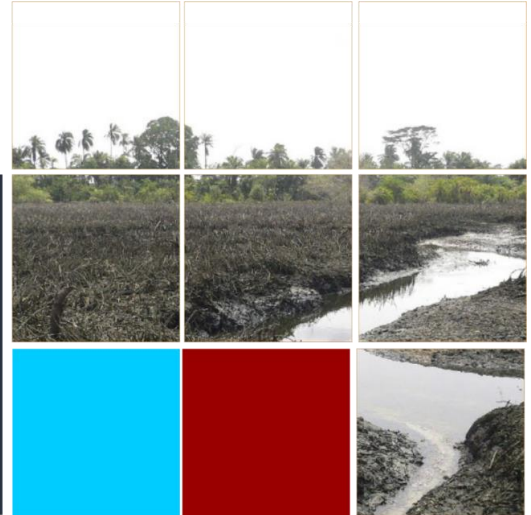


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ENVIRONMENTAL REMEDIATION UNDER NIGERIA'S HYDROCARBON POLLUTION RESTORATION PROJECT (HYPREP)



In August 2015, the Nigerian government ordered the immediate implementation of the United Nations Environmental Programme (UNEP) report on the environmental restoration of Ogoniland (UNEP Report). Ogoniland, has continued to suffer environmental degradation in what can be described as the worst environmental pollution in the history of Nigeria as a result of hydrocarbon exploration and production activities. The planned remediation programme is to be implemented by the Hydrocarbon Pollution Restoration Project (HYPREP), a specialist unit of the Ministry of Petroleum Resources which was established in 2012 following the submission of the UNEP Report. The HYPREP, is directly supervised by the Minister of Petroleum Resources and has a mission to protect and restore the environmental human rights of all communities affected by hydrocarbon pollution in Nigeria. In order to ensure a speedy take-off of the HYPREP, President Muhammadu Buhari has approved the amendment of the official gazette establishing the HYPREP to introduce a

new governance framework. The new framework includes the Governing Council, the Board of Trustees and a Project Management Team. The Governing Council shall include representatives of the Ministry of Petroleum Resources, the Federal Ministry of Environment, oil companies, the Nigerian National Petroleum Corporation, the United Nations System and the Nigeria States affected by hydrocarbon pollution.

The President also approved the composition of a Board of Trustees for HYPREP Trust Fund with members drawn from the Federal Government, NNPC, international oil companies, Ogoniland, and the United Nations System. It was agreed that a contribution deposit of ten million US dollars would be made by stakeholders within thirty days of the appointment of members of the Board of Trustees for the Trust Fund. The Board of Trustees will be responsible for collecting and managing funds from contributors and donors.

We note that the HYPREP has been set up with the people of Ogoniland as the primary target group and this is evident through the appointment of its representative as members of the Governing Council and Board of Trustees of the HYPREP Trust Fund. This notwithstanding, we believe that the HYPREP would be extended to include other hydrocarbon impacted sites as its mission is to protect and restore the environmental human rights of all communities affected by hydrocarbon pollution in Nigeria.

With the estimated cost of the remediation programme put at about 1 billion US dollars, some industry watchers and environmental activists have expressed scepticism as to chances of implementation going forward, due to the enormity of the cost, transparency in the administration of the HYPREP Trust Fund coupled with the fact that there has to be commitment by successive governments and international oil companies. Some are also of the opinion that the HYPREP should be under the direct supervision of the Ministry of Environment due to the fact that the Ministry of Petroleum has been an indirect actor in hydrocarbon pollution in Nigeria.

Bearing in mind that the President has announced that he would personally hold the office of Petroleum Minister for at least the next 18 months, we believe that placing HYPREP under the direct supervision of that office is an indication of the importance which the present government places on the environmental remediation process. Furthermore, considering the anti-corruption stance of the present government we expect that there would be transparency in the implementation process and that funds allocated for the HYPREP would be effectively and efficiently utilized. Also, the Shell Petroleum Development Company has also indicated its commitment to the HYPREP and this buy-in would immensely contribute to the success of HYPREP.

We will continue to keenly observe developments in this space and publish further updates as they become available.



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