

Position Paper on Gas Flaring

Introduction

Nigeria loses 10 billion US Dollars annually on account of gas flaring,¹ and ranks as the 6th worst flarer of gas in the world, and 2nd in Africa.² In 2017 alone, 7.6 billion cubic meters of Nigeria's gas resources was burnt off in gas flare sites around the country. This environmentally dangerous, health hazardous and economically wasteful practice has continued at an alarming rate for the past six decades since Nigeria began the export of crude oil.

Gas flaring is simply the burning off of gas which accompanies crude oil when it is extracted from deep below the earth. While harnessing crude oil is the primary purpose of extraction by oil companies, the product does not exist in isolation. Oil wells also contain significant quantities of water and natural gas. The oil industry calls this gas 'associated gas', mainly to describe its mixture with other elements. From the start of the oil business in Nigeria when the country was a colony of Britain, a policy was adopted to flare this 'associated gas'.³ While the practice now receives flaks from various stakeholding groups and climate activists, the flaring of gas remains a regular and routine practice in the oil sector in Nigeria.

When confronted with concerns over gas flaring, oil companies have often presented flimsy excuses bordering on economic unviability and infrastructural deficit. Often, oil companies have made the argument to Nigeria's government that enforcing legislations to end gas flaring would mean drastically cutting oil outputs and revenues. For instance, oil companies have made the claim that the infrastructure to transport gas to where they are needed are too expensive, difficult to establish⁴, and lacks economic viability. While such case could have been argued three decades ago, it falls flat in the context of current Nigerian realities. In the last three decades, the domestic market for gas has increased tremendously to the extent that current supplies hardly meet demands, causing regular shortages and price hikes.⁵ Clearly, investing in infrastructures to utilize otherwise flared gas would not only address domestic shortages, it would also be a

¹ <https://allafrica.com/stories/201804060318.html>

² <http://www.worldbank.org/en/programs/gasflaringreduction#7>

³ see ERA Report

⁴ <http://www.eniscuola.net/en/argomento/natural-gas1/environment-and-territory1/gas-flaring-and-gas-venting/>

⁵ <https://punchng.com/domestic-gas-market-in-focus-as-shortage-lingers/>

sustainable business venture. According to the Nigerian Gas Flare Commercialization Programme, the gas currently being flared across 170 oil sites in Nigeria could provide ~450,000 MT of liquefied petroleum gas (LPG) which could meet the needs of over 4 million households in Nigeria. It could also lead to the creation of 300,000 direct and indirect jobs for the country.⁶

In the early days of oil exploitation, the gas released from oil wells was generally considered an unwanted by product of the extraction process. Now however, there is the acknowledgement that gas from oil wells that is currently burnt off in oilfields are a valuable and useful economic resource. However, what is lacking is the commitment by the federal government and its partners in the oil sector to invest in the facilities to harness and utilize it.

The Coalition for Socioecological Transformation, CoSET considers gas flaring an odd and harmful practice with far reaching negative impacts on people and the environment. The flaring of gas is a key source of greenhouse gas emissions, contributing significantly to global warming and climate change. Ironically, while Nigeria is a chief culprit in the release of greenhouse gases on the one hand, it is one the countries most impacted by the effect of climate change on the other. Since 2012, the coastal areas of Nigeria have witnessed increased flooding that has destroyed properties and sacked whole communities. Similarly, the northern parts of the country are witnessing alarming rates of desertification principally on account of climate change.

Beyond its contribution to climate change, gas flaring also impacts the health of indigenous communities around flare sites. Studies have documented an array of illnesses traceable to chemicals released as a result of gas flaring. In communities around gas flare locations, there are notable and documented increases in cancers, respiratory conditions, diseases of the epidermis, diabetes, hypertension, leukaemia, etc.⁷

Residents of communities where routine gas flaring occurs report unusual levels of discomforting heat, disturbing buzzing noise from the flares as well as sight and sleeping difficulties on account of the constant brightness from

⁶ <http://www.ngfcp.gov.ng/about-us/our-mandate/our-strategy/>

⁷ <https://www.premiumtimesng.com/news/headlines/297472-special-report-nigerias-gas-flares-increase-ahead-2020-deadline.html>

the flare light. Gas flaring is also known to cause acid rains that corrode buildings, poison agricultural product and irritate the skin. The polluting effects of the flares are felt around thirty kilometers radius from where they occur. CoSET considers routine gas flaring in Nigeria an abuse of the right of people to a clean environment and a direct violation of the right to life.

Interestingly, the flaring of gas in Nigeria has been considered unacceptable since 1969 when the government issued a directive giving oil companies five years from the start of their operations to develop facilities to utilize associated gas from their production.⁸ The oil companies failed to abide by this directive and the Nigerian government failed to enforce it. It was ten years after when the government again demanded the establishment of such facilities by 1980 or face fines. Again, this deadline passed without any sanctions or enforcement. By 1984, the federal government made it illegal to flare gas in oil extraction sites. The legislation however included a caveat that the illegality of gas flaring could be condoned if a written permission from the Minister of Petroleum Resources has been obtained.⁹ The paltry fines which the new policy introduced were clearly not enough to deter companies from flaring. Oil companies made a choice to continue flaring, considering it cheaper to pay the trivial fines and continue flaring gas with all the known economic, environmental and health consequences.

In 1999, a new date of 2003 was announced for oil companies to end gas flaring. Again, this flare out deadline passed without any enforcement or sanctions. Similar deadlines for 2006 and 2008 were not adhered to or enforced.¹⁰ Nigeria's National Assembly in 2009 passed the Gas Flaring (Prohibition and Punishment) Bill into Law. Among others, the bill set December 31st, 2010 as terminal date for gas flaring. This date was also violated.

In 2016, Nigeria's Minister of State for Petroleum declared that all gas flaring in the country will end by the year 2020.¹¹ Available information indicates that this deadline may again be violated. While the government continues advertising the 2020 flare out date, its oil industry partners have remained largely silent. At gas flare sites around the country, there are no signals of

⁸ Flames of Hell

⁹ <https://www.nosdra.gasflaretracker.ng/about.html>

¹⁰ <https://leadership.ng/2018/10/04/gas-flaring-and-kachikwus-threat/>

¹¹

ongoing efforts to stop flaring, barely 18 months to the expiration of the deadline.

Beyond government's failed attempt at ending gas flaring, in November 2005, a federal High Court sitting in Benin City ruled that gas flaring was a violation of the fundamental human right of community people around flare sites. The court ruling followed a case instituted by the Iwerekan community of Delta state¹². Again, the government failed to enforce this judgement.

CoSET believes that the availability of an option of fine for gas flaring by oil companies has not only failed to generate the necessary disincentive for the practice, but the regime of fines has been so abused and toyed with that companies simply do not bother paying. For instance, a 2012 report by the Petroleum Revenue Special Task Force stated that oil companies failed to pay fines incurred for gas flaring. As at November 2012, no fines had been paid for gas flaring in that year. Additionally, the report concludes that the Department for Petroleum Resources lacks the capacity and expertise to track the volume of gas flared, and often depends on data provided to it by the polluters.¹³

CoSET considers the continued failure of the federal government to enforce deadlines that it set for ending gas flaring, as well as failure to enforce the pronouncement of the Nigerian judiciary on the illegality of gas flaring, as both insensitive to the plight of citizens who live around flare sites and a disregard for Nigerian law.

The Coalition for Socioecological Transformation aligns fully with the argument for harnessing and utilizing gas that is currently flared in oil extraction sites. Flared gas from 170 sites if harnessed can generate 2.5GW of electricity and contribute significantly to solving Nigeria's electricity challenge according to the Nigerian Gas Flare Commercialization Programme.¹⁴ For a country ranked as the 2nd worst in electricity supply globally¹⁵ and 75 million of her population living without access to electricity¹⁶,

¹² <http://news.bbc.co.uk/2/hi/africa/4438182.stm>

¹³ https://www.premiumtimesng.com/docs_download/Report_of_the_Ribad_u_led_Petroleum%20Revenue%20Special%20Task%20Force%202012.pdf

¹⁴ <http://www.ngfcp.gov.ng/about-us/our-mandate/our-strategy/>

¹⁵ <https://dailytimes.ng/nigeria-ranked-2nd-largest-electricity-access-deficit-world-80m-homes-live-without-power/>

CoSET firmly supports this proposal and will work assiduously towards its realization, especially given the fact that the common excuse for power shortages is inadequate gas supply to power turbines.

While CoSET prefers a policy of harnessing and utilizing associated gas for domestic use and power generation, at the minimum we demand that oil companies re-inject associated gas into the wells until measures are established to harness and utilize it.

More specifically, CoSET will advocate for the strengthening of regulations on gas flaring and enforcement of sanctions. At a more general level CoSET will collaborate with other stakeholders in efforts to ensure the operationalization of all components of the Nigerian Petroleum Industry Bill. CoSET believes that the PIB has the potentials of fixing many of the problem in Nigeria's petroleum sector.

In the last three years, Nigeria has aimed to increase oil production in order to generate increased revenues. Oil exploration activities have been carried out in parts of the country including the North East. As a measure to immediately address the tendency of flares to increase on account of new extraction sites, CoSET will campaign to ensure that no flaring is permitted in any new onshore or offshore oil fields. Where new oil wells are drilled, oil companies will be demanded to first establish facilities for gathering and utilizing associated gas. In the same regard, CoSET will campaign to ensure that when existing oil assets are divested, companies that acquire them immediately show plans and timelines for dealing with associated gas in accordance with the 2020 flare out date.

While the Nigeria National Petroleum Corporation may not have shown commitment towards its latest flare out deadline of 2020, CoSET nonetheless believed that this target is one which must be taken seriously, adhered to and made effective. CoSET will work towards the realization of this target and demand periodic demonstration of progress by the NNPC and other oil companies towards shutting down the flares by the 31st of December 2020.

CoSET is a coalition of civil society organizations including NGOs, media groups, community based organizations and other citizen's organizations

¹⁶ <http://www.worldbank.org/en/news/feature/2017/03/10/nigerias-flaring-reduction-target-2020>

committed to socioecological transformation of the environmental and energy dynamics of Nigeria.