Assessing the Performance of the Niger Delta Development Commission (NDDC) 2001-2020: Another Failed Dream

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Abstract: The Niger Delta region of Nigeria is of critical importance to the country because of its oil revenues. Noteworthy, it is also strategic to the international community because of its significant contribution to world supply of oil; such that any shortage of oil supply from the region invariably causes increases in international oil prices. From the 1970s to date oil revenues derived from the Niger Delta region have been used to develop other parts of Nigeria, while the region has been left underdeveloped. This contradiction led to protests by the people of the region, which led to the establishment of the Oil Minerals Producing Areas Development Commission (OMPADEC) in 1992. The dream of OMPADEC was the transformation of the Niger Delta region from the state of poverty and underdevelopment to a prosperous society equipped with modern facilities and infrastructure. However, that dream failed due to several factors, including corruption and poor project execution. This disappointment generated intensified protests by the people of the region, leading to the establishment of the Niger Delta Development Commission (NDDC) in 2000 with the same mandate as OMPADEC. Many scholars have suggested that the NDDC has failed. This article assesses this suggestion and concludes that the NDDC is another failed dream. To succeed, appropriate recommendations are made towards reformation of the Commission for effective performance.

Keywords: Nigeria, Niger Delta Region, Oil Revenue, Poverty, Underdevelopment, Resource Control, Niger Delta Development Commission (NDDC)

1. Introduction and Background of Study

It is well-known that Nigeria’s economy is based mainly on oil revenues derived from exploitation of oil from its Niger Delta region [1, pp. 71-74, 2]. This is the case since the 1970s. Oil was found in the Niger Delta region in 1956, after many years of exploration, and exported to Europe for the first time in 1958. Noteworthy, since the first discovery of oil in 1956 it was only in October 2019 that crude oil deposit has been found elsewhere outside the Niger Delta region [3, 4]. Effectively, this means that Nigeria’s infrastructure has been built by oil revenues derived from exploitation of oil in the Niger Delta region. However, it is a sad commentary to note that the region which produces the wealth has only tales of woes, as it remains underdeveloped and its peoples impoverished [5-8]. In fact, the Niger Delta region and its peoples may rightly be regarded as an archetypal example of resource curse [2, 9, 10]. The 2006 United Nations Development Programme (UNDP) Report on the Niger Delta poignantly makes this point thus:

The Niger Delta produces the oil wealth that accounts for the bulk of Nigeria’s foreign earnings. Paradoxically, however, these vast revenues from an international industry have barely touched the Niger Delta’s own pervasive local poverty... Local people in delta are acutely aware of how much wealth oil can produce. Oil and gas alone have generated 40 per cent of Nigeria’s national GDP over recent decades. Between 2000 and 2004, oil accounted for about 79.5 per cent of total government revenues and about 97 per cent of foreign exchange revenues. [This position is largely the same up to date]. Within the delta, a few oil companies and individuals appear to be flush with cash. [44, p. 1]

Later in the same report the organization surmised that ‘the Niger Delta is a region suffering from administrative neglect, crumbling social infrastructure and services, high unemployment, social deprivation, abject poverty, filth and squalor’ [44, pp 13-18, 11]. Similar point was also made by
Salieu, Luqman and Abdullahi [12]. More recently, Inokoba and Johnson [13] have restated this position, thus showing that no significant changes have been made on the development status of the region since a decade ago when the UNDP report was published. This makes the present research on the performance of the NDDC all the more urgent and important. In the words of the authors:

There are two incontrovertible facts about the Niger Delta region of Nigeria: First, it is a region of strategic importance to both the domestic and international economies. Its oil and gas resources accounts for about 80 percent of total government revenue, 95 percent of foreign exchange earnings, 95 percent of National Budget and over 80 percent of National Wealth... Secondly, the Niger Delta is also a region of great and troubling paradox; it is home to stupendous wealth as well as inhuman poverty... The dilemma of the region is that its wealth and riches has become a source of poverty, squalor, pain and curse to the people of the oil-bearing communities. The reality is that despite its invaluable contribution to the sustenance of the Nigerian State, the Niger Delta is now home to some of Africa's poorest people and some of its worse cases of environmental destruction. [13, p. 12]

Many scholars have argued that it is this contradiction that compelled the people of the region to embark on protests in the 1990s, against the Federal Government of Nigeria (FGN) – which constitutionally and statutorily owns crude oil – and the international Oil Companies (IOCs) operating in the region (including Shell, Exxon Mobile, Total-Elf, Agip, Texaco and Chevron), which exploit the oil deposits with a licence obtained from the Federal Government, on a joint venture arrangement with the Federal Government [1, 5, 9, 14-18]. In the words of Isike, Ojakorotu and Uzdide [19]:

The early 1990s ushered in a new epoch in the struggles of the Niger Delta peoples against an exploitative and repressive Nigerian state, which was collaborating with multinational oil corporations (MNOCs)/ [IOCs] in a way that further impoverished and repressed them. This period also saw the genesis of the internationalization of the Niger Delta crisis, a process that brought international attention and action on the plight of the region and its people.

Individuals, women and youth groups, communities [20, 21] and organizations such as Movement for the Survival of Ogoni People (MOSOP), Ijaw National Congress (INC), and the Ijaw Youth Council (IYC) were involved in sustained protests against the FGN and IOCs. Apart from physical protests, MOSOP proclaimed a Bill of Rights called Ogoni Bill of Rights (OBR) on 26 August 1990, while the IYC adopted the Kaiama Declaration on 11 December 1998 – barely six months before the Nigerian military authorities, which had ruled the country successively since 1966 (except the period October 1979 – December 1983), quit governance and returned the country to democratic/civilian rule on 29 May 1999.

Essentially, both the OBR and the Kaiama Declaration complain of reckless oil exploration/exploitation activities which have devastated the Niger Delta environment; non-participation of the Niger Delta people in oil exploration/exploitation activities; underdevelopment of the oil-bearing communities/the Niger Delta region, despite the huge benefits/profits generated by oil sales for the FGN and IOCs; inequitable revenue-sharing formulae; pervasive poverty and unemployment, particularly in the oil industry [1, pp. 300-309, 22, 23]. Based on these complaints, the OBR and the Kaiama Declaration as well as other declarations of rights of the Niger Delta people (such as the 1992 Iyon People’s Charter and the 1992 Charter of Demands of Ogbia People [1, pp. 307-308]) made a host of demands from the FGN and IOCs – captured in the catch-phrase ‘resource control’ [1, pp. 300-309; 24-29]. Among others, the people demand the right to ownership and control of their natural resources (oil and gas); right to participation in the exploitation of oil and gas; right to infrastructural development of the Niger Delta region; a general right to share in the royalties/rents of oil exploitation; and right to employment, especially in oil companies/oil servicing companies [30]. As can be observed, these demands are of different variants [1, pp. 300-309; 27, 29] and range from ‘absolute control’ to ‘partial control’ of oil resources. Even so, they are all essentially geared towards achieving greater benefits from oil revenues for the people of the Niger Delta region.

It is important to state that a major consequence of the ‘peaceful protests’ (which later ‘metamorphosed to widespread and violent militancy [31]) was a reduction in oil production which eventually affected international oil prices, as Nigeria is a major oil-producing and exporting country in the world [1, 14, 20, 32, 33]. It is therefore not surprising that national and international political pressures compelled the FGN to establish a specialist agency, targeted at the rapid development of the Niger Delta region, as a strategy to ending the increasing protests and militancy in the region. This was the backdrop against which the Niger Delta Development Commission (NDDC) was established in the year 2000 by the Niger Delta Development Commission (Establishment, etc.) Act (No. 6) 2000.

However, it should be pointed out that the NDDC was not the first federal agency targeted at developing the Niger Delta region of Nigeria. The problem of underdevelopment of the Niger Delta region can historically be traced to the colonial times; i.e. before the country attained independence in October 1960. Specifically, the problem of underdevelopment of the Niger Delta region of Nigeria was first identified by the Willink Commission Report of 1958. The Commission was appointed by the British colonial government to investigate the fears of domination and marginalization of the minority ethnic groups in Nigeria and how to allay the fears [1, pp. 35-38; 34]. Regarding the Niger Delta minorities, the Commission found that the region ‘is poor, backward and neglected’ [34, para. 54].

To speed up development, the Commission recommended the establishment of a ‘Federal Board’ – the Niger Delta...
2. Overview of Oil Minerals Producing Areas Development Commission (OMPADEC)

As mentioned above, the Oil Minerals Producing Areas Development Commission (OMPADEC) was first established by a military decree in 1992 (re-established by another military decree in 1998), as a political strategy to douse the tension in the Niger Delta region of Nigeria at the time, which was affecting oil revenues of the country and causing increases in international oil prices due to a drastic reduction in oil supply from Nigeria. As this author puts it elsewhere, ‘the ultimate aim of the OMPADEC law... [was] to douse growing oil-related tension in the [Niger Delta] Region’ [1, p. 310]. Section 1 (2) (a) of the 1998 law declares the Commission as a body corporate, while section 6 (1) states the functions and powers of the Commission as follows:

a. to rehabilitate and develop oil mineral producing areas [cf. Section 2 (1) of the repealed 1992 decree];

b. to tackle ecological problems that arise from exploration of oil minerals;

c. to determine and identify, in consultation with each oil mineral producing state, the actual oil producing areas to be developed in the state and embark upon the development of projects properly agreed on with the local communities of the oil mineral producing areas;

d. to consult with the relevant federal and state government authorities on the control and effective methods of tackling the problem of oil pollution and spillages;

e. to liaise with the various oil companies on matters of pollution control;

f. to obtain from the Nigerian National Petroleum Corporation the proper data of oil mineral production of each state, local government area and community [and to ensure the fair and equitable distribution of projects, services and employment of personnel in accordance with recognized percentage production. The italicized portion was part of the provisions of the repealed 1992 decree, which was not reproduced in the 1998 law. It is difficult to see a reason why this portion was excised from the 1998 law, especially as the issue of lack of employment of the Niger Delta people in oil and oil-related companies is a major complaint of the Niger Delta people];

g. to consult with the federal government, state governments and local government councils and oil mineral producing communities regarding projects and services...

h. ...

i. ...

j. ...; and

k. to perform such other functions which in the opinion of the Commission are required for the development of the oil mineral producing areas.
From the foregoing it is clear that the functions and powers of the Commission range from remediation of damaged environment as a result of oil operations, tackling the problem of oil pollution and spillages, control of oil-related pollution to the execution of development projects mutually agreed between the agency and relevant communities of the oil mineral producing areas. In essence, the functions of the Commission capture in large part the demands of the Niger Delta people as elaborated above. However, it is a sad commentary to note that despite its extensive and laudable functions and powers OMPADEC failed to achieve its central objective of ensuring sustainable oil exploitation and development of the Niger Delta region. Some of its achievements have been documented [38] but they are negligible having regards to the huge sum of money available to the agency during its existence and the persisting pervasive poverty and underdevelopment of the region at the time it was dissolved in 1999.

Among other factors that accounted for the failure of OMPADEC are corruption; lack of transparency and accountability; lack of participation of the communities in the conception, design and execution of projects; political interference in the operations of the agency; conflict of interests; award of contracts to incompetent contractors; and lack of monitoring and supervision of contracts [1, p. 311-312; 36; 39; 40]. It is vitally important to note that from its inception NDDC is thoroughly aware of the reasons that impeded the performance of OMPADEC and caused its dismal failure. This point was acknowledged by the NDDC in its Niger Delta Regional Development Master Plan, where the Organization poignantly stated as follows:

Between 1992 and 1999 when it was wound up, OMPADEC... bequeathed numerous abandoned or unfinished projects and huge debts... OMPADEC suffered from lack of focus... official profligacy, corruption, excessive political interference, lack of transparency and accountability and high overhead expenditure... In brief, OMPADEC failed abjectly to abate discontent and restiveness in the Region... [39, p. 102].

Given the above knowledge and background, it is legitimate to expect that NDDC will do things differently in order to get a chance to succeed. Hence, a major objective of this paper is to determine whether NDDC actually learned from the failure of OMPADEC.

3. Establishment, Composition and Functions of NDDC: An Overview

As a result of the dismal performance of OMPADEC, pervasive poverty and underdevelopment persisted in the Niger Delta region. As the NDDC has explained, ‘although OMPADEC initially raised the spirit and hopes of the people, inefficiency and corruption in the organization resulted in yet more disappointment’ [39, p. 102]. Hence, restiveness, protests and militancy (including blow up of oil pipelines and hostage-taking of oil company staff) also continued and increased, and caused increases in international oil prices because of low supply of oil from Nigeria. In this difficult circumstance, President Obasanjo’s administration, which took office on May 29, 1999, was compelled to take urgent actions to douse the tension in the region. Its major decision was to formally end the existence of the moribund OMPADEC and replace it with what it purposed to be a better organized institution it called the NDDC [39].

As explained in the long title of the NDDC Act 2000, the Act was enacted in order to ‘provide for the repeal of the Oil Mineral Producing Areas Development Commission Decree 1998’ (see also NDDC Act 2000, section 28 (1)), and also ‘establish a new Commission with a re-organized management and administrative structure for more effectiveness’. In summary, the new institution was established to do more effectively what OMPADEC had failed to achieve – including tackling oil-related environmental/ecological problems, poverty alleviation, and development of the Niger Delta region in all ramifications.

The NDDC Act was passed by the National Assembly and became law on June 6, 2000 [5, 41]. The new regional development agency (NDDC) was inaugurated by President Obasanjo on December 21, 2000. Section 1 (1) of the Act established the agency as a Commission, and declares it a body corporate with perpetual succession (section 1 (2) (a)). Section 2 (1) established a Governing Board for the Commission and sets out its composition.

The Governing Board consists of a Chairman (section 2 (1) (a)), and one representative of each of the nine member states of the Commission ‘who shall be an indigene of an oil producing area’ (section 2 (1) (b) (i) – (ix)). Other members of the Governing Board as listed in section 2 (1) (c) – (h) of the Act are as follows:

- c. Three persons to represent non-oil producing states, drawn from geo-political zones of the country not represented in the Commission;
- d. One representative of oil-producing companies operating in the Niger Delta, nominated by the oil-producing companies;
- e. One person to represent the Federal Ministry of Finance;
- f. One person to represent the Federal Ministry of Environment;
- g. The Managing Director of the Commission; and
- h. Two Executive Directors.

The NDDC Act provides that all appointments into the Board shall be made by the President of Nigeria, subject to the ‘confirmation of the Senate, in consultation with the House of Representatives’ (section 2 (2) (a)). However, there is a significant difference between the appointment of the representative of oil-producing companies and the appointment of one representative of each of the nine member states of the Commission. In the former case, the representative of the oil-producing companies may be regarded as the true representative of the companies because he was nominated by the companies. This is not the case with regard to the latter, i.e. the representatives of member states of the Commission ‘who shall be an indigene of an oil
producing area’ (section 2 (1) (b)). In this case, neither the member states nor the oil-producing areas/communities have an input in the appointment of their purported representative. Herein lies the foundation for political interference in the affairs of the Commission, as most of the appointees see themselves as the servants of the political establishment by which they were appointed and to whom they pay all loyalty, and not to the member states/oil-producing area they purport to represent. Consequently, there is no element in the Board to criticize the decisions of the Board, as recommended by the Willink Commission regarding appointments into the Federal Board mentioned above [34, para. 94-96]. Noteworthy, this is similar to the composition and appointment of members of the Governing Board of OMPADEC under section 2 (1) and 2 (2) of the 1998 decree.

With regard to the functions and powers of NDDC, the establishment Act of 2000 (like the 1998 OMPADEC decree before it) bestows enormous functions and powers on the Commission. According to section 7 (1) of the Act the Commission shall:

a. formulate policies and guidelines for the development of the Niger Delta, area;

b. conceive, plan and implement, in accordance with set rules and regulations, projects and programmes for the sustainable development of the Niger-Delta area in the field of transportation including roads, jetties and waterways, health, education, employment, industrialization, agriculture and fisheries, housing and urban development, water supply, electricity and telecommunications;

c. cause the Niger-Delta area to be surveyed in order to ascertain measures which are necessary to promote its physical and socio-economic development;

d. prepare master plans and schemes designed to promote the physical development of the Niger-Delta area and the estimates of the costs of implementing such master plans and schemes; and

e. implement all the measures approved for the development of the Niger Delta area by the Federal Government and the member States of the Commission.

Apart from the foregoing, the Commission is also charged with other responsibilities under section 7 (1) (f)-(j), which require the agency to: (a) identify factors that inhibit the development of the Niger Delta area and collaborate with member States in the formulation and implementation of policies that would bring about efficient management of their resources (section 7 (1) (f)); and (b) assess and report on any Non-NDDC project being funded or carried out in the Niger-Delta area by oil and gas producing companies, *inter alia*, and ensure that funds released for such projects are properly utilized (section 7 (1) (g)). Moreover, the agency is required to ‘tackle ecological and environmental problems that arise from the exploration of oil mineral in the Niger Delta area and advise the Federal Government and the member states on the prevention and control of oil spillages, gas flaring and environmental pollution’ (section 7 (1) (h)). Surely, this is one of the most important functions of the NDDC, given the complaint of the Niger Delta people that oil operations have devastated their environment [42].

Furthermore, the NDDC is required to liaise with oil multinationals operating in the Niger Delta region on all matters relating to control and prevention of oil pollution (section 7 (1) (i)). Lastly, given that the central aim of the establishment of the NDDC is the sustainable development of the Niger Delta Region, [43, p. 43] there is an omnibus provision which empowers the agency to ‘execute such other works and perform such other functions which in the opinion of the Commission are required for the sustainable development of the Niger Delta area and its peoples’ (section 7 (1) (j)).

4. Funding the NDDC

It has been seen above that by statutory provisions NDDC’s core mandate is to deliver infrastructural and socio-economic developments and environmental sustainability in the Niger Delta region of Nigeria. This is a tall order, which requires huge financial resources to execute, given the well-known difficult terrain of the region [20, p. 42; 44, p. 2]. As the Willink Commission observed in her 1958 report regarding the Niger Delta region:

... Communications are very difficult in an area divided by creeks and rivers, in which there is a tidal rise and fall and more considerable seasonal rise and fall owing to the fluctuations of the Niger, which rises by as much as 30ft, at certain times of the year. Such an area requires expenditure not so much on roads and bridges as on the prevention of erosion, on clearing snags and other obstacles from waterways, and on constant dredging. Building is very expensive and we were told that in the creek area a 40-bed hospital which might have cost £1,000 a bed had cost £69,000... [34, para. 41-42]

More recently, President Buhari made the same point when he said that ‘developing the Niger Delta area require[s] enormous resources compared to other parts of the country with firmer lands’ [45]. Importantly, the draftsmen of the NDDC Act realized that the Commission cannot effectively discharge its mandate unless it has access to viable sources of funds. Accordingly, Section 14 (2) of the NDDC Act provides various sources of funding the agency as shown below:

a. *Federal Government contribution*: the equivalent of 15 percent of the total monthly statutory allocations due to member States of the Commission from the Federation Account;

b. *Oil and gas companies’ contributions*: 3 percent of the total annual budget of any oil producing company operating, on-shore and off-shore, in the Niger-Delta Area;

c. *Ecological Fund*: 50 percent of monies due to member states of the Commission from the Ecological Fund;

d. *Grants, etc.:* such monies as may from time to time, be granted or lent to or deposited with the Commission by the Federal or a State Government, any other body or
institution whether local or foreign;
e. Gifts, Loans, etc.: all moneys raised for the purposes of the Commission by way of gifts, loan, grants-in-aid, testamentary disposition or otherwise; and
f. Other sources: proceeds from all other assets that may, from time to time, accrue to the Commission.

Undoubtedly, the above financial provisions have the potential of providing the agency with huge funds to finance its activities, particularly the execution of its mandate of developing the Niger Delta region. However, it has been claimed that the agency suffers from inadequate funding, as the FGN and IOCs hardly meet their financial obligations to the agency. This claim was recently restated by the National Assembly Joint Committee on NDDC, which claims that ‘records had shown that the... oil companies jointly owed the NDDC $72bn and $73m, while the Federal Government alone owed N1.2tn’ [46]. Perhaps it was the drive to improve its funds that led the NDDC to institute an action against the Nigeria Liquefied Natural Gas Limited (NLNG), which had persistently refused to pay 3 per cent of its annual budget to the NDDC in accordance with section 14 (2) (b) of the NDDC Act 2000 on the ground that it enjoyed exception to taxation and that it has no annual budget. NDDC lost the case both at the Federal High Court and on appeal (NDDC v NLNG Ltd (2010) LPELR-CA/PH/520/2007)), as the courts upheld the arguments of the company.

Against the claim of inadequate funding, both the FGN and the IOCs claim that over the period 2001-2020 huge sums of money have been released to the NDDC. While there is yet no verified record of financial receipts from the various sources, it is legitimate to believe President Buhari’s claim that huge amounts of money have been released by the Federal Government to the NDDC in the period 2001 to 2019, [45] except the contrary is established. In the same vein, Shell oil company (SPDC), for example, claimed in 2008 that it ‘contributed $158.2 million to Niger Delta Development Commission (NDDC) as required by law’ [47, p. 20, 48]. More recently, SPDC claims that it has remitted ‘about two billion U.S. Dollars (about N720 billion) to the Niger Delta Development Commission in 16 years’ [49]. These claims have not been refuted by the NDDC.

The NDDC itself admits that in the period January 2001 to January 2003 it ‘received N47 billion from all its funding sources’ [39, p. 104; 50]. In light of the forgoing, it is plausible to conclude that notwithstanding that the agency may be owed by the statutory contributors to its funds it is certainly the case that it has received huge sums of money over the years to enable it make significant impact in the region as required by its statutory mandate. Hence, the critical question is not whether the NDDC is owed a lot of money; rather the proper question is what the NDDC has done with the substantial amounts of money it has received since it started operations about 20 years ago. For present purposes, it is sufficient and legitimate to assess the performance of the NDDC from 2001 to 2020 based on the undisputed ‘huge amounts of money’ it has received within the period. The rest of this article proceeds on this basis.

5. NDDC Operations 2001 – 2020: An Overview

Given the parlous state of physical development and the pervasive poverty in the Niger Delta region at the time of its establishment about 20 years ago, and having regards to its statutory mandate, it is clear that the NDDC has enormous job to do. As seen above, its key objective is to develop the Niger Delta region. This raises the question, what is development as contemplated in the NDDC Act 2000? In general, ‘development’ means progress, improvement or advancement. This may be categorized into two, namely: (i) physical; and (ii) human. In physical terms, development can be seen in terms of construction of roads and bridges, building of hospitals and schools, establishment of low-medium scale employment generating industries, etc. On the other hand, human development includes skills acquisition training and award of scholarships for secondary and tertiary education. These two aspects of development were captured by Agibboa and Maiangwa [48] who posit that development may be ‘conceived as the improvement of people’s living standards which includes improved education, incomes, skills development, and adequate access to information, good infrastructural facilities, decent housing for the populace, and employment opportunities in the modern sector’.

Importantly, the NDDC sees its development mandate to be in the areas of ‘infrastructural, technological, economic, ecological/environmental, and human resource development in the area of conflict resolution and peace-building process’ [51]. This is in line with section 7 (1) (b) of the NDDC Act which provides, inter alia, that the Commission shall ‘plan and implement projects and programmes for the sustainable development of the Niger Delta area in the field of transportation (including roads, jetties and waterways), health, education, employment, industrialization, agriculture and fisheries, housing and urban development, water supply, electricity and telecommunications’.

Noteworthy, development is not a precipitate action; rather, it is a level attained through ‘a process’ [52]. Together with environmental protection programmes/projects, development projects would answer to some of the key demands of the Niger Delta people as expressed, inter alia, in their various declarations of rights. In other words, the NDDC Act has ample provisions to redress the complaints of the Niger Delta people bothering on lack of development, poverty, unemployment, environmental degradation, etc.

Crucially, in a move to avoid the OMPADEC mistakes of unplanned and haphazard developments, section 7 (1) (d) of the NDDC Act requires the Commission to ‘prepare master plans and schemes designed to promote the physical development of the Niger Delta area’. Accordingly, the Commission commissioned a Niger Delta Regional Development Master Plan ‘to serve as a guide for implementation and execution of developmental plans’ [53, p. 274]. The master plan was completed in 2006. As a development roadmap, the plan may be generally regarded as a job well-done, although Okinowo, Salleh and Hj. Din
suggest the contrary [53]. The preparation of a master plan is also in line with the thinking of President Obasanjo, whose government established the NDDC. According to him, ‘with contribution from multiplicity of stakeholders, there is an absolute need for a Development Master Plan by which available resources can be effectively coordinated and utilized...’ [39, p. 101].

Surely, the idea of a development master plan is a good one as it will help to guide development and ensure all-inclusive and participatory development. However, despite the fact that huge resources were expended to develop the regional master plan, there is no evidence that the NDDC seriously followed its master plan in the course of its operations.

It cannot be disputed that the NDDC has successfully executed several projects across the nine member states of the Commission [74]. Among the projects executed are construction of roads, bridges, hospitals, jetties, student hostels, and schools [8, 39]. As Okonono, Salleh and Hj. Din (53, p. 274) put it, ‘... NDDC, since its inception in the year 2000 has recorded major achievements in infrastructural development in the area of roads, bridges, hospitals, canalization, schools and water supply’.

In late 2019, it was reported that a major project – a 29 kilometres Ogbia-Nembe road ‘through swampy terrains in Bayelsa State’, built by the NDDC in partnership with SPDC – will be commissioned shortly [55, 56].

Additionally, in accordance with its mandate on human development the NDDC has awarded several tertiary school scholarships tenable overseas to several indigenes of the nine Niger Delta states [74]. Furthermore, Okolo has catalogued a number of projects completed by the NDDC in various Niger Delta states within the period 2001 and 2006, citing information received from field work, NDDC status report, and other sources [43, p. 47]. Moreover, he noted that ‘apart from physical infrastructure, the records perused indicated that the NDDC is taking the issues of conflict management, resolution and peace-building as serious matters by organizing series of skills and peace-building workshops for the youths’ [43, pp. 43-48]. A lot more of the achievements of the NDDC in the period 2001 to 2020 can be found on the press page of its website [56, 74]. All of these are commendable.

In the end, however, the critical question is, given the huge resources it has received over the years can it be said that the NDDC has satisfactorily performed its statutory functions? The next section will attempt to answer this question.


It is now trite to say that the NDDC was established in 2000 with a view to speeding up development of the Niger Delta region of Nigeria. Before it was established as a specialized/interventionist development agency, the FGN had failed to develop the region directly through oil revenues derived from exploitation of oil in the region or through OMPADEC [57]. As Abiodun puts it, the FGN had failed to ‘develop the region from proceeds of oil revenue the way other places like Lagos State and the Federal Capital Territory (FCT) Abuja have been developed and also to stop further devastation’ of the Niger Delta environment by the IOCs [17, p. 814; 58, pp. 9-10].

It is equally true that the IOCs on their part did not develop the region on the argument that it was not their responsibility to develop the region by way of provision of socio-economic infrastructure, having paid royalties, taxes, and rents to the FGN [1, p. 287; 20, p. 38]. As Shell Petroleum Development Company of Nigeria (SPDC) recently stated, ‘people call us to say “my road is not good.” But maybe their road is in the money SPDC and its Joint Venture partners paid to government or to NDDC’ [49]. Nevertheless, the IOCs claim to be doing a lot for the oil-bearing communities through their corporate social responsibility (CSR). Even so, it has been argued that Shell’s CRS projects are hardly of any impact on the region and its peoples [59]. The same is true of the CRS projects of other IOCs. As Ezirim (n. d.), has rightly explained:

... while it cannot be denied that the oil companies especially Shell have been involved in the payment of compensation, construction and maintenance of water projects, roads, health centres and school buildings, and the funding of vocational training, more needs to be done, and this is what the people of the area are demanding and for which they have taken up arms. Thus, the apologists seem to have portrayed the MNOCs [IOCs] as engaging in corporate social responsibility in their operations, which is more or less a false impression as the politics of compensation and community development projects have served in most cases to ambush and neutralize their potential benefits to the people in the area... [60].

The author further explained that so-called community development projects executed by the IOCs were largely motivated by self-interest. ‘For example, roads are constructed and/or rehabilitated only where and when it is directly related to these companies’ activities’ or where it leads to the residence of an IOC/NDDC top-notch. Moreover, it is also the case that some of the CRS projects were poorly executed and so of little or no value to the local communities.

In a self-assessment of its operations between 2001 and 2003, the NDDC (which may, advisedly, be regarded as akin to a ‘joint venture’ of the FGN and IOCs) claims that ‘in the relatively short time since its creation the NDDC is... beginning to deliver some of the benefits to the people that its clear and demanding agenda requires’, and proceeded to list several projects that have been executed [39]. To date, the NDDC holds this view on its performance and insists that its effectiveness is only hampered by inadequate funding.

On its website page dealing with projects and programmes, the agency states: [56]

Our aim is to establish in the Niger Delta Region (NDR) a strong and progressive society in which no one will have any anxiety about basic means of life and work; where poverty and illiteracy no longer exist and diseases are...
brought under control; and where our educational facilities provide all the children of NDR with best possible opportunities for the development of their potentials. NDDC sees to the implementation of our mandate by executing relevant projects in the entire region. Projects are conceptualized, designed and executed based on extensive consultation with locals, input from interested parties and critical analysis by experts. Projects are awarded based on their ability to give maximum impact to the local region and beyond the constraints of allotted budget. NDDC is therefore a good harvest of concrete achievements as evidenced in the array of projects and programs we have embarked on. In all modesty; we can assert that NDDC has taken giant strides to facilitate the all-round development of the Niger Delta and its people (emphasis added).

Interestingly, the picture painted by the above claims is that the NDDC has transformed the landscape of the Niger Delta region in line with its statutory mandate. However, contrary to its self-assessment claims, many scholars who have focused their research on the development status of the Niger Delta region before and after the establishment of the NDDC conclude that the interventionist agency has failed to deliver on its mandate. A few examples will suffice to illustrate this point. But before going into this, it is crucial to bear in mind that although most of the illustrative research reports were published after the NDDC commenced operations in 2001, the findings relate to the status quo ante as much as the situation as of the time of such writing. In other words, there is no evidence of change or improvement.

Assessing the development status of different geo-political regions in Nigeria, using the well-known indicators of development such as availability of electricity supply, asphalted roads, potable water supply, schools, decent housing, and hospitals, Ibaba found that the Niger Delta region is behind all other areas of Nigeria in all indicators of development, even within the south-south geo-political region that it falls into [61]. Similar conclusion was made by Ebeku in 2006 and by Ebiefa and Nwaodike in 2010 [1, 62]. Specifically, for example, there is no asphalted road in many oil-bearing Niger Delta communities, and where they exist at all they are in very bad state. Moreover, hospitals and schools are grossly few in number and are poorly equipped.

Besides infrastructure, a recent report by a non-governmental organization (NGO) found that life expectancy is 45 years in the Niger Delta, ten years lower than the national average of 55 years [63; 8, p. 386]. This is the natural result of crushing poverty and lack of health care facilities. In fact, poverty is still pervasive and unemployment in the region exceeds the national average. Furthermore, a study conducted by Amnesty International in the region in 2005 further exposed the lack of development that bedevils the region, notwithstanding the existence of the NDDC:

Niger Delta communities see little of Nigeria’s oil revenues. Vast stretches of the region have erratic electricity supplies, poor water quality, a few functioning schools, health care centres... The only visible government presence in many parts [of the region] is a heavily-armed security apparatus [to protect oil installations]. The government provides very little infrastructure, public works or conditions conducive to employment [64].

To illustrate the gross inequity intertwined in the development deficit in the region, Ebeku, like some researchers before him, compared the status of socio-economic and infrastructural development in the region to what obtains in the other/non-oil producing areas of the country. He made a significant research finding which shows that the Niger Delta people are lagging behind in the country in all aspects of development:

... available figures show that there is one doctor per 82,000 people, rising to one doctor per 132,000 people in some areas, especially the rural areas, which is more than three times the national average of 40,000 people per doctor. Only 27 per cent of people in the Delta have access to safe drinking water and about 30 per cent of household have access to electricity, both of which are below the national averages of 31.7% and 33.6%, respectively... Poverty remains widespread, worsened by an exceptionally high cost of living created by the petro-economy... At the same time, access to education, central to remedying some of these social conditions, lags abysmally when compared to other parts of the country. While 76 per cent of Nigerian children attend primary school, in the Niger Delta the figure drops appallingly to between 30 and 40 per cent. [65, p. 3]

To be sure, the forgoing gloomy picture persists as of March 2020. Lamenting the situation, President Buhari recently said that ‘you just cannot say you spent so many (sic) billions and when the place is visited one cannot see the structures that have been done’ [45]. Similarly, the Minister of Niger Delta Affairs, Godswill Akpabio, told journalists in November 2019 that the NDDC ‘has not performed up to expectation 18 years after it was established’ [66]. As will be seen below, this is also the conclusion of the Speaker of the House of Representatives while speaking to journalists recently at a public hearing on NDDC affairs.

Noteworthy, the appalling backwardness of the region, notwithstanding the operations of the NDDC for about 20 years, has resulted in avoidable conflict and youth restiveness in the region. Inokoba and Johnson have surmised that ‘it is this vexed situation of socio-economic, political and environmental disempowerment, dispossession, alienation and injustice that has engendered and continues to sustain the oil resource conflict in the Niger Delta’ [13, p. 12]. In fact, other researchers who interrogated the cause of endemic conflict in the region have also concluded that the major causes of the conflict include underdevelopment of the region, pervasive poverty of the people of the region in the midst of oil-generated wealth, environmental degradation of the region, repressive state actions against peaceful protests, and lack of socio-economic facilities such as roads,
electricity, schools and hospitals [67-70].

As already stated, there is no doubt that the NDDC has embarked upon several projects on each of the nine member states of the Commission since it commenced operations in 2001. However, it is a notorious fact that the number of ongoing and abandoned projects far out-numbers the number of executed projects [74]. This point was vividly made recently in a special Nigerian Television Authority (NTA) Programme assessing the performance of the NDDC, which was broadcast on October 26, 2019. Furthermore, the Minister of Niger Delta Affairs stated recently that there are over 12,000 abandoned projects of the NDDC all over the Niger Delta region [71].

The argument that the NDDC has received significant sums of money over many years, which should have translated to improved well-being of the people of the region as well as improved physical facilities (schools, hospitals, electricity supply, road network, etc.) was recently reiterated by the Speaker of the House of Representatives, and also by President Buhari when the Governors of Niger Delta states visited him to complain about the inefficient operations of the NDDC. Speaking at an investigative public hearing of the House Committee on the NDDC the Speaker observed that the NDDC ‘has not achieved its [objective] despite enormous sums of money over many years, which should have been allocated to the Commission through the national appropriations, and contributions from International Oil Companies (IOCs)...’ [66]

In more specific terms, he lamented:

Unfortunately, the available evidence suggests that... [the] significant allocations have not achieved the objectives for which they were intended. Ecological damage is still a clear and present danger to the people of the region... available transportation, health care and education infrastructure are still insufficient to meet the present needs of the people. And after these many years, the people of the region, and indeed all of Nigeria are rightly beginning to wonder if the establishment of the Niger Delta Development Commission (NDDC) has served any real purpose, or made any measureable positive impact on the lives of the people in the region. [66]

In the same vein, President Buhari has suggested that the NDDC is a disappointment. He said:

... what was (sic) presently on ground in the South-South region did not justify the huge resources that had been made available to the agency... I try to follow the Act setting up these institutions especially the NDDC. With the amount of money that the Federal Government has religiously allocated to the NDDC, we will like to see the results on the ground; those that are responsible for that have to explain certain issues... The projects said to have been done must be verifiable. You just cannot say you spent so much billions and when the place is visited, one cannot see the structures that have been done. The consultants must also prove that they are competent [45] (emphasis added).

Based on this conclusion, the President ordered a forensic audit of the NDDC from 2001 to 2019, with the concurrence of the Governors of the NDDC member states [45]. Fundamentally, the Governors expressed disappointment with the operations of the NDDC over the years and demanded that the President should reposition the agency ‘to achieve the objectives for which it was set up’ [45]. It is an interesting irony of history to note that the Niger Delta Governors inadvertently conceded to practically the same argument which the UNDP made against their predecessors in 2006 [44, p. 40].

Importantly, in light of the forgoing, the fact that the Niger Delta region remains underdeveloped and gross poverty is still ubiquitous in the region clearly suggests that factors other than funds are responsible for the poor performance of the NDDC [72]. As Okonno, Salleh and Hj. Din put it, the NDDC has ‘failed to leave (sic) up to expectation of the people due to several factors’ [53, p. 277]. For present purposes, it is sufficient to summarize a few of the factors.

Firstly, high level corruption in the NDDC is a key factor to blame for poor performance and failure of the agency [74]. According to Agiboba and Maiangwa, the NDDC failed due ‘partly to... corruption, misappropriation, and mismanagement of available fund by the rapacious ruling cabal’ [48, p. 116]. Within the organization, corruption manifests in different forms, including the award of bogus contracts. Secondly, NDDC projects lack thorough supervision to ensure quality. Technically, this is called monitoring and evaluation (M & E). This may also be a result of corruption. Certainly, M & E is critical in the execution of major projects, such as most NDDC contracts. Yet, this is not a standard practice in the NDDC. Thirdly, NDDC management and some commentators blame the poor performance of the agency on political interference. As stated above, the process of appointment of NDDC Governing Board members lays foundation for political interference. Most of the Board members are appointed by the President as a reward for political loyalty or as a political patronage. In this situation, the appointees strive to feather their nests, while paying scant respect to the statutory mandate of the agency. Moreover, powerful politicians pressurize NDDC Governing Board to award contracts to incompetent contractors.

Closely associated with political interference is faulty composition of the NDDC Governing Board. Specifically, the so-called state representatives in the Board are in reality representatives of the FGN or other political interests and not the people. It is common knowledge that the NDDC is like automatic teller machine (ATM), used by politicians to further their political interests and those of their masters. This point was restated recently by the Minister of Niger Delta Affairs [71]. Importantly, this may be regarded as an inherent problem of the agency which configured it for failure. According to Governor Wike of Rivers State, ‘NDDC has collapsed. NDDC has become a cash cow for politicians... the immediate past Board of the NDDC expended N10 billion during the 2019 election to stop [me] from getting a second term, but they failed’ [73].
Surely, the state representatives on the NDDC Board (who were not appointed in consultation with the state governments or the communities in the state) would naturally see themselves as representing the appointing authority and not the state or the people. Hence, there is no element in the organization which can criticize it in order to ensure that it remains focused on its statutory mandate, as suggested by the Willink Commission regarding appointments into a similar agency [34]. Furthermore, it is plausible to say that poor corporate governance is to blame for poor performance and failure of the NDDC. In fact, the UNDP made this point eloquently regarding the utilization of the 13 per cent derivation funds by Governors of Niger Delta states, and this perfectly fits the situation in the NDDC today:

While the Niger Delta region [NDDC] deserves much greater attention and revenues to deal with poverty and infrastructure needs, it is also important to acknowledge that, even though the percentage allocated to the delta [NDDC] from the Federation Account [statutory provisions] appears small, in real terms it amounts to substantial sums of money, enough to significantly improve the well-being of citizens through better service delivery and access to utilities. The fact that the level of physical development in the region has not improved underscores that it also suffers from poor governance... And while the watery terrain across the region greatly increases the cost of road building and construction of all types, the vast amounts of money going into the states [NDDC] should have produced a steady increase in the road network over time. Again, this has not been the case. Nor have improvements been made to health and educational facilities, which are in a deplorable state of neglect in many areas... [44, p. 40]

Lastly, one can say that the NDDC failed because of lack of community participation in the choice, design, and execution of projects. Many indigenes of several Niger Delta communities interviewed by some researchers and by the present author complained that they were not consulted by the NDDC to know what projects they need and where it should be sited [53; 74]. Similar complaints were made by local communities in a recent survey conducted by correspondents of the NTA across the nine Niger Delta states, which was aired on NTA News at 9 on October 26, 2019. The consequence of this is that most projects are completely useless to the communities where they are located [74].

Paradoxically, the above factors that are impeding the effectiveness and performance of the NDDC were precisely the same factors that caused the failure of the OMPADEC. This shows that the NDDC learnt no lessons from the failure of OMPADEC, although it was well aware of them at its inception [39]. Furthermore, the structural problems in the composition and appointment of the Governing Board of OMPADEC remain under the NDDC Act, despite the avowed intention of the NDDC Act to ‘establish a new Commission with a re-organized management and administrative structure for more effectiveness’.

7. Conclusions and Recommendations

The Niger Delta region of Nigeria is of critical and strategic importance to the country as well as to the international community because of its massive crude oil and gas deposits. Nigeria is one of the leading oil-producing countries in the world, such that any shortage of oil supply from Nigeria invariably causes increases in international oil prices. At the domestic level, oil revenues derived from exploitation of oil in the region remain the backbone of the Nigerian economy since the 1970s. While oil revenues have been used to develop other parts of Nigeria, the Niger Delta region has been left underdeveloped. This contradiction led to protests by the people of the region which led to the establishment of OMPADEC in 1992. The dream of OMPADEC was transformation of the Niger Delta region from the state of poverty and underdevelopment to a prosperous society, equipped with modern facilities and infrastructure. However, that dream failed due to several factors, including corruption and poor project execution. This disappointment generated intensified protests by the people of the region, leading to the establishment of the NDDC in 2000 with the same mandate as the OMPADEC. However, nearly 20 years since the NDDC started operations in 2001 there is no significant change in the welfare of the people of the region or in the status of infrastructural development in the region. The same factors that caused the failure of the OMPADEC are presently militating against the NDDC and have produced lacklustre performance. In effect, the story of the NDDC thus far is one of another failed dream.

The change of name from OMPADEC to NDDC has not produced the socio-economic and physical transformation needed in the Niger Delta region. There is nothing to suggest that another change of name will work. In fact, President Obasanjo’s attempt to establish a new agency by executive fiat, called Consolidated Council on Social and Economic Development of Coastal States of the Niger Delta, was still-born [7]. What is needed is not a change of name or establishment of a new development agency, but radical reformation or repositioning of the NDDC itself in line with its original vision. To this end, some recommendations are made below.

a. The statutory Monitoring Committee established under section 21 of the NDDC Act should be activated and made functional. The section provides a mechanism for the control of the agency and is designed to check corruption and promote efficiency. Section 21 (2) provides that the Committee shall: (a) Monitor the management of the funds of the Commission and the implementation of the projects of the Commission; and (b) have access to the books of account and other records of the Commission at all times, and submit periodical reports to the President, Commander-in-Chief of the Armed Forces. There is no evidence that the Monitoring Committee was active and functional since the establishment of the NDDC. Importantly, the composition of the Monitoring Committee should be
reformed to make it independent and effective. Presently, it is difficult to see this in a Committee composed of civil/public servants of the Federation.

b. NDDC must be made to prepare and deliver to the office of the President a quarterly report on its ‘activities and administration’ as required by section 19 of the NDDC Act. This is an important way to scrutinize the agency, and it will help to promote transparency and check corruption and inefficiency. There is no evidence that this provision has been faithfully implemented.

c. The Ministry of Niger Delta Affairs, which is presently the supervising Ministry of the NDDC, should ensure that the agency prepares an annual report and audited accounts, as required by section 20 of the NDDC Act. The provision requires, without more, that the report and audited accounts should be submitted to each House of the National Assembly. However, it is strongly recommended that the National Assembly should promptly securitize such report and audited accounts and make its comments and observations public. In this way, the agency will strive for efficiency, knowing that its activities will be in public glare. Moreover, the accounts should be audited by reputable accounting firms.

d. The NDDC Act should be amended to provide for regular and prompt payment of statutory contributions by the FGN and IOCs, in default of which outstanding contributions should attract interests at a stated percentage. This will hopefully end default in the release of funds to the NDC.

e. Appointment of member states representatives into NDDC Governing Board should be in line with the position regarding appointment of the representative of IOCs under section 2 (2) (d) of the NDDC Act. This will require appropriate amendment of the NDCC Act. Specifically, member states representatives should first be nominated by oil producing communities in rotation, ranking according to the quantity of oil produced in the community. At the community level, the local people should be involved in a transparent way in the process leading to the selection of a nominee to be appointed by the President as a member state representative.

f. There should be effective measures to check corruption in the organization. One way to do this is the activation and effectiveness of the statutorily-established system of monitoring the management of funds, activities and implementation of the projects of the Commission. Moreover, the Economic and Financial Crimes Commission (EFCC) should be directed to beam its searchlight on the activities of the Commission. The Commission should regularly request list of ongoing projects of the Commission and the contractors and conduct necessary investigations whenever necessary. In this way, the incidence of award of bogus contracts and abandoned projects will be drastically reduced.

g. Political interference in the activities of the NDDC should be ended. The reformation of the procedure for appointment of member state’s representatives will go a long way towards this goal. Additionally, the Monitoring Committee should strive to ensure that political pressure plays no role in the award of contacts.

h. There is a need to examine the financial records and management of the NDDC in order to identify weaknesses, leaks, etc. in the system with a view to reforming the way the Commission is managed. Hence, the forensic audit recently ordered by President Buhari on the activities of the Commission from 2001 to 2019 is a step in the right direction.

i. There should be collaboration between governments of the member states of the Commission, NDDC, IOCs and other development partners like the World Bank and the African Development Bank in the conception and siting of projects. This will be in line with section 7 (1) (e-)(g) of the NDDC Act. Presently, there is a lot of wastage and duplication of projects in the same community, as the NDDC do not partner with Niger Delta state Governors in the siting and execution of projects.

j. Community participation is critical to the success of NDDC projects. Communities should be consulted before a decision is made as to the kind of project to site in the community and where it should be sited (i.e. location). Moreover, community members should participate in the implementation of the projects. This will foster a sense of community ownership of the project and engender sustainability. By this approach, the NDDC will no longer be seen by Niger Delta communities as an aloof institution.

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