



DELTA STATE OIL PRODUCING AREAS DEVELOPMENT COMMISSION

(DESOPADEC)

19, SWAMP ROAD, G. R. A., WARRI.

MEMORANDUM

FROM:

**THE DELTA STATE OIL PRODUCING AREAS
DEVELOPMENT COMMISSION
(DESOPADEC)**

TO:

THE GOVERNORS FORUM

TITLE:

**REPORT ON THE ACTIVITIES OF THE
DELTA STATE OIL PRODUCING AREAS
DEVELOPMENT COMMISSION
(DESOPADEC)
FROM INAUGURATION TO DATE**

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(DESOPADEC)

19, SWAMP ROAD, G. R. A., WARRI.

The Director General
Governors Forum
Abuja

5th May, 2009

Sir,

REPORT ON THE ACTIVITIES OF THE DELTA STATE OIL PRODUCING AREAS DEVELOPMENT COMMISSION (DESOPADEC) FROM INAUGURATION TO DATE

On behalf of the Executive Governor of Delta State, His Excellency, Dr. Emmanuel Eweta Uduaghan, and the Delta State Oil Producing Areas Development Commission (DESOPADEC), we send best greetings of the season to you.

It is pertinent to present to you, an overview and a summary of our activities; where we are coming from, where we are now and where we are going, since the new Board of DESOPADEC was inaugurated on July 11, 2007.

The Chairman and members of the Board of DESOPADEC also want to seize this opportunity to once more thank His Excellency, the Executive Governor of Delta State, Dr. Emmanuel Eweta Uduaghan, for giving us this wonderful opportunity to serve the Oil producing communities of Delta state and indeed the host communities Oil and Gas that has kept this country afloat for several decades now.

The mandate handed to us on the day of our inauguration is clear. This is to rehabilitate, rejuvenate and resuscitate the Oil producing communities in Delta state, against the backdrop of the neglected and degraded environment in which the peoples of these oil-producing communities live.

You may wish to note Sir, that on the occasion of our first board meeting after the inauguration, we unanimously adopted the Three Point Agenda of the human faced administration of the Delta state Government. These are: Peace and Security, Human Capital Development and infrastructural Development. Accordingly, our slogan is: "To Ensure Peace and Security through massive Human Capital Development and Infrastructural Development".

OUR MANDATE

Flowing from the above therefore, our main focus has been structured along the Three Point Agenda, viz:

1. Guaranteeing Peace and Security for increased oil revenue to the state and DESOPADEC.
2. Human Capital Development
3. Infrastructural Development

TACKLING THE OIL PRODUCING COMMUNITIES CHALLENGE

DESOPADEC was established by an act of the Delta state House of Assembly with the mandate to receive and administer exclusively, fifty percent (50%) of the thirteen percent (13%) Oil Derivation Fund, accruing to the Delta State Government from the federal allocation, for the rehabilitation and development of Oil Producing Areas in the State and other development projects as may be determined from time to time by the Commission, amongst other responsibilities.

The board of DESOPADEC was constituted on the basis of production quantum, by indigenes from the oil producing communities and from the moment we assumed office we knew that our main challenge was both a youth development and community development challenge.

The youths and people of the Oil Producing Communities are the ones in the creeks. They are the worst hit by unemployment, poor education, inadequate housing, poor health care, inadequate portable water supply and abject poverty. They are both the worst victims and the leaders of the struggle and so there was the need to ensure that their voices must be brought to the mainstream of policy-making and their problems addressed.

It became imperative that our role as an intervention agency must put a structure in place to guarantee the provision of these needs and so immediately after inception, the management of DESOPADEC held comprehensive meetings with the leaders and elders, the restive youths and the women of the oil producing communities in Delta state to inform these stakeholders that 13% derivation fund had been assured and they would be getting 50% of that derivation revenue to develop their communities.

We also told them that as a result of this, it was their responsibility to ensure that there is peace and security in the oil producing communities, especially the oil wells, installations and fields, as this would ensure greater revenue to them and also secure their involvement in the management of their resources.

It is important to state here that the oil producing communities have always believed that their participation in the management of their resources will create a greater sense of belonging and patriotism, because they have the conviction that these oil facilities are the source of the funds that would put bread on their table, create jobs and wealth for the people, provide free medical care, micro credit, scholarship, employment, and achieve the

industrial base which the modular refinery and gas gathering plants will be established, amongst other benefits.

The protection and security of the oil facilities had therefore become the responsibility of the host communities- as no body will *throw way sand sand for him garri*.

DESOPADEC then proceeded in the Commission's role as an interventionist agency, to set out its development blueprint in terms of: *Immediate (Quick Impact Projects), Medium Term and Long Term Projects*. The sustainable community development cum intervention focus is outlined in the following areas, some of which have yielded tremendous results and brought succor, welfare and the dividends of democracy to the peoples of the oil producing communities of Delta state since the inception of the Commission. They are:

OUR ACHIEVEMENTS SO FAR

Within the frame work of the Three Point Agenda of the state government namely Peace and Security, Human Capital Development and Infrastructural Development, DESOPADEC has established enviable records just within the short span of our operation. They include:

PEACE AND SECURITY

One major area where we have achieved tremendous success is in the achievement of Peace and Security in the Oil Producing Communities of Delta state. Like most other part of the Niger Delta, the peace and security situation in our areas of operation were demanding. All the vices and intricacies associated with the Niger Delta struggle were at play when we started.

But today the situation has changed tremendously. Hostage taking and kidnapping of expatriates is at zero limit in Delta state. Pipe line vandalization has been reduced to a minimum. Sea piracy has been wiped out. Oil theft and bunkering are considerably reduced. Multinational activities and international participation in Delta state has virtually been re-established and this is due largely to our sanitization of the environment, through the progressive efforts of our dear Governor Dr. Emmanuel Eweta Uduaghan, through the establishment of DESOPADEC amongst others, to ensure that our environment is conducive for operations.

INTERNATIONAL RELATIONS

DESOPADEC also achieved National and International Recognition as result of the Commission's progressive initiatives and activities since inception. This national and international recognition for DESOPADEC was also greatly facilitated by the personal interest and intervention of His Excellency, the Delta state Governor, Dr. Emmanuel Eweta Uduaghan in the activities of the Commission.

With this clean bill of health we have achieved in the area of peace and security, the influx of the foreign investors and partnership seeking foreign business interests has been unprecedented. At the last count Delta state and DESOPADEC have played host to Germans, Russians, Canadians, Americans, the Chinese, the Americans, Cuba and several

members of the international community who have come either as investors or to partner with us in the accelerated development of our communities.

HUMAN CAPITAL DEVELOPMENT

This is another area DESOPADEC has recorded remarkable achievements so far. This includes the following:

AGRICULTURAL PRODUCT CENTRES

We have developed within our resources, several agricultural centers across the zones within all the ethnic nationalities constituting our operational areas. Thus we have rice farms and mills, cassava plantations, Poultry, Plantain plantations and other Agric Product programmes across the Oil Producing Communities of Delta state. Harvesting has already started in most of these centres like our Rice centres. Indeed we are proud to confirm that rice from our DESOPADEC Rice centre at Opokunu Rice farm has been harvested and milled and ready for consumption.

Furthermore, feasibility studies are in progress to develop several other agricultural centers in produce where we have comparative advantage. Our mission is not only to make Delta state self sufficient in food but also to feed several of our sister states in the Niger Delta.

HEALTH INTERVENTION:

Our free medical care scheme which has been acclaimed both nationally and internationally, has recorded huge success since its commencement and it is still on-going. It has produced remarkable results especially in the hitherto inaccessible riverine areas and attracted foreign medical specialists in the areas of surgery, physiotherapy and general medicine. From the initial two centers we had, DESOPADEC has created several more centres due to the unprecedented interest shown by the public to ensure that the Free Medical Care programme is extend to even more people in our communities. So far over an unprecedented 1,000,000 (One Million) beneficiaries, have been recorded to have received medical attention and treatment in these centres.

At present we have five medical centres which offer 24 hour free medical services to our peoples and we have recorded an average of about 150 persons who receive attention and treatment as OUT Patients on a daily basis.

Our Medical team operates on two week shift of 2 weeks in and 2weeks out in these centres. The Doctors, Nurses and supporting staff are paid on a monthly basis. Drugs are purchased regularly on request from the medical consultants for the effective treatment of the IN and OUT patients of these Health Centres and this has been a huge source of pride to His Excellency the Executive Governor of Delta state, Dr. Emmanuel Uduaghan for his continued support for all DESOPADEC programmes.

SCHOLARSHIP SCHEME

Our scholarship and education scheme too has taken off with great success. It is divided into national and overseas scholarship programmes. Whereas the former is mainly for first degree courses within Nigeria, the latter is for some specialized courses for first degree courses and at the post graduate level. So far about 7,000 (seven thousand) students have benefited from our National scholarship scheme, while the oversea version is about to take off soon. By August 2009 about 100 selected youths from the oil producing communities, will leave for overseas studies in Maryland University and others in the United States.

In fact, only recently a delegation from an American University, the University of Maryland, Eastern Shore, led by its president Dr. Thelma Thompson and other members comprising Dr. Emmanuel Acqua, Deputy President University Of Maryland Eastern Shore and Dr Stanley Nyerinda, Head of Statistics and Administration of the foremost University of Maryland, were with us to assist us with the Scholarship programme and I can assure you that arrangements are already in place to ensure that our students benefit from this very important programme.

MICRO-CREDIT

The board of DESOPADEC has also approved micro-credit facilities for DESOPADEC mandate areas for over 846 cooperatives. By implication the number of beneficiaries will be over 12,690 persons. DESOPADEC has already keyed into the Delta state Micro Credit programme, consulted extensively and received valuable advice from the Executive Assistant to His Excellency Dr. Emmanuel Uduaghan on Micro Credit.

So far about N1.2 Billion has been involved in the Micro credit and the first batch of the Micro-Credit facilities has already been awarded. DESOPADEC will soon award the next batch to deserving beneficiaries.

EMPLOYMENT

When DESOPADEC advertised for vacancies needing just about 500 staff, over 10, 000 applications were received by the Commission. Most of these applicants were graduates with excellent first degrees and some with even second degrees, but who have not had any kind of employment since graduation over five (5) to Seven (7) years ago.

Happily, the Commission has employed over 1,500 graduates who are indigenes from across the oil producing communities of Delta state and we are presently in the process of updating our employment programme to ensure that we achieve professionalism in our departments and create new opportunities for qualified and deserving indigenes to be employed in the near future.

INFRASTRUCTURAL DEVELOPMENT

To fulfill this mandate, the board of the Commission has so far awarded over 1, 000 projects in the 5 (five) Oil Producing nationalities of Delta state. They include: Housing/Schools projects, Roads, Jetties, Energy/Bio Mass Solar driven Water projects and Road Jobs, amongst others.

To further buttress the desire of the Commission to ensure that comprehensive work is going on all the project sites, a high powered team of DESOPADEC comprising the Executive Chairman Chief Wellington Okirika, some Commissioners and key Heads of Departments and a special team from the Project Monitoring department of the Commission, have been embarking on regular assessment inspection tours of the on-going projects in the 5 (five) Oil Producing nationalities of Delta state.

The complete statistics of all our projects is with us and a detailed summary reveals that about 205 projects have been completed and ready for commissioning; over 150 are 95% completed and comprehensive work is going on in the others.

As a result of these projects, the Oil Producing Communities of Delta state is presently witnessing an unprecedented development in its physical and social infrastructure. The communities are now sprawling construction sites, with on-going Roads construction, Housing/School projects, jetties, Agric Centres and a host of other relevant projects for the peoples of these communities.

This is of course in addition to the completion of the projects by the 13% Derivation Committee, which included Housing, Water and other infrastructural projects.

Against this backdrop therefore, it becomes quite obvious that DESOPADEC has demonstrated that infrastructure is very central to the implementation of a sound development programme and the transformation of the landscape of the Oil Producing Communities for the better.

SOLUTION TO WATER PROBLEM IN THE OIL PRODUCING COMMUNITIES.

As soon as DESOPADEC came on board, one of the first things we did was to put a research unit in place to look into the perennial problem of providing good drinking water for our people. The research team made contacts in USA and Israel where there are solutions to water problems in Rural and Riverine communities. This was indeed a disturbing situation because there is water, water everywhere but not good enough for the people to drink.

However I am glad to inform you that we got two equipments from our consultants and after proper testing that lasted over five months, the Air2Water Triton System, which produces water from the atmosphere and can produce 1,600 gallons per day for one average community of 7,000 to 10,000 people, has already been installed and in use at Okerenkoko in the Ijaw nation and the problem of bad drinking will be over in this community. We intend to replicate it in the other communities soon.

MODULAR REFINERY AND GAS PROCESSING PLANTS

DESOPADEC has long term plans to establish Modular Refineries which will harness the raw materials of crude oil and gas that are available in the environment of the Oil Producing Communities of Delta state. This is in line with the objectives of the three point agenda of the Delta state government, which also includes the Gas Master plan and the Power Generation agenda of the Delta state and the Federal Governments respectively.

It also fulfills the intention of DESOPADEC to terminate youth restiveness in the Oil Producing Communities and create wealth as part of the Commission's plans to drive its development mandate for the peoples of the Oil producing areas of Delta state.

It will be recalled that in May 2008, His Excellency, the governor of Delta state, Dr. Emmanuel Eweta Uduaghan, embarked on a Gas tour initiative as a key component in the actualization of the three point agenda of his administration. The Gas tour initiative which included the attendance of the first ever Nigerian Gas Master Plan Investors Road Show (NGMP) and crucial meetings with some key stake holders in the gas sector as well as trips to some European cities had a team of top DESOPADEC Board members led by myself on the delegation of the Delta state Governor.

The trip which was in line with the objectives of the three point agenda of the Delta state government also fulfilled the intention of DESOPADEC to terminate youth restiveness in the Oil Producing Communities and create wealth and employment as part of the Commission's plans to fulfill its mandate for the peoples of the Oil producing areas of Delta state through the Modular Refineries and Gas Gathering plants.

As a follow up to this trip, a high powered delegation which included representatives from the Presidency, the Delta state Government and DESOPADEC embarked on a fact finding mission of the US. The delegation which was led by Chief Dr. Wellington Okirika, Executive Chairman DESOPADEC, was awed at the revelation that the Modular Refineries had even greater beneficial potentials than had earlier been envisaged.

A report on the trip has since been submitted to His Excellency the Executive Governor of Delta state, Dr. Emmanuel Eweta Uduaghan, for necessary action.

PULP AND PAPER MILL

DESOPADEC has also embarked on the establishment of Pulp and Paper Mills by utilizing the vast natural resources in our mangrove forests of which up till now no body has found economic use for.

SUGARCANE PLANTATION

DESOPADEC has also embarked on the establishment of Sugarcane Plantations to harness the rich reserves of sugarcane in our oil producing communities, which will greatly enhance our Sugar production capabilities in Delta state.

CONCLUSION

In the course of the activities of DESOPADEC since inception, the Commission has noted several areas where greater attention and comprehensive support is required in the quest to ensure accelerated development for the actual oil producing communities of the Niger Delta region. These include the Industrialization of our degraded environment and our Modular Refineries and Gas Processing Plants programme amongst others.

However, the story of DESOPADEC has turned out to be one of the major success stories in the history of intervention agencies in Nigeria. It is indeed a worthy example to follow for all the oil producing states and countries of the African continent.

I wish to place on record that the laudable achievements of DESOPADEC since its inception have been accomplished largely through the personal interest and intervention of His Excellency Dr. Emmanuel Eweta Uduaghan in our activities.

His Excellency has made it a point to follow the progress of the Commission every step of the way and provide tremendous assistance, support and guidance to DESOPADEC, not only in the achievement of our successes in the Oil producing Communities but indeed in the establishment of our international relations and partnerships with the foreign and international community.

This identification with the Commission has no doubt facilitated the great interest which the national and international community has shown in DESOPADEC since our inception, a relationship we intend to nurture and expand with the continued assistance, support and visionary leadership of His Excellency Dr. Emmanuel Eweta Uduaghan, the Executive Governor of Delta state, in the years to come.

It has also given greater clarity and understanding to the advocacy and desire for the peoples of the oil producing communities to be allowed to manage the funds that accrue from the exploitation of the resources tapped from their communities.

We also want to express our gratitude to the Delta state House of Assembly for the wonderful, cordial and pragmatic relationship DESOPADEC has enjoyed with the House membership. We thank you most sincerely for the guidance, advice and support we have received and we pray that this relationship with our Board and Management will be cemented further in the future.

DESOPADEC is also very grateful for the support and confidence which the traditional rulers and indigenes of our Oil Producing communities have given to us and we pray it will continue in the years to come.

We pray the good Lord to continue to guide and protect His Excellency Dr. Emmanuel Eweta Uduaghan, the Executive Governor of Delta State and the peoples of the Oil Producing Communities of Delta state. Amen.

Thank you.



CHIEF (DR.) WELLINGTON O. OKIRIKA
EXECUTIVE CHAIRMAN
DESOPADEC