlier was about the discounting N240bn Nyesom Wike raised. "Okowa could have taken the option to discount the entire N240bn expected from the 13 per cent derivation refunds as was done by other states but decided to take only N100 billion to complete some legacy projects. "Governor Okowa, being a prudent and considerate leader, chose to keep the balance of the funds for the incoming administration."

The State Commissioner for Finance, Mr Fidelis Tiliye, had recalled that Okowa administration faced serious financial challenges at inception in 2015, a situation that necessitated some borrowings at that time. You will recall that when the administration of Sen. Dr. Ifeanyi Okowa came on board, the economy of this state and that of Nigeria was clearly in dire straits.

"Therefore, a lot of rejigging had to be done for us to be able to survive and pay salaries. The salary bailouts were not for Delta state alone."

Also Speaking on the issue, the Special Adviser to the Edo State Governor on Media Projects, Crusoe Osagie has said the data recently released by the federal government has further validated the figures published by the Commissioner for Finance, Budget, Economic Planning and Development., Joseph Eboigbe, which stated that Edo only received N2.1 billion from the N28bn that accrued to the state as 13 percent oil derivation refund. In a statement, Osagie noted that the amount mentioned in the report by the presidential spokesperson, Garba Shehu, to have been received by the state totaled about N21.7bn for a period of two years, adding that this is less than five percent of Edo State's annual budget for the two-year period during which the funds were said to have been released in several tranches. He stated that the overt excitement about the issue in the case of Edo State is essentially making a mountain out of a molehill.

According to Osagie, "We have reviewed the recent report released by the federal government and we are glad that they have given credence to the figures earlier published by the Edo State Commissioner for Finance that Edo only received about N2bn from the N28bn that accrued to the state as 13 percent oil derivation refund. "However, the federal government has now also come up with other amounts that have been paid to states. From all the data supplied by the presidential spokesperson, Garba Shehu, assuming all the figures are correct, as we are still confirming the receipts from our accountants in the state, it means that Edo received a total of about N21.7bn from 2021 to 2022, which is essentially straddled between two budget circles. "If the amount that is said to be given to Edo State as 13 percent derivation and other repayments is about N21.7bn, this means that the sum is still less than five percent of the state's budget for the period (2021 to 2022) and is therefore not an exceptional earning for the state. Hence, we think it is a storm in a teacup in the case of Edo State." The governor's media aide further noted, "It is, however,

important to restate that the Governor Godwin Obaseki-led administration runs a prudent, accountable and transparent government and these monies received were judiciously channeled through our budgets into different infrastructural projects, payment of salaries and other life-transforming programmes and reforms to ensure improved livelihoods for our people and achieve economic prosperity for the state.

"Going by the recent report of the National Bureau of Statistics (NBS) that 133 million Nigerians are impacted by multidimensional poverty, Edo State was vindicated having been identified by the same NBS report, along with 6 other states in the country, as the least impacted by multidimensional poverty."

Data obtained from a series of reports from the Central Bank of Nigeria, CBN, revealed that oil-producing states in Nigeria received trillions of Naira as payments under the 13 per cent Derivation principle over the last 23 years from 1999 to June 2022. The huge sum notwithstanding, the Niger Delta region is still suffering from massive infrastructure decay, widespread poverty and environmental degradation, among numerous others.

The 13 per cent derivation fund has been a subject of controversy between the oil-producing communities and their various states government, with the former asking the Federal Government to stop paying the money directly to the communities and not into the coffers of the state. A member of one of the host communities Mr. Harry Fubara lamented that so far between 1999 -2021 the Niger Delta has received Oil Derivation refunds of N1.978tn, \$2.67 Paris Club Refunds, N204b Ecological Funds, N50b COVID intervention Funds and N648b for Federal Roads repairs among others and yet the region is devastated by poverty, high level of unemployment and underdevelopment. He asked a rhetorical question, where is the life in our region? According to him 'the so-

According to the NBS, FAAC gets oil revenues and related taxes, revenues from the Nigerian Customs Service, company income tax, any sale of national assets as well as surplus and dividends from state-owned enterprises. Meanwhile, the total debts of 10 oil-producing states rose from N2.04tn in December 2015 to N3.35tn as of June 2022, according to sub-national debt reports of the Debt Management Office. A further breakdown showed that in 2015, a total of N1.22tn was from domestic creditors while \$1.84bn (or N817.27bn at the Central Bank of Nigeria's exchange rate of N444.17 per dollar as of November 1, 2022) was from external sources. By June 2022, N2.42tn was borrowed from domestic sources while \$2.31bn was from foreign sources such as the World Bank and African Development Bank. For sub-national domestic debts, Lagos leads with the most debt, from N218.54bn domestic debt in 2015 to N797.31bn by June 2022. It is followed by Delta; whose debt rose from N320.61bn domestic debt in 2015 to N378.88bn by June 2022. Third on the list is Rivers, from N134.97bn domestic debt in 2015 to N225.51bn by June 2022.

called Human Rights groups and our ex-militants are all fixated in Abuja hustling for money while our Governors are cornering our collective patrimony unchecked. This is the sad reality and I am ashamed to belong to this part of Nigeria'.

A one-time Minister of State for Petroleum Resources Dr. Ibe Kachikwu was embittered by the lack of accountability on the 13% derivation Refunds by the Governors of the Oil Producing States that he advocated for the establishment of State Oil Commission to help appropriate the refunds. According to him, 'It is on this note that we call for the establishment of State Oil Commissions by all States in the Region, to enable us channel a substantial percentage of the 13per cent derivation and/or its increase, to the oil producing communities for their development and wellbeing, since they are the primary producers of the oil and gas resources upon which derivation is being paid. He said, "Such Oil Commissions should be duly supervised by the Revenue Mobilization Allocation and Fiscal Commission (RMAFC) as well as the Ministry of the Niger Delta in partnership with Transparency International, International Oil Companies (IOC), Nigerian Content Development Monitoring Board and the Nigeria Extractive Industries Transparency Initiative, NEITI, to ensure service delivery and that derivation funds are not misappropriated or diverted by those who administer these said oil commissions." But unfortunately, no one seemed to have considered

his opinion as the problem of mismanagement of these funds still persist. Even despite all the calls and hues by the host communities on the Federal Government to abide by the laws of the country by paying the money directly to the oil producing communities, since the law said the money belongs to the host communities. "We are aware that it would not be an easy task because the governors that are holding the 13 per cent derivation will not let it go. But we are saying that we need our money, we need our 13 per cent derivation," Nobody including the government listened.

13% Derivation and the Gov Wike Challenge

Eddy Odivwri

On November 18, just about two weeks ago, Gov Nyesom Wike of Rivers State blew the lid of what had appeared like a well-kept secret by the Niger Delta state governors. Gov Wike had, during the commissioning of one of his many projects, disclosed that he is funding his projects from the arrears of 13% derivation fund which the federal government has paid to the Niger Delta States. Although he did not give specific figures received by each of the nine Niger Delta States, latter day revelations have indicated that the money is over N9 trillion, collectively. In the past two weeks, many of the concerned states, feeling very uncomfortable with Wike's "basket-mouth" revelations, have been struggling to defend themselves, giving what is clearly an after-thought explanation. Many of the arguments from the states is that they did not receive or have not received as much as has been credited to them. But that is not quite the issue. The concern of many Niger Delta stakeholders is the quiet and silence that surrounded the release all along. If Wike funded many of his projects from the proceeds of that 13% derivation fund, it means that the fund had long been released for it to fund a project that is being commissioned.

Hear him: Let me say it for the first time. So many people asked me, where is he getting this money? Let me say it... These are "monies that were not paid to the Niger Delta States since 1999—the 13% deductions. Monies that were not paid... Mr President approved it and paid all of us from the Niger Delta States", adding that, "and for me, it would be unfair not to tell the public. It is not from FAAC money. It is the money that is supposed to be for Rivers, Delta, Akwa-Ibom, Edo and Bayelsa States". So, the question is why did the Niger Delta states not disclose to their various people that such funds had been released? All of them have prepared and submitted their 2023 budget estimate. Did any of them disclose that they received or planned to receive 13% derivation, as one of their sources of revenue in the coming year?

I ask this question because the Commissioners for Finance in Delta and Edo States, Fidelis Tilije and Joseph Ebiogbe, respectively, have explained that the funds are being disbursed in tranches of quarterly releases. So, did they indicate in the 2023 budget estimate that part of their projected revenue in-flows is from the 13 per cent refund? The other worry expressed by the people of the concerned states is what indeed the various state governors have done with the windfall they got from the federal government. It is instructive that many of the states are not

The other worry expressed by the people of the concerned states is what indeed the various state governors have done with the windfall they got from the federal government. It is instructive that many of the states are not only still owing their senior citizens their pensions and gratuities, the states have gone ahead to borrow so much money from banks, in spite of the 13% largess. So, the question remains: where is the money they collected?

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Perhaps what appears to be an answer came from the Bayelsa State governor, Douye Diri, who spoke through his Chief Press Secretary, Dan Alabra. He had explained that in anticipation of the money they were expecting from the 13% disbursement, many of the states had "discounted" the money. What that means in simple language is that the governors, had gone ahead to borrow money from the bank in lieu of the money they were expecting. And so, when the funds came, the banks merely withheld the funds as agreed before loaning the states some money. Both Eboigbe and Tilije had further explained that the payments which were sourced from looking closely into the books of the NNPC, and discovering unremitted funds to the Niger Delta States, had to go through the Federal Executive Council meeting which gave approval for the payments. The payments are to be made in 20 tranches spreading through five years. Only about three or so tranches have been paid.

From the figures obtained, Delta State topped the chart with N142 billion, followed by Akwa-Ibom with N91 billion, Bayelsa (N87 billion) Rivers (N83 billion), Edo (N17 billion) Ondo (N12 billion), Imo (N10 billion) and Abia (N5 billion). Although Delta state admitted receiving N14.7 billion in three quarterly payments, but went ahead to "access" N30 billion from banks out of the N100 billion bridging funds sought by the Delta State government. In other words, those expecting to hear of mega projects being funded or to be funded from the 13% remittal should forget it because not only has the N14.7 billion received been spent, the state has even borrowed extra N30 billion ahead of the payment of other tranches, in what looks like anticipated expenditure.

Even at that, the question will yet resonate: what has the Delta State government done with the money received thus far and the ones borrowed? Many pensioners are languishing in penury and lack in the state. Although Tilije and Eboigbe claimed that their

on his colleagues? Perhaps! Out of the eight other states of the Niger Delta, Gov Wike is politically chummy with only one: Gov Okezie Ikpeazu of Abia State. Did he thus release the information to set the people of the various states against their governors? Again, perhaps!

Surely, Gov Wike couldn't have funded the many overhead bridges from the three or so quarterly payments he got on the 13% derivation fund. He has been exceptionally lucky with fund inflow, what with the Supreme court judgement of last May 6 that ceded the disputed 17 oil wells between Imo State and Rivers State to Rivers State. The income from there is huge, and it adds to the substantial amount the state gets as a leading oil producing state. What's more, the state government received N78.9 billion as reimbursement for federal roads constructed by the Rivers State government, under the administration of Rotimi Amaechi, as governor of the state. But if you discount the little measure of mischief in the information released by Gov Wike, the fact will yet remain that many of the Niger Delta states have been running clouded administration where their transactions are classified. The Minister of state for Budget and

Even at that, the question will yet resonate: what has the Delta State government done with the money received thus far and the ones borrowed? Many pensioners are languishing in penury and lack in the state. Although Tilije and Eboigbe claimed that their various state governments are committed to the ethos of accountability and transparency, none of them ever made known the fact that they received any such money before the Wike expose. It is not a hidden fact that many of the state governors have been reckless, wasteful and less than altruistic in the management of the funds available to them

various state governments are committed to the ethos of accountability and transparency, none of them ever made known the fact that they received any such money before the Wike expose. It is not a hidden fact that many of the state governors have been reckless, wasteful and less than altruistic in the management of the funds available to them

The Akwa-Ibom state government has admitted receiving N18.6 billion out of its own share, while the Edo State government said it has only received N2.1 billion out of its share. What has been discovered however is that the impression Gov Wike gave: that all the 13% accruals since 1999 has been released in one bulk sum, is not true. Yes, the figures have been approved, but not all of the monies have been released to the states. Fund approved is not fund released. So did Gov Wike set out to be a little mischievous by releasing a not-too-correct information

National Planning, Mr Clem Agba, last recently confirmed that the federal Government released some huge sums to the Niger Delta state governors, lamenting that some were denying and giving "half-truths" about the amount they received. Agba blamed the governors for the rising poverty cases in the country as they were embarking on projects that have no direct benefits to the masses. He cited projects like airports and needless flyovers, noting that instead of building rural roads to enable the rural dwellers have access to their farms and cities. He accused the governors of embarking on gallery projects that will attract applause but with minimal impact to the masses. Many of the governors which are serving out their second term in office are already plunging their states into depths of debt by borrowing huge sums from banks for some nebulous and amorphous projects

SERAP gives Okowa, Wike, others seven days to disclose spending of N625bn refunds

Socio-Economic Rights and Accountability Project (SERAP) has urged the nine oil producing states in Nigeria to "provide and widely publish details of spending of the oil derivation refunds of N625bn recently paid to them by the Federal Government, including details and locations of projects executed with the money." The Federal Government recently paid N625.43 billion oil derivation refunds to the governors of Abia, Akwa Ibom, Bayelsa, Delta, Edo, Rivers, Ondo, Imo and Cross River states. The payments covered 13 per cent oil derivation, subsidy and SURE-P refunds. The refunds date from 1999 to 2021. In the open letter dated 10 December 2022 and signed by SERAP deputy director Kolawole Oluwadare, the organisation said: "It is in the public interest to publish the details of spending of the refunds. Nigerians have the right to know how their states are spending the refunds. It is part of their legally enforceable human rights"

SERAP said, "Disclosing the information would enable Nigerians to scrutinise the spending of the refunds. Publishing the details of the oil derivation refunds would also promote transparency and accountability in the spending of public funds." The letter, read in part: "Widely publishing details of the spending of the oil derivation refunds would ensure that persons with public responsibilities are answerable to the people for the performance of their duties in the management of public funds. We would be grateful if the recommended measures are taken within seven days of the receipt and/or publication of this letter. If we have not heard from you by then, SERAP shall take all appropriate legal actions to compel you and your state to comply with our request in the public interest." "The public interest in obtaining the information about expenditures relating to the oil derivation refunds outweighs any privacy or other

"The constitutional principle of democracy also provides a foundation for Nigerians' right to know details of spending of the oil derivation refunds. Citizens' right to know promotes openness, transparency, and accountability that is in turn crucial for the country's democratic order." "The effective operation of representative democracy depends on the people being able to scrutinise, discuss and contribute to government decision making, including on the spending of the oil derivation refunds." "To do this, they need information to enable them to participate more effectively in the management of public funds by their state governments."



interests. The oversight afforded by public access to such details would serve as an important check on the activities of your state and help to prevent abuses of the public trust." "SERAP also urges you to disclose details of spending of the refunds to local government councils through the state accounts, and to explain the role played by your government in the spending of public funds meant for the councils." "The constitutional principle of democracy also provides a foundation for Nigerians' right to know details of spending of the oil derivation refunds. Citizens' right to know promotes openness, transparency, and accountability that is in turn crucial for the country's democratic order." "The effective operation of representative democracy depends on the people being able to scrutinise, discuss and contribute to government decision making, including on the spending of the oil derivation refunds." "To do this, they need information to enable them to participate more effectively in the management of public funds by their state governments." "The Freedom of Information Act, Section 39 of the Nigerian Constitution, article 9 of the African Charter on Human and Peoples' Rights and article 19 of the International Covenant on Civil and Political Rights guarantee to everyone the right to information, including about how the oil derivation refunds are spent. "By the combined reading of the provisions of the Constitution of Nigeria, the Freedom of Information Act 2011, and the African Charter on Human and Peoples' Rights, applicable throughout Nigeria, there are transparency obligations imposed on your state to publish details of spending of the oil derivation refunds." "The Nigerian Constitution, Freedom of Information Act, and the country's anti-corruption and human rights obligations rest on the principle that citizens should have access to information regarding their government's activities." "Your state cannot hide under the excuse that the Freedom of Information Act is not applicable to your state to refuse to provide the details being sought, as your state also has clear legal obligations to provide the information as

prescribed by the provisions of the Nigerian Constitution, and the African Charter on Human and Peoples' Rights (Ratification and Enforcement) Act." "SERAP urges you to invite the Economic and Financial Crimes Commission (EFCC) and the Independent

Corrupt Practices and Other Related Offences Commission (ICPC) to jointly track and monitor the spending of the oil derivation refunds by your state." "SERAP also urges you to provide details of the transparency and accountability mechanisms that have been put in place to ensure that the derivation refunds are not mismanaged, diverted or re-stolen." "According to our information, under the 13 per cent derivation fund, Abia State received N4.8 billion; Akwa-Ibom received

"SERAP also urges you to provide details of the transparency and accountability mechanisms that have been put in place to ensure that the derivation refunds are not mismanaged, diverted or re-stolen." "According to our information, under the 13 per cent derivation fund, Abia State received N4.8 billion; Akwa-Ibom received N128 billion; and Bayelsa got N92.2 billion. Cross River got a refund of N1.3 billion; Delta State received N110 billion; Edo State received N11.3 billion; Imo State, N5.5 billion, Ondo State, N19.4 billion; and Rivers State received 103.6 billion."

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"On the 13 per cent derivation fund on deductions made by NNPC, Abia State received N1.1 billion; Akwa-Ibom, N15 billion; Bayelsa, N11.6 billion; Cross River, N432 million; Delta State, N14.8 billion; Edo State, N2.2 billion; and Imo State, N2.9,

billion. Ondo State, got N3.7 billion while N12.8 billion was paid to Rivers State." "The nine states also received N4.7 billion each, totalling N42.34 billion as refunds on withdrawals for subsidy and SURE-P from 2009 to 2015. The Federation Account also paid N3.52 billion each as refund to local government councils on withdrawals for subsidy and SURE-P from 2009 to 2015."

Wike Mocks Colleagues over 13% Derivation Fund Arrears

Blessing Ibunge

Rivers State Governor, Nyesom Wike, has described as laughable, reaction of a certain governor in the Niger Delta region, who felt offended over his appreciation to President Muhammadu Buhari, for the release of the 13% derivative fund arrears to the various states in the region. Wike said it was out of a grateful heart that he thanked President Buhari for the release of the fund arrears, from 1999 to date, which was not paid by previous administrations. The Rivers State governor, who made the remarks at the inauguration of the Renal Centre and House Officers Quarters at the Rivers State University Teaching Hospital in Port Harcourt, wondered why saying thank you was an offence and the particular governor felt offended as a result.

While mocking his said colleague, Wike noted that the governor in question had gone on national television to say money spent to do a 3km road in his state would be used to construct more than 15 flyovers elsewhere. "Simply because I said you people should thank President Muhammadu Buhari for releasing 13 per cent arrears to us. I did not abuse anybody. Did I? All I said is please thank him, that if he did not release these arrears to me and some of our states, it may have been difficult for me to even talk about building a Renal Centre, Cancer and Cardiovascular centre, Basic and Clinical Sciences faculty, House officers' quarters. I don't think saying thank you is an offence.

"On television, I heard one of the governors say in his state to do 3 kilometre road will do more than 15 flyovers. Rivers State, is it not Niger Delta State? Don't we have riverine areas in Rivers State? Amayanabo of Opobo said since he was born, he has never driven by road to Opobo. "The day he drove by road to Opobo, he said, 'God is it possible that in my own time I will not go through the river again, I am now driving by road to Opobo'.

That is a major riverine area. By the grace of God this December (2022), we are going to commission the first phase of Trans-Kalabari Road. That is a major riverine area. "I didn't know that people are sick about the flyovers I do. Okay, sorry. I don't want you to be sick again. I won't do again. Instead of you to appreciate and ask somebody how are you doing this, and justify what you're doing. "I have turned the state capital around using a major construction firm like Julius Berger Nigeria PLC. If you know you have the capacity, if you know you have what it takes, go and take Julius Berger and see whether you can pay salary." Despite claims of neglect and abandonment, investigation has revealed that governments of oil-producing states in Nigeria had over the years, failed to utilize the resources provided them to develop their states and the region.