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The governance of oil and gas operations in hostile but attractive regions: West Africa

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***I.E.L.R. 110 Summary**

West Africa with its well-endowed natural resources remains a highly attractive investment opportunity. That is, to investors who are not deterred by the economical and political challenges of these countries including the responsibilities of governments to ensure that the people are not losing out of the benefits derived from the exploitation of these resources. The investor's overall responsibility in the extractive industries has been scrutinised over recent years and their corporate social responsibility to their shareholders to make as much profit as possible no longer exonerate them from their responsibility towards the host country in which they operate. In view of the question as to why there exists such a huge interest in doing business in some of the most hostile regions of the world such as West Africa with all the typical problems associated with the oil industry, this article considers some of the pertinent issues concerning the governance of the petroleum sector in West Africa, including the attraction and the role of the state in the development of the resources; and the challenges of governance and transparency. Concluding that with the abundance of natural resources, the huge interest in the development of the region's oil and gas resources, the various international initiatives on public sector reform, transparency and anti-corruption, West African oil-producing countries (supported by the IOCs operating in the region) have a golden opportunity to tackle the above problems, transform their national economies and enhance the lives of all their citizens.

Background

A number of developing countries, endowed with a rich abundance of natural resources (including oil and gas) and a range of related problems, attract not only many international oil companies (IOC's) but also increasingly national oil companies (NOC's) and governments (with their own investment agendas that view developing countries as a major potential source of energy to supply their own ever-increasing and demanding domestic markets).¹ In 2003 the US Senate Foreign Relations Committee heard that the major West African oil producing countries can make an important contribution to US energy security, mainly because they are not far from the US markets and they are not affected by the difficult peculiar security issues of the Middle East even though they have considerable problems of their own, which cannot be ignored.²

Today the majority of the world's potential and proven oil and gas resources are found in developing countries.³ According to BP's latest survey the world's proved oil reserves are divided as follows: the developed countries of North America (70.9) and Europe and Eurasia (142.2) have a share of 213.1 thousand million barrels of proven reserves. However, a larger percentage of proven oil reserve base of 1070.5 thousand million barrels is located in the developing countries of South and Central America (132.2), Asia and Pacific (42), Africa (142.2) and the largest share of the reserves are located in the Middle East (754.1).⁴ UNCTAD highlighted the "large imbalances" in the global consumption, production and reserves of oil and gas in that developed countries consume more than half of global oil and gas output, while they account for only a quarter of production and that less than 8 per cent of the world's remaining proved reserves of oil and gas are found in these countries.⁵ It is generally accepted that resources in developed countries are being

depleted faster than that of developing and **I.E.L.R. 111* transition economies, which means that the former will have to rely increasingly on oil and gas imported from the latter.[6](#)

A notable trend already exists of international oil companies (IOCs) leaving established, mature regions and competing for the vast under-explored and rich oil and gas resources most commonly found in developing countries with hostilities (e.g. Iraq,[7](#) Caspian Sea,[8](#) West and Central Africa)[9](#) and also in frontier regions (Arctic).[10](#)

The West African region's abundance in natural resources increasingly attracts major IOCs.[11](#) The oil-producing countries of Nigeria, Angola, Gabon, Equatorial Guinea, Chad, Cameroon and Congo have been the main focus of the international oil industry for many years.[12](#) Other West African countries like Ghana, and further down the coastline Namibia[13](#) and South Africa,[14](#) boast with favourable investment frameworks and are also successfully competing for the attention of the international oil industry. The region further attracts direct government interest from developed and developing countries alike including the United States, UK, Norway, Russia as well as countries afar afield as China, Korea, India and Japan.[15](#) At the same time, the region is not immune from the alarmingly extensive range of problems associated with the oil and gas sector in most petroleum producing countries, including corruption, civil unrest, kidnappings, sabotage, labour disputes, expropriations, nationalisations, disputes over ownership claims between central governments and indigenous and local communities, the lack of basic services and infrastructure in rural communities, health and safety concerns, environmental problems, etc.[16](#)

The great attraction to oil and gas resources in hostile regions

The following discussion considers the question as to why there is such a great attraction to the oil and gas resources of unstable and hostile regions.

Generally, the attraction for the world's oil and gas resources depends inter alia on the availability of abundant reserves that could be exploited very cheaply,[17](#) the shifting relations between the producing (mainly developing) and consuming (mainly developed) countries, between traditional international oil companies (IOCs) and state-owned national oil companies (NOCs).[18](#) Additionally, numerous statements are made that the world oil demand was declining faster than previously as a slowing global economy erodes consumption and keeps oil prices under pressure. Thus, for the foreseeable future the market is expected to remain under pressure from the uncertainties in the economic outlook, demand deterioration and the substantial "overhang" in supply.[19](#) Furthermore, a number of commentators argue that geological scarcity will at some point make it impossible for global petroleum production to avoid falling, heralding the end of the oil age and, potentially, economic catastrophe: the so called "peak oil" theory.[20](#) However, the argument against the "peak oil" theory is that the "resource endowment of the planet is sufficient to keep **I.E.L.R. 112* up with demand for decades to come" and that after careful examination of the facts it shows that most arguments about peak oil are based on anecdotal information, vague references and ignorance of how the oil industry goes about finding fields and extracting petroleum.[21](#)

Secondly, a large number of importing consuming countries will only achieve a sense of energy security through direct imports from producing developing countries, also called "petrostates". These "petrostates" are in many cases plagued by a range of uncertainties including hostilities which are closely related to disputes over the ownership and control of oil and gas resources within the national boundaries.[22](#) Oil and gas-related disputes are found worldwide in the petroleum rich regions, however it seems that companies are increasingly attracted to these areas.[23](#) The regions are commonly faced with systematic disruption and civil unrest that remain the most serious threat to the business operations of international and national oil companies. It is often said that the diminishing oil and gas supplies are located in hostile or unstable regions such as the Middle East, Africa, Latin America, former Soviet Union (region around the Caspian Sea) and parts of Asia.[24](#) Most of the above incidents are taken very seriously because of their contribution towards the instability in these regions and the impact on the international industry (including the oil

price) such as the prolonged and systematic attacks on oil and gas infrastructure in Nigeria.²⁵

Thirdly, in recent years the level of competition for oil and gas resources in the “petrostates” has intensified at an alarming rate and developed into a strategic but complex matter for many reasons, including key structural changes in government policies in most producing nations. Walde suggested that these changes are increasingly obvious in times of sustained upwards trends in petroleum prices whereby the governments of petroleum producing countries would inevitably seek for fundamental revisions of the terms under which international investors carry out their original investment in the oil and gas sectors.²⁶ Examples of increasing government intervention is highly obvious in a number of countries including the West African oil producing region and varies from renegotiation of oil contracts,²⁷ direct threats to stop oil production,²⁸ the use of oil revenues to strengthen the armed forces instead of uplifting the social fabric of society,²⁹ demands for localisation, commitments from companies to train and employ local citizens, transfer of businesses to local partners and the transfer of part control of oil fields to national company. Additionally, some “undemocratic” governments permit foreign investment by IOCs even when these companies face embargoes applied by their home countries because of international sanctions against these countries.³⁰

Furthermore, the attraction to the oil and gas resources is increasingly influenced by the emergence of new players in the global market. Additionally, the shifts in the policies of oil and gas producers mean that traditional conglomerates from industrialised nations are facing increasing competition in the race to access the world's reserves.³¹ Major international oil companies who once dominated the entire oil industry are now competing with smaller independents for favourable positions with host ***I.E.L.R. 113** governments in developing countries.³² National oil companies (NOCs) as agents of their governments have adopted a more proactive role in the industry at home and abroad. Some of the wealthiest NOCs (“the new seven sisters”) are based in developing and transition economies and include Saudi Aramco (Saudi Arabia); Gazprom (Russia); CNPC (China); NIOC (Iran); PDVSA (Venezuela); Petrobras (Brazil) and Petronas (Malaysia).³³ Recently these NOCs have established themselves among the main foreign investors in selected oil and gas-producing countries and operate alongside traditional companies (IOCs) from the developed countries such as British Petroleum, Royal Dutch Shell, Chevron, Total, etc. National companies from China, including the China Petroleum Corporation and from India, the state owned Indian company Oil & Natural Gas have recently won licensing interests in West Africa.³⁴ In fact South Korea, India and China are three countries that have been pursuing oil acreage all over West Africa, and they have penetrated the Nigerian market, the largest in Africa, with diplomatic, political and financial support of their governments.³⁵

The above examples demonstrate that the oil and gas business is very attractive, although these projects are inherently risky propositions affected by the political situation in the country and increasingly by internal and regional conflicts as well. Additionally, the returns on the capital investment for oil and gas projects could be highly unpredictable in countries that use natural resources as political leverage. This scenario just adds to further uncertainty with price volatility and concerns of security of supply. Important factors that also contribute towards the disruption of oil and gas operations are civil disturbances and conflict, social and environmental concerns, weak macroeconomic environment, an ineffective legal and regulatory framework and inadequate public service. In many countries these factors inevitably lead to unwarranted government intervention and abuse of power, which may at some stage affect the country's attractiveness and the “investment decision process” in the oil and gas industry.

It is therefore suggested that in order to address the concerns in the “investment decision process” and for example maintain the attractiveness in the oil and gas industry, focus should be placed on governance and transparency issues, community consultation and the re-distribution of revenues.³⁶ The issue of community consultation or public participation in the development of natural resources has been recognised as an important human right, which may take different legal and political forms such as citizen involvement, indigenous

people's rights, local community rights, sustainable development agreements, public hearings, consultation, advisory councils, right to information, right to justice, decisional transfers, benefits sharing, etc.³⁷ Governments are increasingly under pressure to address the many socio-economic problems affecting their local communities and at the same time reverse the petroleum resource curse that is so prevalent in their oil producing regions. As will be seen later on, there is a strong drive towards greater transparency and accountability in the industry with the adoption of more anti-corruption treaties, laws and initiatives and the increase number of investigations and prosecutions concerning the oil industry.

The role and responsibility of the State in the development of the oil and gas resources

The increasing opportunities in West Africa have to be set against a background of the major risks (including corruption, security and political instability) that are prevalent in the region and the role and responsibility of the state in the oil and gas industry.

Generally, the state asserts and confirms through the national constitution or relevant legislation that all oil and gas resources found within its territory, both onshore and offshore, is the exclusive property of the State. For example, in Ghana Art.257(6) of the 1992 Constitution of the Republic of Ghana and s.1 of the Petroleum (Exploration and Production) Law (PNDC Law 84) vest all natural resources, including all petroleum, existing in its natural state within the jurisdiction of Ghana in the **I.E.L.R. 114* State to be administered for and on behalf of the people of Ghana.³⁸ Similarly, in Nigeria, 1969 Petroleum Act s. 1 vests the entire ownership and control of all petroleum in, under or upon any lands in the State and this provision has been repeated in the 1999 Constitution of the Federal Republic.³⁹

This affirmation of the rights in oil and gas is based on the concept of "sovereignty", which plays an important part in the law and stems from the internationally recognised principle of "permanent sovereignty over natural resources".⁴⁰ The purpose of the Principle is to emphasise the importance of sovereignty over natural resources and to encourage international cooperation in the economic development of developing countries. It also emphasises the recognition and respect of the sovereign right of every state to freely dispose of its wealth and its natural resources in accordance with national interests, and respect for the economic independence of States. The Principle stipulates a duty on states to exercise their right to permanent sovereignty over their natural wealth and resources in the interest of their national development, and of the well-being of the people of the State concerned. However, in some countries, certain individuals including presidents, ministers responsible for oil and gas, officials from government departments and the national oil companies are behaving as if the oil and gas resources belong to them with no accountability to the people of the land. Most West African countries have expressly adopted the above principle in their national constitutions and petroleum legislation.

Companies wishing to invest in countries located in West Africa need to be aware of the roles and the involvement of the key organs of State including the President, the ministers, relevant government departments and even the national oil company that are involved in the regulation of the national oil and gas sector. The following examples show that the government minister responsible for oil and gas is empowered by the petroleum law to issue the licence award to the company (usually an IOC) after a process of negotiation that would allow the IOC the right to participate in the exploration and production of oil and gas (in some cases with the NOC as local partner).

- In Ghana, any person or entity who intends to explore and exploit for oil and gas must as a starting point negotiate with the "Republic of Ghana through the Ghana National Petroleum Corporation" (GNPC) for a petroleum agreement by submitting an application for licence to GNPC.⁴¹
- In Nigeria, the Federal Government participates in the oil industry through the Nigerian National Petroleum Corporation (NNPC). The NNPC was formed in 1977 and inherited the commercial activities of the former NOC (NNOC) and the supervisory/regulatory role of the

Federal Ministry of Petroleum Resources. However since 1984, the NNPC undertakes commercial activities, whilst the Federal Ministry of Petroleum Resources acting through the Department of Petroleum Resources (DPR) is the regulatory authority. Additionally, the minister responsible for oil and gas is usually supported by a number of government departments responsible for various aspects of the oil and gas industry (taxation, environment, health and safety, etc.) as well as the national oil company that increasingly play a participatory role in exploration and production operations alongside the IOC.[42](#)

- In Angola, the Ministry of Petroleum is responsible for the regulation of the industry, the Ministry of Finance regulates the financial aspects of the operations, including tax and the NOC (Sonangol) is the title-holder of the mining rights. Sonangol is the exclusive concession holder for all the liquid and gaseous hydrocarbon exploration onshore and on the continental shelf of Angola.[43](#)

- In Equatorial Guinea, the Ministry of Mining, Industry and Energy is responsible for the regulation of the oil and gas sectors. The licensing arrangement is based on the 1982 Model Production Sharing Contract and Getotal, the National Oil Company, **I.E.L.R. 115* which is equally owned by the government and Total, is responsible for the downstream activities in the country. In 1998, a liberal regulatory regime and profit-sharing arrangements including an updated Model Production Sharing Contract with provisions for the participatory role of the NOC was introduced to stimulate more exploration and production activities.[44](#)

From the above examples, it is clear that the NOC serves as an “instrument of government policy”, the “regulator” of the oil and gas industry, the “promoter” of oil and gas exploration and at the same time is also the “holder” of petroleum rights which are usually non transferable.[45](#) Any international company that wishes to carry out petroleum activities, and who is willing to contribute the necessary capital, resources and the expertise for the successful and efficient exploration and production of oil and gas, could only do so through contractual arrangements with the national company. The relationship between the IOC and the NOC is usually regulated through a joint venture relationship and in some countries on the basis of a production sharing agreement (e.g. Nigeria, Angola, Equatorial Guinea, etc.) with the national petroleum entity as the local partner.[46](#) This contractual relationship between the IOC and the NOC is also increasingly common in countries that have adopted royalty-based licensing systems (e.g. Namibia and South Africa) whereby the IOC as the licence holder could enter on a voluntary basis into contractual arrangements with the national company.[47](#) All the major international oil companies have a strong presence in Africa but there are also an increasing number of local national petroleum companies that now require to be taken on board in licence and contractual arrangements to exploit the national resources. Various schemes focusing on “indigenisation”, local content, etc. have been introduced to promote the participation of local companies in all phases of the oil and gas industry and the development of a local services industry.[48](#)

In many instances, the NOC, minister responsible for oil and gas and the government departments are supported by a civil service plagued with corruption, misallocation of resources, ineffective service delivery, sub-minimum-wage compensation, and recruitment and promotion of unqualified staff. These problems have been difficult to solve because those involved have a vested interest to help keep the authoritarian regimes in power. Furthermore, bureaucratic budgets reflect the relative powers of bureaucratic elites rather than the broader public interest; discretionary import licences and other economic controls are targeted to obedient partisans; patrimonial recruitment and promotion reward loyalists with jobs, bureaucratic influence, and fringe benefits; ethnic fragmentation, and the lack of rule of law, transparency and accountability, allows dysfunctional regimes to carry on with the above practices and avoid effective scrutiny and sanction from the broader public.[49](#)

The general view is that through donor assistance (technical and financial) by international organisations most African countries have been able to adopt various programmes to create more accountable and transparent professional civil services.[50](#) However, some argue strongly against donor assistance because it distorts the real picture and crowds out

financial and social capital and feeds corruption especially in the oil and gas and natural resources sector.⁵¹ Many African countries are still relying heavily on aid from foreign donors despite being rich in minerals and other natural resources. Strong criticisms are therefore directed not only to the intentions of the international donors and the corrupt governments in place but also towards the international investors in Africa's natural resources industries of employing underhand tactics to escape their tax liabilities, which inevitably result in the loss of substantial tax revenue to the government.⁵²

The general role of business and the investor's overall corporate responsibility in the extractive industries has been scrutinised over recent years so that their corporate social responsibility to their shareholders to make as much profit as possible no longer exonerates them from their contractual obligation and social responsibility towards the host country in which they operate.⁵³ One view is that in order to attract the much-needed foreign investments, governments have no choice but to grant concessions to unscrupulous investors. It has been suggested that a number of leading IOCs are far from transparent when it **I.E.L.R. 116* comes to the payments they make to resource-rich countries, leaving the door open to corruption and hampering efforts to fight poverty.⁵⁴

Efforts at creating transparent and professional civil services are mixed and rely mainly on major internal changes including high-level leadership and political commitment; effective civil service reform; downsizing; performance management; capacity building; and effective implementation, monitoring and evaluation. The reality is that these efforts are lacking in most oil-producing West African countries that are still struggling to implement basic civil service and infrastructure development programmes. This brings us to our next discussion on the issue of "governance" in the context of the oil and gas industry.

The challenge of governance over West African oil and gas resources

The meaning of governance

The words "governance" and "govern" are derived from the Latin word "gubernare" meaning "rudder" conveying the idea of "steering".⁵⁵ The term "governance" was first used in 12th-century France, where it was a technical term designating the administration of *baillages* or *bailiwicks*.⁵⁶ There already exists a variety of definitions of governance, however they are often rather vague.⁵⁷ Some of the developments in the private sector corporate governance, for example audits and risk management, have been adopted by some governments in their public sector.⁵⁸ For the purpose of this discussion, governance involves the traditions and institutions by which authority in a country is exercised including how governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them.⁵⁹ For the purposes of this section the focus will be on the "capacity of the government to effectively manage its resources" including the control of "corruption in the oil and gas industry". The World Bank defines governance as "... the traditions and institutions by which authority in a country is exercised for the common good. This includes (i) the process by which those in authority are selected, monitored and replaced, (ii) the capacity of the government to effectively manage its resources and implement sound policies, and (iii) the respect of citizens and the state for the institutions that govern economic and social interactions among them."⁶⁰

The UNDP defines governance as the "exercise of political, economic and administrative authority to manage a nation's affairs. It is the complex mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights and obligations, and mediate their differences".⁶¹ The ADB defines governance as the "manner in which power is exercised in the management of a country's social and economic resources for development. Governance means the way those with power use that power".⁶²

Governance over Africa's oil and gas resources

Africa is the world's second largest continent with over 1 billion inhabitants living in 54 countries, yet it is by far the world's poorest inhabited continent.⁶³ Although certain countries are enjoying rapid growth, the majority of African countries are developing more slowly than current **I.E.L.R. 117* trends in the rest of the world.⁶⁴ Many reasons are given for this including the legacy of colonialism, corruption, civic unrest and war, debt and low investment, decaying infrastructure and poor social services, famine, national disasters and harsh environments. Nigeria, Angola and Sudan have bitter experience of the negative impacts of oil production and these problems are beginning to be shared by emerging oil producers such as Equatorial Guinea, Chad,⁶⁵ and Sao Tome and Principe. There is not one state in West Africa that has not been affected or suffered from some form of conflict in the past decade. The main conflict areas in the region have been Liberia, Sierra Leone, Guinea, Cote D'Ivoire, Senegal, Guinea-Bissau, Mali, Niger, Nigeria (Niger Delta), Angola and the Democratic Republic of Congo. But against this setting, Africa possesses great potential primarily because of its vast reserves of natural resources. Most of the African countries are well endowed with natural resources such as oil and gas (and other important minerals), however, the efforts at fully exploiting these resources still requires major investment by international companies and the necessary government and local support in the host country.⁶⁶ Investment in the oil and gas industry therefore receives a high priority by all African governments which are clearly competing with each other for foreign investment.⁶⁷

The relationship between oil and development in Africa has been investigated from all different angles.⁶⁸ A recent African Development Bank (ADB) report on Africa's oil and gas resources examined the continent's major challenges and opportunities in the energy sector (including the impacts of rising oil and gas prices in African net importing countries with limited or no resources) with the purpose of the establishment of a proposed African Petroleum Fund (APF).⁶⁹ Another recent study by the Ford Foundation (FF) analysed the negative relationship between the presence of oil and development and examined the way in which political power is exercised in four West African oil rich countries.⁷⁰ Furthermore, in contrast to the ADB focus the FF report seeks to identify mechanisms through which to change this dynamic and concluded that rather than focus on the economic and financial environment problem it should be analysed from a political context within which decisions are made about resource revenue.⁷¹ In identifying the processes by which stakeholders, such as civil society, citizens and external actors engage with the State, the political arena is highlighted as the avenue through which change may be possible.⁷² Thus, it transpired that aspiring political parties and governments are therefore competing for the interests of the foreign investor including those from governments that have a strong desire for Africa's natural resources. At the forefront of the scramble for West Africa's oil and gas resources are the United States and some Asian countries, notably China which is moving aggressively to satisfy its growing domestic requirements for energy and natural resources.⁷³ Some commentators suggest that this situation is leading to a confrontation with the United States over the region's attractive resources.⁷⁴ IOCs linking with NOCs and independent local entities suggest the creation of new alliances between majors, newcomers, governments and national oil companies from all different backgrounds amidst the danger of conflicts and potential disputes that directly relates to the exploration and exploitation of West Africa's oil and gas resources. Despite the many problems associated with the exploitation of Africa's natural resources including recent violent conflicts, the West African region, in particular, continues to attract substantial investments in oil exploration and production activities.⁷⁵ There is an ever-growing focus on the Gulf of Guinea as one of the most prolific oil and gas provinces of the world resulting in increasing investment and activity in the region.⁷⁶ It is widely suggested that at the end of 2008 Africa possess 10 per cent of the world's proven oil with 125.6 billion barrels of oil.⁷⁷ In 2008 Africa produced 10285 thousand barrels per day about 12.4 per cent of world production mainly from the following countries: Algeria (2.2 per cent), Angola (2.3 per cent), Cameroon (0.1 per cent), Chad (0.2 per cent), **I.E.L.R. 118* Republic of Congo (Brazzaville) (0.3 per cent), Egypt (0.9 per cent), Equatorial Guinea (0.5 per cent), Gabon (0.3 per cent), Libya (2.2 per cent), Nigeria (2.7 per cent), Sudan (0.6 per cent), Tunisia (0.1 per cent) and other African countries (0.1 per cent). In 2008 Nigeria was Africa's

largest producer with 2,170 thousand barrels per day, followed by Algeria (1,993); Angola (1,875); Libya (1,846); and Egypt (722). Apart from Angola and Nigeria who are members of OPEC, the other West African producers include Equatorial Guinea (361); Republic of Congo (249); Gabon (235); Chad (127) and Cameroon (84).⁷⁸ The above African countries find themselves at various stages of the oil extraction process and serve as good examples of how oil can shape the political landscape.

Selected West African oil and gas producing countries

In addition to some of the examples already discussed, and for the purposes of this article the following major West African producing countries (including Ghana that will soon join this group as one of the main producers in West Africa) with active oil and gas industries but with a number of typical problems that are directly related to the issue of "governance" and the production of natural resources, will be briefly considered. These countries are Angola, Chad, Equatorial Guinea, Nigeria and Ghana.

Angola

Angola is a member of OPEC and is the second largest oil producer in West Africa after Nigeria.⁷⁹ Angola's oil reserves are estimated at around 10 billion barrels of oil with recent discoveries that indicate a further potential of 20 billion barrels.⁸⁰ However, the oil and gas industry has frequently been accused of the corruption of officials from the government, the national oil company and the international oil industry.⁸¹ Mainly due to international pressure, the Angolan government has taken some steps to improve transparency and accountability in the management of extractive industry revenues that previously helped fuel the country's devastating civil war, however there are still some outstanding issues concerning transparency in the industry that needs to be addressed.⁸²

Chad

Chad is rich in gold, uranium and recently acquired the status as an oil producing and exporting state.⁸³ According to the 2009 BP *Statistical Review of World Energy*, Chad possessed proved oil reserves of 0.9 billion barrels at the end of 2008 or 0.1 per cent of the world's reserves.⁸⁴ Chad is the fifth largest country in Africa but suffers from inadequate infrastructure, internal conflict, poverty and unfavourable health and social conditions.⁸⁵ Chad started oil production in 2003 with the construction of a pipeline to offshore oil-loading facilities on Cameroon's Atlantic coast. The objective of the \$4 billion Chad--Cameroon pipeline project (1,070 km in length) is to develop the oil fields at Doba in southern Chad.⁸⁶ The project is the main oil and gas-related project in the country and it has caused a lot of international attention. The main parties in the project included the World Bank, the governments of Chad and Cameroon, IOCs Chevron Texaco, Petronas, and ExxonMobil. However, during 2006 the Chadian government ordered ChevronTexaco and Petronas to leave the country for failure to pay taxes but the dispute has since been settled.⁸⁷ Additionally, when the government moved to relax a law controlling the use of oil money, which the World Bank had made a condition of its \$39m loan, it resulted in the withdrawal of the World Bank from the project.⁸⁸

Equatorial Guinea

Equatorial Guinea, now regarded as a significant petroleum-producing nation and one of the leading areas for oil exploration in Africa, is ideally situated at the hub of the dynamic West Africa offshore petroleum province. Recently major offshore oil discoveries were made and encouraging prospects for additional discoveries have been identified. Petroleum production now dominates the economy with oil revenues accounting for over 70 per cent of the national income and the petroleum sector is **I.E.L.R. 119* the driving force behind the ongoing growth in Equatorial Guinea's GDP and the country's rapid development. Equatorial Guinea is the third largest oil exporter in West Africa after Nigeria and Angola. According to the World Bank, oil exports represent over 90 per cent of total export earnings and the oil revenues increased in value from \$3 million in 1993 to \$190 million in 2000 to \$3.3 billion in 2006. From 2002 to 2006 the country experienced an average real annual GDP growth of 15.8 per cent.⁸⁹ However, few people in the country have benefited from

the oil riches.

Equatorial Guinea has joined the Extractive Industries Transparency Initiative (EITI) for transparency among oil-producing states, however it has made "only modest progress" to implement transparency initiatives, according to the International Monetary Fund.⁹⁰ In 2004, the corruption *watchdog* "Transparency International" has put Equatorial Guinea in the top 10 of its list of corrupt states.⁹¹ However, despite calls for more transparency in the sector, the President and government still protects the oil revenues under a cloak of secrecy.⁹² Despite the numerous charges of widespread corruption and a failed coup attempt in 2004 to overthrow the government, directly linked to its rich oil fields, the country continues attracting considerable interest and investment by the international oil industry.⁹³

Nigeria

Nigeria is a member of OPEC and is the largest oil producer in Africa.⁹⁴ However over the years, the local industry has build up a bad reputation both nationally and internationally, mainly through charges of corruption by government officials and oil companies.⁹⁵ These charges mainly include the bribing of government officials for engineering, procurement and construction (EPC) contracts, and corrupt payments for preferential treatment during the customs process.⁹⁶

Other serious problems include disputes between government, indigenous and local communities over ownership claims, and the disruption to the industry mainly caused by groups of local militia including the Movement for the Emancipation of the Niger Delta (MEND) that use kidnappings and robbery as a means to force ransom payments from oil companies operating in the Niger Delta.⁹⁷ Some argue that the rise in militancy among the youth in the Delta has been fuelled by extreme poverty and underdevelopment, discontent with the international oil companies, oil spillage and environmental damage, and corruption by government officials that ensures that little, if any, development funding reaches the host communities.⁹⁸ The security problems in the Niger Delta region have cut Nigeria's output by a fifth in the last three years with current production levels less than 2 million barrels per day.⁹⁹ In 2000 the government adopted the Niger-Delta Development Commission (Establishment, etc.) Act to establish a new Commission (NDDC) that would: (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, industrialisation, agriculture and fisheries, housing and urban development, water supply, electricity and telecommunications.¹⁰⁰ The NDDC mandate entails the fast-tracking of the development of the Niger-Delta and pacifying the **I.E.L.R. 120* deeply-ingrained feeling of frustration often exhibited by the people in the region.¹⁰¹ Another major change in the energy sector includes the reorganisation of Nigerian National Petroleum Corporation (NNPC)¹⁰² as a response to the enormous challenges of survival and growth of the state corporation.¹⁰³

Ghana

Recent discoveries of oil in Ghana have led to forecasts that the country will become Africa's next oil-boom state.¹⁰⁴ The development of the potentially billion-barrel Jubilee offshore field is underway.¹⁰⁵ The Petroleum (Exploration and Production Law), 1984 (PNDC Law 84) regulates oil and gas activities in Ghana. The right of exploration, development or production of oil and gas is vested in the Ghana National Petroleum Corporation (GNPC) and allows for an agreement with any person for the exploration and exploitation oil and gas in the country.¹⁰⁶ Ghana operates on a royalty tax system, which draws a fixed percentage of revenue from production in the oil and gas fields.¹⁰⁷ The government is also entitled to a 10 per cent carried interest and an option to acquire paid interest in producing fields.¹⁰⁸ The question that is beyond the scope of this article is whether the success of the Ghanaian oil industry will result in the same pattern as the above countries in West Africa or will it stand out as an example of a producing West

African country with a successful and transparent oil and gas industry.[109](#)

Governance and transparency initiatives in relation to the oil and gas industry

One of the many criticisms of the natural resources sector in most developing countries is that it is identified as the main source of wealth and power to government leaders and the international companies but with minimal or no real benefits to the citizens. Additionally, the view is widely held that some governments and industry players deliberately build their oil and gas relationships under complete obscurity which include secrecy of major agreements on production, refineries and pipelines; the lack of independent verification of oil production; no accountability; inadequate reporting requirements on oil and gas activities despite the guarantee for excessive profits.[110](#) Consequently, mismanagement, competition for control and inequitable distribution of revenues from natural resources has fuelled cycles of corruption, energy instability, civil unrest, conflict and poverty, preventing opportunities for economic growth and social development.[111](#)

The above examples show the need for effective civil service reform, the development and implementation of necessary structural and institutional measures, performance management and capacity building with high level leadership and political commitment, to ensure effective management of oil and gas revenues, the fight of poverty and the improvement of the lives of the citizens.[112](#)

However, for most developing countries including the oil-rich West African countries, the development of transparent operating environments is a very slow and cumbersome process mainly because of the many political and financial constraints that will have to be overcome by all those involved. Some of the constraints for governments include weak individual and institutional capacity, little independence from more powerful executives and ruling political parties, and limited political will. Furthermore, government officials need to overcome the common misunderstanding that the industry's technical complexity is beyond their comprehension and address the serious lack of sufficient information and confidence to influence legislation, policy and the effective management of their oil and gas sector.[113](#)

Therefore, in order to ensure sustainable development supported by a well-managed industry in which all citizens benefit from the oil and gas revenues there is a need to adopt a transparency agenda as a matter of urgency.[114](#) It is now accepted that a transparent operating environment is in the interest of the resource-rich country as it would attract foreign investment, lower the cost of market capital, and reduce the chances of civil unrest. A transparent business environment would also bring about better governance and less corruption which should result **I.E.L.R. 121* in a more favourable investment climate, improved fiscal management and ultimately better economic performance.[115](#)

Internationally, the promotion of transparency in the oil and gas sector and the reduction of global corruption have become top priorities of the international development community in recent years.[116](#) Some of the key international initiatives, of importance to the West African region, which seek to introduce accountability and transparency in the extractive industries, include the following:

- The Extractive Industries Transparency Initiative (EITI) was launched in 2002 as a new standard in collaboration between companies and governments, civil society and investors by requiring transparency over both payments made by extractives companies and revenues received by governments.[117](#) EITI is becoming the internationally accepted standard for transparency in the oil, gas and mining sectors through recognising the important and relevant contributions of all stakeholders. As a voluntary initiative, it was recognised that for EITI to succeed in the long term and to be accepted as a global standard, it needs international credibility, a clear management and governance structure to take it forward and its supporters need to be able to explain clearly to others the benefits to be gained from implementation. Many IOCs and governments including the resource-rich West African countries support the EITI initiative. Of the 53 natural resource-rich countries in the world, more than half have now either committed to

implement EITI, or are well on their way to doing so.[118](#)

- The EITI was enhanced in 2008 by the World Bank's announcement of the "Extractive Industries Transparency Initiative Plus Plus" (EITI++) to help developing countries manage and transform their natural resource wealth into long-term economic growth that spreads the benefits more fairly among their people.[119](#) The EITI++ initiative seeks to develop national capability to handle the boom in commodity prices, and channel the growing revenue streams into fighting poverty, hunger, malnutrition, illiteracy and disease.[120](#)
- The issue of corruption in the oil and gas sector is given prominence by international organisations[121](#) including the UN through a number of important developments in international law, culminating in December 2005 with the entry into force of the United Nations Convention against Corruption.[122](#)
- Together with the OECD Anti-Bribery Convention and a number of other regional anticorruption conventions, all of the world's major economies including the US and UK are now legally committed to the international fight against corruption.[123](#) The OECD Antibribery Convention is currently the most significant Treaty in this area in that it requires that the act of bribing foreign public officials be made a criminal offence. This means that as the provisions become fully implemented, the act of bribing officials in countries of high corruption will leave individuals and companies open to criminal liability in the United Kingdom, the United States and the other OECD Member States. This is bound to have an increasing impact on the attitude that large IOCs take to doing business in countries where corruption is endemic, and companies should definitely take the new measures into consideration when doing business in such countries. IOCs and other entities involved in the extraction of oil and **I.E.L.R. 122* gas resources need to actively support governments and international initiatives for greater transparency and the eradication of corruption in the oil and gas sector.

Conclusion

The obvious answer to the question as to the huge interest, and attraction to the oil-producing regions of West Africa despite the many associated problems is that in most cases the individuals involved (companies and governments alike) have been creating enormous wealth and reaping significant dividends from the investments with very high rates of return to themselves and very minimal investment in the country and its people. It is clear that despite the inherent risk in investing in these conflict areas, there are massive opportunities for IOCs, individuals and governments along all phases of the industry's supply chain. It is notable that there are African countries that have well developed investment regimes with open and transparent approaches to foreign investment; however they do not seem to be as successful in attracting as much interest in oil and gas exploration and production as countries with clear problems of governance and instability. A range of international companies including US, European, Russian and Chinese companies have been participating at all levels in the West African oil and gas industry for many years and they have now been joined by their governments that have a keen interest in tapping the rich African resources, in some cases even if it means directly conniving with the political elite. The number of global initiatives that have been adopted by industry, international organisations and governments including the West African oil-producing governments indicates a change of the general negative image of the oil industry that has been tainted over the years by issues of corruption, bribery, political risk and security problems, etc. Sadly, many of these problems are still prevalent in West Africa. It would therefore still require a huge effort from all players involved to develop a transparent industry that would ensure proper compensation to the local population for the exploitation of their natural resources.

Finally, with the abundance of natural resources, the huge interest in the development of the region's oil and gas resources, the various international initiatives on public sector reform, transparency and anti-corruption, West African oil-producing countries (supported by the IOCs operating in the region) have a golden opportunity to tackle the above problems, transform their national economies and enhance the lives of all their citizens.

That is how it is supposed to be!

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1. Recent writing on the historical account of the internal struggles and the role of the major players in Africa's oil and gas industry include: Klare and Volman, "The African 'oil rush' and American national security", (2006) 4 *Third World Quarterly* 27, pp.609-628; John Ghazvinian, *Untapped: The Scramble for Africa's Oil*, Harcourt (2007); Duncan Clarke, "Africa: Crude Continent: The Struggle for Africa's Oil Prize", Profile Books (London, 2008); and also Frynas and Paulo "A New Scramble for African Oil? Historical, Political, and Business Perspectives", *African Affairs*, November 27, 2006 (106/423), pp.229-251.
2. See Marina Ottaway, "Securing Oil from West Africa and Latin America: The Challenge of Internal Turmoil", *Democracy and Rule of Law Project*, Carnegie Endowment for International Peace, testimony prepared for the hearings on "US Energy Security: West Africa and Latin America", US Senate Foreign Relations Committee, October 20, 2003 at <http://www.carnegieendowment.org/> (02/06/10). See also Widdershoven, "West African Oil: Hope or Hype?" IAGS Energy Security Brief, Institute for the Analysis of Global Security (July 16, 2003), highlighted the US *National Energy Policy Report* (2001) in which the US Vice President Richard Cheney stated that: "West Africa is expected to be one of the fastest-growing sources of oil and gas for the American market" at <http://www.iags.org/africa.html> (30/05/10).
3. "Proved oil reserves" generally refers to the quantities of oil that geological and engineering information indicates with reasonable certainty could be recovered in the future from known reservoirs under existing economic and geological conditions. BP's 2009 *Statistical Review of World Energy* indicates that the global proved oil reserves in 2008 fell by 3 billion barrels to 1,258 billion barrels, with reserves to production (r/p) ratio of 42 years. The Review also highlighted the declines in the UK, Russia, Norway, China and increases in countries such as Vietnam, India and Egypt. The 2007 global figure has been revised higher by 23.1 billion barrels, with the largest upward revisions in Venezuela and Angola. See BP's *Statistical Review of World Energy 2009* at <http://www.bp.com/> (25/05/10).
4. BP's *Statistical Review of World Energy 2009*.
5. See "Competition for Oil and Gas Reserves Heating Up, says UN Trade Body", UN News Service, September 27, 2007.
6. The US oil imports come from various sources including Nigeria and Angola. Although the US is the third largest crude oil producer, 58% of the crude oil and petroleum consumed in the US are imported from the Western Hemisphere (49%) and the Persian Gulf countries (16%) mainly Bahrain, Iraq, Kuwait, Qatar, Saudi Arabia and the United Arab Emirates; from Africa (21%) and from other sources (14%). During 2007 the five biggest suppliers of crude oil and petroleum products to the US were: Canada (18.2%); Mexico (11.4%); Saudi Arabia (11.0%); Venezuela (10.1%); and Nigeria (8.4%). See Energy Information Administration, Official Energy Statistics from the US Government, August 22, 2008 at: http://tonto.eia.doe.gov/energy_in_brief/foreign_oil_dependence.cfm (20/05/10).
7. See "BP group wins Iraq oil contract" Aljazeera.net at <http://english.aljazeera.net/news/middleeast/2009/06/200963093615637434.html> (15/09/09).
8. See "Azerbaijan: No Jitters Over Turkmenistan's Caspian Sea Threat", Shahin Abbasov, *Eurasia Insight*, July 29, 2009.
9. See Steve Bloomfield, "The Niger Delta: The Curse of the Black Gold", *The Independent*, August 2, 2008; See Catholic Relief Services and Terry Lynn Karl, "Bottom of the barrel: Africa's oil boom and the poor", *Stanford University*, June 17, 2003.
10. It is estimated that the Arctic may contain as much as 25% of the world's untapped oil reserves. See Michael McCarthy, "Riches in the Arctic: The New Oil Race", *The Independent*, July 25, 2008.
11. A number of interesting books and articles have recently been published on the historical account of the internal struggles over the African continent's oil resources and the role of the major players in the international industry including: Klare and Volman, "The African 'oil rush' and American national security", (2006) 4 *Third World Quarterly* 27, pp.609-628; John Ghazvinian, *Untapped: The Scramble for Africa's Oil*, Harcourt (2007); Duncan Clarke, "Africa: Crude Continent: The Struggle for Africa's Oil Prize", Profile Books (London, 2008); and also Frynas and Paulo "A New Scramble for African Oil? Historical, Political, and Business Perspectives", *African Affairs*, November 27, 2006 (106/423), pp.229-251.
12. Apart from the major IOC's including Shell, BP, Chevron, ExxonMobil, etc a number of smaller independents including Tullow Oil, Vanco, etc have also gained a strong operational base in West Africa. In *Untapped: The Scramble for Africa's Oil*, Harcourt (2007), John Ghazvinian remarked that "African oil is

cheaper, safer and more accessible, and there seems to be more of it every day" and "no one really knows just how much oil might be there, since no one's ever really bothered to check".

13. For an overview of the key players in the Namibian oil and gas industry see Ministry of Mines and Energy website at <http://www.mme.gov.na/energy/upstream.htm> (07/09/09).
14. For detailed information on oil and gas operations in South Africa see Petrosa at <http://www.petrosaco.za/> (25/05/10).
15. See Lillian Wong, "The impact of Asian National Oil Companies in Nigeria", *Leadership Nigeria News*, December 30, 2008. The article discusses the renewed interest in Africa by Asian countries seeking oil and other minerals to fuel their rapid industrialisation with the focus on China and India and the experience and impact of Asian National Oil Companies (ANOCs) in Nigeria.
16. See Ottaway, "Securing Oil from West Africa and Latin America: The Challenge of Internal Turmoil", *Democracy and Rule of Law Project*, and Widdershoven, "West African Oil: Hope or Hype?" IAGS Energy Security Brief, Institute for the Analysis of Global Security (July 16, 2003). See also for example Jędrzej George Frynas, "Political instability and business: focus on Shell in Nigeria" (1998) 19(3) *Third World Quarterly*, pp.457-578.
17. A report by the UK Energy Research Council (UKERC) states that worldwide production of conventional oil could "peak" and go into terminal decline before 2020. See UKERC *New Global Oil Depletion Report 2009*, which examines the contentious issue of a peaking in conventional oil before 2030 <http://www.ukerc.ac.uk/support/tiki-index.php> (02/06/10).
18. See "National oil companies: Really Big Oil", *The Economist*, August 10, 2006, wherein it is stated that the NOC's control virtually all the world's oil but they are "sluggish behemoths" that produce less oil, more expensively and should be privatised. see also L.E.Moller, *The evolution of national petroleum corporations in developing countries*, LL.M Dissertation (unpublished), University of Dundee, 1993, Dundee University Law Library.
19. On March 15, 2009, at its 152nd (Ordinary) meeting, OPEC observed with concern the deep impact of the economic downturn on world oil demand, which was estimated to decline by 1.0 mb/d in 2009 to 84.6 mb/d. As a result of this, high stock levels, which are currently at 59 days of forward cover, will persist. At the same time the meeting noted that non-OPEC supply is forecast to grow by 0.4 mb/d in 2009, to 50.7 mb/d, resulting in a total call on OPEC production during 2009 of 29.1 mb/d, a reduction of 1.8 mb/d over 2008. See OPEC 152nd (Ordinary) Meeting of the OPEC Conference, OPEC Press Release, No 4/2009, Vienna, Austria, 15 March 2009 at <http://www.opec.org/> (10/05/10).
20. See Daniel Yergin, "It's still the one", *Foreign Policy*, August 24, 2009.
21. See Michael Lynch, "'Peak Oil' Is a Waste of Energy", *New York Times*, August 24, 2009.
22. Among the major western economies, only Canada is currently self-sufficient in gas. Europe currently imports a major part of gas from outside the region. Germany has been importing gas from Russia for more than 25 years. The UK supplies come from the North Sea supplemented by increased gas imports from Norway, the Netherlands, the former Soviet Union and Algeria. LNG is imported mainly from the Middle East, Africa and the Caribbean. See Oil and Gas UK website for detailed information on the UK's oil and gas supplies (See <http://www.oilandgasuk.co.uk/>).
23. See Paul Stevens, "Oil Wars: Resource Nationalism and the Middle East", in *International Competition for Resources--the role of law, the state and of markets*, Editor: Philip Andrews-Speed, Dundee University Press, 2008.
24. See Eric Follath, "Natural Resources are fuelling a new Cold War--the Coming Conflict", *Spiegel Online*, August 18, 2006.
25. The spate of attacks in 2006 on pipelines in Nigeria badly affected the country's exports, brought uncertainty to the world's oil supplies and kept the international oil price high. See "Nigeria fears keep oil price high", *BBC News*, March 24, 2006. Other key events that have had an impact on the oil price include the 1973 Yom Kippur war, 1979 Iran Iraq war, 2002 Venezuelan PDVSA strike, the 2003 Iraq war and the 2006 Nigeria attacks on oil company infrastructure. See "Oil Price History and Analysis", WTRG Economics at <http://www.wtrg.com/prices.htm> (11/09/09).
26. See Thomas Walde, "The Rule of law and the resource industries cycles", chapter 6, *International Competition for Resources--the role of law, the state and of markets*, Editor: Philip Andrews-Speed, Dundee University Press, 2008. See also T.W. Walde, "Revision of transnational investment agreements in the natural resources sector", (1978) 10 *Lawyer of the Americas*; see also Thomas Poynter, "Government Intervention in Less Developed Countries: The Experience of Multinational Companies", University of Western Ontario, *Journal of International Business Studies*, Spring/Summer, 1982.

- [27.](#) The Nigerian government's decision in 2007 to review existing oil exploration and production contracts in line with the reforms in the oil and gas sector did not have the support of the international oil companies (IOCs) operating in Nigeria. Chika Amanze-Nwachuku and Chuks Okocha, "Oil Companies Oppose Review of Contracts", by All Africa.com, June 8, 2009.
- [28.](#) In 2006, the government of Chad threatened to shut down oil production if the World Bank did not unfreeze the Chadian government's escrow account in London (United Kingdom) or if oil firms did not hand over US\$100 million directly into Chad's state treasury account. See Stephanie Hancock, "Chad threatens to halt oil output", *BBC News* (N'Djamena), April 15, 2006.
- [29.](#) The view is widely held that since the oil began to flow in 2003, the government of Chad has squandered hundreds of millions of dollars as the precious resource has become a means for the regime to strengthen its armed forces, reward its cronies and co-opt members of the political class. Chad's oil wealth, far from relieving poverty, has both become an important element in Déby's strategy to hold on to power and contributed to the country's endemic instability. See for example Daniel Kroslak, "Chad: The Oil Effect", *Open Democracy, Global Policy Reform*, September 21, 2009, *Global Policy Reform*.
- [30.](#) The UN Security Council Resolution 1591 (2005): states that "all States shall take the necessary measures to prevent entry into or transit through their territories and shall freeze all funds, financial assets and economic resources that are on their territories on the date of adoption of this resolution or at any time thereafter, that are owned or controlled, directly or indirectly, by the persons designated by the Committee of the Security Council". The "US Executive Order 13412 (2006)" "... outlawed transactions related to Sudan's petroleum or petrochemical industries because of the Government pervasive role in that sector". In May 2007, 31 companies and three persons were added to the list under EO 13412. This brought the total number of Sudanese companies blacklisted by Treasury to more than 160. Other instruments of sanctions include the "US Executive Orders (EO) 13067 (1997)" which imposed a trade embargo against Sudan and a total asset freeze against the Government of Sudan in "support for international terrorism, ongoing efforts to destabilize neighbouring Governments, and the prevalence of human rights violations, including slavery and the denial of religious freedom, constituted an unusual and extraordinary threat to the national security and foreign policy of the United States"; and the "US EO 13400 (2006)": In response to UN resolution 1591 the US issued a new EO to block the property and interests in property of certain persons connected with the conflict in Darfur. See COLOFON, "Sudan--whose Oil? Facts and Analyses", *Global Policy*, April 2008; The US Congress found that a US company contravened the US policy in investing in Iraq when the company planned to sign an oil deal with the regional Kurdistan government before the finalisation of the Iraq oil law. See James Glanz and Orchard A. Opiel Jr, "Panel Questions State Department Role in Iraq Oil Deal", *New York Times*, July 3, 2008.
- [31.](#) See fn.4.
- [32.](#) See Daniel Yergin, "The Prize--The epic quest for oil, money and power", (Free Press, 2003); Anthony Sampson, *The Seven Sisters: The Great Oil Companies and the World They Shaped*, (New York: Viking Press, 1975). The original "Seven Sisters" were Standard Oil of New Jersey (Esso), which merged with Mobil-ExxonMobil; Royal Dutch Shell (Dutch 60%/British 40%); Anglo-Iranian Oil Company (AIOC)/British Petroleum/BP Amoco--now known solely by the initials BP; Standard Oil Co of New York ("Socony")/Mobil/ExxonMobil; Standard Oil of California ("Socal")/Chevron/ChevronTexaco known as Chevron; Gulf Oil; Texaco--merged with Chevron in 2001. As of 2005, the surviving companies are ExxonMobil, Chevron, Shell and BP.
- [33.](#) See Valerie Marcel, "Oil Titans: national oil companies in the Middle East", by 2006, Royal Institute of International Affairs, Brookings Institution Press; see also "National oil companies: Really Big Oil", *The Economist*, August 10, 2006, wherein it is stated that the NOC's control virtually all the world's oil but they are "sluggish behemoths" that produce less oil, more expensively and should be privatised.
- [34.](#) Lillian Wong, "The Impact of Asian National Oil Companies in Nigeria", December 30, 2008 *Leadership Nigeria News* at <http://www.Leadershipnigeria.Com/News/148/ARTICLE/4621/2008-12-30.html> (12/12/09).
- [35.](#) Wong, "The Impact of Asian National Oil Companies in Nigeria", December 30, 2008 *Leadership Nigeria News*.
- [36.](#) The 2008 Transparency International Report on "Revenue Transparency of Oil and Gas Companies" makes four key recommendations: Companies should proactively report revenues paid to governments on a country-by-country basis; Governments, stock exchanges and regulatory agencies should urgently consider mandatory reporting for companies operating in-country and abroad; Governments from oil and gas producing countries should introduce legislation mandating revenue transparency by all companies operating in their territories; Regulatory agencies and companies should agree to publish information in a uniform and accessible format, one that facilitates both comprehension and comparability. See copy of the Report at Transparency International website: <http://www.transparency.org/> (25/05/10).
- [37.](#) See Zillman, Lucas and Pring (eds), *Human Rights in Natural Resource Development--Public Participation*

in the *Sustainable Development of Mining and Energy Resources* (Oxford University Press, 2002) where the human right of public participation by those affected by natural resource development is examined.

38. Article 257(6) of the Ghanaian Constitution stipulates that: "Every mineral in its natural state in, under or upon any land in Ghana, rivers, streams, water courses throughout Ghana, the exclusive economic zone and any area covered by the territorial sea or continental shelf is the property of the Republic of Ghana and shall be vested in the President on behalf of, and in trust for the people of Ghana"; and section 1 of the Petroleum (Exploration and Production) Law PNDC 84 also states as follows: "All petroleum existing in its natural state within the jurisdiction of Ghana is the property of the Republic of Ghana (hereafter referred to as 'the Republic') and shall be vested in the Provisional National Defence Council (hereafter referred to as 'the Council') on behalf of the people."
39. Section 44(3) of the Constitution of the Federal Republic of Nigeria, provides that: "Notwithstanding the foregoing provisions of this section, the entire property in and control of all minerals, mineral oils and natural gas in, under or upon the territorial waters and the Exclusive Economic Zone of Nigeria shall vest in the Government of the Federation and shall be managed in such manner as may be prescribed by the National Assembly".
40. See Rauschnig, et al, *Key Resolutions of the United Nations General Assembly 1946-1966* (Cambridge University Press, 1997), p.318 for the text of the UNGA Resolution 1803 (xvii), Permanent Sovereignty over Natural Resources, 1194th plenary meeting, December 14, 1962. See also I. Brownlie (ed.), *Basic documents in international law*, 4th edn (Clarendon Press, 1995), pp.235-239.
41. Section 2 (1 & 2) of the Petroleum (Exploration and Production) Law of Ghana.
42. For an in-depth discussion of the delegation of legislative power and the petroleum legislation of states, see Bernard Taverne, *Petroleum, Industry and Governments, A study of the involvement of Industry and Governments in the Production and Use of Petroleum*, 2nd edn (Wolters Kluwer, Kluwers Law International, 2008), chapter 5, pp.115-122.
43. See the Angolan Petroleum Activities Law of 2004 (No.10/04 of 12 November 12, 2004) and also the 1978 General Petroleum Activities Law (Law No. 13/78, of 26 August 26, 1978).
44. The key instruments for petroleum activities in Equatorial Guinea include the Decree-Law 7/1981 of June 16, 1981, Concerning Hydrocarbons (Petroleum Law); 1998 Law for Amendment Of Decree Law 7/1981 of June 16, 1981 Hydrocarbons Law; 1998/99 Bidding Round for Deep Water Blocks (closing date May 10, 1999); Decree 148 of November 1998 Inviting International Licensing Bids For Production Sharing Contracts In Deep Offshore; and the 1982 Model Production Sharing Contract.
45. L.E.Moller, *The evolution of national petroleum corporations in developing countries*, LLM Dissertation (unpublished), University of Dundee, 1993, Dundee University Law Library.
46. For Angolisation see <http://www.sonangol.co.ao/wps/portal/ep/>; and for Nigeria's indigenisation policy see <http://www.nnpcgroup.com/> (25/05/10).
47. For an overview of the Namibian industry and the role of the National Petroleum Corporation of Namibia (NAMCOR) see <http://namcor.com.na> (02/06/10); and for the South African oil and gas industry and the role of PETROSA see <http://www.petrosaco.za> (25/05/10).
48. See fn.10 (Zillman).
49. See Karin Alexander and Stefan Gilbert, "Oil and Governance Report, A Case Study of Chad, Angola, Gabon, and Sao Tome é Principe", Ford Foundation (March 2008).
50. See Dambisa Moyo, *Dead Aid--Why is Aid not working and How there is another way for Africa* (Allen Lane, 2009). The study analyses the history of development aid to Africa over the last 50 years and challenges the myth that Aid to Africa actually works.
51. See Moyo, *Dead Aid--Why is Aid not working and How there is another way for Africa*, 2009.
52. See discussion on "Governance and transparency initiatives" further on in this article.
53. See the debate on corporate social responsibility, shareholder value, the nature of corporate social responsibility in general by Adrian Cadbury, "Corporate social responsibility", *Corporate Governance Handbook*, Chambers, 4th edn (Tottel Publishing, 2008), pp.861-877.
54. The 2008 "Report on Revenue Transparency of Oil and Gas Companies" evaluates 42 leading international and national oil and gas companies operating in 21 countries, based on the transparency of their reporting, particularly on payments made to governments for resource extraction rights. The report, based on data made publicly available by companies, categorises companies into high, middle and low performers. Only a third of companies evaluated in the report are considered high performers (see copy of the Report at

<http://www.transparency.org>).

55. William Whitaker's Words, University of Notre Dame at <http://www.archives.nd.edu/cgi-bin/wordz.pl?keyword=gubernare> (02/06/10).
56. See Pascal Lamy, "Globalization and Global Governance", 7 November 7, 2006, Global Governance at <http://www.theglobalist.com/> (25/05/10).
57. The World Bank defines governance as "... the traditions and institutions by which authority in a country is exercised for the common good. This includes (i) the process by which those in authority are selected, monitored and replaced, (ii) the capacity of the government to effectively manage its resources and implement sound policies, and (iii) the respect of citizens and the state for the institutions that govern economic and social interactions among them. (<http://web.worldbank.org/>). The Asian Development Bank defines it as "the manner in which power is exercised in the management of a country's social and economic resources for development. Governance means the way those with power use that power." See Peter McCawley, "Governance in Indonesia: Some Comments" ADB Institute, Discussion Paper No: 38, September 26, 2005, at <http://www.adbi.org/> (02/06/10).
58. See Mark Egan, "Corporate Governance in Whitehall and Westminster: the role of non-executive directors", Chapter J1, Corporate Governance in the Public Sector, Corporate Governance Handbook, Chambers, 4th edn (Tottel Publishing, 2008), pp. 1103-1113.
59. See the World Governance Indicators (WGI) 1996--2008 released in on June 29, 2009 in Washington. The WGI 1996--2008 shows that there are many countries that have made substantial progress in governance and anti-corruption over the past decade, however it also shows that there many countries around the world that failed to make improvements. The WGI is a research project initiated by Kaufmann and Kraay in the late 1990s, and is now coauthored with Massimo Mastruzzi of the World Bank Institute. The authors define governance as the traditions and institutions by which authority in a country is exercised. The WGI measure six broad dimensions of governance, including: *Voice and Accountability*: the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, association, and the press; *Political Stability and Absence of Violence*: the likelihood that the government will be destabilized by unconstitutional or violent means, including terrorism; *Government Effectiveness*: the quality of public services, the capacity of the civil service and its independence from political pressures; the quality of policy formulation; *Regulatory Quality*: the ability of the government to provide sound policies and regulations that enable and promote private sector development; *Rule of Law*: the extent to which agents have confidence in and abide by the rules of society, including the quality of property rights, the police, and the courts, as well as the risk of crime; and *Control of Corruption*: the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as elite 'capture' of the state. Daniel Kaufmann, co-author of the report and a Senior Fellow at the Brookings Institution stated that "We should not presume that rich and powerful countries have the very best levels of governance and corruption control; the financial crisis reminds us that the quality of governance in G8 countries is not always exemplary" <http://siteresources.worldbank.org> (25/05/10).
60. See World Bank Issue Briefs on "Governance and Anti-Corruption" at: <http://web.worldbank.org/> (02/06/10).
61. See UNDP website at <http://www.undp.org/governance/> (02/06/10).
62. See Peter McCawley, "Governance in Indonesia: Some Comments" by ADB Institute, Discussion paper No.38, September 26, 2005 at <http://www.adbi.org> (25/05/10).
63. See "Africa Development Indicators (ADI) 2008/9", World Bank, at <http://web.worldbank.org/> (25/05/10). For detailed information on the impact of the current economic crisis on Africa see "Africa; Regional Brief", World Bank at <http://go.worldbank.org/3IGKDWFTG1> (25/05/10); see also "The Africa Competitiveness Report 2009", World Economic Forum, published 10 September 2009, The Report highlights the following policy themes for improving the competitiveness of African economies: The two short-term themes are: 1) Increasing access to finance through market-enabling policies. 2) Keeping markets open to trade. The three longer term themes are: 3) Infrastructure remains one of the top constraints to businesses in Africa. 4) Inefficient basic education and healthcare systems constrain Africa's productive potential. 5) More examples of good governance and strong and visionary leadership are needed. For a copy of the Report see World Economic Forum at <http://www.weforum.org> (10/05/10).
64. "The 2008 World Development Indicators" states that developing economies are expected to continue growing faster than high-income economies thanks to labour surpluses, higher returns to physical capital, and ready access to technology already developed and amortized in high-income economies. With adequate investment in physical and human capital, developing economies should close the gap with richer economies in the long run. However for Africa there are still "poverty traps, exclusion from global markets, internal conflicts, resource constraints, poor policies, and market failures" that means "limited growth and poverty reduction in low-income economies" (see <http://web.worldbank.org>) (10/05/10). See also Moyo, *Dead Aid--Why is Aid not working and How there is another way for Africa*, 2009).

- [65.](#) See Felix Arteaga, "The Chad conflict", United Nations (MINURCAT) and the European Union (EUFOR), Real Instituto, *Global Policy Forum*, March 10, 2008,
- [66.](#) See "Oil and Gas in Africa", The African Development Bank, August 27, 2009, Oxford University Press for a discussion of the key issues that relate to the social, environmental and economic impacts of high and volatile oil and gas prices in Africa.
- [67.](#) Gabon planned their 10th licensing round for May 2010, see "Tenth Licensing Round planned for May 2010", Gabon--Tenders--November 5, 2009, *Business Monitor International*. Likewise, Sonangol of Angola announced that it will open a new round of bids for oil licences in 2010, see "Angola eyes new bid round", *Upstream Online*, News wires, October 28, 2009; Ghana also wants to award more oil blocks off its western coast, see "Ghana set to release oil blocks", *Upstream Online*, November 13, 2009.
- [68.](#) See fn.2.
- [69.](#) See *Oil and Gas in Africa*, The African Development Bank, August 27, 2009, Oxford University Press, pp.1-12.
- [70.](#) See Karin Alexander and Stefan Gilbert, "Oil and Governance Report, A Case Study of Chad, Angola, Gabon, and Sao Tome é Principe", Ford Foundation, March 2008 at <http://www.ethicsworld.org> (25/05/10).
- [71.](#) See Alexander and Gilbert, "Oil and Governance Report, A Case Study of Chad, Angola, Gabon, and Sao Tome é Principe", Ford Foundation, March 2008.
- [72.](#) See Alexander and Gilbert, "Oil and Governance Report, A Case Study of Chad, Angola, Gabon, and Sao Tome é Principe", Ford Foundation, March 2008.
- [73.](#) See, e.g. Christopher Boden, "China-Guinea deal highlights Africa business ties", and Krista Larson and Anita Powell "Analysts question \$7B China-Guinea mining deal", (AP), Oct. 14, 2009 at http://www.google.com/hostednews/ap/article/ALeqM5hxqb7uw5VGRcbQ_hZYnV_ek9_TRQD9BHGS1G1 (02/06/10).
- [74.](#) See Eric Follath, "Natural Resources are fuelling a new Cold War--the Coming Conflict", *Spiegel Online*, August 18, 2006.
- [75.](#) Clarke, "Africa: Crude Continent: The Struggle for Africa's Oil Prize", 2008.
- [76.](#) Clarke, "Africa: Crude Continent: The Struggle for Africa's Oil Prize", 2008.
- [77.](#) BP 2009 *Statistical Review of World Energy*.
- [78.](#) Clarke, "Africa: Crude Continent: The Struggle for Africa's Oil Prize", 2008.
- [79.](#) Further information on the Angolan oil and gas industry and the role of Sonangol could be obtained from the Sonangol website at <http://www.sonangol.co.ao> (26/05/10).
- [80.](#) See BP's *Statistical Review of World Energy* 2009.
- [81.](#) Notable examples include the US case of *SEC v Baker Hughes Incorporated and Roy Fearnley* 26 April 2007, Civil Action No. H-07-1408, United States District Court for the Southern District of Texas (Houston Division) in which the company was accused of corruption in Angola in that (from 1998 to 2003) they have paid an agent more than \$10.3 million in commissions under circumstances in which the company failed to adequately assure itself that such payments were not being passed on to employees of Sonangol, Angola's state-owned oil company, to obtain or retain business in Angola. See also US Securities and Exchange Commission (Litigation Release No. 20094 /April 26, 2007) at <http://www.sec.gov/litigation/litreleases/2007/lr20094.htm> (27/05/10).
- [82.](#) See Global Witness Press Release statement "Angola: transparency move welcome but serious questions remain", May 13, 2004, Global Witness at: http://www.globalwitness.org/media_library_detail.php/331/en/angola_transparency_move_welcome_but_serious_quest (25/05/10). It was also widely held that during the three-decade civil war the main opposition party UNITA used diamonds to fund their fight against the ruling MPLA government (see "Team in Luanda to check against blood diamonds", *The Namibian*, 25/08/09 <http://www.namibian.com.na/news/full-story/archive/2009/august/article/team-in-luanda-to-check-against-blood-diamonds/> (20/05/10).
- [83.](#) See "Oil and Gas in Chad" Mbendi: at <http://www.mbendi.com/indy/oilg/af/ch/p0005.htm> (28/05/10).
- [84.](#) See BP *Statistical Review of World Energy* 2009.

85. See "Country Profile: Chad", *BBC News*, October 27, 2009.
86. Jennifer L. Akre, "Overcoming Chad's Oil Curse: The African Union Convention on Preventing and Combating Corruption as a Framework for Securing Foreign Investments", The American University, Spring 2007.
87. See Eric Follath, "Natural Resources are fuelling a new Cold War--the Coming Conflict", *Spiegel Online*, August 18, 2006.
88. On September 9, 2008, The World Bank announced that it was unable to continue supporting the Chad-Cameroon Pipeline project because key arrangements that had underpinned its involvement in and support for the project were not working, notably the agreement that the Government of Chad would allocate oil revenues for poverty-reducing projects in education, health, infrastructure, rural development and improving governance. As of September 5, 2008, the Government of Chad had fully prepaid its loans for pipeline-related financing. See "Chad-Cameroon Pipeline Project", Worldbank Website: <http://web.worldbank.org> (29/05/10).
89. See EIA at http://www.eia.doe.gov/cabs/Equatorial_Guinea/Backgrounda.html (22/05/10).
90. See Jad Mouawad, "Oil Corruption in Equatorial Guinea", *Green Inc*, 9 July 2009 at <http://greeninc.blogs.nytimes.com/2009/07/09/oil-corruption-in-equatorial-guinea/> (22/05/10).
91. See Global Witness Report "Time for Transparency" (2004) for further details of "corruption and misappropriation" of oil revenues in Equatorial Guinea. See <http://www.globalwitness.org/reports/show.php/en.00049.html> (12/05/10); see also Justin Blum "U.S. Oil Firms Entwined in Equatorial Guinea Deals Riggs Probe Led to SEC Inquiry on Corruption, Profiteering", *Washington Post Staff Writer*, September, 7, 2004; Page E01 at <http://www.washingtonpost.com/ac2/wp-dyn/A1101-2004Sep6?language=printer> (12/05/10).
92. For an overview of the oil industry in Equatorial Guinea see BBC News Channel, "Country Profile: Equatorial Guinea", 25 February 2009 at http://news.bbc.co.uk/1/hi/world/africa/country_profiles/1023151.stm (12/05/10); see also Publish What You Pay (PWYP) Equatorial Guinea, at <http://www.publishwhatyoupay.org/en/category/countries/equatorial-guinea> (12/05/10).
93. See "Equatorial Guinea coup plot", *BBC News*, 7 July 2008 at <http://news.bbc.co.uk/1/hi/world/africa/3597450.stm> (12/05/10).
94. For information on the Nigerian oil industry, see Yinka Omorogbe, *Oil and Gas Law in Nigeria* (Malthouse Press, 2000); and also Soala Ariweriokuma, *The Political Economy of Oil and Gas in Africa* (Taylor & Francis Ltd Routledge, 2008).
95. For a discussion on corruption in the Nigerian industry see Nwokeji, *The Nigerian National Petroleum Corporation and the Development of the Nigerian Oil and Gas Industry: History, Strategies and Current Directions* (The James Baker III Institute for Public Policy, Rice University, March 2007).
96. For examples of cases of corruption in Nigeria see OECD, "Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions", United States, February 2009 at <http://www.oecd.org/dataoecd/18/8/42103833.pdf> (12/05/10). Some notable examples include *United States v Kellogg Brown & Root LLC* and *SEC v Kellogg Brown & Root* when the company was fined a staggering \$402 million; *United States v Albert Stanley* and *SEC v Stanley* involved the bribing of Nigerian government officials to obtain engineering, procurement, and construction contracts worth more than \$6 billion and to conspiring to commit mail and wire fraud as part of a separate kickback scheme; in the case of *United States v Vetco Gray Controls Inc Vetco Gray Controls Ltd Vetco Gray UK Ltd and Aibel Group Ltd* (S.D. Texas 2007), the company was fined \$26 million for violations of the US Foreign Corrupt Practices Act involving the payment by the company of about \$2.1 million to Nigerian custom officials in connection with Vetco Gray's provision of engineering and procurement services and subsea construction equipment for Nigeria's first deepwater oil drilling project.
97. More than 200 foreign workers have been abducted in the past three years alone although most have been released after payment of a ransom. See: "Gunmen snatch two in tanker attack", *Upstream*, April 21, 2009; and also "Court sees Shell part in Nigerian deaths", *Upstream*, May 7, 2009.
98. It is widely reported that power and wealth are inextricably linked to oil in Nigeria and many examples highlight the theft of crude oil that nets political "godfathers" tens of millions of dollars a day. See Phillip Van Niekerk and Stephen Davis, "Nigeria needs help to stop downward spiral in oil-rich Delta", *Business Day*, March 24, 2009, at <http://www.businessday.co.za/articles/topstories.aspx?ID=BD4A965537> (12/05/10).
99. See Phillip Van Niekerk and Stephen Davis, "Nigeria needs help to stop downward spiral in oil-rich Delta", *Business Day*, March 24, 2009, at

<http://www.businessday.co.za/articles/topstories.aspx?ID=BD4A965537> (12/05/10).

- [100.](#) The 2000 Act (c. N86 Laws of the Federation of Nigeria 2004) basically repealed the Oil Mineral Producing Areas Development Commission Decree (No. 23) 1992 and the Oil Mineral Producing Areas Commission Act 1998.
- [101.](#) For a discussion of the status of the Niger Delta Development Commission, see Nelson E. Ojukwu-Ogba, "Legislating development in Nigeria's oil producing region: the NDDC Act seven years on", *African Journal of International and Comparative Law* (Edinburgh University Press, 2009). The NDDC was established in 2000 with the mission of "facilitating the rapid, even and sustainable development of the Niger Delta into a region that is economically prosperous, socially stable, ecologically regenerative and politically peaceful" (see <http://www.nddc.gov.ng/> (12/05/10)).
- [102.](#) See Nigerian National Petroleum Corporation at <http://www.nnpcgroup.com/> (12/05/10).
- [103.](#) See "Nigeria making changes at NNPC", *Upstream*, April 9, 2009 at <http://www.upstreamonline.com/live/article75639.ece> (10/05/10).
- [104.](#) See Ghana National Petroleum Corporation at <http://www.gnpcghana.com/home/> (27/05/10).
- [105.](#) See Martin Quinlan "Ghana: big-time oil in two years", *Petroleum Economist*, December 2008. It is reported that the UK-Irish firm Tullow Oil is spearheading the Jubilee field development that will see Ghana experience one of the fastest leaps into the world of the oil producers. The Jubilee field was discovered in June 2007 and is located in deep water about 65 km off the western part of the country. See "Tullow sets out Jubilee welcome mat" *Upstream Online*, October 8, 2009 at <http://www.upstreamonline.com/live/article95223.ece> (13/05/10).
- [106.](#) Section 2(1).
- [107.](#) The Petroleum (Exploration and Production Law), 1984 (PNDC Law 84) regulates oil and gas activities in Ghana.
- [108.](#) See "Ghana set to release oil blocks", *Upstream Online*, November 13, 2009, <http://www.upstreamonline.com/live/article98911.ece> (13/11/09).
- [109.](#) The Ghanaian President, John Atta Mills, stated that Nigeria was not a good example in managing oil resources, as his own country prepares for a boom in the liquid gold. See "West Africa: Oil--Nigeria Not a Good Example for Ghana, Says Atta Mills", by Adeola Yusuf, *All Africa com*, July 17, 2009.
- [110.](#) See "The Petroleum and Poverty Paradox: Assessing U.S. and International Community efforts to fight the Resource Curse", *Report of the Members of the Committee on Foreign Relations United States Senate*, 110th Congress, 2nd Session, October 16, 2008, p.12.
- [111.](#) See "The Petroleum and Poverty Paradox", p.12.
- [112.](#) See Shari Bryan and Barrie Hoffmann (eds), *Transparency and Accountability in Africa's Extractive Industries: The Role of the Legislature* (National Democratic Institute for International Affairs, 2007), p.10.
- [113.](#) See fn.97.
- [114.](#) See Prof. Jędrzej George Frynas, "Corporate social responsibility in the oil and gas sector" (2009) 7 *Journal of World Energy Law*, Vol.2, No.3 for a detailed analysis of corporate social responsibility and the environment, development and governance.
- [115.](#) See fn.97; see also Report on *Transparency and Accountability in Africa's Extractive Industries: The Role of the Legislature*, p.8. The purpose of the report is to inform elected political officials--particularly those in the legislative branch of government--who serve as constructive leaders in improving the oversight and management of their countries' natural resources. This report identifies the challenges that African legislators face in overseeing their countries' oil and mining industries, as well as best practices in use around the world and recommendations for future engagement. Nine countries were selected for this study: Angola, Botswana, Chad, the Republic of Congo (Congo-Brazzaville), the Democratic Republic of Congo (DRC), Ghana, Nigeria, Sierra Leone and South Africa.
- [116.](#) See generally the Transparency International website at: <http://www.transparency.org> (27/05/10); see also the "Publish What You Pay International" initiative which calls on oil and gas companies to do more to fight corruption and poverty, calls on companies to publicly disclose how much money they pay to governments for the right to extract natural resources <http://www.publishwhatyoupay.org/en/resources/pwyp-calls-oil-and-gas-companies-do-more-fight-corruption-and-poverty> (27/05/10).

- [117.](#) See fn.117. In 2004, the World Bank conducted an “Extractive Industries Review” of multi-stakeholder investments in the extractive industries and produced three reports with recommendations for reforms to better ensure that projects directly contribute to development (<http://www.worldbank.org/ogmc>). The Bank Group’s Extractive industry investment projects now require disclosure of revenues. Projects’ development impacts are tracked more thoroughly. An advisory group has been established and reports of its meetings are made public, as are annual implementation progress reports. A revision of the World Bank’s Indigenous Peoples policy was approved in 2006, reflecting Bank efforts to strengthen local community participation in extractive industry projects. The IFC has also updated its environmental and social performance standards. See “Extractive Industries” at <http://web.worldbank.org/> (27/05/10).
- [118.](#) It is widely held that the EITI was transformed from a start-up initiative to a global transparency standard. The 4th EITI Global Conference which was held in Doha, Qatar, on 16-18 February 2009 was attended by more than 500 participants from 80 countries, 70 speakers. For a list of the candidate countries see EITI website at <http://eitransparency.org/> (28/05/10).
- [119.](#) See “World Bank Group and Partners Launch EITI+”, World Bank, Washington, April 12, 2008 at <http://web.worldbank.org> (27/05/10).
- [120.](#) See “World Bank Group and Partners Launch EITI+”, World Bank, Washington, April 12, 2008.
- [121.](#) The World Bank adopted a new “Governance and Anticorruption Strategy in 2007”, with greater attention on governance and anticorruption in countries, as well as in its own operations as an important condition for faster and more effective development. See “World Bank Governance and Anticorruption” at <http://web.worldbank.org> (29/05/10)
- [122.](#) See UN Convention Against Corruption at <http://www.unodc.org/unodc/en/treaties/CAC/index.html> (27/09/09).
- [123.](#) For an overview of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, see the OECD website at: http://www.oecd.org/document/21/0,3343,en_2649_34859_2017813_1_1_1_1,00.html (27/05/10).