



The Shell Report

Continuing Abuses in Nigeria
-10 Years After Ken Saro Wiwa



Foreword

Surviving under a shell

Since Shell set its paws on the soil and waters of the Niger Delta, it has been a tale of desolation: of fried skies, frayed nerves, flared hopes and sundry woes. It has been a tale of unmitigated tensions created and fuelled by the drive to silence the people and to drown out their wails with the tom-toms of war drums and jackboots. The entry of Shell into the Niger Delta and their entrenchment in this captive land have become emblematic of all that the peoples of the tropical world are crying against in the hydrocarbon extraction endeavour.

While oppression, violence and despoliation continue to be the lot of the hapless peoples of the Niger Delta, Shell and its counterparts -in -business spent years honing their skills in the production of colour brochures portraying themselves as responsible corporate citizens, while at the same time, fuelling graft, violence and decadent behaviour. This much has been admitted in Shell's Peace and Security report¹ as well as Chevron's double page advertisement² in Nigerian newspapers. Both documents clearly admit that by their action, these corporations have contributed to the state of conflict, corruption and distortion in both the Niger Delta environment and by extension, the Nigerian state.

According to the Shell report cited above, *“annual casualties from fighting already place the Niger Delta in the 'high intensity conflict' category (over 1,000 fatalities a year), alongside more known cases such as Chechnya and Colombia.*

*“The criminalisation and political economy of conflicts in the region mean that the basis for escalated, protracted and entrenched violence is rapidly being established. This not only threatens SCIN's (and the oil industry's) future ability to operate, but also Nigerian national security”.*³

Those are not words strung by ERA. It is easy to see that as far as these oil giants are concerned, the phrase “corporate social responsibility” is at best an oxymoron.

The Nigerian Revenue Mobilisation Allocation and Fiscal Commission (RMAFC) recently made scathing remarks as regards the corporate giant's bent in Nigeria. Shell was characterised as being nothing short of a plain parasite in the country, making criminally huge profits from the joint venture agreement between the corporation and the Nigerian National Petroleum Corporation (NNPC).

In the words of Abu King Shuluwa, RMAFC member:

*“We have reviewed the operations of Shell in Nigeria. And what we have found out is that the cup of tea that you drink in Shell is paid for by government. The government pays for even the toothpick that is used there. The question we have continued to ask is what is this talk about joint agreement [?] Definitely, what is happening now is bad.”*⁴

The interpretation was that the oil giants routinely

exceeded their allotted production quotas. In fact, a former Petroleum Minister, Chief Dan Etete, in 1996, accused Shell and other oil corporations of ripping off Nigeria under the guise of operating a joint venture contract.

Ten years have rolled by since Shell held a watching brief at the kangaroo trial of Ken Saro-Wiwa, Baribor Bera, Saturday Dobe, Nordu Eawo, Daniel Gbokoo, Barinem Kiobel, John Kpuinen, Paul Levra and Felix Nuate. Shell watched behind its shell while General Abacha, the ultimate hangman, watched from behind his sunshades. While Abacha gleefully relished the murder of the Ogoni nine, Shell stayed mute, indifferent to international outcry, and merely sat checking off the years to find an opportune time to slip back into the raw veins of Ogoniland. At the Oputa Panel sitting in Lagos, Gen Sani Abacha's second in Command, Lieutenant General Oladipo Diya said, *"The execution, I regretted at the time it was done... There is no way I will not be part of that responsibility."* He added,⁵ they were wrong to have ordered the execution.

ERA is issuing this report on the 10th anniversary of the murder of the Ogoni nine in memory of these and other compatriots whose blood has been spilled in the struggle for environmental justice in the Niger Delta and in Nigeria as a whole. This report shows that the Niger Delta environment has not fared any better since those dark, evil days. Instead, the forces of oppression have become entrenched and in cases, have become far more brutal than could have been imagined a decade ago.

The destruction of Odi (1999) and Odioma (19 February 2005), the despoliation of Warri through unmitigated conflicts under the present government made the destruction of Umuechem (1990) seem like dress rehearsal for more atrocities to come.

As the world continues to hunger for hydrocarbons, so the oil giants conveniently maintain a strangle

hold on the Niger Delta in indifference to the cries of the people. As the International Monetary Fund (IMF), World Bank and the Paris Club scheme on even more ingenious ways to skim off whatever funds trickle into our national treasury, so the fangs or rigs of the oil transnationals sink defiantly into the heartlands and off-shores of the oil coasts. The game is this: the richer the nation gets, the poorer it must become. In this open faced blind man's game, the grassroots suffer and have been reduced to ghosts of what they ought to be.

We have always stated without fear of any contradiction that no oil spill has been adequately cleaned up in the Niger Delta. The spills Shell Petroleum Development Corporation (SPDC) left in Ogoni are still there for all to see. Their cleaning up has been one of the demands of the Ogoni people. A testing of the underground water at Botem Tai by ERA showed serious contamination by hydrocarbons, heavy metals and sundry toxic substances. It is well known that natural remediation may take generations to return the environment to its natural state. It would be expected that these sophisticated corporations would utilise hi-tech equipment in cleaning up their spills. But the truth is that they use little more than spades, shovels, mops and buckets. They also use fires to lap up the spills. By this method, they have set forests and rivers on fire. Examples abound in Shell and Agip areas of operations. The Aleibiri forest was set on fire to hide Shell's spill. Agip's spill at Etiema, a community close to Ogbolomabiri [headquarters of Nembe West Local Government Area of Bayelsa State] was traced to its pipelines that were constructed in 1972 and have not since been upgraded or replaced. The people have seen many spills but nothing like that of May 13, 2000.⁶ By the end of the day the crude oil had spread to communities such as Igbeta-Ewoama, Iwokiri, Agbakabiriyo, Sabatoro, Kemenini, etc. An attempt to suck the crude away using a faulty pumping

machine led to the roasting alive of at least six youths.

November 10th has come to stay as a day of remembrance of the martyrs of our collective struggle for a safe environment devoid of exploitation, deprivation and degradation. As the world marks this day in honour of the heroes of our struggles, we note that certain forces are also out to desecrate the day and also to rub salt in our open wounds. One of such acts can be seen in the fact that it was on November 10, 1999 that President Olusegun Obasanjo wrote his letter to the Governor of Bayelsa State, giving him a 14-day ultimatum to flush out some criminals from Odi and before the expiry of the ultimatum the Odi massacre was ruthlessly executed. Again, as preparations to mark the 10th anniversary of the executions began, the presidency announced the planned return of Shell to Ogoni.

While ERA issues this report in commemoration of the 10th anniversary of the execution of the Ogoni patriots, we call the attention of all to the fact that the battle for a safe Niger Delta environment is far from being won. Obsolete pipes are still being used by the oil corporations; spills remain a matter of routine; social and moral disruptions are entrenched; toxic gases continue to be released through gas flares; poverty has turned even more

virulent and life is still short and brutish. Moreover, the demands of the Ogoni in the Ogoni Bill of Rights and those of other ethnic nationalities remain scornfully unattended to.

- Nnimmo Bassey

Executive Director, Environmental Rights Action Friends of the Earth, Nigeria (ERA/FoEN).

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- 1 Peace and Security in the Niger Delta: Conflict Expert Group Baseline Report, SPDC, December 2003
 - 2 New Directions In Community Engagement And Sustainable Development, Chevron, Various Nigerian Newspapers, May 2005
 - 3 Shell Report p.5
 - 4 See Daily Independent, September 2, 2004
 - 5 AFP. "We were wrong to kill Saro-Wiwa: Abacha's deputy", LAGOS, Dec 8, 2000
 - 6 ERA Field Report # 61, AGIP'S MILLENNIUM FIRE ROASTS SIX TO DEATH. 18 May 2000

Introduction



● *Ken Saro-Wiwa*
(1941 -1995)

On November 10, 1995, the Nigerian military regime of General Sani Abacha murdered Ken Saro-Wiwa and eight other leaders of the Ogoni people of the Niger Delta. A kangaroo tribunal set up by the regime convicted them on trumped up charges of murder. The world responded with outrage. Shell, the Anglo-Dutch transnational oil corporation was implicated in the murders. Shell had also supplied guns and provided financial support to the military task force that massacred the Ogoni in their hundreds and destroyed communities from 1993, when the Ogoni commenced peaceful agitations and mass protests against the destruction of their natural environment and livelihoods by Shell and the Nigerian government.

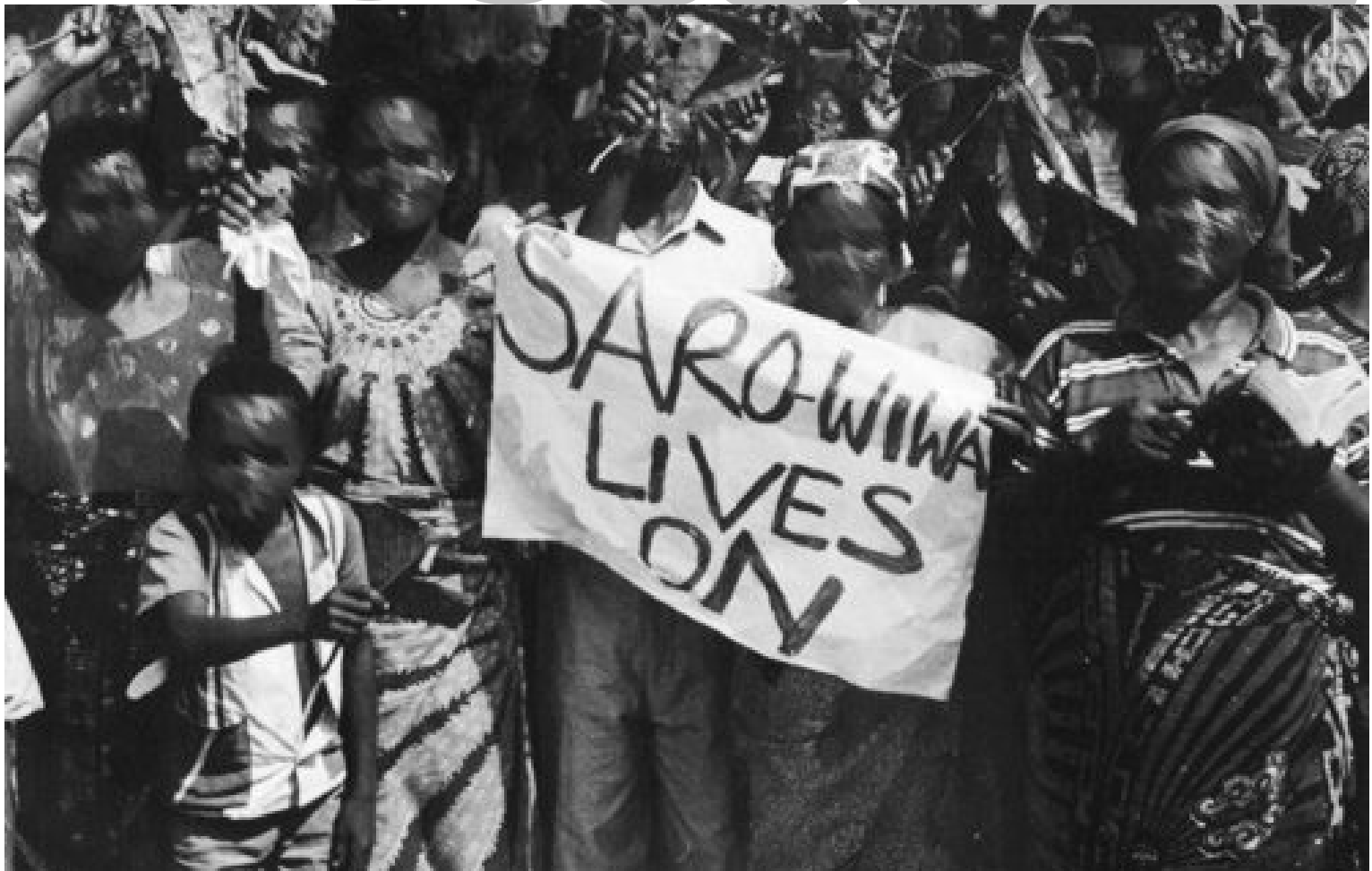
The Ogoni killings followed the Umuechem massacre in 1990. Then, Nigerian mobile policemen invited by Shell murdered 80 community members, including women, children and the elderly and destroyed the entire community. All houses were burnt down and properties of community members were looted. The people of Umuechem were engaged in peaceful protests at the gates of Shell's flow station located in their community. Also in the community are scores of oil wells and pipelines from which Shell flares associated gas and pollute farmlands with oil spills. Apart from impoverishment, diseases and death, the people get no benefits from the billions of dollars worth of oil that Shell and successive Nigerian regimes drill daily from Umuechem, Ogoni and the rest of the Niger Delta since Shell commenced oil production and exports from its Oloibiri oil fields in 1958. Oloibiri today is an abandoned wasteland. Shell left the area during the early 70's when the oil dried up. Dripping oil wells, devastated environment and an



impoverished population trailed its exit. The experiences of the peoples of the Niger Delta and Nigeria present a good example of how huge “investments” in oil and gas exploitation by Shell and dictatorial regimes cannot translate to development and democracy. In 50 years of Shell's partnership with Nigeria's fascist regimes, the mass of the Nigerian peoples have become poorer and human rights abuses, including massacres of whole communities, have increased. Ten years after the murder of Ken Saro-Wiwa, violence, induced by Shell in Niger Delta communities has increased. Also escalating is the wanton destruction of local livelihoods with Shell now adopting the worst forms of environmental practices to reduce costs and increase profits for its shareholders in London and the Hague.

With the international outrage over the Ogoni murders, which was demonstrated in protests against Shell worldwide and the boycott of its products, the corporation responded with a massive reinforcement of its spin machinery, making claims to change and advertising a new commitment to its version of “Corporate Social Responsibility” . Between 1995 and 2005, Shell published reports that try to show new resolve and improvements in its environmental practice, “sustainable community development,” contribution to national development in Nigeria, peace building etc. However, as this report will show, Shell's rhetoric during the past decade is in stark contrast to the experiences of its victims in the Niger Delta where the company continues with business as usual.

Ogoni and Shell



Ogoni women paying tribute to Saro-Wiwa

On August 26, 1990, at the Ogoni town of Bori, the people from the clans and villages proclaimed the Ogoni Bill of Rights in which they demanded political autonomy within the Nigerian Federation. The Ogoni stated that over 30 years of oil mining by Shell had provided the Nigerian state and Shell with total revenue of 30 billion dollars. They lamented that the Ogoni are excluded from political representation, pointing out that the “ethnic policies of successive Federal and State Governments are gradually pushing the Ogoni people to slavery and possible extinction.” The Ogoni regretted that their communities lack basic amenities like pipe-borne

water and electricity while the search for oil in their lands by Shell and the Nigerian government caused them severe land and food shortages. In addition, the “neglectful environmental pollution laws and substandard inspection techniques of the Federal authorities have led to the complete degradation of the Ogoni environment, turning homeland into an ecological disaster.”¹

The Ogoni, under the leadership of the Movement for the Survival of Ogoni People (MOSOP), submitted the Bill of Rights to the military government of General Ibrahim Babangida in

October, 1990. The dictator ignored the demands. The Ogoni then followed the proclamation with peaceful mass protests against Shell and the Nigerian government. The people demanded reparation from Shell and Chevron for the environmental devastation they have visited on Ogoniland. But the companies refused to respond. MOSOP continued the mobilisation of the Ogoni and took the campaign to the national and international arena. On January 4, 1993, as the United Nations marked the Year of the World Indigenous Populations, an estimated 300,000 Ogoni, including women and children staged a completely non-violent protest march against Shell's "ecological war."

Alarmed by the resolve of the Ogoni, the military government, with the support of Shell, intensified the programme of repression of the Ogoni with the setting up of a military task force for self-defined "wasting operations" in Ogoniland. Shell bought guns and provided support to the military task force, which embarked on a killing spree in Ogoni, burnt down villages, looted property, raped women and blackmailed their leaders. The repression culminated in the murder of MOSOP's leader, Ken Saro-Wiwa on November 10, 1995, after a military tribunal sentenced him and eight other Ogoni leaders to death, in the presence of Shell lawyers who were holding a "watching brief."

Before the murder of Saro-Wiwa and other Ogoni leaders, Shell also announced in 1993 that it was pulling out of the Ogoni area citing "hostility" — a claim that was debunked by Ken Saro-Wiwa, before his killing. According to Saro-Wiwa:

What Shell called hostility were mere words that expressed facts. And Shell did not feel threatened enough to stop working in the area.

Shell contractor, Wilbros, were laying pipelines through the heart of Ogoni at

the time and continued to do so until 30th April when farmers in the village of Biara came out to protest the bulldozing of newly-planted crops, the non-payment of compensation, and the failure to do an environmental impact assessment study of the project as stipulated by Nigerian law. Shell did not hesitate to ask soldiers of the Nigerian Army whom it had hired to guard the Wilbros workers to shoot at the unarmed protesters who only held palm branches. One man was killed and eleven others received gunshot wounds. A mother of five, Mrs. Karalolo Korgbara, was shot and had her left arm amputated at MOSOP's cost.

Shell's oilfields in Ogoni continued to produce after this date, although Shell alleges that it has pulled out of the area. In any case, Shell workers, as a rule, only pay occasional visits to their Ogoni oilfields since the wells are generally on automatic. These fields were later reported by Shell to have "closed in" of themselves since they were not being serviced" .²

With Shell's oil wells in Ogoni closing in, no measures were taken to secure the environment from system failure. The result has been permanent leakages from wellheads and flow lines, which have continued to contaminate the environment, 12



Shell's leaking oil wells in Ogoni, 2005

years after, with the record of major blowouts. For example, in December 1999, a fire outbreak from Shell's Well 16 led to massive destruction in Yorla. Despite these incidents, Shell refused to take action to secure its facilities, though the Yorla community had assured it of security and made radio and television announcements to that effect during the year 2000. On April 29, 2001, a bigger blow-out occurred in Yorla (see box), leading to massive destruction and the killing, six weeks later, of Friday Nwiido, a 31-year old father of three. Nwiido, a local labourer, is reported to have worked for Shell's agents, while the Yorla spill lasted. He was executed by policemen that abducted him on suspicion of seizing a Shell van in protest against unpaid stipends for the work he did.³

Blow-outs In Yorla

On April 29, 2001 SHELL oil well No. 14 at Kpean, Yorla in Khana L.G.A. of Rivers State exploded, spilling massive quantities of crude oil into the environment. Community members that noticed the spillage took immediate action to secure the site and prevent damage by fire. The following day the traditional head of the community and the Chairman of the Local Government Council informed Shell of the incident.

On May 1, 2001, Shell conducted inspection of the site with helicopters. The company also informed the Government of Rivers State and gave assurance that the spill would be contained. The following day, Shell's External Relations Manager, Donald Boham, held a press conference at its Port Harcourt Clubhouse where they claimed that the spill was caused by sabotage, though he agreed that Shell oil wells in Ogoni are "still potential time bombs". According to Boham, "team members saw that the wellhead was tilted", to support Shell's suspicion of sabotage.

Meanwhile, members of the community were becoming angry with the inaction of the company to arrest an obviously dangerous and life threatening problem. Shell was also not consulting with nor informing community members of any efforts to contain the fast spreading spill.

On May 3, 2001 a government team including the Local Government Chairman and a member of the Rivers State House of Assembly visited the devastated site in the company of journalists, as community members were becoming increasingly agitated.

By May 4, 2001, when a Shell team (reportedly imported from

Boots & Coots in Houston, USA to cap the collapsed wellhead) visited the community in the company of government officials, the angry members of the community insisted on a dialogue with Shell to understand the company's plans. However, government officials and journalists went on to visit the site. A member of the government team reported as follows:

"We approach the site, can hear sound of gushing oil even before the spill is seen. As we turned and enter site, we observe the following: strong smell of gas coming from associated gases; entire vegetation, trees and leaves is covered with a thick coat of oil; the ground around the wellhead is covered in at least 3 inches of oil; the geyser of oil from the well is at least 20 - 30 feet high, falling as rain to the ground after hitting its zenith.

Team approached at site by groups of youths and older men, introductions made. They make the following complaints:

-That SHELL's response was too late, having been made over 5 days after the spill occurred and 4 days after the following spill was reported to it.

-That SHELL was already attributing the spill to sabotage, despite the fact that SHELL had not had any kind of access to the site to determine the cause of the spill.

-That the local communities are experiencing skin, throat and eye irritation as well as respiratory difficulties, yet SHELL has made no effort to address the medical situation.

-That the local drinking water has been contaminated by the spill and the crops in the ground, yet no relief materials in form of water or food or any kind whatever has been sent to them.

We leave site and head back to road blockade set up by local youths. We resume negotiations with youths and eventually secure permission for SHELL to enter the site with their equipment and commence containment of spill"⁴

On May 7, when the Shell team concluded the capping operations, community victims tried to prevent the team from leaving site, demanding that the community be informed of the plans of Shell to clean the spill and assure their safety. After an hour of discussions where the Shell team informed community members that the blowout was caused by mechanical failure due to gas pressure coupled with corrosion on the facility⁵ (as against the statement of Shell's PR man, Donald Boham at their Club House press conference, where sabotage was alleged), the team left the site and returned to Shell base in Port Harcourt.

The community did not hear from Shell for a long time.

A member of the government team that assessed the Yorla blow-out of 2001 made the following observations:⁶

"The community stated that if SHELL had acted as

requested earlier this year, this fresh disaster to the people and environment would have been avoided.

The communities where SHELL operates are basically peaceful and wish for nothing more than to derive some benefit from their natural resources...but SHELL's policies, especially during crisis periods such as this, have not helped to create harmonious relationship between it and its host communities.

When spills or blow-outs occur, they are not investigated by international standards, nor are compensations assessed by international standards. Instead, bags of money are given to individuals who work for themselves, and never for the communities. SHELL is well aware that these are greedy and selfish people, and that these monies do not get to the persons who are entitled to them, yet SHELL chooses to use them as middle men to the communities, possibly because certain persons within the SHELL hierarchy receive kickbacks from these individuals, so, prefer to pay the monies to them out of selfish interest, or, that SHELL simply does not care what happens to the communities from whom it makes it huge profits.

SHELL always manages to bring communities to loggerheads by unequal allocation of what it calls relief materials and monies during crisis such as oil spills, blow-outs, or fires.

This so - called emergency response is nothing short of bribes and incentives that SHELL uses to induce access, which often leads to fights amongst the communities. The major reason for communities refusing SHELL access to spill or blow-out sites especially in this latest case, is not because it is SABOTAGE, as each spill or blow-out has to be investigated and the truth established beyond doubt, rather it is SHELL's low level of sensitivity towards the communities before the spill or blow-out and SHELL's actions or inaction immediately after the spill or blow-out.

The youths conclude that they gain nothing from oil operations, and believe they stand to lose nothing by denying SHELL access to spill sites. Even the threats to their lives, their communities, and their environment (which lack of education has made them unaware of) is immaterial, they are so frustrated and angry that they do not care about the consequences of their reactions.

The people are reacting to the obvious, SHELL takes billions of dollars out of their land, others collect millions of Naira on their behalf, and they continue to pay the price. SHELL is faced with youths who are

born to parents and grandparents, whose stories are filled with how SHELL came into their communities, took oil out, and destroyed their environment, their livelihood. SHELL operations have led directly or indirectly to their deaths, the deaths of their leaders, therefore, they have no reason for hope and have concluded that there is no other option than a reaction, any reaction, as long as it leads to a halt in what they hold responsible for their suffering and the destruction of their environment.

On the larger scene, SHELL's community relations policy is not working for the people it is meant for. It gives fishponds and pollutes them with oil; health centres with no equipment or relevant staff; classroom blocks with no textbooks or teachers; bags of rice and beans which now and again lead to jealousies and encourage disputes between communities that intermarry and live less than 3 -5 kilometres apart. It claims that it builds tarred roads, but more often than not, these roads only lead from one SHELL facility to another SHELL facility in communities and are intended primarily to facilitate SHELL's business. If such road happens to cut through 1, 2 or more communities, then "SHELL has successfully constructed numerous kilometres of tarred roads and has brought development to the lives of the people of A, B and C. community".

Oil and gas exploration and exploitation is still being carried out in native communities, with total disregard to the people of the communities, and to their environment. SHELL's profits increase yearly, at a terrible cost to the communities that play host to its operations. Has anyone ever considered that SHELL's profits are so high because it invests so little in new drilling technology and does not conform to standards that are universally applicable in other more developed countries?

From the complaints of the communities it is clear that SHELL is still not as sensitive, and as responsive as they ought to be to the host communities and the environment. SHELL still comes across to the neglected and oppressed people of the communities as insensitive, greedy, selfish, and uncaring. It is therefore not surprising that there was resistance to SHELL after the well 14 blow-out, and there will continue to be resistance until the problems of the host communities are addressed. The people are angry, and this is an opportunity to talk, as otherwise no one listens; only in crisis like this do they have a chance to heard.

As much as SHELL needs a safe, peaceful, and secure

environment to operate from, so do the host communities want development, opportunities, to benefit from oil operations, education, respect and most of all, a land free from negative effects of oil exploration.

SHELL's profits increase yearly, their investment into exploring and exploiting grows yearly, yet the host communities are the ultimate victims. The host communities are dying from SHELL's profit making, from pollution, environmental degradation and oppression, which is now their unchanging lot. SHELL must truly seek to get to the bottom of its problems with hostcommunities and begin to solve them. The people, any people for that matter, will react to poverty, unemployment, lack of basic facilities, such as light, clean drinking water, healthcare. There is a build up of frustrations resulting from total neglect, from others enjoying the God-given resources of the Niger Delta, and while the people of the Niger Delta die from the enjoyment of others”

Shell Plans to Return to Ogoni

Shell's desperation to return to Ogoniland may have informed its support for the “wasting operations” that led to the murder of hundreds of Ogoni from 1993. Since then, the company has continued to claim publicly that it would not return to Ogoni until the Ogoni people welcome them. In its 2004 People and Environment Report, the company states that:

The company has repeatedly said that it will not return to Ogoni land to produce oil until the majority of Ogoni welcome its presence. It has also called for reconciliation. After the tragic executions of Ken Saro-Wiwa and his fellow Ogoni, several attempts have been made by independent organisations (such as the Christian Association of Nigeria and the Oputa Panel) to bring about reconciliation between the Ogoni people

themselves and between the Ogoni and other stakeholders (including the government and SPDC). Some progress has been made but there is still much to do. President Obasanjo has called for renewed efforts in this area and has asked Coventry Cathedral's International Centre for Reconciliation, in partnership with Academic Peaceworks (a local NGO), to facilitate dialogue amongst all stakeholders to that end. We welcome the President's intervention and will do what we can to ensure that it reaches a successful conclusion.⁷

However, Shell's profession of a commitment to reconciliation is not matched with action. For example, Shell refused to accept any wrongdoing at the Oputa Panel⁸ and has refused to apologise to the Ogoni.

In 1998, a Special Rapporteur of the United Nations Commission on Human Rights recommended measures to address the socio-economic problems of Ogoni, including setting up of an independent agency to determine all aspects of environmental damage due to oil exploitation in the area. Again, Shell responded to the report by denying involvement in environmental devastation. Neither has the company and the Nigerian government agreed to address the demands of the Ogoni as contained in the Ogoni Bill of Rights.

Rather, Shell's agents and the government have been pursuing internal policies in Ogoni with politicians of the ruling party sponsoring the creation of new organisations that may be working to pave way for Shell's return. This raises a spectre of renewal of internal crisis in Ogoni.

Nigeria's ruling People's Democratic Party (PDP) massively rigged elections in Nigeria in 1999 and 2003. Local and international observers were unanimous in the report of unprecedented fraud in the elections in the Niger Delta area, including Ogoniland, where people were completely disenfranchised. With Ogoni politicians in government not being the representatives of the people, they cannot legitimately speak for the community. Indeed, politicians and aspiring contractors calling for a return of Shell could subvert the relative peace in Ogoniland.

ERA Statement in Response to Nigerian Government Plan to Reconcile the Ogoni and Shell

June 13, 2005

Dear Rev Father Mathew Kukah,

No Reconciliation Without Justice

Your recent appointment by the President, Chief Olusegun Obasanjo, to facilitate the return of Shell Petroleum Development Company (SPDC) to Ogoni is a challenging task. Twelve years ago, the Ogoni people declared Shell persona non grata following the violent devastation of their environment and serial human rights abuses perpetrated by Shell in collaboration with agents of the Nigerian State. Ogoni without Shell has been peaceful. In the 12 years of Shell's absence the Ogoni environment has begun to recuperate. Battered local livelihoods are recovering. The Ogoni have been able to salvage their humanity and rekindle their cultural values.

The Shell-Ogoni face-off was caused by a chain of events culminating in what many believe was an attempt to exterminate a blameless people. The violence visited on the Ogoni is of genocidal proportion. From January 4, 1993 to January 4, 1998, over 2,000 Ogoni were reportedly murdered by Federal troops led at different times by Lt. Col. Paul Okuntimo and Major Obi Umahi. Others died from traumatic shock and other sicknesses caused by Shell's poisonous effluents, gas flares and other forms of psychic and physical assault. The same crisis led to the deaths of four Ogoni chiefs and the subsequent judicial murder of the late environmental activist and Ogoni leader, Mr. Ken Saro Wiwa and eight other compatriots by the Gen Sani Abacha military regime.

We at Environmental Rights Action/ Friends of the Earth,

Nigeria (ERA/FoEN) welcome the attempt at reconciling parties in the Ogoni crisis. We also have no reason to doubt your ability as the "chief negotiator". Your antecedents in similar assignments have no doubt prepared you for this very daunting job.

We, however, believe strongly that the struggle to save the Ogoni people and its environment from further ruination is a just struggle which must be won by the people for the good of Nigeria. Dear Reverend Father Kukah, the words of Chubby Williams, an Austrian Aboriginal leader, is instructive here: "There can be no true reconciliation without justice."

In all their demands, the Ogoni have never been equivocal about their loyalty to the Nigerian nation. What they ask for is freedom to control Ogoni political affairs by their own duly elected representatives, control and use of a fair amount of Ogoni economic resources for Ogoni development, adequate and direct representation as of right for Ogoni people in all Nigerian national institutions, and the right to protect the Ogoni ecology from further degradation. These are the just and legitimate demands of every citizen of our country. They are guaranteed by various international statutes. The Ogoni are merely asking to be treated as Nigerians in their own country.

For making these demands, Shell and Federal troops responded with the most brutal repression ever witnessed in our nation's history. In the many assaults, 120 villages were reportedly attacked and 250,000 homes destroyed. Over 80,000 Ogoni became refugees.

ERA/FoEN wants to remind you and other personalities and agencies that might be involved in the reconciliation effort that Shell was directly implicated in the murder of at least four Ogoni, including 17-year old Uebari Nnah who was shot near flow station No.5 near Korokoro in October 1993. Shell also partly financed the military campaign in Ogoni by providing food and logistics to the soldiers under the command of Okuntimo and Umahi.

The issues go beyond the return of Shell to Ogoni to resume uncontrolled oil production - which non-violent citizen action has rightfully prevented them from doing this past 12 years. Any reconciliation effort must first address the demands of the people as stated in the Ogoni Bill of Rights. These include:

- Political Control of Ogoni affairs by Ogoni people.
- The right to the control and use of a fair proportion of OGONI economic resources for Ogoni development.
- Adequate and direct representation as of right in all Nigerian national institutions.
- The use and development of Ogoni languages in Ogoni territory.
- The full development of Ogoni culture.
- The right to religious freedom.

- The right to protect the Ogoni environment and ecology from further degradation.

Beyond that, Shell, the chief transgressor in this tragic drama, must be made to atone for its sins. Shell till now has not been penitent. The corporation will have to publicly admit its wrongdoings and plead forgiveness from the Ogoni and all Nigerians. It has to publicly pledge that it is ready to respect human dignity and end despoliation of the environment.

Dear Father Kukah, to assist you in your assignment we will like to recommend the following as steps that must be taken in resolving the Ogoni crisis:

- Undertaking by the Federal Government to implement the Ogoni Bill of Rights wholly and unabridged.
- Public apology signed by the Chief Executive of Shell to precede any discussion between Ogoni and Shell.
- Comprehensive audit and clean-up of Shell's spills and pollutants in the Ogoni environment.
- Setting up of a committee to catalogue and document losses by the Ogoni during the oil-inspired military campaign on their land with a view to bringing relief to victims and their families.
- Adequate financial compensation paid to the Ogoni or the despoliation of their environment by Shell and also for the backlog of unpaid oil rents and royalties.
- A referendum to determine whether the Ogoni people want Shell back, and
- Total stoppage of gas Flaring in Ogoni.

In solidarity with the Ogoni

ERA/FoEN

- 1 Ogoni Bill of Rights, 1990.
- 2 From Ken Saro Wiwa's Statement to the Military Tribunal that sentenced him to death in 1995.
- 3 ERA Special Update Report, July 8, 2001
- 4 Reported by Annkio Oporum-Briggs, PRELIMINARY INDEPENDENT REPORT ON SHELL OILWELL 14 BLOW-OUT AT KPEAN, YORLA, KHANA L.G.A. OF RIVERS STATE. 2001
- 5 ERA field report # 78
- 6 Reported by Annkio Oporum-Briggs, PRELIMINARY INDEPENDENT REPORT ON SHELL OILWELL 14 BLOW-OUT AT KPEAN, YORLA, KHANA L.G.A. OF RIVERS STATE. 2001
- 7 Shell Nigeria: People and Environment Report 2004
- 8 Human Rights Violations and Investigation Commission (HRVIC)

Shelling *The* Environment



- *Fire from abandoned Shell oil spill devastated forest and farmlands at Rukpokwu, Rivers State.*

During the preceding decade, Shell's environmental practices in the Niger Delta have regressed from the worse to the disastrous. Despite claims by the company in its glossy *People and Environment Reports* that it has improved, the peoples of the Niger Delta area continue to live with the reality of environmental devastation by Shell: In all stages of its oil and gas exploration and exploitation activities, seismic surveys, construction of infrastructure such as access roads, dredging of streams and rivers, use and management of pipelines, gas flaring etc., the company and its contractors operate with abysmal disregard for the

natural environment and contempt for the communities that make their living from the land.

In the few cases in this report, we present the reality of hazards to community lives and livelihood, as Shell's old and decaying facilities such as oil wells and pipelines - built between 30 to 40 years ago; result in incessant spills and blow-outs from corrosion, wear and the absence of maintenance, monitoring and control. When the worn-out facilities rupture, Shell blames the victims and accuse them of sabotage. This is done to avoid compensating communities: farmers, fishermen and

local industries that depend on land and rivers for food, water and income.

Shell claims that about 80% of all oil spills from their facilities are caused by sabotage. These claims are usually made before Shell officials visit spill sites and without confirmation of officials of government agencies. As a matter of fact, government officials at the state and local government levels have consistently disputed the claims of sabotage by Shell (see box).

Rumuekpe: Sabotage?

The Daily Independent Online of Thursday July 24, 2003 reported that lawmakers in the Rivers State House of Assembly were embroiled in disagreement with Shell over the cause of the oil spillage that ravaged Rumuekpe, in Emuoha Local Government Area of the state. The lawmakers were angry over the company's report which claimed that the spill, which occurred earlier in the month was as a result of sabotage. Shell also claimed that one Mr Amadi E.O had signed the report of investigation which attributed the spillage to sabotage, on behalf of Rumuekpe Community. But Mr Chidi Lloyd, representing Emohua State Constituency had told Daily Independent that a Shell engineer had confirmed to him on site that the spillage was caused by leakage in the Agbada pipeline. The report further revealed that the lawmakers had argued with the Shell representatives at a meeting that there was no way the community would have initialled the report because negotiations on how to clean the spill was already deadlocked, alleging that the Amadi E.O who purportedly signed it was faked. A week after the spill, Shell had done nothing to clean the spill, prompting another petition from Agba-Ndele community, one of the areas affected which raised alarm over cholera epidemic witnessed in the area between July 15 and 18, 2005.

Despite claims by Shell of huge expenditure on the environment, the company still lacks facilities to manage and clean oil spills from its ageing facilities. This is over 10 years after J. P. Van Dessel, a Dutch head of Shell's environment department in Nigeria resigned from the company in protest against the lack of commitment by the management to provide facilities and manpower to manage oil spills. In

1994, Van Dessel had reported that "Shell were not meeting their standards, they were not meeting international standards. Any Shell site I saw was polluted; any terminal I saw was polluted. It was clear to me that Shell were devastating the area." ¹ Rather than make the investments to protect people and their environment, Shell has continued to blame their victims. In most communities impacted by Shell blow-outs, residents and government officials have continued to report that Shell has been unable to provide the materials and manpower to contain spills thereby delaying action and spreading impacts. In 2001, Shell had to import men and equipment from Houston, United States to cap a wellhead blow-out in Yorla, an Ogoni community, as it didn't have the capacity in its Port Harcourt headquarters and main operating base, only a few minutes drive from the spill site (see chapter 2).



- *Shell pipelines criss-cross communities in the Niger Delta.*

In 2005, the situation remains the same: while it takes weeks to find ways of stopping spills, Shell shifts the blame to victims, blaming them for sabotage and “preventing access,” a routine and unverified claim that is now the root of conflicts with protesting communities. In July and August 2005, over 40 communities in the Ughelli South, Okpe and Burutu local government areas of Delta State suffered from massive oil spillages and toxic discharges from Shell facilities destroying farmlands, rivers and wetlands. Chairman of the Ughelli South Local Government Council reported that when Shell officials were contacted, the company went to the impacted area with equipment that could not stop the leakage until days later. Ineffective clamping methods by Shell officials and abandonment of a site by Shell contractors worsened the spill². Shell blamed the community members for sabotage before any joint investigation with government and communities, while the poor victims insisted that the spills were caused by equipment failure. Shell used soldiers from the Warri military base to intimidate community members while the spill lasted.

Spill and Burn:

Shell's delayed response to oil spills is worsened by its method for cleanup, which involved scooping the oil on water and land surfaces for dumping in open pits where crude is burnt. In this section, we present just a few of the numerous cases where such fires have resulted in massive devastation of farmlands, forests, rivers and communal property.



• *Spill and Burn at Aleibiri, Bayelsa State.*

Shell Spill and Burn Forest in Aleibiri

In March 1997, a Shell pipeline, laid in 1973, ruptured at Aleibiri in the Ekeremor Local Government Area of Bayelsa State and spewed crude oil into community forests and surrounding wetlands. The company, in usual practice, refused to accept responsibility for the spill, blaming it on “sabotage”. One year after the spill, after pressures from the community victims, Shell contracted another company to clean up the spill site, using Shell's traditional scoop-dump- and-burn method. The operation was so carelessly performed that the spill site exploded in flames and consumed about 15 hectares of forest in March 26, 1998.

After Aleibiri, Foutorogbene Forest Burns

On July 1998, Shell set another forest on fire, this time at Foutorogene, a few kilometres away from Aleibiri in the same Ekeremor Local Government Area. Another oil spill had occurred on July 24, 1998 along the Beneseide/Opukushi pipeline passing by the Foutorogbene community. Desperate community victims had to impound a sea truck owned by the company before Shell agreed on a “cleanup” of the affected areas. As usual with Shell, the cleanup contract was awarded to untrained persons that engaged community labour to scoop and dump, under the watchful eyes of Shell's staff. Disaster struck when Shell decided to burn off yet to be mopped crude on land surface in the evening of August 7, 1998.

According to Mr. Alibaba, then Chairman of Foutorogbene community, "we were alerted by sounds coming from the forest and the thick smoke rising to the sky. We then rushed down there to meet a big flame, which was spreading very fast. By sheer survival instinct we began to combat the fire." Community members volunteered all night to put out the fire. By that time, economic trees and communal property had been destroyed.

After the inferno, the community stopped the Shell contractor from proceeding with the "cleaning up exercise". This was to prevent further damage to their forest and property. HRH, Chief Theophilus Ebiama (the Amananaowei of Foutorogbene) further stated, "we want all work to stop for our safety and protection. Also, we are requesting for relief materials from Shell. We have reported the unfortunate incident to Shell and relief materials should be sent to the community before any other work is done or the cleaning exercise continued."

In the same year, 1997 a similar fire outbreak from a Shell spill site killed two in Rumubiakani community in Rivers State.

Aleibiri, 8 Years After

On a visit to Aleibiri by boat, the greenery on the banks of the Bomadi River all combine to cast a façade of serenity. However, a detour, by canoe, into the forest behind the village exposes the impact of a spill 8 years ago. Film of crude oil on the surface of the forest floors and what is supposed to be fresh water swamps is a grim reminder and testament that all is still not at ease with

the environment.

In August 2005, Shell brought in a contractor to carry out the first phase of remediation exercise on the devastated Aleibiri forest. But again the “remediation” process involved community labourers tilling and turning earth at the impacted sites into ridges.

This is what the people of Aleibiri say of Shell efforts, 8 years after:

“What do we know about remediation? What we were asked to do we did. Only we were surprised that what we were eventually taught was a very elementary aspect of farming, the construction of a planting ridge. Is that what remediation is all about?” - Anyamah Weniabedei, Special Assistant to the Chairman, Aleibri Federated Communities.

“When we commenced digging at the site where the actual spillage occurred [Shell's right of way] the crude we thought had submerged began to resurface in quantity”. Lamiga Angosine, Keeper of the Aleibri Civic Centre.

“Can the leopard lose its spots? No! Shell is still married to its old ways.”- Firstman Amaebiye, Chairman Aleibri Heritage Council.

Otuegwe:

An oil spill occurred from Shell pipeline in May 1994 at the Oyere forest shared by Otuegwe, Ayakoro and Obeleli communities of Bayelsa State. The spill was shabbily cleaned by SPDC and crude oil resurfaced with flooding of the swamps during the rainy season of the same year. This situation was further compounded by another major spill in the area in June 1998. For 6 months the pipeline discharged an estimated 810,000 barrels of crude oil into the Oyara mangrove forests, endangering Otuegwe 1, a small rural community with predominantly indigenous population devoted to farming and fishing. Due to heavy rains that occurred during this period, the oil spill dispersed into surrounding water streams, farms and sacred sites of the community. To face the accusations that blamed the company, Shell opted to blame the victims, and attributed the spill to an act of sabotage. Thus it declined to assume the responsibility of repairing the leaking pipeline. Local communities of farmers and fisher folk, which had to suffer not only from health hazards but also from the impacts of the spill on their natural resources, started a campaign with the help of environmental NGO's and Shell responded to pressure by hiring contractors 6 months after the spill. The contractor chose Shell's "environmentally responsible" way of eliminating oil spills: it set fire to vast extents of forest, in line with Shell's tradition of burning spill sites as a cleanup method.



- *Crocodile killed at by Shell spill at Ogbodo, Rivers State.*

Ogbodo-isiokpo Community: Still Prostrate, Four Years After “hurricane Shell”

Ogbodo-Isiokpo community is located in Ikwerre Local Government Area of Rivers State, Nigeria. The community lies on the eastern flank of the upper reaches of the New Calabar River. The community is endowed with rich riparian forests that grow along the many streams, creeks, seasonally flooded swamps and the Ogbodo segment of the New Calabar River. Much of the socio-economic activities of the people (fishing, cassava processing, palm wine/oil processing, orchard tending, sand wining, mat weaving/making, non-timber forest products gathering, etc) are linked to these riparian zones of the community lands.

The Shell Oilspill

On 25th of June 2001, an oil spillage due to the bursting of SHELL high-pressure (crude oil) pipeline occurred in the rural town of Ogbodo leading to enormous pollution of all the river/creek/stream systems. Before SHELL spill containment team could arrive many days later, a lot of resources had been damaged.

The worst aftermath of the incident was that the oiled environment became ignited by unknown source from downstream New Calabar River, outside Ogbodo Community. The creeks/streams, now brimming with crude oil caught fire. About 10 km long of riparian resources in these areas were razed down.

Barely six years to this oil spill incident, had a tributary to this stream, namely the Ori-Obojio stream, on the eastern flank, been polluted by oil spillage due to the bursting of the same SHELL pipeline system.

Impacts

In September 2001, three months after the oilspill, a study of impacts of the oil on the community life and living was commissioned by the community,³ SHELL fearing the results

of such a study refused to do so, against statutory requirements.

The results of the expert study indicated that, although, some forms of containment measures were put in place by SHELL, actual clean up of spilled oil was yet to commence three months after the oil spill. The oil that was spilled still visibly covered most of the streams, creeks and rivers, and the seasonally flooded swamps in and around Ogbodo-Isiokpo community.

The expert study showed that about 15 Km long invaluable riparian soils along the streams/creeks and a segment of New Calabar River have been severely impacted by the oil spill. The impact on the soil quality poses a great danger to the ground water quality and indirectly affected plants of bio-economic value, including crops.

The study asserted that the very high levels of the oil and grease (hydrocarbons) in the surface water and sediments led to widespread killing of aquatic resources and this affected the species richness and biodiversity of the area. The floating/presence of crude oil on the water surface as “mousse” affected the water transparency, turbidity, and hence, penetration of sunlight which indirectly impacted phytoplankton productivity and also led to the elimination of the ecologically important larvae, which will affect the fisheries of the area for a long time.

Estimates of recovery time for the major ecosystem components of the oil-polluted Ogbodo-Isiokpo Riparian zone are as follows:

Follow: Soil - not less than 20 years

- Water - not less than five years
- Sediment - not less than 10 years
- Vegetation - not less than 75 years
- Wildlife - not less than 50 years
- Fish and fisheries - not less than 10 years

The expert study also revealed that the socio- economic activities of the inhabitants have been disrupted. The following are some of the important adverse socio-economic impacts noted by the team of experts commissioned by the Ogbodo community:

- Palm oil industry has been brought to a halt
- Sand mining/extraction industry has been paralyzed
- Perceived poor quality/hydrocarbon-tainted palm wine and subsequent rejection in the market
- The once thriving mat-handicraft industry based on screw-pine plants from the riparian zones of the community has been crippled, since a large segment of screw-pine vegetation was razed down by the post-spill fire incident
- Widespread killing and tainting of fishes, soiling of fishing gears and equipment by the crude oil; and subsequent toiling of fishermen without a single catch
- Oiling and destruction of fishing and transport

- boats by the post-spill fire incident
- Across (2) farmlands and farm produce are bathed with crude oil
- The popular Ahia-eke market disrupted
- Hunting activities paralyzed
- Gathering of non-timber forest products/resources have been rendered impossible
- The only source of drinking water, recreational activities and aquatic life is heavily polluted as it is coated with crude oil (mousse)

The post-spill ill health reported amongst the inhabitants of Ogbodo Community include frequent sneezing, difficulty in breathing, upper respiratory diseases, gastro-intestinal diseases and cutaneous disorders. Also, the expert study indicated that there were some psychological impacts associated with the spillage as there was a feeling of hopelessness, bitterness and demoralization amongst the majority of the population of Ogbodo community.

In its recommendations to SHELL, the team of experts note as follows:

“In 1995 there was a SHELL-pipeline burst at Ngulo waterfront along the lower reaches of Ori-obojo creek. The same pipeline system got burst on June 25, 2001 at Mini-amu creek crossing. These two incidences on the same pipeline system point to probable aging and rusting; and therefore structural weakness of the entire pipeline system. Information obtained from the Ogbodo community indicated that the pipeline system could not be less than 30 years old. Therefore, on the overall, the June 25, 2001 oilspill incident may not be unrelated to a case of crass negligence on the part of SHELL. Had the pipeline system been replaced after the 1995 oilspill incident, the June 25, 2001 incident would have been avoided.”

Sequel to the above deductions, the following recommendations, amongst others, were made:

SHELL should commence a thorough clean-up operation, immediately, as a step in the overall rehabilitation of the impacted areas of Ogbodo community. However, due considerations should be given to the potential adverse impacts of the clean-up/rehabilitation activities.

SHELL should monitor the recovery of the environment twice a year (wet and dry seasons) for at least, the next decade (10 years).

SHELL should pay, adequately and timely, the cost of the variety of damages or loss and/or disbenefits arising from the oilspill and incurred by Ogbodo-Isiokpo community as an ameliorative measure to the losses suffered by the community.

SHELL should go beyond just paying a pacifying compensation. The company should send its mobile clinic back to the community with suitable experts and sufficient drugs to have the people tested and diagnosed ailments treated.

SHELL should display some level of corporate responsiveness by replacing the aged pipeline system and not simply patch-up the ruptured segment at Ali-oma Elua. This, SHELL should do within three (3) months, before the on-set of the 2002 wet season.

Post Spill Negligence and Bad Practices

In January 2002, seven months after the spill incidence, about 3 km of the segment of the riparian zone of Ogbodo, that was worst hit by the spill, caught fire. Additional report from the team of experts noted that:

- As at the time the SHELL oil spill caught fire; the spill was 7 months old and clean-up exercise was yet to commence.
- Crude oil in the environment, as was the case in Ogbodo prior to the fire incident, is a clearly recognizable fire hazard.
- The SHELL delayed clean-up is a predisposition to the fire incident of January 18, 2002.
- The fire incident resulted in a variety of considerable damages. The functions and values (including cultural values) of the 3km long riparian zone that had been negatively impacted by the oil spill, were further impaired, as the swamp vegetation and several adjoining farmland were razed down by the fire.



- *Segment of Fresh Water Swamp ravaged by fire from abandoned Shell spill at Ogbodo*

SHELL oil spill clean-up exercise commenced February 2002 (8 months after the spill incident). The clean-up method adopted by SHELL involved clear-felling and stumping of swamps with the aid of bulldozers and burning of stumped materials in open pits. The community team of experts, while condemning this technique, observed as follow:

- Removal of stumps became messy, as the flood plains were puddled by the bulldozers.
- There is a clear danger of incorporating tarry soil materials into deeper soil layers as a result of pudding of soils by the bulldozers
- Toxic petroleum substances will be slow-released into the environment from tarry soil materials incorporated deeper into the soil, thereby impairing ecosystem recovery.
- Some segments of drier lands along the flood plains that are used for agriculture by community folks were impacted as the important top soils were removed during clean-up. Also, the bulldozers destroyed several fish ponds.
- There were no provisions for air pollution control devices at the incinerating site. The Ogbodo community was enveloped (impacted) by black smoke, emanating from the site, on occasions.
- The clean-up exercise has resulted in virtual disappearance of swamp vegetation. This will lead to a reduction in species diversity and abundance of fish and fisheries.
- The clean-up technique adopted by SHELL, which allows for an eight (8) months of delay period, and which involves clear-felling and stumping of a sensitive swamp forest with the aid of bulldozers and excavators is not environment friendly and has precipitated further environmental problems.

As a follow-up the following were recommended: SHELL should reseed the swamp areas, that are virtually de vegetated, with aquatic macrophytes, raffia palm seedlings and other species originally found in the area

SHELL should compensate community folks that have suffered damages as a result of fire-ravaged farmlands, loss of fishponds, impairment of arable lands due to removal of top soils, loss of forest economic trees, etc.

No Help Coming

In August 2004, three years after the SHELL oilspill in Ogbodo community, a grassroots organisation⁴ based in the community sent an SOS to more than 30 local, national and international people-centred organisations, alerting that:

SHELL admitted liability for the oil-spill at Ogbodo-Isiokpo and promised to rehabilitate the environment



● *Ogbodo Community leaders waiting for justice*

and restore the community livelihood resources lost during this incident. However, three years after the oil-spill incident, SHELL's promises, it is now understood, is a ploy to 'escape' from the community, as well as from responsibility!

Currently, Ogbodo-Isiokpo still suffers from the loss of livelihoods as SHELL offers nothing to the community by way of compensation for loss of water rights and amenities, remediation/rehabilitation of severely degraded environment, reconstruction of damaged community infrastructure (like Bailey-Bridges that were razed down in the wake of the oil-spill fire) , etc.

This is a 'Save-Our-Souls' call on you and/or your organization to come to the aid of Ogbodo-Isiokpo community by calling on SHELL to “live up to its promise of environmental and social responsibility” without further ploy and delay!

Visits to Ogbodo community in October 2005 indicated that the observations made by IGBOGO MINI OGBODO-ISIOKPO in 2004 still hold. The community folks are waiting endlessly for SHELL and the Nigerian government for justice.

Rukpokwu:

On December 3, 2003, Shell's over 35 year old Rumuekpe-Bomu pipeline ruptured and spilled crude oil at Mini-Ihie in Rukpokwu in the Obio/Akpor Local Government Area of Rivers state, located in the outskirts of the city of Port Harcourt, a major operating base of Shell. Though the community reported the incident the same day to Shell, the company did not visit the spill site until the following day, on December 4, when they discovered that the spill was a result of corrosion on the pipeline. They promised community victims they would return “very soon”. But they only returned on December 19, 2003, with over a truckload of armed mobile policemen, in what community members described as an “invasion”. At that time the spill site had exploded into flames, destroying over 300 hectares of farmlands, streams, fish ponds, economic trees etc. The fires were to last for months with devastating consequences for the livelihood of affected communities, including Elikpowodu, Eledo, Mgbodu-Aluu, Mgbuchi, Rumawhoechor-Rumekini.

Affected community people insist that it is in the tradition of Shell to contract agents to set spill sites on fire to lessen the amount of crude for “cleanup”, pointing to similar occurrences in the community in 2001, when the pipeline had ruptured at the same location and fires consumed the area also a few days after Shell staff visited. At that time Shell provided no relief nor paid compensation to victims. No cleanup was organised after the fire.

After the December 2003 spill and fires, Shell again refused to respond to the tragedy despite community pleas and pressures from NGO's and Rivers State Ministry of Environment. The company was later to send some bags of rice and beans, 3 cows and vegetable oil, which community members condemned as inadequate for the over 20, 000 victims.

Almost 2 years after the spill community victims are yet to receive compensation despite pleas from the community. Shell had offered the communities the total sum of Naira 135,000 (about 938 US dollars) as against the 5 million US dollars demanded by the communities. On August 16, 2005, after negotiations with Shell had failed to yield results, members of affected communities in a protest action shut down Shell installations in the area, including the Agbada flowstation. The community members said they were demanding compensation for farmlands, forests, crops, fishing grounds, fishing nets “which cannot be regained in our generation” (This Day). The facilities were reopened by community members after Shell agreed to return to negotiation.

Cleanup of the affected site was stalled as Shell's selective engagement with community members resulted in conflict within the communities over who benefits from contracts. But when Shell contractors went to work, they left more destruction on the land.

On a visit to the affected area in September 2005, community members showed ERA places where topsoil had been overturned as a clean up exercise. Crude oil still burbles to the scorched earth when it rains.



● *Spill fire at Rukpokwu*

The Niger Delta ecosystems are made up of lowland rainforests and seasonally flooded rainforest. The luxuriant plants, animals and fishes had adapted to the seasonal flow of water from the forest to the rivers. Fishes and other aquatic species are used to breeding in the swamps during the wet seasons. However, years of very reckless operations by Shell and other oil companies have led to the disruption of the hydrological regime and the destruction of species. With indiscriminate construction of access roads and pipelines that block water channels, whole seasonally flooded forests are now turned to permanently flooded forests while other areas have been deprived of water. As the example of Gbarain would demonstrate, communities have lost the sources of livelihood as a result of Shell's recklessness. In Gbarain, Environmental Impact Assessment (EIA), which Shell conducted, was not



● *Farmland devastated by spill fire at Rukpokwu*

done with the knowledge of community members.

While Shell insists it abides by Nigerian legislations and regulations, in actual practice, it circumvents or colludes with government officials to marginalize communities during EIA processes in violation of Nigerian law.



● *Permanent flooding as Shell access road blocks natural drainage in Gbarain, Bayelsa State.*

Gbarain

SPDC activities in the Gbarain Deep Oil Fields have caused incalculable environmental damages and destroyed the socio-cultural ties that bind the people and have negatively affected their economic base. Communities in the area include Gbarain, Ekpetiama, Epie and Atissa clans. The destruction of forest and the consequent economic hardship unleashed on the people have resulted in social dislocation, as alternative means of sustenance are not provided to victims of abuses.

The cases of Shell's violations in the area include:

Abuses from Access Road Construction

Apart from the seismic operations that lead to forest degradation, the construction of access roads by Shell to link its facilities have resulted in wholesale forest destruction. In 1990, Wilbros, a Shell contractor with terrible records of environmental abuse, started construction of a road from Etegwe to Tombia in Bayelsa State, clearing and sand filling vast areas of seasonally flooded forests. This resulted in the blockage of numerous creeks, creek-lets and other waterways. Also lakes and swamp-pools were silted because of the introduction of unnecessary quantity of sand from the Nun River. Because of the disruption of the hydrological regime several parts of the forest are now permanently flooded causing vegetation decay and loss of fishing and farming waters and lands. This road which has been described as a dyke by some critics because of the inadequacy of bridges and culverts has impacted negatively on the people. In particular, there is:

1. Severe and excessive flooding of forest and farmlands destroying food and forest crops.
2. Permanent ponding of farmlands reducing the arable portion.
3. Death of food and economic crops as well as other useful non-timber forest products (NTFP).
4. Permanent flooding and ponding of lakes, swamp-pools, ponds preventing owners from harvesting them yearly.

5. Reduced fish catch from lakes, swamp-pools and ponds.
6. Blockade of easy and fast communication routes between Gbarain, Ekpetiema and Epie.
7. General reduction in economic activities of the people.⁵

Though Shell claims to have conducted an Environmental Impact Assessment (EIA) for the road project, community members are not aware of it. They were not consulted, as stipulated by the EIA regulations of Nigeria.

Some community members expressed their experiences: Chief Jack Okelekele of Edepie community (75 years) said “Investigators from Shell's land and survey departments came and saw our complaints. We were invited for negotiations. Some communities were offered N20, 000, others N10, 000”.

Madam Naseigha of Gbarantoru

"Before the construction of this road I used to accompany my mother to inspect and harvest her shrimp traps. We used to return home everyday with 3 to 4 baskets of shrimps, which were either sold or dried for sale later.

It is unfortunate that the shrimp channels are now blocked and even the few ones not blocked are flowing against the known shrimp movement. The result is that there is absolutely no catch any longer and that means hardship for the whole family".

No Compensation

Though community victims have made several claims for compensation and have instituted actions in court to back their claims, Shell is yet to compensate the victims. The cases pending in court include:

SUIT NO	SPOCS OFFER	CLAIMANTS DEMAND	REMARKS
YHC/35/91	N86,000.00	N80,000,000.00	DE/ELCORNED
YHC/36/91	N108,000.00	N2,980,000.00	DE/ELCORNED
YHC/40/91	N252,000.00	N69,000,000.00	DE/ELCORNED
YHC/41/91	N252,000.00	N69,500,000.00	DE/ELCORNED
YHC/24/97	N404,000.00	N69,500,000.00	DE/ELCORNED
YHC/35/92	N252,000.00	N64,500,000.00	DE/ELCORNED
YHC/34/92	N214,000.00	N64,500,000.00	DE/ELCORNED
TOTAL	N1,878,000.00	N669,980,000.00	

In July, 2001, community sources report that Shell prepared to pay amounts ranging from N100,000.00 to N400,000.00, which were rejected by the communities. The cases continue in court, even as some of the community victims and litigants have died.

Shell takes advantage of inadequacies in Nigerian judicial system to elongate cases in court to frustrate community victims seeking for justice.

More Oil Spills

As communities in Shell's Gbarian oil fields struggle to cope with the effects of destruction of their forests and waterways, more oil spills have been ravaging the area, to add to the woes

of the people.

As Tari Dadiowei, a community member reports, “an oil spillage occurred in Shell's Gbarain bulk line on September 16, 2005 while construction work by Chefy Nig. Ltd believed to be an oil servicing company contracted by Shell for the bulk line construction was at work. The heavy equipment used were on excavator with the inscription of “SAIPEM” and D8 Caterpillar when suddenly the machines stepped on an existing pipeline and ruptured it, causing an immediate sprout of oil spilling like champagne from the pipeline. The immediate impact was on creeks, vegetation, swamps and crops. Vehicular and human traffic was restricted around the Imiringi junction. It spreads rapidly through Siankpu creek to Epie Creek. Worst affected communities include Edepie, Etegwe, Okutukutu, Opolo and Biogbolo as it spread to Ekole creek aided by the current from the flood and rains. A common tale of woes in the immediate communities affected included damaged fishing gears, economic stress, polluted waters, and deprivation of occupational rights to the fishermen especially the women who use this season of shrimp and lobster catches to beef up their economy and protein consumption. Sadly enough, the communities have been awaiting compensation payments from Shell for the losses and damages these past years”.

- 1 Quoted from Okonta and Douglas, “Where Vultures Feast: Shell Human Rights and Oil in the Niger Delta (Sierra Club Books, 2001)
- 2 Sunday Vanguard, August 14, 2005
- 3 Ogbodo-Isiokpo: A community in the throes of Socio-economic Crisis, Report on Shell Petroleum Development Company Oil-spill Disaster in Ogbodo-Isiokpo, Ikwerre LGA, Rivers State, Nigeria
- 4 IGBOGO MINI OGBODO-ISIOKPO (A Community-Based Organization for the protection of Ogbodo-Isiokpo Riparian Forests) Ogbodo-Isiokpo Community, Ikwerre Local Government Area, Rivers State, Niger Delta, NIGERIA +234-(0)803-724-6427
- 5 This is captured in the report of the study in 1994 by ECOSYSTEMS (R & D) International, Lagos, on the lands belonging to Obunagha Community in the Gbarain deep oil field operated by SPDC.

The Flame of Hell



● *Shell's horizontal flare at Rumekpe, Rivers State*

Impoverished Nigerian communities have come to associate gas, not with energy generation, but with the continuous pollution of their air and lands from gas flaring by Shell and other major transnational oil companies in the Niger Delta.

Oil fields in the Niger Delta contain very large amounts of gas mixed with crude oil. There are “oil wells” that contain more gas than crude oil. When crude oil is drilled, it comes out with the “associated gas.” Shell decided from 1956 to separate the oil from its associated gas at its flowstations where the gas is wasted by burning and contaminating the air and lands for local communities. Options available to Shell and British colonial administrators at the time include processing the gas to generate energy for Nigerian communities or re-injecting it. But these options

could have meant some more expenses for Shell. So the company decided on the cheaper option of flaring. Providing energy for Nigerian communities was not also an option, since the peoples of Nigeria did not constitute a “market” for Shell.

In the years following its Oloibiri oil find in 1956, Shell extended oil exploitation activities to other communities in the Niger Delta using the same flaring method to deal with associated gas, even as the company and British government officials recognised the wastage. In 1993, Mr. J.S. Sadler, the British Trade Commissioner in Nigeria made the following comments in a memo to British Foreign Office in London:

“Shell/BP's need to continue, probably indefinitely, to flare off a very large proportion of the associated gas they produce will no doubt give

rise to a certain amount of difficulty with Nigerian politicians, who will probably be among the last people in the world to realise that it is sometimes desirable not to exploit a country's natural resources and who, being unable to avoid seeing the many gas flares around the oilfields, will tend to accuse Shell/BP of conspicuous waste of Nigeria's 'wealth'. It will be interesting to see the extent to which the oil companies feel it necessary to meet these criticisms by spending money on uneconomic methods of using gas.”¹

For the communities, the effects of gas flaring has been dramatic: continuous noise, rise in temperature in areas close to flare sites, acid rain, retarded crop yield, corroded roofs and respiratory diseases. The communities have also lost darkness with the

oil companies have been increasing the volume of flaring over the years. Today, over 2 million barrels of crude oil are produced in the Niger Delta on a daily basis, with most of its estimated 2 billion scf. of associated gas flared everyday. Shell alone accounts for half of that figure.

Governments of post-independence Nigeria have followed the British colonial tradition by ignoring the problem, preferring to count its huge revenues from crude oil sales. Lamé efforts by the military and civilian regimes to restrict the flaring of gas have been frustrated by its greed and the blackmail of Shell and other oil companies that argue that ending flaring may disrupt crude oil production and flow of



● *Farmers have experienced lower yields due to Shell's gas flare near farmlands*

unnatural illumination from gas flares at night. Gas flared in Nigeria, containing high amounts of methane and carbon dioxide —major greenhouse gasses, is also a major contributor to global warming, as it produces emissions that are more than the combined emissions of the rest of sub-Saharan Africa.

Despite these impacts, Shell and other transnational

revenues.

By 1969, Nigerian military dictators requested oil companies to set up facilities to use the associated gas from their operations within five years of commencement of production. However, this requirement was changed in later legislations in 1979, which set a time limit of 1980 for companies to develop gas utilization projects or face fines. But the government could not enforce this regulation.

And with pressure from oil companies, the Nigerian military government in 1985 enacted the “Associated Gas Re-Injection (Continued Flaring of Gas) Regulations, which prohibited gas flaring but gave limited exemptions and imposed fines for defaulters. Shell and the companies preferred to flare and pay the scanty fines at huge costs to communities that live with the impacts.”²

In Response to Pressure

Shell announced in 1996 that it would eliminate gas flaring from its facilities in 2008. Though Nigerian government officials had announced that all oil companies should end gas flaring in 2003 (and later 2004), the government was to later adopt 2008 as a target date for all oil companies to end gas flaring in Nigeria. This government understanding with Shell and other oil companies was not backed by any law or regulation. And in 2005, Shell announced to members of the Nigerian senate that the 2008 date is no longer realistic, as it now set its target for 2009. Bemused lawmakers did nothing beyond a few whimpers.



● *Shell's gas flare at Kolo Creek, Bayelsa State.*

Shell has consistently misinformed the Nigerian people about its commitment to end gas flaring. The company mentions several projects, including the Bonny Liquefied Natural Gas Project (LNG), which would serve export markets for currently flared gas. The Bonny LNG was set up a joint venture involving the Nigerian government and major oil producing companies, with Shell owning 15% controlling stakes. However, the Bonny LNG plant started production in 1999 without using associated gas. Rather, Shell and the other oil companies utilised abundant reserves of gas from non-associated gas fields. Such gas, which is produced separately from

dedicated gas fields and not from oil fields are not flared. It is cheaper to produce and its use for LNG production or export does not contribute in any way to the reduction of gas flaring.³

Even the World Bank, a traditional supporter of oil companies, rejected Shell's earlier claims that the Bonny LNG would contribute to gas flare reduction. In its 1995 report on the Niger Delta environment, the World Bank reported that the Bonny plant was not originally designed to utilise associated gas and would not contribute to reduction of gas flaring. Since then, Shell had changed its rhetoric, now stating that later "trains" of the Bonny LNG

project would utilise associated gas. The company has mentioned some associated gas gathering plants either completed or under construction to show its fresh commitment to ensure that more associated gas is supplied to the LNG and other "markets". However, a United States government

report in April 2005 was still suggesting that the Bonny LNG would be using associated gas as half of its input "within a few years."⁴

In its glossy annual reports, Shell also tries to present figures to show how the percentage of gas flaring has reduced over the years. However, percentage drop in volume of gas flares against all gas produced doesn't mean a drop in actual volume of gas flared, as non-associated gas production for Bonny LNG and for supply to the Nigerian Gas Company may have increased over the years. And the continuous increase in crude oil production will only result in



further increase in associated gas production and flaring as Shell fails to match crude oil production with the technology for associated gas gathering.

In its People and Environment Report for 2004, Shell says it has completed associated gas gathering plants at Soku, Odidi, Obigbo, Belema and EA, with a combined supply of 430 million scf/d. These plants, according to the company, have resulted in 33% reduction in gas flaring in its operations in Nigeria, and eliminating flaring in 22 out of 72 flow stations. But the company did not name the flow stations where flaring has stopped.

Shell may also be stuck with the 33% figure. In 2001, the current Managing Director of Shell in Nigeria, Basil Omiyi, told a conference in Norway that 33% of all associated gas produced by the oil industry in Nigeria is utilized for commercial purposes. Shell Nigeria's annual report for 2002 retained the 33% as the company's figure for associated gas utilized, rather than flared. Curiously, the 33% figure is still retained in its 2004

report despite Shell's claim to have increased associated gas gathering (AGG) capacity and supply from 77 million scf/d in 2001 to 430 million scf/d in 2004. At the conference in Norway, Omiyi also suggested that the gas produced from Shell's AGG plants mentioned above would be sent to the Bonny LNG, the National Fertilizer Company of Nigeria (NAFCON) and the Aluminium Smelter Company of Nigeria (ALSCON).⁵ However, NAFCON has since collapsed and ALSCON has not been operating for years. So where is Shell sending all the associated gas that it claims to be gathering?

With all the obfuscation in Shell's statistics, history of doublespeak, and lying, what we can expect are increases in gas flaring over the years (as Shell plans to increase its crude oil production capacity by 100% in 2010), unless the Nigerian government take actions to stop Shell and protect its citizens.

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- 1 Quoted in Environmental Rights Action and Climate Justice Programme, "Gas Flaring in Nigeria: A Human Rights, Environmental and Economic Monstrosity, June, 2005, from comments contained in a confidential "reasonably comprehensive survey of the history, the present position and future prospects of the oil producing industry in Nigeria" provided by Mr. J.S. Sadler, the British Trade Commissioner in Lagos to the Economic Relations Department of the Foreign Office in London on 9th August 1963: 'Development of Oil Resources in West Africa 1963', File 371/167170, UK National Archives
 - 2 Fines for gas flaring were raised in January 1998 from 0.5 Naira to 10 Naira (US\$0.071) for every 1,000 standard cubic feet of gas.
 - 3 World Bank, Defining an Environmental Development Strategy for the Niger Delta", March 25, 1995.
 - 4 EIA Country Analysis Brief: Nigeria, April 2005
<http://www.eia.doe.gov/emeu/cabs/nigeria.html>
 - 5 Shell Nigeria Corporate Strategy for Ending Gas Flaring" : A Paper Presented by BASIL OMIYI External Relations Director, Shell Petroleum Development Company of Nigeria Limited at a seminar on gas flaring and poverty alleviation in Oslo, Norway, June 18-19, 2001

Confusion And Conflicts



● *Women protesting environmental abuses of Shell in Delta State*

While Shell has advertised a commitment to human rights as part of its business principles in Nigeria, the reality in the Niger Delta area is that Shell has not improved on its human rights practice since the Umuechem and Ogoni massacres of the early 90's. Shell continues to operate with the Nigerian military and mobile police that accompany Shell officials during community visits. Despite the denials of the company, soldiers and mobile policemen protecting Shell have continued to intimidate, harass and brutalise community members in its areas of operation. In some cases, peaceful protesters have been killed by soldiers and mobile policemen.

Beyond the harassment and killings by Nigerian

security forces, the character of Shell's operations have continued to result in the abuse of livelihood rights of community members. As a result of the very reckless operations, all stages of oil exploitation—from exploration, drilling to transportation result in the destruction of the natural environment and the livelihood of local people who depend on the land for survival. Forests and mangroves are cleared, community farmlands are destroyed, wetlands, creeks and community fishponds are polluted, and the air and rainwater is contaminated with dangerous gasses flared indiscriminately by Shell.

Victims of oil spills and other abuses are not compensated as Shell prefers to demonise its

community victims, labelling them saboteurs. In the few cases where Shell admits responsibility for damages and agrees to pay compensation, the rates it imposes on victims are scandalously low, while the process of payment results in more conflict.¹

Shell continues to fuel conflicts within communities with their contract, development, spill response and payment practices. By identifying communities where Shell physically sites facilities such as well heads and flow stations (rather than all communities impacted by oil and gas activities) as

Warri Women Brutalised:

On thursday, August 8, 2002, the women took the oil companies by surprise. About 3,000 women from mostly the rural communities of Itsekiri, Ijaw and Ilaje in a rare show of unprecedented unity and solidarity peacefully occupied the Warri operational headquarters of two major oil and gas producing companies in the country- Shell and Chevron Texaco. As early as 6.30am, the protesting women who were carrying placards and green leaves only, sang solidarity songs to protest years of plunder of their rural environment by the oil and gas firms. They defied the intimidating presence of heavily armed soldiers and mobile policemen, locally called 'kill and go' and barricaded the company's gate.

But in a characteristic mode, armed soldiers and mobile policemen of the "Operation Fire-for-Fire", invited by Shell unleashed raw terror and brutalities on the unarmed women. Many of the women were seriously injured. Soldiers and mobile policemen beat a woman to a state of unconsciousness. The woman was later admitted by Shell to its staff clinic at Ogonu in Warri.

"Host communities" for purposes of awarding local surveillance contracts and "community development projects", the company continues to create conflict over ownership of land where such facilities are sited. Even though Shell recognizes the conflict potential of disagreements over land ownership, it continues to operate by "consulting" and making payments to its preferred community chiefs.

This has led to killings as in the case of Odioma (see box).



● *Odioma after an attack by soldiers over Shell's operations*

Odioma:

On February 19, 2005 a joint task force of Nigerian army and navy personnel invaded Odioma. All persons in sight were shot and the community was burnt down. At the end of the raid, 17 community people lay dead, while the rest escaped to the bushes, where more met their deaths.

Odioma is a community in the Brass Local Government Area of Bayelsa state, which had a dispute with neighbouring Obiokwu and Bassambiri over the ownership of land where SHELL had started the drilling of oil wells and a flow station designated as Toru-9 flow station. The land in dispute is an area known as Owukubu located along the Santa Barbara River.

When SHELL discovered oil at Owukubu and mooted the plan of siting its Toru-9 flowstation, representatives and chiefs of Odioma, Obioku and Bassambiri communities were invited for negotiations in 1998. But the Odioma community representatives are reported to have insisted on being sole owners of Owukubu. SHELL had promised, during the meeting, to contact the Odioma community at a later date. But Shell did not return to Odioma or invite its people, as community people claim.

Shell moved its men and materials and started work on its planned flowstation at the disputed Owukubu on January 22, 2005, to the annoyance of the members of Odioma community who felt the company had not consulted them. And Odioma community members, including women and children are reported to have gone to Owukubu to protest the construction work. The youths occupied the site for two days and left after the intervention of soldiers.

And The Killings Begin

But Obioku and Bassambiri communities were not happy with the action of Odioma community, as both claimed ownership of Owukubu. Disagreement led to conflict, which may have resulted in suspected arson at Bolobio, an Odioma settlement and the shooting of 12 persons on a boat, including Local Government officials from Bassambiri. Tensions were heightened and the military was invited to make peace. Instead, they massacred the people of Odioma with four gunboats in the same manner that Odi community in Kolokuma Opokuma Local Government Area was destroyed in 1999.

The Ijaw Youth Council (IYC) blamed Shell for the crisis.

Within towns and villages recognised by Shell as “host communities”, the company operates a policy of selecting the most influential and vocal members of the community for “settlement” by awarding surveillance contracts and making ex-gratia payments. In what has become routine practice, Shell and its major contractors pay vocal and influential youth groups “stay at home” or “standby” money. And the fierce competition for control by youth groups (who are patronised by major Shell contractors and politicians) over territories has led to many communal wars as the case in Nembe and Peremabiri. In 2001, a committee set up by the government of Bayelsa State to study the conflicts in Nembe had indicted Shell as being “central to the crisis in the community”, as the company’s “expenditures such as standby salary payments, and payments for non-existent services” was at the root of the violence in the community, which led to loss of

human lives and property.²

Again, several persons were killed in May 2001 at Ogulagha and Odimodi communities in Delta State in conflicts caused by the mode of payments and hiring of contractors by Shell.

Though Shell claims in its recent statements to have stopped “standby” and other ex-gratia payments, the company continues to do so. In July 2005, conflict between community factions over alleged payments by Shell led to an invasion of Rumuekpe community in Emohua Local Government Area of Rivers State by an armed group. This resulted in the burning of houses, including the palace of the traditional ruler of the community, and the shutting down of Shell flowstation in the community. In the midst of the crisis, Shell paid the group that was occupying the community at the time to enable the company to re-open its facilities and continue with business as usual when most community members had fled into exile.

Human Rights Watch on Nembe:³

Nembe has been aptly described as a semi-republic within Nigeria. A town isolated by water and lack of infrastructure in the creeks of the Niger Delta, the town of Nembe has been effectively ruled for around the last ten years by so-called youth groups, and their patrons, with little direct intervention from government. Those in control of the town also control the relatively lucrative relationship with Shell Petroleum Development Company (SPDC), which operates one of the most productive wells in West Africa in the Nembe area. Recently, fighting has occurred between two youth groups based within Ogbolomabiri. Chief Lionel Jonathan, who in July 2002 was Commissioner for Environment under Bayelsa State Governor Alamiyeseigha and director of the governor’s re-election campaign organization, is the patron of one of these groups, the Isongo-furo. Throughout the mid- to late-nineties, Jonathan controlled Ogbolomabiri through the Isongo-furo group, which ruled through violence and intimidation. According to testimonies of local residents, the Isongo-furo had openly displayed arms when they were in control of the town.

Human Rights Watch researchers visited Ogbolomabiri in

February 2003 but were unable to speak with any representatives of the Isongo-furo there because the youth group had been effectively banned from returning to the community. Virtually all the Ogbolomabiri residents we spoke with in Ogbolomabiri or Port Harcourt reported that they had fled the area either when the fighting began on July 5 or in the days immediately following, with the exception of one young woman who told us that her entire family had fled and she would have, too, had she had the means. Though many residents returned after July 20, the town is still less populated than it once was. The Isenasawo were in full control of the town when we visited. They claimed, and a representative of the Chief's Council agreed, that they had turned over management of the relationship with oil companies to the Chiefs' Council, where it had traditionally been until the early 1990s.

Peremabiri:

The members and families of Peremabiri community in Bayelsa State had coexisted in peace, until Shell entered the community in 1963. Since then cash payments to community members had thrown the community into conflict and resulted in internal divisions and the dethroning of over 10 Amananaowei's, the traditional head of the community.

In 1994, unrest over cash payments by Shell resulted in communal crisis and the death of one Lambert Banje and a police officer, while the serving Amananaowei, Chief Gibson Adikah was removed from his stool over money received from Shell. His replacement, Mr. M. Torufa, is reported to have used thugs to protect Shell's interests and suppress dissenting voices. This trend is said to have continued to 1996 when Chief Genesis Oweibo was appointed community head. In 1997, Shell jettisoned an agreement with the Peremabiri community to pay 30 million Naira in compensation for oil spills. The company is reported to have paid 5 million Naira to the community head.

In 1998, a rebel group within the community led by Patrick Warri started a struggle against the community leadership and made demands on Shell to pay outstanding compensation, build a health centre, provide employment for community members etc. During the period, crisis within the community escalated

with some community leaders said to be loyal to Shell. Patrick Warri and his colleagues were arrested by the police, while another community head was dethroned. The crisis continued to 1999 with more arson and machete attacks. Many community members fled their homes into exile.

While the crisis lasted, Shell tried to continue operations by making monetary payments running into millions of Naira to whichever youth group was in control at any point in time, thus intensifying the war for the control of the community, which involved the extensive use of hired mercenaries. Some of the exiled groups reportedly launched an attack on the community on October 9, 2000, which led to the killing of two community members, Ingoemi Million - Gobo (18) and Mr. Frank Aye (16). More lives were lost as the fighting continued a month after, even as Shell continued with business as usual.

Community Development Projects

Shell uses its community development projects to peddle influence within communities with the choice of contractors consistently leading to communal conflicts. With little regard for community members whose sufferings Shell claims to be responding to, the company selects projects without consulting with community people. Usually, community development projects are so badly executed that they are not useful to community members. In some cases, community development projects, like the water borehole provided to Fikoru-Ama, Oluarishi, Nembe Local Government Area of Bayelsa State was a threat to lives of community members. As shown in the picture below, an overhead water tank, built with substandard materials collapsed a few days after construction and the sheer force of water from the tank broke the perimeter fence of the project. Luckily, no lives were lost, as the incident happened at night.

Though Shell has been making commitments to



- *Less than a month after completion, Shell's Sustainable Community Development water project collapsed at Fikoru-Ama, Bayelsa State*

“community consultation”, it does so under police cover and community visitors to its offices in Port Harcourt and Warri have continued to receive the brutal treatment (see box)

SUBJECT:

Talking 'o Shell ...ending In Jail⁴

[MRS. ENERE JOHN IS AN INDIGENE OF EWELESUO COMMUNITY IN NEMBE LGA OF BAYELSA STATE. ENERE AND TWO OTHER WOMEN WERE AMONG THE EWELUOSO DELEGATES OF 63 THAT VISITED SPDC AT PORT HARCOURT ON 14/9/98. SHE WAS THE ONLY WOMAN ARRESTED AND DETAINED. SHE SPOKE TO OUR FIELD MONITOR TWICE. THE FIRST TIME WAS ON TUESDAY 15/9/98, AT ABOUT 9.21PM, BEHIND THE COUNTERS AT THE MINI-OKORO POLICE STATION AT PORT HARCOURT; AND THE SECOND TIME WAS INSIDE THE VEHICLE THAT CONVEYED THEM FROM MINI-OKORO POLICE STATION TO THE PRISON YARD AFTER THE COURT HAD GRANTED THEM BAIL ON THURSDAY 17/9/98. SHE COMPLETED HER TESTIMONIES ABOUT 20 MINUTES BEFORE SHE AND 40 OTHERS WERE GAOLED.
=THE TALE IN HER WORDS=

Shell Polluted the Environment

"We have suffered a lot in the hands of Shell. Last month, there was thick smoke from their flow station [Nembe Creek 3] that covered our town, river and forest for a long time. Our fishes died and people were getting sick all the time. Two persons even died because of the thick smoke. But Shell refused to do anything for the town. Even oil spill occurs all the time but Shell does not care for us.

The biggest thing we are begging Shell to do for us is to sand fill our town for us, give us water and light (electricity) but Shell did not agree. And they are taking oil from our land everyday. We also want them to employ some of our youths but they will not agree.

Invitation by SPDC

Shell invited us to a meeting with them on 12/8/98. There we tabled our problems to them and they promised to look into our demands. They asked us to come back again for further discussions. Two weeks ago, we delegated ten persons to come and continue the dialogue with Shell but Shell refused to even discuss with them. So when Shell said that we should come for this discussion we did not send only ten delegates but many of us came so that Shell will know that we are serious.

Discussion with SPDC

When we got to the Industrial Area of Shell on Monday 14/9/98, we waited for a long time before the Manager Affairs, Mr. Bobo Brown came and held meeting with us. It was a fruitful meeting where Shell promised to do serious things for us and we signed agreements after the meeting. Another meeting was fixed for 28/9/98 here in Shell.

We Requested for Transport Fare

We spent a lot of money paying transport from Ewelesuo to Port Harcourt. So we requested for transport fare back home. After some arguments, Mr. Bobo Brown approved the sum of N30, 000 (about USD 350) for our transport. We were asked to delegate three persons to go and collect the money, which we did.

The three persons came back and informed us that they were asked to sign for N15, 000 instead of N30, 000

approved by Mr. Bobo Brown. We turned it down and insisted that we should be given N30, 000 as N15, 000 will be insufficient. We sent the three persons to go back and present our case. Now the Shell officers came back and argued with us to take N15, 000.

While we were there they brought in four giant police dogs to harass us. Some of our boys picked up planks to defend themselves if the dogs are let loose on us. The next thing that happened was that we heard the siren of the wicked Operation Flush (combined team of police, Navy, Airforce and Army). Their vehicles came close to where we were waiting and started shooting into the air, throwing tear-gas at us. The Operation Flush men rushed at us and started beating all of us with "Koboko" (horsewhip), hitting us with gun butt, kicking us with their boots. We all started running for our dear lives. In the bid to escape, two of the youths passed through glass windows which wounded them. They succeeded in really brutalising us and got about forty (40) of us arrested. The beating was so serious that most of us sustained serious injuries. My leg was broken in the process.

Missing Persons

Many of us don't know anywhere in this Port Harcourt. Some of us cannot even speak English. That was why the Operation Flush that Shell invited was able to arrest many of us. But not all of us are here. Some of us that don't know anywhere in Port Harcourt are still missing. I don't know where they must have run to. I know of two missing persons - Victoria Agbidi and Tutor Magnus. Our people have not seen them.

At Mini-Okoro Police Station

After arresting us, the Operation Flush brought us to the Mini-Okoro Police Station here on that same day (14/9/98) where the Mobile police administered further beating. No food was given to us. Because of my broken leg and for the fact that I am a woman, I was kept behind the counter. Most of us are sick; Stanley Taria cannot even stand up. It is this afternoon (Tuesday 15/9/98) that Shell brought rice and pawpaw for us to eat.

Operation flush men are thieves. When they arrested us, the Operation Flush men took away all the money with us, took our belts, wristwatches, necklaces and rings. They

only stopped at stripping us naked. They took our items away. They are thieves in uniform.

Jailed for talking to Shell?

Today (Thursday 17/9/98), they took us to court; Shell has sworn to deal with us. At the court, they accused us of all sorts of things we did not do. We did not come to cause any problem but they said that we even flogged their big men. All lies. But God was on our side. The magistrate saw our plight and granted bail to us.

Shell Never Gives Up

Although, the magistrate has granted us bail, Shell will not give up. They said they want to teach us lessons. They have arranged with the police to take us to ATM (Awaiting Trial at the Prisons). That is why they have put us in this vehicle to take us to ATM.

Tell the World we are Being "killed" by Shell

When you go, please tell the whole world that Shell is killing us. Look at what they are doing to us after asking us to come for a meeting, which even ended peacefully. The almighty Shell is punishing us because we have oil in our town. We are poor and they are rich. Only God can save us from Shell. Tell the whole world that Shell has not done anything for Ewelesuo but wants to destroy us. Tell them."

But while Shell continues to give the brutal treatment to ordinary community members visiting their offices, it continues with its annual ritual of "stakeholder workshops" in Port Harcourt and Warri where Shell's preferred candidates are invited for discussion. An independent observer from the Human Rights Watch that was invited to the 2001 workshop in Warri commented that at the end of the workshop, conclusions were reached, which did not reflect the views of participants (see box). Since then, nothing has changed as the annual ritual continues.

Human Rights Watch Observations on SPDC Integrated Environment and Community Development Stakeholders' Workshop, Warri 13-15 March 2001

Human Rights Watch endorses the idea of consultation with communities and experts about Shell's operations in Nigeria, and we believe that the "stakeholder workshops" held in recent years have played a positive role in some respects. In particular, they have exposed SPDC staff directly to criticism by people outside the company, which is a healthy process; they have allowed Shell to impart information about what the company is attempting to do to a wider audience than would otherwise be the case, and they have been able to feed information into the attempt to reshape Shell's community relations. However, based on the recent workshop in Warri, we do have concerns about the extent to which these workshops can genuinely affect SPDC's business practices.

The workshop took place over two days, at the Petroleum Training Institute in Warri. There were more than 500 participants from government, media, NGOs, and communities all over the delta, as well as many SPDC staff from different parts of the organization. There were several plenary sessions, in which SPDC gave presentations about aspects of its efforts to improve Shell's performance (such as ensuring compliance with ISO 14001 standards) but much time was spent in smaller groups (though some were still up to 80 people) known as "syndicates", discussing different topics. The ten syndicates on the first day were on topics chosen by SPDC; the syndicate topics for the second day were pulled from questionnaires filled in by each participant on arrival which asked for each person to indicate their concerns about SPDC's operations and their proposed solutions. The conference concluded with a communiqué presented on behalf of the participants to Ron van den Berg, the managing director of SPDC.

✍ Participants

Firstly, probably a majority of those attending the workshop were individuals who are looking for money from SPDC in one way or another "benefit captors," in the language of development experts. They were local government chairmen, traditional leaders, individuals running NGOs involved in development work such as skills training, academics who would like to be hired to work on

Environmental Impact Assessments, etc. There were some genuinely independent people there, and it did not appear that anyone was deliberately excluded from attending, but such is the experience of people attending previous workshops and the reputation of SPDC in general, that many of those who are most outspokenly critical of SPDC did not think it worthwhile to attend. A more targeted approach of private meetings with individuals and representative groups might be more productive (as well as cheaper). In addition, a large number of those who attended (including the journalists) were paid to do so in addition to having their expenses covered. In these circumstances they are hardly likely to maintain an objective view.

✍ Presentations

While much of the information presented by SPDC at the meeting was useful, some of the presentations did not entirely reflect the reality on the ground. For example, there was a spokesperson for a group of young men from a model farm funded by SPDC, who spoke in praise of the project, and the group itself sang to all of us attending the workshop. However, reports from those who have visited the project indicate that these young men are simply paid a salary to live at the farm; a salary which bears no relationship to the income brought in by their farming activities, and receive virtually no training in small business management or other tools that might give the project a long term impact. Such examples do not inspire confidence in the other information supplied. There was also no discussion of SPDC's future planned funding of development projects, whether this will continue to rise or whether which is said to be the case it will be substantially reduced.

✍ Choice of "syndicate" topics

The list of topics chosen by SPDC for the small group "syndicates" on the first day largely focused on community development and not on other aspects of SPDC's business affecting community relations. Although the workshop is billed as focusing on the environment and community development, the context in which community development projects are funded is of key importance in assessing their strengths and weaknesses for example, in many cases SPDC's community development workers are simply not welcome in communities because of the bad relations between the community and SPDC that have built up over the years in relation to other incidents. If a "stakeholders'

workshop” concentrates only those aspects where Shell is doing more than is legally required that is, carrying out development projects at all then the feedback received is inevitably going to be, “Yes, Shell is doing the right thing, but more is needed,” even if in fact the development projects are not very successful (which has apparently been confirmed by a recent external review of SPDC's development work). However, it is clear that even where SPDC has carried out successful development projects, the company is undermining this work in other ways. For example, despite the constant calls for peace in the delta as a prerequisite for development, made at this workshop and elsewhere, SPDC (like the other oil majors and service companies) is a significant contributor to conflict through for example the system of paying youths on “standby.” The money given to young men to do nothing then undermines social structures and leads to conflict with other young men who have not benefited; and is used to buy weapons, feeding a cycle in which the long term trend is towards ever more violence.

The set of syndicates topics discussed on the second day, based on the “ticket items” noted in the questionnaires participants completed on arrival, did reflect concerns about more controversial subjects, such as the payment of compensation. But again, they did not include debate on these wider issues about conflict in the delta.

Choice of questions asked

In the syndicates participants were first given a presentation by an SPDC staff member on the topic concerned, and asked to consider a series of questions, the first of which was “Is Shell moving in the right direction?” This structure, and the phrasing of the question, resulted in a number of what could be described as “false positives.” If a Shell staff member gives presentation describing what the company says it is doing or planning to do, but there is no independent evaluation of that information indicating what is actually happening on the ground, then the response from participants is likely to be unduly positive. If participants had been asked “is Shell doing the right thing now?” then it is likely that the responses would have been a great deal more negative. While the workshop lasted, organizers emphasized that the purpose of the consultation was to focus on solutions and not on problems, this type of question structure leads to a situation in which the problems are not even acknowledged. It is not possible to find solutions without understanding the problems faced, which will require a frank assessment of the situation today. Furthermore, as a

practical matter from the point of view of Shell's public relations, participants at such a workshop must have the opportunity to state the problems they feel to be most pressing, or they will feel that their input has been manipulated for the company's purposes.

Inaccurate reporting to plenary

One of the most worrisome aspects of the workshop was the fact that in at least two, and possibly more, of the syndicates, the report to plenary by the (SPDC) rapporteur of a syndicate discussion did not reflect the conclusions of those who participated in the syndicate.

For example, the report to plenary from the syndicate which discussed compensation payments for oil spills, land acquisition and other issues was completely inaccurate. After the presentation from an SPDC staff member on the company's policies and plans (including an ongoing review of the current system), there was a heated discussion during which it became clear that the current process is not working and that there are very serious problems. The chair then put three options to the group to answer the question “Is Shell moving in the right direction?” : (1) “yes” ; (2) “no” ; (3) “no, but it appears from the presentation that there are some attempts being made to change direction.” Out of maybe thirty people, the only ones answering “yes” worked for SPDC. The rest, the great majority, said either “no” or “no, but.” Yet when it came to the report to plenary the rapporteur said that the conclusion was “yes, but there is more to do.” Something very similar happened in the syndicate discussing Environmental Impact Assessments, where a clear majority saying no had somehow become a “yes, but there is more to do,” when the rapporteur give his report. These outcomes can give the impression that the entire process is worthless to those whose views have been ignored.

More positively, the structure of the first set of syndicates did allow the reports to be changed if they did not reflect participants' views. The second meeting of the EIA syndicate did in fact amend the report from the syndicate to be “no” rather than “yes.” It remains to be seen whether the final report from the workshop will reflect this change.

Participation of Shell staff

While it is important for Shell staff to be present at such a workshop in order to give information to participants and for them in turn to be exposed to the concerns of community members, there were problems in practice

with the participation of so many SPDC staff members at this workshop. During the syndicate discussions, SPDC staff, in addition to participating in the discussion to give their views, as was appropriate, also attempted to influence the conclusions coming out of the syndicates, by simply objecting to points that did not match their world view. If the workshop is at least in part for Shell to find out what outsiders think then the reports must reflect what non- Shell staff think. Given the problems with inaccurate reporting of syndicate conclusions to plenary described above, it is clear that Shell staff should not be rapporteurs from any discussion group.

Final communiqué

The communiqué was presented without any debate or even a formal vote, after a drafting process which was not explained or made public in any way: as a question of pure process is absolutely unacceptable for a communiqué to be presented as if it were adopted by consensus when participants hear it for the first time as it is read out in plenary as an official document.

- Bronwen Manby
Human Rights Watch

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- 1 In December 2003, WAC Global Services, a consultancy firm working for Shell produced a “Peace and Security in the Niger Delta” study for the company in which they reported that the compensation rates paid by Shell do not recognise, and are much lower than, the actual market prices of the economic structures on the land (trees, crops and infrastructure...This means that land users are not adequately compensated for the negative impact on their livelihoods that result from SCIN (Shell Companies in Nigeria) activities” .
 - 2 Report of the Nembe (Ogbolomabiri) Peace and Reconciliation Committee, under the Chairmanship of Hon. (Mrs.) Mercy Alagoa (JP), February 2001.
 - 3 Human Rights Watch (HRW), April 2003, Testing Democracy: Political Violence in Nigeria, pp. 5,9
 - 4 Environmental Rights Action, “Environmental Testimonies” No. 8, September 21, 1998

Maximising profits, fuelling corruption



"In the longer run, Shell/BP is going to have to consider very carefully how it should explain publicly the large outflow of capital that is likely to take place towards the end of the decade....it will no doubt come as something of a shock to Nigerians when they find that the company is remitting large sums of money to Europe. The company will have to counter the criticisms which will very probably be made to the effect that the company is 'exploiting' Nigeria by stressing the very large contribution it is making to Nigeria's export earnings."

- British Trade Commissioner to UK Foreign Office, 1963'

Over 40 years after a British diplomat made those remarks in a confidential memo, Shell has made

enormous profits from their operations in Nigeria, which is the most profitable for the company worldwide. Though the Nigerian government also received enormous revenues from oil and gas sales, Shell's mega profits in Nigeria are helped by the company adopting some of the cheapest and most deplorable operational practices in Nigeria, to cut costs.

Shell presents itself as a victim of government corruption in Nigeria. However, the reality is that the company and its foreign oil servicing partners have been corrupting Nigerian officials with bribes, inflated contract figures, tax evasion, undervaluing

of oil exports and other unconscionable measures, in connivance with Nigerian officials, to maximise profits.

In 2003, Shell and other transnational oil companies operating in Nigeria were ordered by the government to refund \$600 million after the companies made fraudulent claims to benefit from a Reserve Addition Bonus programme of the government.² Shell and the Nigerian National Petroleum Corporation (NNPC) are also being probed by the Nigerian Senate for inflating the cost of its Bonga Field development at the expense of the Nigerian taxpayers.³

In 2004, Shell announced a downgrading of its “proved” oil and gas reserves globally by 3.9 billion barrels to the shock of its shareholders in Europe. The outrage that followed resulted in the sacking of its Chairman, Sir Phillip Watts and official investigations of the company by authorities in Britain and the United States. The bulk of the reserves cuts were in connection with Shell's operations in Nigeria (1.9 billion barrels, over 60% of the country's total reserves), where Shell and other transnational oil companies routinely overestimate reserves to secure huge payments and tax concessions from the government as incentives for new oil finds. Macaulay Ofurhie, Head of Nigeria's Department of Petroleum Resources (DPR) told Reuters that exaggerated claims became “a common factor in the whole industry”⁴. Shell is the biggest.

Shell's attempt at defence was to blame Nigeria: it said it wanted to strengthen Nigeria's hand in negotiations with OPEC to secure an increase in the country's production quota, which could be achieved by presenting bigger proven reserves. What Shell did not say was that an increased quota would result in even bigger profits to the company.



- *Shell won the 2004 “Public Eye Awards for Irresponsible Corporate Behaviour”*

Shell's Corrupt Reserves Game in Nigeria⁵

At the heart of Shell's oil reserves scandal is the desire for profit and the elaborate mechanisms that it nurtured in collaboration with corrupt military dictators over the years to ensure that its operations yield enormous dividends at the expense of ordinary Nigerians.

Shortly after General Ibrahim Babangida seized power in a coup in 1985, the military government signed a "Memorandum of Understanding" with Shell and other oil companies. The Memorandum, revised in 1991, entitled Shell to a guaranteed profit of between \$2 and \$2.50 per barrel produced as long as oil prices remain in the range of \$12.50 to \$23.50, and provided that it invests a minimum of \$1.50 on every barrel it produces. As a further sweetener, Shell was entitled to a bonus of ten to fifty cents per barrel for every operating year in which it discovers new oil fields with reserves greater than the volume of the oil it extracts.

Shell has been laughing all the way to the bank ever since. On average, world oil prices have not fallen below the stipulated \$12.50 baseline since 1986. Moreover, Shell also operates a joint venture partnership between the NNPC, the French oil company Elf, and Agip of Italy. The Joint Operating Agreement guiding the venture, in which the Nigerian government has 55 percent equity, stipulates that while all parties share in the cost of operations, Shell prepares the annual work programs and budget.

Control over operating costs is the key to understanding of Shell's big profits in Nigeria. The NNPC's executives admit that proper monitoring of the company's operating costs consistently eludes them and that what keeps Shell and the other western oil companies in business is not their costs.

Because the operational budget is set by Shell, and because the NNPC is plagued by corruption and lacks the expertise to verify production claims, the operating company has a powerful incentive to inflate costs. Similarly, new reserves "discovered" by Shell to enable it to press a claim for the Reserves Addition Bonus was a key source of company profits until 1999, when a new government reviewed the Memorandum of Understanding.

Production costs have been a subject of bitter dispute between Shell and Nigeria's government since the early 1990's. Alarmed that the production costs put forward by Shell were always increasing, in 1996, Nigeria's petroleum minister promised to establish a monitoring unit to scrutinize all of Shell's invoices and claims. Nothing came of this.

Last February (2004), the newly elected Senate attempted to block \$1.6 billion from going to Shell and two other companies for production expenses until they provided adequate documents to support their claims. This effort was brushed aside by President Olusegun Obasanjo and NNPC Officials.

The latest scandal is unlikely to elicit vigorous responses from Nigeria's government, even though it has been paying millions of dollars for new oil finds that exist only in Shell's imagination. Nigerian officials are anxious to swat away charges that Shell padded its figures for reserves in Nigeria to take advantage of lax oversight and regulatory mechanisms and reap millions of dollars in bonus payments. Indeed, Shell insists that Nigeria owes it \$385 million more.

Shell has powerful friends in Nigeria's government. In the mid 1990's, the company worked closely with the late dictator, General Sani Abacha, to suppress the Movement for the Survival of Ogoni People, a grassroots environmental and minority rights organization led by Ken Saro-Wiwa, whom the regime later executed. Human Rights Watch investigators linked Shell officials to gross human rights violations committed by government troops at the time.

This slick alliance of corrupt state officials and self-serving company executives, anxious to keep the petrodollars flowing is still in place. Facing the sharp end of the stick are the seven million Niger delta peasants, who bear the brunt of the violence, environmental devastation, and social anarchy that Big Oil produces wherever it sets up its drilling rigs.

Shell's Anti-labour Practices

Contract staffs in the employment of the Shell Petroleum Development Company have been protesting what they describe as "slave labour". These "contract staff" are hired by Shell, included in Shell staff list, but paid by a "contractor", even though they can be fired by Shell as they did to some leaders of striking "contract staff" in 2001. At that time the contract staff complained that they were "paid only 1/5th of their service value", did not enjoy "promotion nor job progression plan", "denied use of company restaurant and medical", do not enjoy "terminal benefit" and "there is no formal procedure for terminating the employment of a contract staff".

Responding to the highhandedness of Shell in dealing with Nigerian staff, the Chairman of the Committee on Petroleum of the Nigerian Senate wrote to Shell on May 17, 2001 that "various reports reaching my office suggest a clear, consistent and sustained pattern of abuse, intimidation and harassment of the leadership of PENGASSAN (Senior Contract Staff of SPDC branch), in their bid to give voice to what constitutes very serious claims of institutionalised discrimination and "enslavement" of the so called "contract staff." ⁶

If the conditions of Nigerians working for Shell can be described as "enslavement", those hired by some contractors to Shell is worse. However, Shell is

increasingly relying on such enslaving contract labour to avoid responsibility for the welfare and wellbeing of Nigerian workers as another means of reducing costs to maximise profits.

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- 1 Quoted in Environmental Rights Action and Climate Justice Programme, "Gas Flaring in Nigeria: A Human Rights, Environmental and Economic Monstrosity, June, 2005", from comments contained in a confidential reasonably comprehensive survey of the history, the present position and future prospects of the oil producing industry in Nigeria" provided by Mr. J.S. Sadler, the British Trade Commissioner in Lagos to the Economic Relations Department of the Foreign Office in London on 9th August 1963: 'Development of Oil Resources in West Africa 1963', File 371/167170, UK National Archives
 - 2 "Tax Scam: Oil Firms Ordered to Refund \$600m" in This Day, November 26, 2003
 - 3 "Senate Probes NNPC, Shell over N138bn deal" , by Emmanuel Aziken, Vanguard Online: Monday, April 25, 2005
 - 4 Reuters: Shell not alone in false reserves claims Nigeria, April 21, 2004
 - 5 These comments by Ike Okonta, a research fellow at the Institute of International Studies, University of California, Berkeley and co-author of Where Vultures Feast: Shell, Human Rights and Oil, was published in the Daily Times of Pakistan on April 4, 2004
 - 6 Quoted from a complaint by Environmental Rights Action to the Compliance Advisor Ombudsman of the International Finance Corporation against the "Niger Delta Contractor Revolving Credit Facility" on June 19, 2001

False Solutions: Responses of Shell, Government and the “International Community”.



● *Obrigbene Bayelsa State: Development Hoax*

Shell's Corporate Social Responsibility

Shell now claims a commitment to some core values included in its business principles. These include respect for human rights, protection of environment, transparency in its operations etc. These are advertised as expressions of the company's Corporate Social Responsibility (CSR) credentials. However, CSR as promoted by Shell, other huge transnational corporations, their home governments and agents is fundamentally faulty in that it seeks to allow corporations to behave better voluntarily with none or very limited state regulation and legal and societal enforcement of rules. The CSR tilts more

towards encouraging foreign transnational corporations operating in developing countries to develop “voluntary codes.” with which they regulate themselves.

Shell has already signed up to such voluntary mechanisms such as the Global Compact of the United Nations and Extractive Industries Transparency Initiative (EITI) of the British Government. The futility of the voluntary options in CSR can best be explained by Shell's continuing bad practices in Nigeria despite signing on to the initiatives. Oil companies and other corporations must abide by national laws and regulations, which

should be enforceable by the courts where citizens can obtain redress. This is the position in Britain and The Netherlands. It is also what is required in Nigeria and globally. For Shell or any politician to suggest voluntary codes as a way forward is to express contempt for the Nigerian state and disrespect for its citizens.

In December 2003, WAC Global Services, a consultancy firm commissioned by Shell, published a baseline study of the oil company's exploration and production activities in Nigeria's Niger Delta region, and ways in which these activities create conflict and the breakdown of social order in the area. The "Peace and Security in the Niger Delta" report was initiated by Shell executives that recognised that "the current climate of violence, insecurity and lawlessness in the Niger Delta has significantly increased the risk and cost of resource extraction."¹ The report concluded that Shell's policies and practices create and exacerbate conflicts in the Niger Delta. But Shell refused to accept the conclusions, most of which were only expressions of common knowledge in the communities in the Niger Delta.

In initiating the review, Shell was solely concerned with how to maximise profits and returns to shareholders and not the welfare of the inhabitants of the Niger Delta area. With gang leaders patronised by Shell now becoming increasingly uncontrollable, Shell's tactics which fuels conflicts had boomeranged, threatening its own profit goals, as the crisis in the Niger Delta began to impact on oil production. In response to the crisis, the company has launched what it calls a Peace and Security Strategy (PaSS) ostensibly to explore ways in which Shell can contribute to conflict resolution and peace in the Niger Delta. Shell has also changed the nomenclature of its Community Development work to Sustainable Community Development (SCD), which is basically aimed at involving communities more in the process of providing charity to the Niger

Delta. In all this, Shell continues to manipulate the English language to deny responsibility for environmental and human rights abuses and fails to address the fundamental problems of disempowerment of peoples and the loss of livelihoods resulting from Shell's partnership with Nigerian regimes. Neither does Shell give attention to the core demands of Niger Delta peoples as reflected in documents such as the Ogoni Bill of Rights and the Kaiama Declaration.

The Nigerian Government

On its part, the response of government and its "international community" supporters remains the same: Protect oil business at any cost. The civilian regime of General Olusegun Obasanjo, whose Peoples Democratic Party (PDP) massively rigged the elections of 1999 and 2003 in the Niger Delta states in its favour, has continued to govern the area like a conquered territory with wholesale looting of government funds by PDP government officials in the area. The result is that even the government cannot deliver services and responsibilities to the people. PDP politicians in control of the local government, state and national assemblies demonstrate total lack of responsibility and contempt for the people whose votes are not counted in elections.

Hopes that the civilian regime which came into power in 1999 will take measures to end the state violence on the people were dashed when the civilian president, General Olusegun Obasanjo, after a few months in office, deployed soldiers to destroy Odi community and massacred its inhabitants. The same was to happen in Odioma in 2005

The current regime in Nigeria established the Niger Delta Development Commission (NDDC) under the Presidency, to provide development for the oil bearing communities of the region. However, the NDDC, a haven for corruption, has not been making

any positive impacts in the region beyond serving as machinery for the political manipulation of the region by the government.

In seeking to boost revenue from oil and gas, the federal government is promoting incentives to oil and gas companies to expand exploration and production. However, government is not giving adequate attention to improving, monitoring and enforcement of laws and regulations to prevent or minimise the environmental and social costs of oil and gas production in the Niger Delta area.

International Finance Institutions

Not even the World Bank and International Finance Corporation (IFC), which are supporting Shell in Nigeria are paying any attention to the destruction that their “investment” could cause, nor are they prepared to address community concerns that increased oil and gas extraction activities will exacerbate impoverishment in the oil bearing areas and Nigeria in general. In 2001, a partnership between the IFC and Shell to provide credit to contractors working for Shell in the Niger Delta area was rejected by communities and local civil society organisations for lack of environmental and social safeguards. However, the IFC and Shell are going ahead with business as usual.

Oil revenue to the Nigerian regimes remains the major attraction for international creditor institutions that have made huge profits collecting debt service payments from Nigerian regimes. Over the years, official external debts of Nigeria have increased from \$19 billion in 1985 to about \$36 billion at the end of 2004. This is despite the payment of over \$35 billion within the period in annual debt servicing. The total amount of actual borrowing by Nigerian regimes is less than \$15 billion.²

This year, the Nigerian government announced that it has achieved debt cancellation agreement with the

Paris Club of creditors. According to the Paris Club, this agreement will grant Nigeria debt cancellation of some \$18 billion (including moratorium interest) from about \$30 billion owed the Paris Club creditors. The Nigerian government will be expected to make an immediate payment of \$12.4 billion to the Paris Club creditors.

Despite the victory dance of Ngozi Okonjo-Iweala, Nigeria’s Finance Minister and former Vice President of the World Bank, what we have recorded here is another case of creditors from the rich and powerful countries profiteering from Nigerian oil money, at the expense of the poor and powerless: Dictators of an impoverished country were made to borrow less than \$15 billion and forced to pay back over \$47 billion. And the agents of imperialism expect us to celebrate “debt cancellation” !

“International Community”

As part of its development assistance, the governments of the United States and Britain will render military assistance to Nigeria. Under this arrangement, the US is sending soldiers and arms to Nigeria to train Nigerian soldiers and protect oil installations in the Niger Delta area. New army barracks and naval bases will be built as the “international community” seeks to protect the interest of transnational oil companies such as Shell, Chevron and ExxonMobil. This development is generating panic among communities in the oil bearing Niger Delta who have been at the receiving end of military brutality.

1 “Peace and Security in the Niger Delta: Conflicts Expert Group Baseline Report” , Working Paper for SPDC, WAC Global Services, December 2003, p 5

2 Nigeria’s Paris Club Debt Problem by Lex Rieffel, The Brookings Institution, Policy Brief 144, August 2005

<http://www.brookings.edu/comm/policybriefs/pb144.htm>

Recommendations

To Shell:

- Shell should respect the laws and peoples of Nigeria.
- Shell should apply in Nigeria the same technology and environmental and social standards as it does in United Kingdom and Netherlands.
- Shell should apologise to the people of Umuechem and Ogoni for the murder of their people by Nigerian security forces with its support.
- Shell should stop payments to thugs and community gangs. All payments to community chiefs and “landlords” should be documented and made public.
- Shell should not embark or continue with exploration and production of oil without the consent of affected community members.
- Shell should stop operating with Nigerian mobile police and armed forces in Niger Delta communities.
- Shell should desist from designating any family, settlement or town as a “host community” in exclusion of other impacted communities.
- Shell should respect the need for citizens’ organisations, research institutions, communities and government to conduct an independent assessment of the damage caused by its operations in Nigeria.
- Shell should pay just and adequate compensation for the damages and abuses in Nigerian communities.
- Shell should desist from manipulating the Nigerian judiciary to delay and frustrate

litigation initiated against it by communities.

- Shell should end gas flaring in existing oil fields immediately. Existing oil fields that produce associated gas that cannot be re-injected or used for local power generation should be closed down to protect community members and the environment and to conserve energy resources. No new oil development should go on without a concrete and verifiable plan for utilisation of associated gas.
- Shell should publish comprehensive data on gas flaring by the company. Such data should include correct and complete figures for past and current production of non-associated gas as against associated gas. Shell should also name all the flow stations where it claims to have ended gas flaring.
- Shell should pay taxes promptly and stop colluding with Nigerian officials to cheat and defraud the nation and its peoples.
- Shell should make public all payments to the Nigerian government since 1968.
- Shell should disclose its profits from Nigeria since 1968.

To the Nigerian Local, State and Federal Governments:

- Government should represent the people at all times. The Nigerian government, at all levels, should stop disenfranchising the Nigerian people by rigging elections.
- Government should seek to protect the environment, lives and livelihood of citizens in the Niger Delta by improving and enforcing

environmental laws and regulations. It will ultimately be seen as the failure of government, when transnational oil companies are allowed to operate with total disregard and contempt for the environment and citizens' livelihoods.

- Government officials, at all levels, should desist from looting the public treasury. Rather, they should commit themselves to providing social infrastructure that will aid progress and development in the Niger Delta and Nigeria.
- The National Assembly should commence an open and transparent process of probing Shell's oil and gas production figures and compliance with Nigerian tax obligations.

To the International Community:

- The governments of the United Kingdom and the Netherlands should take concrete actions to stop Shell from the abuses and violations in Nigeria. Home governments of Shell and other transnational corporations should go beyond supporting voluntary codes and other voluntary mechanisms that seek to encourage self-regulation by Shell and other corporations as a way to promote fair and just practice for corporations operating in Nigerian and other developing countries.
- Legally enforceable laws and regulations should be promoted by tax receiving governments to make such corporations liable

in their home countries for abuses abroad. That is the only way that such governments can reasonably claim to be committed to sustainable development in Nigeria and other developing countries.

- The international community should desist from supplying arms to the Nigerian military or supporting military programmes and processes that could be utilised to abuse human rights in the Niger Delta and Nigeria.
- All G8 governments should take concrete actions to recover stolen oil revenue from Nigeria, which have been placed in the banks in their countries by current and past Nigerian government officials.

To Nigerian Communities:

- To continue peaceful and legal resistance to the abuses of Shell and other transnational oil corporations.
- To desist from violence and avoid attempts by company and government agents to divide and create conflict within communities.
To continue to organise to challenge Mismanagement of Nigeria by governments,



**PROTECTING THE ENVIRONMENT,
DEMOCRATISING DEVELOPMENT**

“

All the people shall have the
right to (a) generally
satisfactory environment
favourable to
their development

”

**ARTICLE 24, African Charter on
Human and Peoples' Rights**

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