

NIGER DELTA FUND INITIATIVE LAUNCHED

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A core group of Nigerian and United States Georgists on July 31 announced the launching of the Niger Delta Fund Initiative. [For related articles, see (a) "Democracy, Earth Rights and Ecotaxation," by Alanna Hartzok, in the May-June 2002 GroundSwell issue, especially Gordon Abiama's presentation as reported on pages 8-9; and (b) "Into Africa - Progress, Poverty, and Oil", by Heather Remoff, in the Jan.-Feb. 2001 GroundSwell issue.] Here are some of the highlights.

Gordon Abiama, Director of the Africa Center for Geoclassical Economics, writes:

"Dear Friends in Justice,

"This letter is to invite your participation in the Niger Delta Fund Initiative (NDFI). The NDFI is designed as an instrument to institute a transparent and equitable distribution of resource rents and royalties for sustainable development for Nigeria's oil bearing communities.

"Due to endemic corruption and poor governance, oil royalties have not been distributed to the people of the Niger Delta region. This has resulted in much restiveness and bloodshed, as well as frequent disruption of drilling activities by way of oil pipelines vandalizing and oil staff hostage taking by aggrieved youths of the region.

"The NDFI is already receiving encouraging support from local NGOs in the Niger Delta region. Community leaders understand that the establishment of the proposed oil royalties distribution fund would have several advantages, including decreased conflict in the region which would give greater security for oil production and stimulate the growth of community based economics.

"Our initiative will work with NGOs and government officials to form and implement the Niger Delta Fund. Similar to

the Alaska Permanent Fund, the NDF will be a transparent legal mechanism whereby a majority portion of the oil royalties will be distributed directly to the people as individual dividend payments. Another portion of the oil royalty payments will be made available as low interest revolving loan funds for sustainable development. A smaller percentage of the funds shall be earmarked for conflict resolution and environmental conservation programmes.

"The current organizing partners of the NDFI are: Africa Center for Geoclassical Economics, Earth Rights Institute, and the Henry George Institute. All are member organizations of the International Union for Land Value Taxation which has consultative status with the United Nations Sessions on Financing for Development.

"We are dedicated to the advocacy of green taxation and land value taxation policies that are rooted in an ethic of fair rights to the resources of the earth for all. Sustainable and equitable public finance is a complimentary component of the NDFI as is a holistic approach to the sustainable development of the Niger Delta region.

"In addition to NGOs and community based organizations, we shall be working with state governments in the Niger Delta and with experts associated with the Alaska Permanent Fund Corporation.

"The Initiative will take off in July 2003 with an international conference in the city of Port Harcourt, Rivers State, Nigeria.

An EXECUTIVE SUMMARY of the Niger Delta fund Initiative follows:

"In recent years, oil production in Nigeria's Niger Delta region has been characterized by heightened restlessness resulting in loss of many lives and property. The people of the Niger Delta have suffered from environmental degradation of their land and the displacement of their communities and have received no benefits from over 40 years of oil extraction. As a result, thousands of lives have been lost due to violent confrontation and conflict and millions of dollars in oil revenue which would have accrued to the nation have been lost to oil pipelines vandalization, oil staff kidnapping and other disruptive acts.

"Due to high level corruption and poor governance, oil royalties have not been distributed to the people of the region. Oil proceeds accruing to the oil producing states of the Niger Delta from the Federation account have been largely misused by the governments of those states, consigning their people to endless poverty and deprivation as a result. That a substantial portion of these funds have either found their way into private bank accounts in western countries or paid for paramilitary operations to deal with the unrest in the region is an open secret.

"The objective of the Niger Delta Fund Initiative (NDFI) is to establish the Niger Delta Fund (NDF), a win-win institution which will bring economic prosperity to the region along with enhanced security incentives for uninterrupted oil production. A more equitable wealth distribution pattern will promote

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social stability and stimulate growth of community based sustainable economic development.

"Similar to the Alaska Permanent Fund, <http://www.apfc.org>, the NDF will be a transparent legal mechanism whereby a majority portion of the oil royalties will be distributed directly to the people as dividend checks.

"Another portion of the oil royalty payments will be made available as low interest revolving loan funds for sustainable development. A smaller percentage of the funds shall be earmarked for peacekeeping, conflict resolution, and conservation programs.

"Fortunately, the Niger Delta Fund Initiative has a firm basis in law. The Nigerian Land Use Act vests all oil and mineral resources in the Federal Government to be used for the benefit of the people. However, it is common knowledge that extractive resource rents often end up lining the pockets of corrupt government officials. The Niger Delta Fund Initiative will therefore help bring into national and international focus governance issues related to rights to land and resource royalties and rents.

"Incorporated also in the Initiative will be the establishment of a Niger Delta Bank for Reconstruction and Development and public finance mechanisms for community based sustainable economic development.

"The successful implementation of the Niger Delta Fund will lend itself to replication in other parts of the country and Africa.

"The Initiative will work in partnership with NGOs, government officials, community based organizations, and legal and other experts familiar with the Alaska Permanent Fund and Nigerian law in order to form and implement the Niger Delta Fund.

"We will invite the participation of governments of the Niger Delta States comprising Bayelsa State, Delta State, Rivers State, Ondo State, Abia State, Imo State, Akwa Ibom State, Cross River State and Edo State.

"The Niger Delta Fund Initiative will start with a three-day international conference to be held in the city of Port-Harcourt, Rivers State, Nigeria in July 2003 to articulate and promote the Initiative. An aggressive media relations campaign shall precede the conference. The conference will clarify the intent and purposes of the Niger Delta Fund and develop agreements and strategies for the implementation of the Fund. The last day will feature closing ceremonies and a world press conference where a communique shall be made public. Participants shall be drawn from the Niger Delta Development Commission, local Legislative Assembly members, local NGOs, Trans-African institutions, UN Commission Nigeria Delegation, UN agencies working in the region, UN Volunteers, International NGOs, corporations in Nigeria who have a connection to petroleum, peace groups with interest in the region, and sustainable development consultants. The conference papers, including the recommendations, will be bound into a volume and copies will be sent to the governors of the Niger Delta states, their legislators, selected personalities

and NGOs for action and for reference purposes. (Funding for this is anticipated to cost US \$30,000)

"Immediately after the Port-Harcourt conference a Bill to set up the Niger Delta Fund shall be carefully crafted and drafted as a legal mechanism detailing the process of selection of Fund Trustees, distribution of citizen dividend payments, and criteria for the administration of the sustainable development revolving loan and conservation programmes. A focused and well organized campaign will be designed to promote the Bill when it is introduced to all the legislative assemblies in the Niger Delta states. Public education about the Fund and the promotion of the Bill to establish the Fund will be ongoing during this phase. The campaign will continue until the Bill is passed, with a target date of January 2004.

"Then the NDFI will be carried out jointly by the Initiative Partners and come into effect after the bill for the Niger Delta Fund has been signed into law by the state governments. Phase III will coordinate the full implementation of the Fund via multi-stakeholder initiatives and sustainable partnerships."

(editor's note: Organizations or persons wishing to make tax deductible contributions for the Niger Delta Fund Initiative may send them to Earth Rights Institute, c/o Alanna Hartzok, Director, P.O. Box 328, Scotland, PA 17254, USA, email earthrts@pa.net; or c/o Abiama (see "Write On" section of this GroundSwell issue.)