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**INVESTIGATING ACCOUNTABILITY AND GOVERNANCE PRACTICES IN
JOINT DEVELOPMENT ZONES: A CASE STUDY OF NIGERIA AND SÃO
TOMÉ & PRÍNCIPE'S JOINT DEVELOPMENT ZONE**

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**A Thesis submitted in partial fulfilment of the requirements of Robert Gordon
University for the Degree of Doctor of Philosophy**

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ABSTRACT

This study critically assesses the appropriateness of the governance system used to control all aspects of oil exploration and production within the Nigeria São Tomé and Príncipe Joint Development Zone (NSTP-JDZ). The motivation for carrying out the research emerged from a review of the literature on oil and gas joint venture operations which straddle more than one country's borders. In the case of the NSTP-JDZ, several reports had criticised its governance practices but had failed to provide a rigorous analysis to substantiate their claims. The study therefore contributes to the literature relating to the governance of oil and gas joint development zones. A mixed method approach was used in the empirical research and the results were analysed against a globally acknowledged good governance theoretical framework. The results confirmed that there are major flaws in the NSTP-JDZ governance system, although there are also positive aspects of the practices. Four areas of concern were identified: Firstly, inadequate personnel skills were impairing management of the zone to such an extent that it could not be guaranteed that resources will be safeguarded for the benefits of future generation. Secondly, control of resources was severely impaired by an uncertainty about who had the authority to implement actions and, of more concern, by political and other conflicting interventions in the management decisions of the NSTP-JDA. Thirdly, the findings indicated the need for improvement in the audit procedures and communication culture between local communities and NSTP-JDZ operators. Lastly, there was a body of opinion that employment practices within the zone were unfair. In addition to identifying the above deficiencies in the governance system, the study has identified and analysed differences in views on governance issues between key stakeholders in the zone. These differences are important as they may well pinpoint why the governance system is deficient and, more importantly, reveal how the governance system can be improved. The vested interests of stakeholders are known to shape stakeholder views and, when there are stakeholders from different countries representing their nation's interests, these differences can be acute; the findings may be extrapolated to other joint development zones although the various characteristics of the parties involved in each zone will affect the degree to which it is applicable. Finally, the study may have significant economic consequences for both Nigeria and the São Tomé and Príncipe - bearing in mind the importance of oil resources to both countries.

Keywords: Chatham House, Good Governance, Joint Development Zone, Joint Development Agreement and Joint Ministerial Council.

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List of abbreviations

BIICL	British Institute of International and Comparative Law
CHGGP	Chatham House Good Governance Principles
CG	Corporate Governance
CHF	Chatham House Framework
EITI	Extractive Industry Transparency Initiative
EEZ	Exclusive Economic Zone
FSF	Financial Standards Forum
GO	Governmental Organization
GG	Good Governance
HRW	Human Rights Watch
IMF	International Monetary Fund
IOC	Indigenous Oil Companies
JD	Joint Development
JDZ	Joint Development Zone
JDA	Joint Development Agreement
JMC	Joint Ministerial Council
JVA	Joint Venture Agreement
MOC	Multinational Oil Companies
NA	National Assembly
NGO	Non-Governmental Organization
NPC	National Petroleum Council
NPA	National Petroleum Agency
NSTP-JDA	Nigeria-São Tomé and Príncipe Joint Development Agreement
NSTP-JDZ	Nigeria São Tomé and Príncipe Joint Development Zone
OECD	Organisation for Economic Co-operation and Development
PSC	Production Sharing Contract
STP	São Tomé and Príncipe
UN	United Nations
USIP	United States Institute of Peace
UNCLOS	United Nations Convention on Law of the Sea

Chapter 1

Introduction

1.0 Introduction

1.1 Background to the Study

It is not uncommon for an oil reservoir's boundaries to straddle two adjoining countries. In such circumstances, both countries must find a way to exploit the reserves of oil in a fair and appropriate manner (Biang, 2010 and Keyuan, 2006a). The literature reveals that this process can be problematic (Biang, 2010 and Tanaka, 2009). One of the major approaches used by countries to overcome potential problems is to formulate legally binding joint development agreements (JDA) between the countries (Handley, 2007 and Guoxing, 1995). The term JDA is defined by Lagoni (1988:2) as a, "Co-operation between states with regard to the exploration for and exploitation of certain deposits, fields, or accumulations of non-living resources which either extend across a boundary or lie in an

area of overlapping claims”. It has been argued that countries engage in this type of agreement for many reasons.

Thus, for example, the JDA provides a mechanism for resolving issues and disputes (Keyuan, 2006a) and, on the other hand, the JDA may be seen as a tool that enhances and expands cross-boundary regional co-operation in a variety of ways - not all of which may be economic (Risa, 2010 and Groves, 2005). From an economic point of view, the JDA plays a significant role in distributing natural resources effectively and rationally for the benefit of the countries involved (Biang, 2010). Perhaps most importantly, the JDA may help coastal states achieve economic and social developmental goals by providing a secure and certain operating environment which could not have been achieved without the agreement (Keyuan, 2006a).

Given the pedigree status attached to the use of JDAs and given the potential scope for conflict between the two countries it seems logical that, in 2001, Nigeria and São Tomé and Príncipe entered into a JDA on their overlapping maritime boundary (Biang, 2010). The creation of the agreement gave rise to the establishment of the Nigeria São Tomé and Príncipe Joint Development Authority (NSTP-JDA). This authority was mandated to regulate and manage resources in the zone for the mutual interest of the two countries (NSTPJDZ-Treaty, 2001).

Previous research studies have revealed that creating a JDA does not necessarily in itself resolve all problems or even guarantee success for the venture (Lagoni, 1988). It may be that the problems emerge due to inadequate care in drafting the JDA. Or, perhaps, the issues arise due to poor practices in implementing the JDA. These failures may be a consequence of poor governance practices being followed in the joint development zone. Evidence from the literature shows that in parts of the world JDAs have been stagnating¹ or have even been renounced.

The NSTP-JDA has not been problem-free, as prominent studies conducted by the International Monetary Fund (IMF) and the Human Rights Watch (HRW) in 2005 and 2010 respectively revealed that the JDA was facing several challenges that threatened its survival. The IMF study investigated how the NSTP-JDA conducted the bidding process

¹Some of the agreements that are facing governance challenges and moving in a stagnant pace include: Japan and South Korea of 1974; the Malaysia and Vietnam of 1992; the Columbia and Jamaica agreement of 1993; and the France and Spain agreement of 1974 (Thao, 1999 and Ong, 1999).

for its oil blocks² in 2003 and 2004. Indeed, the study concluded that management by the NSTP-JDA, for the first five years of its establishment, was totally inconsistent and failed to meet even certain minimum acceptable standards as authorised in the treaty (IMF, 2005). The study further evaluated numerous management weaknesses and a number of worrying issues such as personal interests, corruption, mismanagement, and unequal treatment of the participating states; these were identified as the dominant factors that hindered the smooth governance of the zone (Biang, 2010 and Odunlami, 2010). In fact, the outrage caused by the findings of the IMF study led to the resignation of many top São Toméan officials (see Section 3.6 in Chapter 3).

In light of the findings of poor performance of management by the NSTP-JDA, the HRW 2010 report raised concerns and indeed advised the São Toméan authorities to review its arrangements with its counterpart (Nigeria) through an independent institution (Vines, 2010). In essence, the report criticises the NSTP-JDA for not providing adequate management to ensure good governance, or enhance transparency in the operations of the zone. Consequently, it recommended that further study should be conducted into the general governance of the NSTP-JDZ. Thus, this study is also a response to this recommendation.

Furthermore, the Afrol News report of 2005, found that the administrative activities within the NSTP-JDZ had been influenced by intervention from influential parties not directly involved in the control of the JDZ and that if this political interference were to continue it would cast doubt on the survival of the agreement. A research publication by Groves (2006) raised a similar concern about the way Nigerians dominate and control the activities of the NSTP-JDA. Arguably, on the weight of evidence from the reports and studies discussed above, one could presume there are material weaknesses prevalent in the current NSTP-JDZ governance policies and/or practices. Alarming, if unchecked, these weaknesses and challenges may lead to stagnation in the management of the NSTP-JDZ or, in extremis, renunciation of the agreement by the parties involved. Consequently, this current study is timely and apt as there appears to be an urgent need to look into the general governance practices of the NSTP-JDZ. In this regard, the current research study will answer the question: Are the governance practices observed in the NSTP-JDZ consistent with globally acknowledged good governance practice? To answer this question

²Oil blocks bids is the process or auction exercise whereby interested developers compete in oil field in a certain period set by oil producing countries or field owners.

adequately, the thesis employed an established and recognised good governance framework that had been designed by Chatham House for use in sovereign states that were concerned about the governance of their oil sectors. One of the interesting aspects of the study is that it will investigate whether or not the framework is equally applicable to oil zones that straddle the boundaries of two sovereign states. This framework is discussed below.

1.2 Theoretical framework employed in this study

The Chatham House Framework is mainly a model designed to help oil producing countries and institutions make appropriate decisions concerning exploitation of their oil and gas resources. In order to ensure that appropriate decisions are arrived at in a fair, logical and structure manner, great care must be taken in planning the structural and hierarchical organisation of the sector, the decision-making and communication processes, the policies and objectives governing the sector's activities and the regulation of those activities (Lahn, et al., 2007). In recognition of the perceived wisdom of this framework to their operational activities, more than 100 corporate members, particularly national oil companies and oil producing countries around the globe subscribed to it (Lahn, et al., 2007). Consequently, there appears to be solid grounds for testing and applying this 'theoretical' framework to the study of the NSTP JDZ. No other governance framework has been designed specifically for national oil sectors and a major contribution of the study, as stated above, is to test its applicability to joint development oil zones that cross national boundaries.

1.3 Aim and objectives of the Study

The aim of this study is to explore good governance practices within the Nigeria-São Tomé and Príncipe Joint Development Zone. In order to achieve this aim, and informed by the Chatham House Framework referred to above, five specific objectives were set:

- i. To critically examine the clarity of roles, goals and responsibilities of parties involved in the NSTP-JDZ
- ii. To critically assess sustainable development issues and practices within the NSTP-JDZ
- iii. To critically examine the capacities (in terms of financial, information, human resources) of parties involved within the NSTP-JDZ

-
- iv. To critically evaluate accountability practices relating to decision making and performance within the NSTP-JDZ
 - v. To critically assess the mechanism and practices relating to transparency and accuracy of information in the NSTP-JDZ

Generally, the above five objectives were in line with the principles of the Chatham House Framework. Therefore, the major objective of the research is to test whether or not the framework is applicable to cross-border development zones similar to that of NSTP-JDZ.

1.3.1 Research questions:

As stated above, this thesis critically addresses the principle research question: Are the governance practices observed in the NSTP-JDZ consistent with globally acknowledged good governance practice? Subsequent to carrying out a critical literature review, it emerged that, in order to adequately answer this question, it would need to be refined into five sub-questions (see Section 5.3 for the arguments leading to this conclusion) and these sub-questions are stated below:

RQ1: Are the goals, roles and responsibilities of the parties involved in the management of the NSTP-JDZ clearly defined?

RQ2: Are developmental and operational activities within the zone in accordance with sustainable development practice?

RQ3: Do the parties responsible for managing the NSTP-JDZ have the required resources to carry out their assigned roles?

RQ4: To what extent is accountability relating to decision making and performance being practiced in the NSTP-JDZ?

RQ5: To what extent is there transparency relating to operational activities taking place within the NSTP-JDZ?

1.4 Research method and methodology

After careful consideration of the applicable methods and methodologies that could be relevant to the research to be undertaken, it was decided that a mixed method approach was the most apt choice (see Section 5.2). The quantitative element involved gathering and analysing data from a 5-point Likert scale questionnaire distributed to key stakeholders in the NSTP-JDZ. Great care was taken in selecting these stakeholders and in formulating the statements in the questionnaire (see Section 5.3 and 5.4.5). These stakeholders are: the

Nigeria São Tomé and Príncipe Joint Development Authority, Multinational Oil Companies (MOC), Indigenous Oil Companies (IOC), Non-Governmental Organisations (NGO), Governmental Organisations (GO) and Parliaments (PAR). The questionnaires were administered to 160 participants, 76% of whom successfully completed and returned them. Full details of the questionnaire and its analysis are contained in Chapter 6. The data collected through questionnaire survey were coded based on 5-point Likert scale in the following order: strongly disagree (1); disagree (2); neutral (3), agree (4); strongly agree (5). Various statistical methods were used to analyze the responses to the questionnaire (see Section 6.4). The qualitative element involved conducting and analysing follow up interviews with stakeholders within the NSTP-JDZ, classed as experts in the field, in order to facilitate informed review of the results of the analysis.

1.5 Summary of the contributions of the study

Generally this research study contributed to the literature particularly in the world of joint development zone. In particular, this thesis is the first empirical investigation to adopt and employ the Chatham House Good Governance Framework as a vehicle to assess governance practices of a cross-country joint development agreement, namely that of the NSTP-JDZ. In fact, this contribution is so noble that henceforth it is empirically evident that other joint development zone could use the framework to assess and guide their operational activities.

Secondly, this thesis provides the first empirical evidence about the adequacy of the governance situation in place within the Nigeria and São Tomé & Príncipe's joint development zone. It therefore enables a critical review of the concerns that were raised in previous studies undertaken (see, IMF, 2005, Vines, 2010 and Biang, 2010).

Thirdly, this study identified differences in views between key stakeholders relating to the elements of good governance within the NSTP-JDZ. These differences are important as they may well pinpoint why the governance system is deficient and, more importantly, reveal how the governance system can be improved. Thus, the findings may have the potential to promote stability between the two states and the entire Gulf of Guinea (see Section 8.6 of Chapter 8).

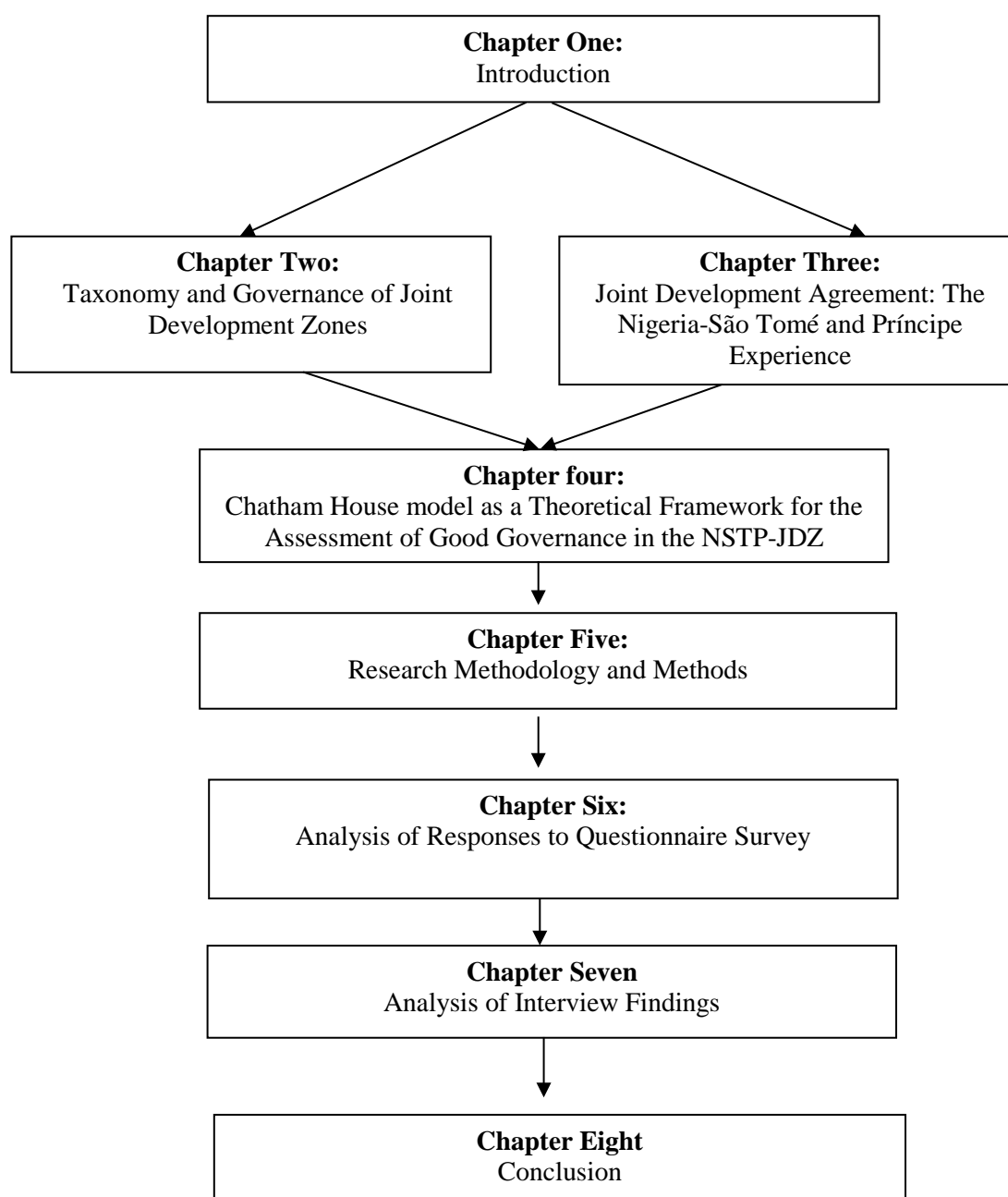
Fourthly, this study may have significant economic consequences for both Nigeria and the São Tomé and Príncipe, bearing in mind the importance of oil resources to both countries (see Section 3.2 of Chapter 3).

Finally, the findings of this study may be extrapolated to other joint development zones although the various characteristics of the parties involved in each zone will affect the degree to which it is applicable.

The structure of the thesis

This thesis is organised into eight chapters, as indicated in Figure 1.1 below.

Figure 1.1: The structure of the thesis



A brief overview of the chapters is provided below.

Chapter 2 discusses a taxonomy and governance of joint development agreements. The chapter reviews literature on issues that cause maritime disputes and claims. In addition, it gives an overview of the mechanisms employed by the states in order to resolve these disputes. The chapter places more emphasis on the concept of the joint development agreement, its advantages, shortcomings and models devised in the course of its execution. The chapter revealed that the JDA is commonly accepted around the globe as a means of solving maritime disputes and a way of reaping economic benefits in the disputed area. In addition, it further reveals the necessity for the states engaged in a joint agreement, to specify a particular model that may suit its environmental characteristics.

Chapter 3 provides an extended literature review, focusing mainly on Nigeria and São Tomé and Príncipe's joint development agreement. The chapter briefly highlights the socio-economic background of Nigeria as well as São Tomé and Príncipe. This is followed by the historical evolution of the NSTP-JDZ and the management structure put in place for its governance. The unique features, challenges and weaknesses of the system were also highlighted in the chapter.

Chapter 4 discusses the theoretical framework adopted in this research. The discussion in the chapter focused on the rationale for adopting and employing the Chatham House Framework as a vehicle for assessing governance practices within the NSTP-JDZ and the reasons for its applicability in the joint development zone. Furthermore, different frameworks, including those of the United Nations, OECD and EITI are reviewed.

Chapter 5 provides an account of the methodology and methods employed in this research. These include the rationale for the research methods adopted; development and justification of questions asked.

The findings obtained from the questionnaire are presented in Chapter 6. The analyses of the data obtained through interviews conducted with some stakeholders of the NSTP-JDZ were reported in Chapter 7.

Finally, the thesis concludes with Chapter 8. This chapter outlines the key conclusions that have emerged from the study; contributions to knowledge; the limitations - as well as recommendations for further research on joint development agreements.

Chapter 2

Taxonomy and Governance of Joint Development Zones

2.0 Taxonomy of Joint Development Agreements

2.1 Introduction

This chapter gives a general overview of joint development agreements. The chapter aims to give the overall picture of joint development agreements around the globe. The chapter has been divided into six sections. Next to the introduction segment is Section 2.2, which reviews literature on issues that cause maritime disputes and claims. Section 2.3 discusses the maritime disputes mechanism. In Section 2.4, evolution of joint development agreement, its advantages and models of its governance were discussed. The characteristics of the joint development agreement were highlighted in Section 2.5. Finally, Section 2.6 concludes the chapter.

2.2 Maritime claims of natural resources across national boundaries

Territorial sovereignty disputes over a particular area are quite common³ (Dzurek, 2000). However, final settlement of these claims is often not easily or quickly achieved, particularly if the area in question is suspected to contain substantial natural resources (Vanburen, 2006; Groves, 2005 and Smith et al., 2000). The claims may intensify,

³Some of the boundaries or sovereignty disputes occurring around the globe were: India-Pakistan (Kashmir), Iran-Iraq-Turkey (Kurdistan), Armenia-Azerbaijan (Nagorno-Karabakh), Egypt-Sudan, Iran-United Arab Emirates (Abu Musa and Tunb islands), Georgia (Abkhazia), Russia-Ukraine (land and maritime), China-India (Aksai Chin and Arunachal Pradesh), Cameroon-Nigeria (Bakassi Peninsula and maritime), China-Vietnam (Gulf of Tonkin).

particularly if the resources include petroleum, and they appear to dominate the geopolitical world where countries are struggling to heighten their power and control (Biang, 2010 and Gendreau, 2000). Thus, the increasing importance of these natural resources in international affairs has increased conflict among nations (Gendreau, 2000). The growing number of disputes on natural resources around the globe over the past ten years is alarming. In a related example, Collier (2007) reports that in 2001, close to fifty armed conflicts were strongly linked to the legal or illicit exploitation of natural resources which eventually triggered or sustained violence.

In general, the problems intensify when resources are found on a border, as two or more coastal states may claim ownership, which leads to border disputes. It is believed that a boundary dispute between two countries may not only be a problem for the countries involved, but also for the region in general.

Blanchard (2005:688) wrote that, *“Boundary disputes are among the most explosive international flashpoints. They frequently correlate with militarised interstate disputes and are more likely to lead to high intensity conflict than other kinds of frictions”*.

Therefore, consequent economic and other commercial activities may be side-tracked and eventually stall in this situation. In this regard, world peace and security are a major concern of the United Nations. Thus, the United Nations charter of 1945 sets out the means available under international law to resolve misunderstandings, in order to foster international and regional peace. Article 33(1) stated that:

“The parties to any dispute, the continuance of which is likely to endanger the maintenance of international peace and security, shall, first of all, seek a solution by negotiation, enquiry, mediation, conciliation, arbitration, judicial settlement, resort to regional agencies or arrangements, or other peaceful means of their own choice”.

In addition to maintaining international peace and security, the UN focuses on solving maritime problems concerning neighbouring countries' coastal areas. For instance, in 1958 it established a framework (the UN Convention on the Continental Shelf, 1958) for cross-border cooperative development of common or shared natural resources between adjacent states. It is believed that this development was the first attempt at finding a solution to a maritime dispute involving the overlapping of boundaries (Bulama, 2008). In addition,

Howeels and Barrett (1984) highlighted another endeavour by the United Nations to meet its offshore development objectives, when it called for another convention in 1982. This effort resulted in the establishment of the United Nations *Convention on the Law of the Sea* (UNCLOS 1982). The convention included a new judicial order and allowed coastal states to claim a 200 nautical mile Exclusive Economic Zone (EEZ) and at the same time address the issue of border overlap. Article 3(83) stated that:

“Pending agreement...the states concerned in the spirit of understanding and co-operation shall make every effort to enter in to provisional arrangements of practical nature and during the transitional period not jeopardise or hamper the reaching of final agreement. Such agreement shall be without prejudice to final delimitation.”

However, Vanburen (2006) argued that the UNCLOS fails to indicate which specific provisional arrangements of a practical nature should be adopted. Hence, countries are free to choose any type of arrangement for resolving overlapping disputed areas. The section below considers the relevant means of resolving issues in these disputed areas.

2.2.1 Resolution mechanism as an appropriate means of solving maritime disputes

There are many ways to resolve maritime disputes, especially on natural resources; some of which are provisional arrangements, such as arbitration, conciliation and mediation, while others like litigation and treaties are more permanent arrangements (Biang, 2010). The determining factor when choosing which of these options to adopt depends on the circumstances for demarcating the disputed area. As Blanchard (2005) argued, countries define borders for the following reasons: strategic military, economic empowerment, constitutive functions, national identity, ethno-national unity, state building and preservation and domestic-political purposes. However, whatever the reasons, the economy and the method chosen for resolving disputes are key aspects which contribute to the tension felt by a country facing border delimitation (Tanaka, 2009 and Tanaka, 2003). Indeed, the majority of cases appearing before tribunals and the international court concerning delimitation involve the resolution of natural resource disputes (Tanaka, 2009; Currie, 2004; Tanaka, 2004; Ifesi, 2003 and Evans, 1997). Consequently, a country strives to delineate borders with its neighbours whenever there are maritime disputes (Ifesi, 2003 and Lerer, 2003). For the purpose of this research, only the methods considered to be relevant in the context of a joint development agreement will be discussed. In the light of this, therefore, the next section considers the delimitation of maritime boundary.

2.2.1.1 Delimitation of the maritime boundary

Delimitation is said to be the process of delineating borders between, or amongst countries or regions, based on numerous factors such as the physical characteristics of the region, social and political or cultural context of an area (Handley, 2007). Therefore, delimitation of borders is argued to be a preferable means of resolving maritime disputes between claimants - even though it is a challenging process (Keyuan, 2006b and Ifesi, 2003). Indeed, it is difficult because the process necessitates time, involves long procedures and third party intervention (Tanaka, 2004 and Ifesi, 2003). In fact, as at 2004, Tanaka (2004) reports that since the 1969 cases of the North Sea Continental Shelf, only eleven judgments were made by international court and tribunals⁴ in relation to maritime delimitation. In addition, Irina and Azhdar (2003) report that, as at 2003, results of an analysis conducted by specialists from the University of Durham, England, shows that there were as many as 95 territorial conflicts throughout the world. The analysis further reveals that almost 15% of these contemporary conflicts are connected with unresolved border disputes, due to the improper delineation of borders. Hence, it is arguable that delimitation is the final means of settling maritime disputes; moreover, this method has been successful across the globe (Tanaka, 2004). This is in line and in compliance with Article 15 of the 1982 UNCLOS on the delimitation of borders, which states:

“Where the coasts of two States are opposite or adjacent to each other, neither of the two States is entitled, failing agreement between them to the contrary, to extend its territorial sea beyond the median line every point of which is equidistant from the nearest points on the baselines from which the breadth of the territorial seas of each of the two States is measured. The above provision does not apply, however, where it is necessary by reason of historic title or other special circumstances to delimit the territorial seas of the two States in a way which is at variance therewith”.

Therefore, delimitation is said to be important and grants total sovereignty to each state over the governance of its territory without the need for any partnership with other state; thereby, avoiding the conditions and complexities of treaties and agreements. Brown

⁴There are hundreds of boundary delimitation treaties, however, the eleven successful border delimitations by international courts and tribunals are: the North Sea Continental Shelf case of 1969; the Angola-French Continental Shelf case of 1977; the Tunisia-Libya case of 1982; the Libya-Malta cases of 1985; the Guinea/Guinea-Bissau case 1985; the St Pierre and Miquelon case 1992; the Greenland/Jan Mayen case of 1993; the Eritrea/Yemen case of 1999; the Qatar/Bahrain case of 2001 and the Nigeria/Cameroon case 2002 (Tanaka, 2004).

(1994) opined that, in general, the delimitation of borders can be agreed as being unnecessary where there is a resource dispute. In fact, even the UNCLOS 1982 does not categorically insist on the division of the development of resources in the shelf. Even when the need for the delimitation arises as a result of resource disputes, Article 83 (3) states that the countries involved should enter into a provisional arrangement as earlier indicated. However, Ejegi (2005, p.9) argues otherwise, and contended that “...The right of States to the Shelf resides in the mineral deposit; the unity, title and exploitation of the deposit should affect the delimitation process”. He further stresses that sovereignty of a state is not restricted to the geographical structure but rather the resource content of an area, the ancillary right to exploit it, the granting of licences and the construction, the authorization or the regulation of the installation of structures in the seas. Therefore, one can conclude that the resources affect the delimitation process in one way or the other; hence, applying appropriate governance could effectively assist in resolving possible disputes.

2.2.1.2 Treaties and joint agreements

As previously discussed, the delimitation provision in UNCLOS 1982 does not provide a clear solution to the resource border disputes. Therefore, alternative resolutions, such as treaties and agreements become essential. In addition to the difficulties associated with the delimitation of borders, it is virtually unachievable to prevent or stop natural resources moving from, or straddling over one area to another (Ejegi, 2005). Thus, the problems are unlikely to be properly addressed, even when borders are demarcated. In this regard, the provisions of Articles 33 (1), 74 and 83 of the UN Charter of 1945, the UN Continental Shelf Convention of 1958, and UNCLOS 1982 respectively, have emerged as alternative solutions prior to a final agreement on delimitation. In fact, the 1982 UNCLOS categorically stated that whenever a delimitation of EEZ between states having opposite or adjacent coastlines, is not reached within a reasonable period of time, those countries should resort to other provisional agreements of a more practical nature (Risa, 2010). Evidently, this helps in resolving the majority of natural resource crises, particularly when the states require resources (Biang, 2010; Jianjun, 2008; Keyuan, 2006a and Lagoni, 1999).

In consequence, this study will focus mainly on the governance of the joint development agreement, since the parties under review, namely Nigeria and the São Tomé and Príncipe resort to this type of arrangement when attempting to deal with maritime disputes in coastal

areas.⁵ Henceforth, this study will concentrate on general issues; governance and the management of the joint development of petroleum resources.

2.3 Evolution of joint development zones

Article 76 (1) of the UNCLOS defined the continental shelf as “...the seabed and subsoil of the submarine areas that extend beyond its territorial sea throughout the natural prolongation of its land territory to the outer edge of the continental margin, or to a distance of 200 nautical miles from the baselines from which the breadth of the territorial sea is measured where the outer edge of the continental margin does not extend up to that distance”. However, many countries are divided by waters less than 400 nautical miles; hence, none of the states are entitled to a complete 200 nautical miles of EEZ. Thus, an overlap must occur between the two countries, which may result in problems requiring prompt solutions in order to foster peace and security in that particular zone.

In section 2.3, above, it was posited that joint development is one of the ways of solving maritime boundary problems. Therefore, it is important to highlight the concept in detail. Lagoni (1988 p.2) defined JD as a, “Co-operation between states with regard to the exploration for and exploitation of certain deposits, fields, or accumulations of non-living resources which either extend across a boundary or lie in an area of overlapping claims”. Hence, Lagoni places more emphasis on cooperation between the states and does not take other cooperation into consideration, such as the contractual relationship between companies. Moreover, Gault (1988) defined joint development as, “a decision by one or more countries to pool any rights they may have over a given area and, to a greater or lesser degree, undertake some form of joint management for the purpose of exploring and exploiting offshore minerals”. In another vein, Miyoshi (1999: p.1) defines JD as, “an inter-governmental arrangement of a provisional nature, designed for functional purposes of joint exploration for and/or exploitation of hydrocarbon resources of the seabed beyond the territorial sea”.

Furthermore, arguments were put forward on whether JD is restricted to petroleum resources or not, because more emphasis is placed on hydrocarbon than living resources (Biang, 2010 and Jianjun, 2008). However, evidence emerged revealed that countries

⁵See Chapter Three for details on Nigeria-São Tomé and Príncipe’s joint development agreement, which is the main topic of discussion addressed in this thesis.

establish a JDZ, not necessarily on petroleum resources, but for both living and non-living resources. This is seen in the 2001 NSTP-JDZ agreement and the Jamaica-Colombia agreement of 1993, where the treaties stipulate that the agreement encompasses both living and non-living resources. Indeed, China, for example, entered into three fishery agreements: with Japan in 1997; South Korea, in 2000, and Vietnam, in 2000. All of these agreements established various fishery management zones, in the Yellow Sea with South Korea, East China Sea with Japan and The Gulf of Tokin with Vietnam. These agreements were undeniably successful and excellent models for future living resource agreements (Keyuan, 2006a). In fact, Santos (2005) argued that China's fisheries' agreement on living resources could be an exemplary model for the Nigeria-São Tomé and Príncipe JDA. Underlining further, the advantages of a living resources' zone, Santos (2005) believes that fishing is one of the major income generating industries of countries like Sweden, Denmark, Norway and Finland. Therefore, trial of joint development in this respect could arguably be a good idea for countries.

2.3.1 Advantages of the joint development agreements

Dispute resolutions, economic need for resources and political solutions are believed to be the main reasons for establishing a JDA (Biang, 2010; Risa, 2010; Jianjun, 2008; Keyuan, 2006a Groves, 2005 and Thao, 1999). In fact, Keyuan (2006b:157) remarks that, "a joint development is a most feasible mechanism to shelve disputes and pave the way for cooperation pending settlement of territorial and/or maritime disputes over a certain sea area due to overlapping claims". More specifically, in another article, Keyuan (2006a) enumerates some of the unique advantages that could be derived from a successful JD, as follows:

- i. JD is the most feasible mechanism by which to shelve the dispute, so as to pave the way of reaching an agreement pending a settlement of territorial and/or maritime dispute over a certain sea area due to overlapping claims.
- ii. Appropriate choice of the JD model is another means of dispute resolution that would play a significant role in distributing natural resources effectively and rationally for the benefit of all of the participating states.
- iii. The JD can enhance and probably expand regional co-operation in other areas - not necessarily economic.

-
- iv. Lastly, JD helps coastal states in achieving economic and social developmental activities in their areas by providing a secured atmosphere which could not have been achieved without the agreement.

However, Frynas (1998) had earlier disputed the last argument put forward by Keyuan (2006a), as he posited that continual operations by the IOC, as well as the MOC, in some disputed areas like Niger Delta of Nigeria and Darfur of Sudan is enough to justified that companies operate even in the disputed areas. This is the case as many companies are willing to take certain risks in order to search for commercial exploitable oil and gas resources in disputed areas, especially when the states around the zone have given them assurance of a certain level of military protection. Indeed, Strati, 1990 cited an example with Vietnam, where MOCs were promised protection from any potential attacks launched by the Indonesian army; hence, the normal production activities proceeded (Strati, 1990).

In addition to the stated advantages of the JDA, Risa (2010), Jianjun (2008) and Mensah (2006) argue that the JDZ is primarily established for two significant reasons: firstly, when the states concerned find delimiting their borders to be challenging or impossible; secondly, when the resources straddle the boundary in a way that it is impossible for any state to exploit resources efficiently and in an equitable manner. Therefore, the establishment of a JDZ could be considered to be a great advantage to both states. Stressing an additional advantage of the JDZ arrangement, Lerer (2003) contends that it could be the most effective way to resolve maritime boundary disputes involving natural resources deposits, compared to other means of solving maritime disputes.

The above examples, demonstrating the advantages of the JDA, are extremely important, because the states involved must recognise the need to sustain agreements for the benefit of all parties. Indeed, where such agreements are not sustained it may result in political and security unrest in the affected countries. As a result, this unrest may affect the bilateral relations, or even internal peace and security which could hamper the economic activities, such as the exploitation of resources in disputed areas (Wajilda, 2007; Vanburen, 2006; Lerer, 2003 and Smith et al. 2000). Having highlighted the advantages of the JDA, the next section investigates the ways that JDA manages the JDZ, referred herein as the joint development model - since to a great extent the JDZ's success depends on how the responsible parties successfully govern the zone.

2.3.2 Models for governing the joint development zone

The abundance of natural resources close to borders makes territorial areas more important to the claimants (Onorato and Valencia, 1990). Likewise, the increasing need to exploit those minerals and living resources leads to the establishment of different mechanisms or models to reap the benefits of the endowed resources (Theutenberg, 1984). Nevertheless, this should not be undertaken at the expense of peace and security in the zone. As indicated earlier, Article 83 (1) of the UNCLOS 1982 states that, “Pending agreement...the States concerned, in a spirit of understanding and cooperation, shall make every effort to enter into provisional arrangements of a practical nature and, during this transitional period, not to jeopardize or hamper the reaching of the final agreement. Such arrangements shall be without prejudice to the final delimitation”. Therefore, as previously stated, establishing a JDZ is probably one of the best means a disputant can employ in order to secure the natural resources from overlapping areas. Moreover, establishing JDA in the respective zones is not sufficient to deal with disputes over resources, instead a model should be devised and the necessary legal and administrative systems applied in order to fulfil the agreements (Willheim, 1989).

The British Institute of International and Comparative Law (BIICL) set up a committee in 1985 to undertake a comprehensive investigation on the JDZs between countries in offshore maritime zones (Fox et al., 1989). The objective was to give each of the coastal area claimants the opportunity to manage their maritime claims effectively (Okofor, 2007). Hence, BIICL introduced three JD models⁶. A joint development model is said to consist of guidelines on how to appropriately, or proportionately, share the risks and rewards in a designated zone (Gault, 1988). Equally, the JD model is a structure that is mainly concerned with the party entitled to authorise development activity, and where and when to authorise natural resources operations in the zone (Lerer, 2003). Okafor (2007) further opined that the joint development model is a comprehensive and practical solution to the coastal states’ compounding problems of petroleum resources, especially in an area where no maritime boundary delimitation has been concluded. Keyuan (2006a) stresses that the joint development model is an element in the JDZ that enhances dispute resolution and plays a significant role in distributing natural resources effectively and rationally for the benefits of all participating states. Lerer (2003) and Fox et al. (1990) added that the

⁶ Referred to as joint development models and discussed in detail henceforth.

categorisation of the JD models is a way of synthesising the context of the agreements and their provisions by providing a suitable arrangement that each state is willing to choose. Therefore, the coastal states may be willing to choose any model, mechanism or arrangement that will aid in the smooth running of the zone.

Below are the three models, as identified by the (BIICL), for the conduct of the JDZ:

2.3.2.1 Compulsory joint venture model

The first model used for governing JDZs, is referred to as the compulsory joint venture structure, whereby two states or nations have a compulsory joint venture (Vanburen, 2006). In this model, the central point is that each participating state has the mandate to license its own nationals, nominated oil companies, or other licenses selected by the state to operate within the zone, with a provision for compulsory joint ventures between these licenses (Lerer, 2003; Ong, 1999 and Fox et al., 1989). However, the strategic control of the resource development is still retained by the two countries and they have the mandate of approving the joint agreement (Ong, 1999). It has been reported that the model was used by the Japan-South Korea agreement of 1974 in the southern part of the continental shelf of the two countries; the Malaysia-Vietnam agreement of 1992; United Kingdom-Argentina agreement of 1995; the Columbia-Jamaica treaty of 1993 and the France-Spain agreement of 1974 in the Bay of Biscay⁷ (Willheim, 1989; Thao, 1999 and Ong, 1999). In the 1992 agreement between Malaysia and Vietnam, the countries agreed to nominate PETRONAS and PETROVIETNAM of Malaysia and Vietnam respectively to oversee the exploration and the exploitation of the petroleum resources in the overlapping disputed areas. While the Japan-South Korea agreement of 1974, which came into force on 22 June 1978, established a commission with liaison functions designed to look after the joint venture, however, it is not as institutionalized as a joint authority (Miyoshi, 1999). In the same vein, in the Columbia-Jamaica treaty of 1993, the countries agreed to have joint management and control in the zone, particularly on exploration and the exploitation of living and non-living resources.

There are many advantages attributed to this model, such as direct or indirect local participation that could enhance local employment and the expertise of the parties involved

⁷As earlier indicated, JD is a provisional arrangement pending maritime delimitation. However, Biang (2010) highlights that the French-Spain agreement of 1974 and Kuwait-Saudi Arabia agreement did not possess this provision; thus, their agreement agreed mainly on resource distributions.

(Vanburen, 2006; Lerer, 2003 and Thao, 1999). Furthermore, each state is fully confident in their sovereignty, and no temporary ownership rights are offered to the other state, because it engages either directly or indirectly in the management of the zone. However, there are many arguments on the disadvantages of a compulsory joint venture or of two state joint venture structures. As indicated by Wellheim (1989), a JDZ might become complex whenever the two countries involved have different laws and administrative machinery. Thus, Lerer (2003) and Vanburen (2006) opined that the presence of two or more licences and two taxing authorities may complicate the administration and management of the zone. Arguably, this could be the case as each state may be struggling to see its tax system prevail.

2.3.2.2 Joint authority model

Some claimants of natural resources on territorial borders do not have the skills or the required resources to participate in the joint venture, as discussed in model one, above. However, another alternative is to establish an authority that will manage the zone on behalf of the participating state. The BIICL introduced a joint authority structure as the second model of joint development (Fox et al., 1989). In this arrangement, an authority with the regulatory and licensing powers is established to manage the development of the resources on behalf of both states (Vanburen, 2006; Groves, 2005; and Fox et al., 1989). The authority has been described by Ong (1999) as a most complex and institutionalised arrangement, compared to other models. Equally, the authority has a unique legal characteristic that differentiates it from other arrangements (Ong, 1999 and Lagoni, 1988). The formal nature and the structure of this model make each party more dependent on one another. Therefore, the model's success lies heavily on the mutual trust between the co-ventures that establish the authority (Keyuan, 2006a). For example, the 1989 Malaysia-Thailand agreement in the Timor Gap established an authority, overseen by a joint ministerial council, to manage the exploration and exploitation of petroleum resources in area A (Ong, 1999). Kaye (2004) describes the success of Malaysia-Thailand agreement as an act of mutual trust considering the cultural, economic and political differences in the Timor Gap. Acceptance of this structure is seen in the 1993 agreement of Guinea Bissau-Senegal. In this zone, the authority played a great role in stabilising the situation between the two countries (Ong, 1999). The Nigeria-São Tomé and Príncipe JDZ also opted for this

model, and arguably the established authority in this zone is described as one of the best in the global history of JDZ⁸.

In this regard, Holmes (2002) emphasises the importance of creating an authority that manages joint development agreements, citing the Timor gap model as a solution to the other zones and taking into account its level of comprehensiveness and political complexities. On the other hand, it is the general practice of states when establishing the JDZ, to agree on certain fundamental provisions, such as the governing law, benefits and cost sharing and the duration of the agreement (Vanburen, 2006). However, the majority of problems are encountered in the course of negotiating these provisions or the breach of the same during the implementation of the agreement (Lerer, 2003 and Willheim, 1989). This was also observed by Willheim (1989) in the Malaysia-Thailand agreement of 1989 where it takes more than ten years for the countries involved in the zone to resolve certain fundamental provisions in their treaty, particularly the choice of the law to be used in the resolution of disputes.

2.3.2.3 Single structure model

The last category of the JD models is the single state structure, whereby one state manages the development of the resources on behalf of both states. Thus, one state serves as an operator, while the other remains as a non-operator, hence the latter's role is limited to revenue sharing and monitoring only (Vanburen, 2006 and Grove, 2005 and Lerer, 2003). The operators mostly manage the zone as if it is a single territory and apply all its relevant laws and regulations in the course of operations (Lerer, 2003). Some well-known zones adopting this model include the Abu Dhabi-Qatar agreement of 1969 and Saudi Arabia-Bahrain agreement of 1958. In both cases the former manages the zone as an operator (Ong, 1999). In the case of the complicated zone of Timor Gap, the states involved categorise the zone into three different sections (A, B and C) and employ model two and three, based on the relevance and suitability of individual circumstances (Kaye, 2004). Australia and Indonesia entered into a cooperation agreement in 1989 on areas B and C, where they implement a single structure model. However, in this case each state manages the area of the zone adjacent to its territory and pays 10% of the accrued revenue to the other partner.

⁸ This is elaborated on in the next chapter.

Simplicity is one of the merits of a single structure model, because it does not require formal arrangements and other bureaucracies (Fox et al., 1989 and Ong, 1999). In addition, it promotes mutual trust between the countries as it gives one partner total mandate to run the project. On the other hand, one of the primary aims of any coastal state engaging in the joint development agreement is the maximisation of returns and the minimisation of cost (Smith et al., 2000). However, that should not be undertaken at the expense of the country's sovereign rights (Ong, 1999). In this regard, some states perceive JD's single structure as a weakness and threat to the country's sovereignty (Lerer, 2003). In support of this argument, Ong (1999) stresses that the explicit rights contained in the provisions of the agreement are not sufficient to justify the autonomy of the non-operator. Thus, Vanburen (2006) and Lerer (2003) argue that the non-operating partner has every right to doubt his independence, taking into account the legislations and regulations of the zone, particularly in relation to revenue collections and other taxes that are solely administered by the operating state.

In the end, whichever model a zone decides to implement, a description of the boundary; the objectives of the arrangement; the rights of the participant, resources to be developed; the laws used to govern the zones and the time period of the whole agreement must be spelled out at the initial stage of the agreement (Ogunjiofor, 2007; Groves, 2005; Ong, 1999; Kaye, 1994 and Lagoni, 1988). Choosing specific JD model can be significant, but Miyoshi (1999) and Welde (1990) are of the view that each zone may have different cultural, political and economic backgrounds; therefore, a zone should be allowed to choose its preferred agreement, based on their respective circumstances. Also, Gault (1988) argues that a joint development model should be designed and adopted based on the individual zone's economic and political circumstances at a particular period. This is understandable, considering the differences in each zone and the circumstances that lead to the formation of zone. In some situations, the countries could all be developing nations, while in other cases there could be a combination of advanced and developing countries. For example, one country might have more exploration and exploitation experience as well as capital, allowing it to undertake the activities more efficiently than the other. Therefore, in this case, the countries can decide to adopt a single structure model, thereby allowing one state to oversee the operational activities. In his findings, Gault (1988) emphasises that it would be difficult to have a model that all zones can emulate, because the states involved might have different laws and petroleum activities expertise.

2.4 Characteristics of joint development agreements

Clear definitions of some fundamental provisions are always necessary in the governance of the joint development agreement. In fact, due to the nature and complexity of these provisions, it took more than a decade for the Japan-South Korea and the Malaysia-Thailand proposal of 1974 and 1979 respectively to reach an agreement on how to govern the discovered resources (Fox et al., 1990). However, this is not a general phenomenon, as the Nigeria-São Tomé and Príncipe agreement of 2001 took only three years for the states involved to agree and ratify the treaty. Reaching an agreement on these provisions is essential because it helps to determine each party's roles and responsibilities, thereby creating a cordial relationship and accountability between the disputant states (Vanburen, 2006; Bialek and Triggs, 2002 and Onorato, 1997). Furthermore, in his statement regarding the importance of a JD framework, Ogunjiofor (2007:11) said that, "It should be appreciated that before creating a successful joint petroleum development offshore, the Coastal States involved in this maritime issue must, *inter alia*:"

- i. Be willing to cooperate
- ii. Be ready to define the zone
- iii. Be ready to agree on the specific resources to be developed (e.g. gas, oil, etc.)
- iv. Agree on the percentage share of the costs and profits
- v. Must agree on the legal and fiscal regime

Thus, subsequent sections provide a brief overview of those characteristics as it applies to resources owned by two or more states around the globe.

2.4.1 Geographical scope

The boundary conflict does not just concern territorial ambition or the desire for more space, but rather it is a struggle that underpins the competition for the control of natural resources beneath the disputed territory (Shehu, 2006; Lerer, 2003 and Ong, 1999). Hence, in the 1980's and 1990's, some countries erected physical structures near the coastal edge, or very close to their territories and in some cases established markers where physical occupation was not feasible, just to register their presence and widen their sovereignty towards actualizing their control over the natural resources on borders (Snyder, 1996). To this end, the struggle to define and delimit borders always occurs. In the case of an agreement between two disputant countries claiming an overlapping area, the geographical area is said to be the scope of the zone where the disputant agreed to develop the resources.

Therefore, the total area of the overlap between the states should be defined at the initial stage of the agreement, in order to establish the total area of the zone (Lerer, 2003; Willheim, 2002 and Vicuna, 1993).

Furthermore, Vicuna, (1993) highlights many ways of defining the scope of a zone, some of which are geographical and geological coordinates and equidistance or provisional line methods⁹. For example, the NSTP-JDZ¹⁰ adopts the latter method, which divides the coastal edges of both Nigeria and São Tomé and Príncipe. However, Nigeria required the zone to be defined from the 200 nautical miles perspective, as provided by the UNCLOS 1982. Clarification of the range area of a zone is very important, because it gives the operator a sense of scope on where to operate and which petroleum law and tax regime to apply in their exploration and exploitation activities (Willheim, 1989). Having defined the scope of the zone above, the next line of action is to establish a good management structure to be used in the general operations of the zone.

2.4.2 Management structure

The JDZ is an area where jurisdictions is disputed, and were the countries involved must provide a satisfactory structure that will be fair and protect the rights and obligations of others (Weaver et al., 2007 and Bastida et al., 2007). Thus, Lerer (2003) and Hossain (1990) highlight a number of managerial issues that the JDZ addresses, these are: How the management of the development of the natural resources is going to be governed; Who exactly authorises the development; how other affairs of the zone are run; What is the communication channel and accountability structure of the zone. Indeed, Willheim (1989) argues that the success of any proposed JDZ relies on the adherence to the above issues. Therefore, observing the issues critically, it can be stated that the general issue is the accountability of the actions by one party to another. This was highlighted by Gray et al. (1996) who stated that, “Accountability is the duty to provide an account (by no means necessarily a financial account) or reckoning of those actions for which one is held responsible”. For this reason, one could argue that the key tool to good governance and accountability lies on the proper establishment and adherence to an effective management system. For example, the NSTP-JDZ treaty incorporates a comprehensive management

⁹Article 12 of the 1958 Territorial Sea Convention defines equidistance as, “The line every point of which is equidistant from the nearest points of the baselines from which the breadth of the territorial sea of each of the two States is measured.”

¹⁰The Nigeria São Tomé and Príncipe JDZ lie in the Gulf of Guinea in West Africa and have a total geographical area of about 35,000 Sq km.

structure, whereby Article 9-9.7 of the treaty established an Authority and stipulates its functions. The main function is the responsibility of managing activities relating to the exploration for and exploitation of natural resources in the zone and reporting the same to the joint ministerial council. Moreover, the JMC stands as the overseer of the JDA, as stated in Article 8.1: “The Council shall have the overall responsibility for all matters relating to the exploration for and exploitation of the resources in the zone and such other functions as the States Parties may entrust to it”. Consequently, the JMC is also responsible for accounting for its actions to the respective states (Nigeria and São Tomé and Príncipe). Ong (1999) examined the Malaysia-Thailand agreement, where the management system is virtually the same, with the exception of the composition of the council.

However, the management system of the JDZ is always easier and more straightforward when the states involved have the same legal and administrative framework, or one state is managing the zone on behalf of both (Groves, 2005; Ong, 2002; Lerer, 2003 and Reynolds, 1996). In line with this, Willheim (1989, p.832) cites Australia and Indonesia - two countries with entirely different social and legal systems - which experienced the following legal and administrative challenges in their joint agreement:

- i. The granting of exploration and production rights
- ii. Administration, including arrangements with and supervision of, operators and all other things normally part of the domestic mining code
- iii. Collection and sharing of revenue
- iv. Application of public regulatory laws covering matters such as immigration, customs and quarantine
- v. Application of a private law system, including general civil and criminal laws

Therefore, it is clear that managing a zone is complex whenever two or more states with different legal and governmental structures establish a joint agreement. However, Onorato (1997) argues that, it is always possible to have a common practicable law in a disputed area, even though the states concerned have different political ideologies, or even legal systems. Moreover, for this to be feasible, it is necessary for the states to reach an agreement at the initial stage, concerning the governing laws, roles and responsibilities in the operations of the zone (Vanburen, 2005; Ifesi, 2003; Bialek and Triggs, 2002 and Ong, 1999). Thus, a comprehensive arrangement that stipulates all benefits and costs accruable

to parties at the onset would help to avoid any upcoming disputes between the participating states.

2.4.3 Sharing of benefits and cost

The maximisation of economic benefits is one of the central goals of most states creating a JDZ (Bialek and Triggs, 2002 and Reynolds, 1995). Thus, sharing the benefits and apportioning costs always dominates the negotiation processes at the beginning of an agreement (Hossain, 1990). Taking this into account, Shehu (2006) opines that the main concern of any JDZ is neither border delimitation nor the struggle for the domination of offshore areas or a piece of land, but rather simply the struggle for resource control on the overlapping areas. Equally, Weaver et al. (2007) adds that sharing resources is the fundamental and key element for a successful JDZ. Furthermore, Strati (1990) justifies the statements by citing the Japan-South Korea JDZ agreement as an example, where evidence shows that the need for oil overrides the political consideration, as well as overshadowing the issue of the delimitation of the borders. Therefore, the claimant states to employ every necessary skill in the course of negotiating the agreement with a partner in order to specify the proceeds that are to be shared, as well as how any costs incurred in the operations of the zone are to be divided¹¹. For example, Article 3.1 of the 2001 NSTP JDZ agreement states that, “The State Parties shall share, in the proportions; Nigeria 60%, São Tomé and Príncipe 40%, all benefits and obligations arising from development activities carried out in the Zone in accordance with this Treaty”. Similar provision was provided in the 1989 Australia-Indonesian agreement, where the provision in area A stated that the resources were be shared equally, while in area’s B and C the allocation was 90/10 and 10/90 respectively. Hence, virtually the same negotiation is expected at the beginning of every agreement in any zone. In general, the question of why, for the purpose of fairness and equity, are the principles of equally sharing benefits and costs not applicable in all zones, to eliminate the sense of domination by the favouring state (Antunes, 2003). This arrangement, if adopted, may be seen by disputing parties as preserving their individual rights.

¹¹The distribution of proceeds/benefits is applicable to any arrangement a zone adopts. Therefore, clear stipulation on how to share the benefits and costs must be stated at the beginning of the agreement.

2.4.4 Preservation of rights

A state is said to have sovereignty over an area when it controls or has titles to lands, bordering waters, territorial seas, or the air space above the land (Katter, 2003). It is important that the host country is aware of its rights, limits, and more importantly, its level of sovereignty over an area, before granting a title to the MOC. On the other hand, it is mandatory for the MOC, as an operator, to obtain a title to the resources before engaging in any exploration and exploitation activities (Johnston, 1994). Moreover, the nature of JDZ stipulates that this right should be obtained jointly from the two states, because no single state has the overall power or sovereignty¹² over a disputed area (Willheam, 1989). In contrast, the identity of some areas and their sovereignty may be unclear, especially in offshore areas, where several countries may have overlapping claims (Smith et al., 2000). Thus, the JDZ, particularly of petroleum resources, has been devised as a solution to the question of boundaries, or competing claims of sovereignty and jurisdiction (Vanburen, 2005). However, it may be seen as a temporary solution by setting aside claims of sovereignty in favour of reaping natural resources (USIP, 2005). Nevertheless, Lang et al. (2007) and Lerer (2003) argue that this should not be done at the expense of state sovereignty; therefore, the countries involved are expected to respect the sovereign rights of one another. Unfortunately, some countries employ ways¹³ other than dialogue to preserve their rights to the resources and maintain their sovereignty over territorial disputes' areas (Smith et al., 2000 and Hayes, 1990). This was clearly demonstrated in the 1990's when Iraqi invaded Kuwait and declared the latter as its nineteenth province. In their analysis on the Iraq-Kuwait invasion, Smith et al. (2000 p.213) writes that, "One factor exacerbating the tension between the two countries immediately before the invasion was the competitive development of the immense Rumaila reservoir¹⁴, which straddles the boundary of the two countries". This proves conclusively that maintaining sovereignty, as

¹²The Dictionary of International Law defined sovereignty as, "the freedom of a state from outside control in the conduct of its internal and external affairs" (Gamboa, 1973). Therefore, in the case of JDZ, none of the states are entitled to carry out operations in the area without prior arrangement or consent of others (neighbours).

¹³Generally, there are six methods of acquiring titles to the territory, namely: Occupation, Accretion, and Prescription, Voluntary cession, Treaties of peace and Force cession or conquest (Smith et al., 2000). However, in the interest of peace and security of the region, countries adopt treaties of peace, such as a joint development agreement.

¹⁴The Rumaila reservoir was the fourth largest oil field in the world, as at 1990. It was discovered by British Petroleum and is situated in southern Iraq about 32 km away from Kuwait's Border. Because of its significance, this field was the cause of the Iraq-Kuwait dispute and eventual invasion (Hayes, 1990).

well as having joint authority over the resources is an essential clause which every JDZ should stipulate at the beginning of an agreement. Equally important is the issue of duration and termination of the agreement which, in addition to other factors, is likely to determine the viability of the JDZ.

2.4.5 Duration and termination of the agreement

Certain JDZs require even decades to negotiate a joint development agreement (Walde, 1990). However, it is evident that countries engaging in any joint agreement need to determine, at the initial stage of the arrangement, the duration as well as the reasons and procedures for the termination of the joint agreement (Vanburen, 2005; Ong, 1989 and Valencia, 1986). This ensures both the operators and the non-operators are aware of the scope and the time limits of the agreement. This is significant, considering the risk and requirements associated with petroleum operations such as enhanced technological expertise, huge capital requirements and other operational risks (Johnston, 2003; Smith et al., 2000 and Walde, 1990). These requirements, therefore, require an extended period of time for petroleum exploitation and exploration activities (Johnston, 1994). In this regards, Walde (1990) Lerer (2003) and Valencia (1986) suggested that it would be reasonable to make the duration of a joint agreement longer, so as to allow all of the stakeholders to make appropriate investment decisions - particularly, when taking into consideration the political, geological and geophysical requirements of oil operations.

Generally, the majority of joint development agreements around the globe stipulate a long duration for the activities. For example, the NSTP-JDZ treaty has duration of forty-five years with the option of a thirty year renewal (Umar, 2002). In its provisions, the 1974 Japan-South Korea agreement is expected to last fifty years. On the other hand, another article in this same treaty stipulates that if no commercial discovery is made, the states involved can terminate the agreement through mutual consent (Valencia, 1986). Even though a long duration seems to be popular in most JDZs, the 1965 Saudi Arabia-Kuwait agreement¹⁵ does not consider it important, hence there is no provision to that effect. Instead, the agreement states that either country can terminate the agreement at any time.

¹⁵This agreement has been superseded by the July 2nd, 2000 agreement, which came into force on 31 January, 2001, between the Kingdom of Saudi Arabia and the State of Kuwait concerning the submerged area adjacent to the divided zone (Biang, 2010).

Another contentious issue worthy of addressing at the initial stage of JDZ is the fiscal regime to be used.

2.4.6 Production Sharing Contracts as an appropriate mechanism for the development of petroleum resources in the NSTP-JDZ

A fiscal regime is a contractual and legislative system that uses tax and non-tax instruments in petroleum operations to apportion revenue amongst the parties (operator and non-operator) involved in the resource exploitation and exploration agreement (Johnston, 2003). Countries devise or adopt fiscal regimes to attract investment from International Oil Companies (IOCs) (Smith et al., 2000). Two of the most effective and efficient frequently used regimes by most oil producing states include Production Sharing Contract (PSC) and Joint Venture Agreement (JVA). Johnston (2003) defines the former “PSC” as a contractual agreement between a contractor and a host government whereby the contractor bears all exploration costs and risks and development and production costs in return for a stipulated share of the production resulting from this effort. This type of agreement has two major characteristics; (i) entire exploration risks are borne by IOCs, and they receive no compensation if oil is not found; and (ii) both the resources and installations are owned by the host country (Smith et al, 2000). On the other hand, a joint venture is a legally binding agreement by two or more entities to jointly share resources, benefits and costs (Johnson and Houston, 2000). Similarly, Black and Dundas, (1993) had earlier defined a Joint Venture Agreement as a critical relationship that involved two or more natural or legal persons, combining property and expertise to carry out a single business enterprise in which they have a single propriety interest, a joint right to control and share profit and loss.

Evidence from the literature indicates that the environmental characteristics of joint development zones as well as those of the countries involved makes the choice between the afore-discussed regimes difficult (Keyuan, 2006). These characteristics include, inter alia, the financial and technical capabilities of those countries that form the zone (Johnson, 2003). For example, it may be that the countries involved in a joint development zone may have different socio-economic backgrounds; Nigeria and São Tomé and Príncipe illustrate this point well as Nigeria possesses greater technical and financial resources than São Tomé and Príncipe. The implications of this situation in the Nigeria-São Tomé and Príncipe Joint Development Zone were discussed in Section 3.2. Nigeria’s characteristics (large in population and land mass; experienced in oil exploration and production;

relatively rich economically and politically powerful) contrast vividly with those of São Tomé and Príncipe (small in population and land mass, inexperienced in oil exploration and production, relatively poor economically and politically weak). These characteristics will no doubt have hindered the ability of São Tomé and Príncipe to contribute satisfactorily to a Joint Venture Agreement with MOCs and Nigeria in the course of exploiting resources within the zone. For this reason, most countries prefer to utilise Production Sharing Contracts rather than Joint Venture Agreements for joint development operations. This is evidenced in the literature which shows that most of the existing Joint Development Zones around the globe employ Production Sharing Contracts in their operations (Derman and Kupolokun, 2010). Nigeria and São Tomé and Príncipe have not been an exception, and they use PSCs in most of their agreements in the NSTP-JDZ. In consequence, for financial and technical reasons, the PSC could arguably be considered the most apt in the context of the Nigeria Sao Tome and Principe Joint Development Agreement.

2.4.7 Governing law

It is understandable that every country has different legal systems, which include particular petroleum fiscal and licensing regimes, laws concerning criminal and civil jurisdiction, rules and regulations governing health safety, and environmental issues (Weaver, et al., 2007). In this regard, Fox et al. (1990) argue that it is important and necessary for a zone to have a single system of law that will guide the petroleum operations in a defined area. However, Onorato (1997) adds that after the governing laws have been defined, the states expected them to be practical and workable in the operational field. Therefore, it is necessary for the states concerned to take environmental factors into consideration in the course of the negotiation at the onset of the agreement (Bastida et al., 2007). This is because at the later stage of operations, the adopted laws might have cost implications and social or economic policy consequences.

For instance, in the NSTP-JDZ agreement, Nigeria as a country may have some pre-existing governmental policies that may not be applicable to São Tomé and Príncipe, which require the MOC to engage directly or indirectly into social responsibilities, such as the construction of roads and the provision of other social amenities. Hence, without proper clarification at the initial stage of the agreement, the dispute may be intensified instead of resolved. Therefore, the stipulation of the specific law to be used in this area is essential in

any joint agreement. Similarly, the mining code and/or other related petroleum laws are significant issues which JDZ finds difficult to address. The mining code tends to help the resource owner achieve efficient, safe, and environmental sound petroleum operations. In any JDZ arrangement, where different parties form an agreement it is difficult to manage, or at least consider one country's mining code and ignore the other. Equally, it is not possible to use both codes in the same project. Consequently, whichever governing laws are adopted in the JDZ, disputes may arise in the course of its operations, thus, and it is pertinent to have a dispute resolution mechanism in place.

2.4.8 Dispute resolution

Multinational oil companies may not view exploration and other operational activities in disputed areas as attractive or indeed feasible, because investors may be unwilling to invest in such areas (Lerer, 2003; Frynas, 1998; Miyoshi, 1988 and Lagoni, 1988). Furthermore, the MOC must obtain licences from at least one government before starting any exploration activities in a zone. This is in line with the provision of the 1982 UNCLOS, which advises that the government should refrain from promoting or issuing any exploration/exploitation licences in a disputed area, so as to promote peace and security. Hence, the JDZ authorities must award the oil companies a reasonable degree of legitimacy before they are able to engage in any operations (Walde, 1990).

However, even if proper procedures have been followed and MOC begins operating in the zone, disputes between the states may arise, hence, it is important to have obtained the correct provisions previously. In this respect, Weaver et al. (2007) argues that it is necessary for any JDA to establish a dispute resolution mechanism that will encompass an internal, external and even third party mediator in order to overcome any likely misunderstanding during the course of the operation. Indeed, this has been adopted and included in the Nigeria-São Tomé and Príncipe JDZ treaty¹⁶, whereby, Article 47 stipulates how to settle any disputes between the joint development authority and contractors or operators; while, Article 48 provides a possible solution to any likely case that may arise in the cause of operational activities within the areas. Similarly, the Australia-Czechoslovakian agreement followed the same pattern, where a technical commission was established to play an advisory and dispute settlement role between states, or among

¹⁶Henceforth, the Nigeria-São Tomé and Príncipe JDZ Treaty will be referred to as NSTP-JDZ Treaty or Treaty interchangeably.

stakeholders. Similarly, the Saudi Arabia-Kuwait agreement stipulates that the Arab league and the ICJ are the primary institutions for the settling of any likely disputes between countries.

In the same vein, the France-Spain joint zone is of the view that a resolution could be reached amicably through negotiation between the parties or among themselves, consultations or finally by seeking arbitral intervention (Vicuna, 1994). Therefore, ensuring the provisions for dispute resolution at the beginning of any agreement is vital in order to reduce the level of conflict between coastal states; to foster immediate solutions in overlapping maritime areas and to allow the agreement to remain in place in the presence of any misunderstanding (Derman and Kupolokun, 2010 and Vicuna, 1994).

2.5 Conclusion

The current chapter discussed evolution, modalities, structures and general issues about joint development agreements around the globe. The reviews showed that lots of neighbouring countries around the globe had misunderstandings and disputes with one another as a result of potential resources contained around their borders. The chapter revealed that the JDA is popularly accepted as a provisional way of solving those disputes and also as a means of reaping economic benefits. In addition, it further revealed the necessity for the participating states engage in a JDA to specify a particular model among the devised three models discussed while executing the agreement. The next chapter concentrates on Nigeria and São Tomé and Príncipe's Joint Development Zone, established by Nigeria and its neighbour (São Tomé and Príncipe).

Chapter 3

Joint Development Agreement: The Nigeria-São Tomé and Príncipe Experience

3.1 Introduction

In the previous chapter, taxonomy and governance mechanisms for joint development agreements around the globe were discussed. Similarly, it was earlier pointed out in chapter one that the aim of this thesis is to explore good governance practices within the Nigeria-São Tomé and Príncipe Joint Development Zone. Thus, the current chapter focuses and restricts its discussion to the chosen zone (NSTP-JDZ). As a result, the chapter examines the governance structure, the practices and the mechanisms of the NSTP-JDZ and reveals consistencies, or otherwise, with the international practices and experiences discussed in Chapter Two. Therefore, the chapter is divided into seven sections. Section 3.2 follows the introduction, which provides an overview of the respective participating states. This is followed by Section 3.3, the evolution of the NSTP-JDZ. The managerial structure of the NSTP-JDA is discussed in Section 3.4. A review of the unique and essential features of the NSTP-JDZ is given in Section 3.5. Section 3.6 is concerned with the challenges and the concerns facing the NSTP-JDZ. The chapter is concluded in Section 3.7.

3.2 An overview of the participating states in the Nigeria-São Tomé and Príncipe Joint Development Zone

Like many joint development zones discussed in the previous Chapter, the NSTP-JDZ was also agreed upon by two states: Nigeria and São Tomé and Príncipe. However, unlike other

countries that have JDZ, these two countries have different socio-economic characteristics. Starting with Nigeria, as a major participating state, the country has been involved in petroleum operations for more than fifty years (EIA, 2011). In fact, the country has the largest natural gas and oil reserves in the Gulf of Guinea and the whole of Africa (World Bank, 2010; Adeleke, 2008 and Downs, 2007). In 2011, Nigeria's oil reserves were estimated at 37 billion barrels, while its gas reserves were said to hold well over 5,200 billion cubic feet (EIA, 2011). As a result, petroleum resources account for 95% of the country's export and about 80% of the federal government revenue (World Bank, 2010). In fact, Nigeria is ranked the 12th and 6th largest oil producer in the world and among OPEC countries respectively (Sovacool, 2010 and EIA, 2010). Thus, petroleum resources are said to be the mainstay of the country's economy. However, despite the fact that oil and gas resources account for 80%, 95% and 90% of all government revenues, exports and foreign exchange earnings respectively, it is evident that citizens are still suffering from poverty, resulting in the country to be currently ranked as the 20th poorest nation in the world (Adams et al., 2008). This is surprising, considering the billions of dollars generated by the sector; yet, in the 1960's, the country's GDP was greater than that reported in 2010 (Sovacool, 2010). Similarly, Omorogbe (2006:44) reported that the poverty rate increased from 27% in 1980 to 70% in 1999. These facts clearly demonstrate the backward movement of the sector. Scholars attributed these unfortunate situations to instability, non-diversification of economic activities and mismanagement of resources and, most importantly, to a lack of good governance practices in the sector (Adams et al., 2008 and Nwokeji, 2007).

Politics aside, Nigeria is said to be the most populous country in Africa, with over 150 million people (NPC, 2011). According to the World Bank report of 2010, this figure is approximately 47% of the West African population. Moreover, the country's population has arguably enhanced its economic and political strength (Adam et al., 2008 and Nwokeji, 2007). This strength has further helped the country in its effort to maintain peace and stability in the continent; thus, Nigeria spearheads the peacekeeping organisations in West Africa and the continent at large (Pegg, 2005).

São Tomé and Príncipe is the second participant in the NSTP-JDZ. Evidence shows that the country has little in common with Nigeria, politically, economically and even historically. São Tomé and Príncipe is the second smallest nation in Africa with less than

200,000 people, merely one percent (1%) of the Nigerian population. It covers an area of 850 Sq km in the Gulf of Guinea and lies approximately 240 Sq km off the coast of West Africa. The country shares territorial waters on the boarder of the east Nigeria (EIA, 2010).

The political history of São Tomé and Príncipe is typical of many African states, and it includes uncertainty, corruption and mismanagement. Transparency international placed the country as 100 out of 182 on its corruption perception index for 2011. Sixteen years after Nigeria's independence, São Tomé and Príncipe gained its sovereignty from Portugal, on July 12, 1975. The country experienced a military coup in July 2003; however, democracy was restored shortly afterwards (Smith, 2003 and Porto, 2003).

The economic status of São Tomé and Príncipe differs significantly with that of Nigeria's as, prior to 2000, the islands of São Tomé and Príncipe received a greater percentage of their income from foreign aid (FSF, 2008). This trend has changed drastically from 2001 to date, due to an increase in tax revenue derived mainly from petroleum related income, which has made a 10% contribution towards the GDP in recent years (IMF, 2008a).

In an attempt to diversify and increase its income, São Tomé and Príncipe deposited maritime boundary claims with the United Nations in 1998. This claim was amicably resolved and led to the formation of a joint development agreement with Nigeria, as discussed in the next section. Like Nigeria, prior to its independence, the small country of São Tomé and Príncipe established agencies to research and oversee petroleum and other natural resources operations in the country. For example, the Ministry of Natural Resources and Environment is ordained to manage petroleum activities and other revenues that could be generated from its natural resource sector. Furthermore, the São Tomé National Petroleum Council (NPC) was established under the decree Law No.3/2004 of the São Tomé, in June 2004. This council is charged with the responsibility of setting national policies, particularly in the energy sector. The NPC is composed of fifteen members, including the President, the Prime Minister, several other ministers, representatives of the civil society and other individuals designated by the President and the Prime Minister (Tiny, 2004). In another development, São Tomé and Príncipe created the National Petroleum Agency (NPA). This unit was established by the Law No.5/2004 of São Tomé in June, 2004 and was charged with the responsibility of managing and overseeing the economic activities, particularly in oil and gas exploration, and development, in line with

the policies devised by the National Petroleum Council (see Chapter 5). The next section discusses the establishment and methods used to govern the NSTP-JDZ.

3.3 Evolution of the Nigeria-São Tomé and Príncipe Joint Development Zone

The Gulf of Guinea has been blessed with numerous natural resources, particularly oil and gas, for almost a decade which also benefits the surrounding states¹⁷ (Biang, 2010). However, the Gulf - similar to those of Thailand, Mexico, the China Sea and the Red Sea - still has a number of maritime boundary cases pending (Keyuan, 2006 and Umar, 2002). Nevertheless, attempts have been made by Ghana, the Ivory-Coast, Guinea and the Cameroon to settle their maritime disputes directly or indirectly with their immediate neighbours¹⁸. In the same vein, Nigeria considered a joint development agreement with São Tomé and Príncipe on their acclaimed overlapping maritime boundary. Hence, the Nigeria-São Tomé and Príncipe Joint Development Zone was established. The two heads of states signed the Treaty in respect of the zone, on 21st February 2001; which was later ratified by the two states' National Assemblies. The Treaty was intended to be a guide for the governance of petroleum and other resources in all areas of the economic zone. The total area of the zone is estimated at about 35,000 Sq km. The most significant clause in the treaty stipulates that costs and benefits, arising during the course of operational activities in the zone, are to be shared between Nigeria and São Tomé and Príncipe 60/40 percent respectively (JDA, 2010).

3.4 Management of the Nigeria-São Tomé and Príncipe Joint Development Zone

For an organisation to be successful, certain governance structures must be put in place. This is particularly crucial in a joint development zone, because it involves at least two states (Ong, 1999). So far, literature has shown that joint development agreements often collapse during the implementation process as a result of weak governance framework by the participating states. Fortunately, the NSTP-JDZ was argued to be a successful agreement compared to other zones (Biang, 2010). A number of achievements were

¹⁷The states on the Gulf of Guinea include Nigeria, Cameroon, Gabon, Congo, Equatorial Guinea and São Tomé and Príncipe (Biang, 2010).

¹⁸One of the major dispute settlements in the Gulf was between Nigeria and Cameroon; the duo opted for International Court of Justice (ICJ) intervention in dealing with their border disputes (The Bakassi Peninsula) (Sama and Johnson, 2006). The ICJ ruled that the Bakassi peninsula, as a region and its resources, belongs to the Cameroon. Analysts posited that the Bakassi case may serve as a lesson for the states in the Gulf of Guinea to amicably employ a joint development agreement as a peaceful or diplomatic means of solving disputes (Sama and Johnson, 2006).

recorded right from the establishment of the zone, these include: signing and ratification of the Treaty by the respective legislatures of the two countries within a short period of time; inauguration of the joint development authority in January; 2002, and the successful bids of 2003 and 2005 which generated a signature bonus of about US\$123 and US\$200 respectively among others (Vines, 2010 and Berman, 2005). Indeed, these could be classed as achievements considering the length of time the Thailand-Malaysia agreement took to be actualised. Again, despite all their economic and political differences, the two states managed their disputes and eventually agreed to explore the resources for the mutual benefit of their people. In order to ensure the success of this agreement, the below discussed structures were put in place.

3.4.1 The Joint ministerial council

The Joint Ministerial Council (JMC), as provided in Article 6.2 of the Treaty: “...shall comprise not less than two nor more than four Ministers or persons of equivalent rank appointed by the respective Heads of State of each State Party”. Those assigned persons are expected to account for their actions to their respective countries. Hence, they act as an agent of the country and are guided by the treaty. In this vein, the treaty empowers the council with significant responsibilities. The most important clause in the Treaty is the overall responsibility for all matters relating to the exploration for and exploitation of the resources in the JDZ (See Article 8 of the Treaty). Other functions of the council as provided by the Treaty include:

- i. To approve rules and regulations for the effective functioning of the JDA
- ii. To consider and approve the audited accounts and audit reports of the authority
- iii. To consider and approve the annual report of the authority
- iv. To approve and consider annual budget for the authority
- v. The council has the power to appoint an external auditor and approve remuneration
- vi. To approve development contracts which the Authority may propose to enter into with any contractor
- vii. To approve the termination of development contracts entered into between the Authority and contractors

Stressing accountability further, Article 11.1 states that “...the authority (JDA) shall in all respect be responsible and accountable to the council (JMC) and shall comply with all

directives given by the council...'. Therefore, the above functions imply that the JMC is the principal to the JDA and the supreme body that oversees activities in the JDZ.

However, despite the powers and authority bestowed on the JMC, its independence was challenged by many observers within the zone. In fact, the council's appointment procedures and practices appeared feeble, as members of the JMC were appointed by the Heads of State, as indicated above. It may well be that the appointment or selection criteria for the council may be influenced by the politics at the expense of skill and expertise. In addition, appointment to the council is at the discretion of the current President; thus, he/she has the mandate to withdraw or/and replace any member representing his country at any given time. Hence, the governance and continuity of the JMC may be affected by political instability as a result of regime changes, whether that is democracy or military.¹⁹ Indeed, the frequent changes of leadership in São Tomé and Príncipe justified the statement, where there have been twelve oil ministers between the years 1999 to 2010 (HRW, 2010). The next section discusses the JDA, which acts as an agent to the JMC.

3.4.2 The Nigeria São Tomé and Príncipe Joint Development Authority

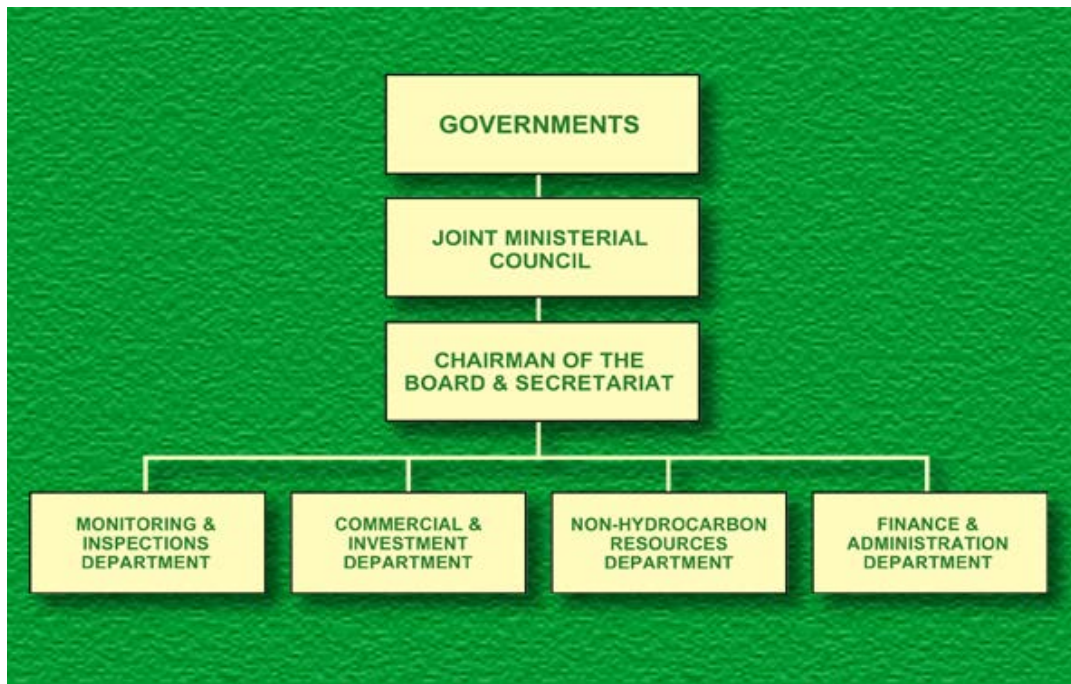
Chapter 2.4 discussed that statutorily, the JDZ has to be managed in one of three ways. These are: (i) a single structure model; (ii) a compulsory joint venture; (iii) a joint development authority model. However, it has been suggested that a JDZ is managed more efficiently when the third model is adopted (Keyuan, 2006; Venburen, 2006; Lerer, 2003; Miyoshi, 1999; Ong, 1999 and Tho, 1999). This may have informed the decisions of Nigeria and São Tomé and Príncipe to adopt the joint development authority model in the operations of their JDZ.

Having established the joint development authority with its designed roles and responsibilities, it is reasonable to say that the authority assumed the status of a National Oil Company (NOC) but in the context of the JDZ. To function effectively, the authority in the JDZ has been divided into the following departments: (i) The Monitoring and Inspection Department; (ii) The Non-Hydrocarbon Resources Department; (iii) Commerce and Investment Department and finally, (iv) Finance and Administration Department.

¹⁹The political and governance mechanisms of both Nigeria and São Tomé and Príncipe seem to be weak. Both countries have experienced military intervention within the last decade (FSF, 2008). Hence, the polity is still not stable; the continuity culture of projects and policies is not present. The first agenda of any government that takes over is to dissolve the previous cabinet and establish a different one, regardless of how effective the previous government's policies may have been perceived to be on the ground.

Consequently, these units are expected to carry out all the operational activities of the authority. Figure 3.1, below, demonstrates the hierarchical structure of the JDA as explained above.

Figure 3.1: Governing structure of the JDA



Source: NSTP-JDA website, 2010

The JDA has been established in international law and under the law of each state with a legal contractual capacity. Some of its responsibilities are: that it shall oversee and control the activities of the contractors; to account for logistics; more importantly, it shall inspect and audit the books and accounts relating to development contracts for any calendar year. Specifically, Article 9.6 of the Treaty states that, “The Authority, subject to directions from the Council, shall be responsible for the management of activities relating to exploration for and exploitation of the resources in the zone, in accordance with this Treaty”. To accomplish these responsibilities, the JDA awarded six oil blocks to the oil companies for exploration and exploitation of resources. As shown in Table 3.1, below, in a joint venture relationship a number of MOCs act as operators, while others are seen as non-operators.

Table 3.1: Oil blocks awarded as at 2010

Block N ^o	Area (Km)	Company	Percent (%)
Block 1	704	Chevron Texaco	51
		Exon Mobil	40
		Daugote / EER	9
Block 2	692	SINOPEC/ERHC/ADDAX	65
		Equator Exploration / ONG Videsh	15
		A. & Hartman	10
		Foby Engineering	5
		Amber Petroleum	5
Block 3	666	Anadarko	51
		ERHC / ADDAX	25
		DNO/EER	10
		Amber Petroleum	10
		Ophir/Broadlink	4
Block 4	857	ADDAX / ERHC	60
		Conoil	20
		Dana Gas	10
		Godsonic Oil & Gas	5
		OVERT	5
Block 5	1091	ICC/OEOC Consortium	75
			15
		Sahara	10
Block 6	588	Filthim-Huzod Oil & Gas	85
			15

Source: NSTP-JDA website, 2010

Every block is awarded to a group of companies, where one acts as an operator and the remaining serve as non-operators. Subsequently, oil companies' operational activities are accountable to the JDA; likewise, the JDA is answerable to the JMC, as earlier stated in the immediate section above.

3.5 Unique and essential features of the Nigeria-São Tomé and Príncipe-JDZ

There are some distinguishing factors that differentiate the NSTP-JDZ from other JDZs around the globe. A number of these crucial factors are attributable to the socio-economic differences of the participating states, while others are a result of a comprehensive arrangement not previously put in place. Hence, the sub-sections, below, highlight these issues in detail.

3.5.1 Duration of the Nigeria-São Tomé and Príncipe Joint Development Agreement

Unlike other joint development agreements, the Nigeria and São Tomé and Príncipe decided to extend the duration of their agreement to a minimum of 45 years, to be reviewed every 30 years. Observers believe that this long duration promotes confidence and reduces

investors' fear that the JDZ agreement will fail (Bot, 2007 and Taingson, 2007). Justifying this statement, Walde (1990) Lerer (2003) and Valencia (1986) had earlier opined that a long duration in a joint development agreement will help investors make appropriate decisions as they are able to thoroughly study the environmental characteristics of the host environment. Therefore, it is believed that the NSTP-JDZ is a unique arrangement, compared to other zones around the globe, in terms of the expected duration of the agreement.

3.5.2 Managing socio-economic differences by the participating states

It was argued that the socio-economic differences between Nigeria and São Tomé and Príncipe indicated that the two countries have virtually nothing in common with each other, apart from being located in the same continent (FSF, 2008). Thus, undertaking a project, such as a joint development agreement, shows a degree of commitment from both countries. The duo have different colonial masters (the UK and Portugal), with English and Portuguese being their official languages respectively. Economically, Nigeria has enjoyed its huge petroleum resources for more than fifty years, while São Tomé and Príncipe only discovered and engaged in petroleum operations in 2001 (Berman, 2005). Despite the country's attempts over the past thirty years, the reserves discovered were not of commercial quantity (FSF, 2008). It is reported that most of the problems encountered within the NSTP-JDZ right from the inception were attributed to the huge economic and political differences between the states (Vines, 2010 and Berman, 2005). Nevertheless, despite these significant differences between the two states, the zone has been managed successfully for more than ten years. For this reason, the NSTP-JDZ is considered to be a unique arrangement.

3.6 Challenges facing the Nigeria-São Tomé and Príncipe Joint Development Zone

In this section, the study discusses the challenges and the grounds for concern in the management of the JDA. From its inauguration to date, the NSTP-JDA has experienced a number of achievements, but conversely it has also faced challenges as a result of alleged weaknesses in the current governance system (Biang, 2010). Preliminary studies were conducted by the International Monetary Fund (IMF) and the Human Rights Watch (HRW) in 2005 and 2010 respectively, in regards to the operations of the JDA. The former study concluded that the management practices of the JDA, in the first five years, were totally

inconsistent and failed to meet the minimum acceptable set of standards as authorised in the Treaty. On the other hand, the former report evaluates many governance problems and highlights some worrying issues, such as personal interest, corruption, mismanagement, unequal treatment of the participating states, as the dominant factors that have hindered the successful governance of the zone (Vines, 2010). The findings from the two studies above, and indeed, other problems that the NSTP-JDZ is currently facing are discussed below.

3.6.1 Stakeholder's influence in the activities of the Nigeria-São Tomé and Príncipe-JDA

There is evidence in the past that some states awarded positions based on political sentiment to various positions in the state controlled organisations established with the view to enhancing a country's economy (Boycko et al., 1996; Boardman and Vining, 1989). In some circumstances, these appointees lacked the required skills and resources to perform their duties (Shleifer, 1998 and Shleifer and Vishny, 1994). Thus, they ended up pursuing and fulfilling the socio-political objectives of their masters at the expense of country's economic goals (Su et al., 2007; Nellis, 2007 and Hart and Moore, 1990). In addition, others that happen to possess the required skills and resources compromised their assignment due to their self-interest at the expense of their masters (country). This problem might happen everywhere, and indeed the NSTP-JDA might not be an exception. To this end, a precaution action was taken within the NSTP-JDA where Article 15(2) of the Treaty provides that, "Unless otherwise expressly approved by the council, no executive director, officer or other staff member of the Authority may have any direct or indirect financial interest in development activities in the Zone". However, upon all the precautions taken within the zone, researchers reported lots of allegations and challenges.

Prominent issues in this regard were reported by the then São Tomé and Príncipe Attorney General (Adelino Pereira) with the help of the IMF and the World Bank, where they investigated an allegation of certain 'shady' deals surrounding the oil block licensing awards by the JDA²⁰ (Odunlami, 2010). In their report, the committee concluded that the procedures used to award the licences were seriously flawed and failed to meet the

²⁰This report is a product of an investigation into the procedures and transparencies of the licences awarded in 2003 and 2005 and it indicates the need for further study in the Nigeria-São Tomé and Príncipe JDA as indicated by the findings and recommendations (Berman, 2005).

minimum acceptable standards²¹ (FSF, 2008; IMF, 2006b; Berman, 2005). Indeed, the HRW report of 2010 revealed that the flaw in the bidding process was as a result of financial interest of the top government officials from both Nigeria and São Tomé and Príncipe.

Instances cited by the report, surrounding the controversial US-based Environmental Remedial Holding Corporation (ERHC) that was successful in both the first and second round bids, despite allegedly having no documented required oil and gas exploration nor exploitation or drilling experience in any part of the world (HRW, 2010 and Berman, 2005). Moreover, observers believed that some former Nigerian military dictators had significant interests in the company (Afrol News, 2005). In the same vein, the São Toméan President dismissed two of his advisers on petroleum matters (Patrice and Manuel) and accused them of having an interest in the oil blocks' licensing award process - while the Natural Resource Minister (Arlindo Carvalho) temporarily resigned from his appointment (Afrol News, 2005). This situation raised great concern, both within and at an international level, regarding the survival of the whole agreement and also exposes the governance weaknesses of the JDA.

3.6.2 Disclosure of records challenges in the management of the JDZ

It is generally believed that annual reports are the major channels through which information is disseminated from the corporation to the stakeholders (Gibson and O'Donovan, 2007). Indeed, accountability requires those with the delegated authority or power to supply information for the use of assigned resources (Mulgan, 2002). Gray et al. (1996) opined that accountability is the duty to provide an account (by no means necessarily a financial account), or reckoning of those actions for which one is held responsible. In this context, Article 17(3) of the Treaty required that the Authority, "...prepare and maintain full, proper and up-to-date accounts, balance sheets, budgets and cash flow projections, in accordance with good international accountancy practice and with any directions of the Council".

²¹Nigeria-São Tomé and Príncipe JDA had subscribed to the principles of the Extractive Industry Transparency Initiative (EITI); hence, there are certain standards that the subscribers are expected to meet. In addition, the management of the JDA should be in conformity with the NSTP JDZ Treaty, containing the rules and regulations that guide the activities of the zone. However, the report discovered that none of the above was adhered to. Thus, the governance framework in the general operation of the zone seems to be weak.

To instill greater confidence in the stakeholders, the JMC signed the Abuja Joint Declaration in 2004, regarding transparency and governance in the JDZ²², which again reassures stakeholders of full transparency of all JDA's transactions and activities. However, despite these efforts and provisions, the inadequate disclosure of books showing the financial position of the organisation seems to be a challenge, or a cause for concern in the management of the JDA. There is no evidence, so far, to indicate that the JDA has published its monetary related activities, either on its website, or in public media²³ (HRW, 2010). In addition to the dealing of payments, revenues and other books, the Treaty mandated that the JDA has both financial and non-financial responsibilities and should be accountable to the stakeholders. For instance, Article 11 (1) stated that "The Authority shall in all respects be responsible and accountable to the Council..." In fact, Article 11(3) clearly provides that, "The Authority shall produce an Annual Report on its activities and on the progress made in the Zone..." However, investigation showed that the JDA has never made its books available for legitimate stakeholders to analyse and make an informed investment decisions. Nevertheless, the legitimacy of publicising information is an arguable issue within the business arena. In addition to the disclosure of revenue and payment challenges, the next section will look into the misappropriation of already generated revenue (signature bonus) in the first licensing round of activities.

3.6.3 Misappropriation of funds and allegation of corrupt practices

No doubt the JDA has only the responsibility of distributing benefits and obligations arising from development activities carried out in the Zone to Nigeria and São Tomé and Príncipe respectively in ratio of 60/40 in favour of latter (see Article 3.1 of the Treaty). In the first licensing round of 2003 alone, the JDA received the sum of one hundred and twenty three million dollars (US\$123) as a signature bonus²⁴ from the Contractor (a

²²The Abuja declaration is a document signed by both Heads of State, which emphasises the importance of transparency and good governance. In fact, when signing the document, the Nigerian President said, "Transparency is critical to good governance and enhances the ability of our citizens to monitor the activities of government on their behalf and for the efficient and effective development and use of our oil and gas resources" (Biang, 2010).

²³Section 4 of the Abuja Declaration declares that, "The JDA shall publish an annual budget which shall be approved by the government of Nigeria and São Tomé and Príncipe. The account and procurements contracts of the JDA and any entity operating in the JDZ shall be subject to annual audit by independent and internally recognised auditing firm, such shall be made public"

²⁴Signature bonus is a payment which is expected to be paid upfront to the host country for the right to commercially develop a block before work begins (Wiig and Kolstad, 2010 and Johnson, 2004).

consortium comprised of Chevron Texaco as the operator; ExxonMobil and Dangote-Energy Equity Resources with 51%, 40% and 9% of equity respectively (Tiny, 2005). Unfortunately, the HRW report of 2010 revealed that even the signature bonus was misappropriated by corrupt authorities. Indeed, an allegation was made about the misappropriation of millions of US dollars from the above signature bonus (HRW, 2010). The money was allegedly diverted to the Nigerian bank (Hallmark Bank, PLC) which is controlled by a close associate of the former Nigerian president. The associate was accused of using these funds to invest in international capital markets and when these investments failed the bank collapsed in 2008, prompting his arrest and detention by the Nigerian anti-corruption agency EFCC²⁵.

3.6.4 Transparency and compliance issues in the JDZ

The introduction of the Extractive Industries Transparency Initiatives (EITI) is believed to be one of the most important international initiatives used to improve governance in resource rich countries as it sets more transparent standards in the petroleum and mining sector (Wiig and Kolstad, 2010). Many countries refuse to join the EITI; therefore, they are not compelled to disclose their payments and revenues as required by the set standards (Wiig and Kolstad, 2010). In fact, the National Oil Company of Angola (Sonangol) threatened to terminate its contract with BP if the company went ahead and revealed the payments it made to oil producing countries worldwide and, more importantly, if the company disclosed the amount of signature bonus paid to Angola (McMillan, 2005). Despite these issues, Nigeria and its partner São Tomé are currently among the thirty-three (33) resource rich countries registered with the EITI (EITI, 2010). In the same vein, the JDA as an institution, subscribed to the principles of EITI in order to strengthen the accountability and transparency of its management (Umar, 2005).

This effort by both states and the JDA are seen to be an attempt to enhance the oil industry's level of compliance to both audit and general accounting procedures that would particularly help developing countries. Sadly enough, São Tomé's authority requested a voluntary suspension from the EITI on 16th April, 2010. They alleged that Nigeria was still the dominant party and was influencing the operations and management of the JDA, which

²⁵The Economic and Financial Crime Commission (EFCC) is an agency charged with the responsibility of investigating any allegations of financial and criminal activities. The commission has succeeded in arraigning those responsible and retrieving the looted signature bonus fund from the accused (HRW, 2010).

was hindering proper implementation of the EITI principles in the JDA²⁶ (EITI, 2010). Thus, according to the Prime Minister, this indirectly affected the whole mining sector of São Tomé and Príncipe and threw further doubt on the ability of São Tomé's institutions to manage the process in an open, accountable and transparent manner. In an astonishing development, the EITI gave Nigeria a five months' compliance ultimatum after its validation exercise to finish a conclusion process and disseminates its ongoing 2006-2008 audit report in the oil and gas sector (Aderinokun, 2010). Thus, some analysts in Nigeria believe that the country may soon be suspended like its partner (São Tomé). This is a result of inadequate efforts by the Nigerian authorities to comply with the EITI rules of publishing all payments and receipts in the oil sector (Aderinokun, 2010). Hence, this could arguably affect, directly, or indirectly JDZ's activities.

3.6.5 Supremacy struggle between Nigeria and São Tomé and Príncipe

Supremacy struggle is a problem in general organisational management (Johnson, 2000). Some scholars described this problem as expropriation against the minority owner (Faccio et al., 2000), or the private benefits of control (Denis and McConnell, 2003) while others called it principle-principle conflicts (Jiang and Peng, 2010; Young et al., 2008 and Su et al., 2007). In developing economies, supremacy over controlling resources was reported to have resulted in an adverse relationship amongst shareholders (Su et al., 2007). For example, in a number of different instances, controlling shareholders have pursued their self-interests at the expense of minorities and on some occasions at the expense of the entire organisational interests (Young et al., 2008 and Claessens and Fan, 2002). In the same vein, Chen (2011:116) enumerated the different ways in which controlling members overshadow the organisational activities as follows: "Appointing unqualified friends or family members as senior managers, engaging in self-beneficial trades, advancing personal, familial, and political agendas that hamper corporate performance". In contrast, equity and fairness between and amongst different classes of stakeholders is a major issue and, as such, is addressed in the principle of equitable treatment (see UN, 2010: Lahn et al., 2007 and OECD, 2005).

²⁶Primarily, the EITI sets global standards for transparency in the oil, gas and mining sector. These include efforts to make natural resources beneficial to all and attempt to create a coalition between governments, companies and civil society. Finally, it offers a standard for companies to publish what they pay and for governments to disclose what they receive (EITI, 2010).

In the context of the NSTP-JDZ, the incomparable economic and political advantage of Nigeria over São Tomé and Príncipe has generated debate within the zone. Indeed, Groves (2005) argued that even though the JDA was established to manage the operations of the zone with provisions of fair treatment, the political realities were such that Nigeria assumed a dominant position which made it difficult for the authority to treat the states equally. Biang (2010) contended that the NSTP-JDZ agreement provided adequate provisions that treat both participating states more fairly than any other JDZ agreement around the globe. These include the distribution of resources, administrative functions and the fair treatment of ordinary citizens in the respective states. Nevertheless, it is still questionable why Article 3(1) states that “...The State Parties shall share in the proportions Nigeria 60 per cent., São Tomé and Príncipe 40 per cent., all benefits and obligations arising from development activities carried out in the Zone.” In addition to that, investigation shows that the people of São Tomé and Príncipe were not comfortable with positioning the JDA’s head office in Nigeria (Abuja) and also complained about Nigeria’s initial domination of the key positions in the JDA (Afrol News, 2005). Indeed, in the similar case of East Timor JDZ, Antunes (2003) argued that the sharing arrangement of 90/10, in favour of East Timor, was a sign of domination which may question the equity, fairness and entitlement over the disputed areas by the favouring state. Thus, the rationale behind the 60/40 sharing agreement between Nigeria and São Tomé and Príncipe should be questioned, as it may have generated the element of domination by the former country.

When discussing supremacy between participating states, São Toméan officials and international observers opined that Nigeria exercised greater influence with regard to NSTP-JDZ projects, which, in turn, created a power imbalance between the two (HRW, 2010). Consequently, the then Prime Minister, Rafael Branco, made a surprising remark on April 23, 2010, where he said: “My country’s authorities were being side-lined in the preparations for the planned 2011 licensing round for the JDZ. If this is the case, it would be an infringement of the JDZ agreement that would disadvantage São Tomé and Príncipe in negotiating its rightful share of any future licensing” (HRW, 2010:16). The current Prime Minister unexpectedly re-affirmed his predecessor’s statement, and promised that his country would restart talks by the end of 2010 with the Nigerian authorities on the JDZ. It was not only the São Toméan authorities, but also a number of international observers and institutions who believed that Nigeria was overshadowing the activities of the JDA. Thus, the HRW Reports of 2010 recommended that São Tomé’s authority should review its

arrangement with Nigeria through an independent institution after the Nigerian 2011 elections.

3.6.6 Allegation of monitoring and control weakness

Generally, accountability requires delegation through a capable individual or institution that is able to control an activity and there should also be a strong mechanism in place for the enforcement of laws and regulations (Lahn et al., 2007). Hence, organisational goals can only be achieved when the management team is committed to monitoring, control and regulatory functions (Lahn et al., 2007 and OECD, 2005). In order to establish a strong culture of monitoring and control of the oil companies' activities in the JDZ, Article 9.6 of the Treaty encouraged the JDA to enter into a contract with a qualified oil company (contractor) and at the same time oversee and control its activities. However, the former Nigerian president (Yar'adua) and his São Tomé and Príncipe's counterpart registered their dismay about the way the MOC were delaying drilling activities in the zone. This exposed the extent of weakness in supervising the operational activities in the zone. According to the two heads of states, the JDA needed to mount pressure on the oil companies to fully engage in exploration activities (Salau, 2009). Moreover, the delay could have also been attributed to insufficient technical expertise and the monetary incapability of the successful companies in the first and second round bids as opined by the IMF's report of 2005.

3.7 Conclusion

This chapter discussed the Nigerian São Tomé and Príncipe's Joint Development Zone (NSTP-JDZ) in detail. The discussion centred on the zone's evolution, potentials, challenges and features. A preliminary investigation revealed that the NSTP-JDZ was facing significant challenges. It is apparent that the zone has been challenged right from the inception of the agreement and there are still pending concerns that need further attention. Nevertheless, despite these reservations, the NSTP-JDZ is still arguably the most active amongst its contemporaries in the world. Undoubtedly, recent facts have revealed a significant improvement in the management of the JDZ.

Chapter 4

Chatham house model as a theoretical framework for the assessment of good governance in the NSTP-JDZ

4.0 Introduction

The previous chapter gave a thorough account of the problems relating to the governance of the Nigeria São Tomé and Príncipe's joint development zone. In consequence, this chapter discusses some theoretical frameworks that could be used to underpin this research and address those problems. Engagement with literature shows that many theories could be used to underpin the research and indeed address the problems relating to the governance of the Nigeria-São Tomé and Príncipe Joint Development Zone. The main theories traditionally used in this context include are Stakeholder theory and Agency theory. Stakeholder theory focuses on business ethics and organisational management and addresses morals and values in managing institutions (see Section 4.1). A major objective of this theory is to employ appropriate mechanism to explain relationships between organisations and those seeking to influence organisational activities (James, 2009). Further, it explains how organisations use every possible implicit and explicit means to reconcile divergent stakeholder interests (Donaldson and Preston, 1995). Thus, arguably, this theory could appropriately underpin this study that involves the previously identified divergent stakeholder views within the NSTP-JDZ (see Section 3.6). The second prominent applicable theory is Agency theory which primarily focusses on accountability (Robert and Scapens, 1985). The demand for accountability is basically by the principal to his/her agent (see Section 4.1.3). Nonetheless, the latest development in the petroleum sector advocates a new framework (Chatham House) which has been designed specifically for application to

the development of oil resources in a single country. Interestingly, the Chatham House Framework also is based on most of the underlying characteristics of these traditional theories (see Section 4.5). The selection of Chatham House as the framework therefore encapsulates all the benefits of stakeholder and agency theories and also is designed for application to the oil industry. Further, this framework strongly supports the use of stakeholders as the means of collecting data for the research via questionnaire and interview and agency theory as a means of gauging accountability relationships between parties involved within the zone.

This chapter has been divided into seven segments. Section 4.1 discusses the alternative traditionally used theoretical frameworks in social science research (Stakeholder and Agency theories). Section 4.2 provides an overview of good governance as a concept. Section 4.3 explains the different institutional perspectives of good governance. In Section 4.4, Good governance of the National Petroleum Sector is reviewed. This is followed by Section 4.5, which includes the Chatham House Good Governance Framework and the reasons for its adoption in the current research. Finally, Section 4.6 concludes the chapter.

4.1 Alternative theoretical frameworks for the assessment of good governance in the NSTP-JDZ

4.1.1 Stakeholder holder theory

Since Freeman (1984) published his celebrated book “Strategic Management: A Stakeholder Approach” in which he discussed the basic features of stakeholders, the concept has continuously been attracting the attention of researchers (see Frooman, 1999; Rowley, 1997; Mitchell et al., 1997 and Donaldson and Preston, 1995). Indeed, the concept has been defined by different scholars from different perspectives. For example, Freeman (1984:46) viewed stakeholders from a broad perspective and defined the concept as “any group or individual who can affect or is affected by the achievement of the organization's objectives”. From the perception of Clarkson (1995:106), stakeholders are those “persons or groups that have, or claim, ownership, rights, or interests in a corporation and its activities, past, present or future” which “are the result of transactions with, or actions taken by, the corporation, and may be legal or moral, individual or collective”. He further reiterates that stakeholders are the people that without whom the organisation might not survive. In a similar earlier definition, Savage *et al* (1991) defined stakeholders as those

people who “have an interest in the actions of an organization and...the ability to influence it”.

Clarkson (1995:5) categorised stakeholders into primary and secondary groups. He believed that primary stakeholders are those people who “bear some form of risk as a result of having invested some form of capital, human or financial, something of value, in a firm”. Thus, this is the category of people whose actions are necessary for the continuity, or survival of the organisation. Clarkson (1995) proceeded to enumerate primary stakeholders to include capital suppliers (shareholders), employees, other resource suppliers, customers, community residents, and so forth. In turn, he defined secondary stakeholders “as those who influence or affect, or are influenced or affected by, the corporation, but they are not engaged in transactions with the corporation and are not essential for its survival” (Clarkson 1995:5). Explaining secondary stakeholders further, Eesley and Lenox (2006) argued that they are a group of people who are not directly associated with the focal issues of an organization because they might not have a “formal contractual bond with the firm” or “direct legal authority” over that organisation. Similarly, Savage et al (1991) categorised stakeholders into claimants and influencers. In the same vein, Frooman (1999) viewed stakeholders, as people who provide resources for the management of the organisation and those who depend on the organisation. In any case, there is much interdependency between organisations and primary, claimants, or internal stakeholders. On the other hand, secondary influencers or external stakeholders have a certain effect on an organisation’s fate but do not directly participate in the economic decisions made by the organisations. However, there is much debate regarding the definition of the term “stakeholder”. Of significant is the Fassin (2009) who opined that the definitions and categorisation of stakeholders are too ambiguous. Hence, a clear distinction should be made between, stakeholders, stakewatchers and stakekeepers. He defined stakeholders as people who have an existing and real stake in an organisation, while stakewatchers were viewed as those who do not really have a stake themselves, but are attempting to protect the interests of real stakeholders; these include community pressure groups and unions. Lastly, Fassin defined stakekeepers as independent regulators who have no stake in organisational activities, but who they have certain influence and control. These also include regulatory agencies and governments.

4.1.1.1 Influence of stakeholder theory in organisational management

Managing stakeholders effectively is argued to be the primary phase of achieving organisational goals and targets (Hill and Jones, 1992 and Friedman, 2002). In fact, Clarkson (1991) had earlier asserted that stakeholder management is a way of describing, evaluating, and managing corporate performance. As previously stated, stakeholder theory is one of the mechanisms used to explain the relationship between organisations and those seeking to influence organisational activities (James, 2009). Others posited that the theory is an implicit and explicit means of reconciling divergent interest (Donaldson and Preston, 1995). In their study, Brenner and Cochran (1991:452) stressed that, stakeholder theory helps to “describe how organizations operate and to help predict organizational behavior.” This assertion appears to be consistent with the general aim of organisational governance. In fact, the assertion has arguably justified the views of Donaldson and Preston (1995) that stakeholder theory, explains, and indeed guides, the structure and general operations of an organisation.

4.1.1.2 Encapsulation of stakeholder theory into Chatham House Framework

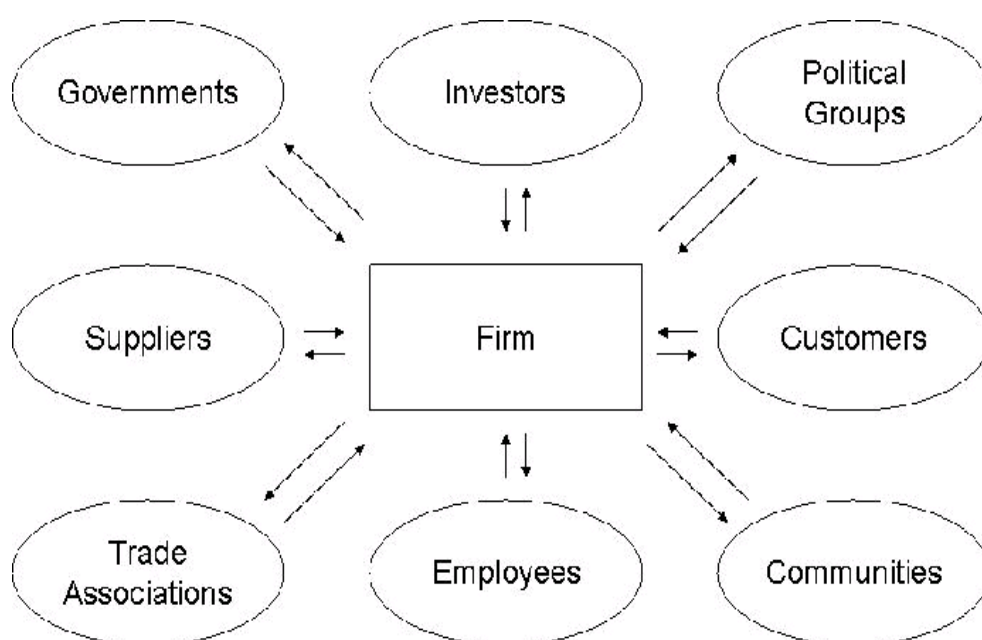
Discussions in Section 3.6 revealed that problems and concerns facing the Nigeria-São Tomé and Príncipe Joint Development Zone were a result of the action or inaction of participating persons or groups with the zone (stakeholders). Thus, arguably, whenever the stakeholders involved in the management of this zone are properly managed those corresponding issues are likely to be addressed or minimised. In this regard, stakeholder theory could arguably be one of the most appropriately theoretical frameworks to underpin this research. However, considering the purpose and richness of the Chatham House Framework which, arguably, encapsulates all the benefits of stakeholder theory, the Chatham House Framework was adopted to guide the study for the reasons discussed below.

Firstly, as stated in chapter 1, this thesis critically examines whether the governance practices in the Nigeria-São Tomé and Príncipe Joint Development Zone are consistent with globally acknowledged governance practice, as exemplified by the Chatham House Framework. In Section 4.5 the broadness of this framework was discussed. Indeed, its application appropriately appraises how stakeholders’ roles and responsibilities in the NSTP-JDZ are defined and it also looks into sustainable development issues in order to assess the measures put in place by the management in the course of safeguarding the

resources for the benefits of future generations. In addition, the principles employed help assess the availability of financial and non-financial resources in the NSTP-JDZ for the discharge of duties. The fourth issue considered how decision-makers can be held to account for compliance and performance. Lastly, the principles assess the transparency and accuracy of information within the zone. The above discussion chimes with a number of reports and the findings of Kreiner and Bhambri (1991); Clarkson, (1991) and Halal (1990) that stakeholder theory can be used to describe how board members generally think about the interests of corporate entities, as well as how corporations are governed by the managers. This advocacy of the stakeholder theory is encapsulated in the Chatham House Framework. Thus, the broader concept of the Chatham House Framework contains all the credentials and benefits of the stakeholder theory and justifies its adoption in preference to stakeholder theory.

The next section explains Agency theory which could be applicable in this research as well as the reasons for not adopting it.

Figure 4.1 the Stakeholder Model



Source: Donaldson and Preston, 1995

4.1.2 Agency theory as an alternative framework for the Nigeria-São Tomé and Príncipe JDZ

Agency theory is argued to be one of the most prominent and acceptable approaches of an accountability framework, particularly in social science research (Dunne, 2003). The theory principally focuses on accountability or demanding reasons for a conduct (Robert and Scapens, 1985). Thus, this segment explains what accountability, in an organisational setting, is all about. Accountability is said to be “...the monitoring, evaluation and control of organisational agents to ensure that they behave in the interests of shareholders and other stakeholders” (Keasey and Wright, 1993). Alternatively, accountability is a process whereby information users (stakeholders) use the information provided by the information providers (agents) for proper organisational decision purposes. Thus, accountability could be seen as a two way process of disseminating information between two groups for decision making purposes. In another explanation regarding the need for information and means of its communication for decision making purposes, Drever, *et al* (2007) described accountability as the relationship that exists between organisations and their shareholders, particularly regarding the disclosure of financial information. However, Tricker (1983) contends that accountability goes beyond producing a report of what has been done, and that it should include a justification of the reported actions and also the willingness of the parties involved to face the consequences. Additionally, Roberts and Scapens (1985) opined that accountability is a relationship that involves giving and demanding reasons for conduct or actions and Gray *et al.* described it as “the duty to provide an account (by no means necessarily a *financial* account) or reckoning of those actions for which one is held responsible” (Gray *et al.*, 1996:38); they added that the responsibility to undertake certain actions (or refrain from taking certain actions) and the responsibility to provide an account of those actions are the two necessary variables in any accountability relationship. Hence, in this type of relationship stakeholders have the right to demand accountability for any duty given to the agents, while the agents have the duty to be held to account for those actions (Drever, *et al.*, 2007; Gray *et al.*, 1996; Ijiri, 1983; Tricker, 1983).

Discussing accountability issues from an agency theory perspective, Jensen and Meckling (1976:308) define an agency relationship as:

“...a contract under which one or more persons the principal(s) engage another person (the agent) to perform some service on their behalf which involves delegating some decision

making authority to the agent. If both parties to the relationship are utility maximizers there is good reason to believe that the agent will not always act in the best interests of the principal.”

Elaborating on the above meaning of agency relationship in a later research, Dunne (2003:90) similarly said that the principal-agent model:

“...is a hierarchical model which assumes that some individual, small group or organisation, called the principal, has certain “rights” to make demands on the conduct of an agent as well as to demand reasons for the conduct undertaken by that agent”.

Hence, the principal-agent theory is centrally focused on the justification made by an agent for performing a particular action requested by the principal. Thus, this relationship gives the principal the right to ask the agent for the reasons behind a particular conduct. Conversely, the agent has the responsibility to supply or give such information to the best of his knowledge (Laughlin, 1990). Moreover, some analysts contend that the principal-agent relation is generally deeper than just demanding justifying certain actions, because the principal defines the nature of the activities of the agent through an obligation such as a contractual agreement (Broadbent *et al.*, 1996).

Typically, an agent may have the advantages of possessing information which might not be available to the principal; therefore, the latter may use that information at the expense of the former. Thus, to address this problem, agency theory highlights two basic issues; (1) *the desires or goals of the principal and agent’s conflict* and (2) *it is difficult or expensive for the principal to verify what the agent is actually doing* (Eisenhardt, 1989: 58). Undoubtedly, as discussed earlier, the principal and the agent always have different objectives, thus managing those differences must take into account any financial implications.

4.1.2.1 Incompatibility of agency theory in the context of the Nigeria São Tomé and Príncipe JDZ

In sum, one could argue that agency theory is mainly concerned with managing the delegated power and authority given to an agent to ensure that the agent uses the assigned delegation properly and not at the expense of his principle. Thus, the issue in general revolves around the principal and the agent. In the context of NSTP-JDZ, Chapter 3.4 provided details on how the managerial structure was designed to guide the dissemination

of information within the zone. It was reported that all operational activities of the contractors/operators are accountable to the JDA. On the other hand the JDA, as the general overseer of the zone, reported its activities to the JMC. Finally, the representative members of the JMC reported back to their respective states. Thus, in every case the former serves as the agent, while the latter stands for the principal (see Table 5.1 below).

Table 4.1 Agency relationship within the Nigeria-São Tomé and Príncipe JDZ

	Agents	Relationship	Principal
1	Operators/Contractors	Contract	Joint Development Authority
2	Joint Development Authority	Treaty	Joint Ministerial Council
3	Joint Ministerial Council	Treaty	Governments of the Participating States

Source: Author generated

The managerial structure in the NSTP-JDZ takes agency relationships into consideration by providing adequate channels for the dissemination of information for the benefit of the entire zone. However, problems arising from managing such information were reported in Section 3.6. Indeed, some weaknesses were reported relating to a way groups, and individuals conduct their assigned responsibility.

On a general note, the provisions contained in Agency theory and issues it intends to address were just a segment in the Chatham House Framework. In fact the framework, concerns more about the general governance practices adopted rather than relationship between agent and principal. For the reasons discussed above, agency theory was deemed to be not broad enough to encompass and underpin the issues this thesis addresses. Thus, this particular theory is considered not to be appropriate for the current research.

4.2 An overview of good governance

Reports of companies' failure and various rampant financial scandals in different parts of the world attracted the attention of international organisations, investors and others concerned with the activities of a chosen entity (Brennan and Solomon, 2008, OECD, 2009). These failures and scandals were undeniably caused by corruption; a lack of management skills; insufficient control measures and many other factors (OECD, 2009).

Consequently, stakeholders' confidence has been significantly diminished. To boost the confidence of stakeholders and realize organisational goals, appropriate leadership with effective control measures in place is required. The combination of leadership and control is summarily called 'governance'. However, broadly speaking, governance is a phenomenon that is perceived differently by different individuals and institutions. Academic institutions, international agencies, as well as analysts, perceived governance in a way that could be implemented in different field such as corporate governance, international governance, national governance and local governance (UN, 2010). Agreeing with this argument, Commonwealth Association for Corporate Governance (CACG) in the year 2000 posited that governance issues are dynamic; however there is no obvious single consistent model to emulate, because it continues to change according to national or organisational needs and circumstances. Hence, various definitions of this term were found in the literature.

The United Nations (2010:1) defined governance, "as the process of decision-making and the process by which decisions are implemented or not implemented". This definition appears to be consistent with that of the UNDP, which states that, "Governance is a system of values, policies and institutions by which a society manages its economic, political and social affairs through interactions within and among the state, civil society and private sector. It is the way a society organizes itself to make and implement decisions, achieving mutual understanding, agreement and action. It comprises the mechanisms and processes for citizens and groups to articulate their interests mediate their differences and exercise their legal rights and obligations" (UNDP, 2007:7). Looking at the concepts within the definitions above, governance could be argued to be a complete way of managing life. Therefore, good governance is said to be the proper way of implementing governance. This is apparently true as institutions, or groups of people entrusted with a mandate to manage the affairs of others, decide their economic, political or social fate. Thus, if those institutions/people were to govern the entrusted resources properly, the set target or goal is bound to be achieved; however, if it were poorly managed or not in a defined framework, the set target or goals were bound to fail (Roland, 2009; CEC, 2001 and Markus, 2000). Arguing in a similar direction, the Commission on Global Governance (1995:2) defined good governance as, "the sum of the many ways individuals and institutions, public and private, manage their common affairs. It is a continuing process through which conflicting or diverse interests may be accommodated and cooperative action may be taken." As such,

the central focus of good governance is on the institutional processes of managing resources.

In a comprehensive summary, the African, Caribbean and Pacific states agreement²⁷ defined the good governance concept in Article 9.3 as, “the transparent and accountable management of human, natural, economic and financial resources for the purpose of equitable and sustainable development. It entails clear decision-making procedures at the level of public authorities, transparent and accountable institutions, the primacy of the rule of law in the management of resources and capacity building for elaborating and implementing measures aiming in particular to preventing and combating corruption” (ACP, 2012).

Generally, some attributes are notably common in each of the above definitions of good governance. However, the major concern is the institutional capability of implementing policies that will lead to a proper coordination of resource issues.

4.3 Institutional perspective of good governance

As previously pointed out, numerous institutions hold different views on the concept of good governance. In this regard, the current thesis narrowed its discussion to a few institutions that have looked into issues that may, in one way or the other, help in addressing the aims and objectives of the current research. This is indeed logical as every principle or code of good governance developed was meant to address certain issues. Thus, it is difficult to create a single framework that encompasses all aspects and serves as a general model (Chen, 2011; Lahn et al., 2007 and CACG, 2000). In view of the above, the sub-sections below highlight a number of relevant frameworks.

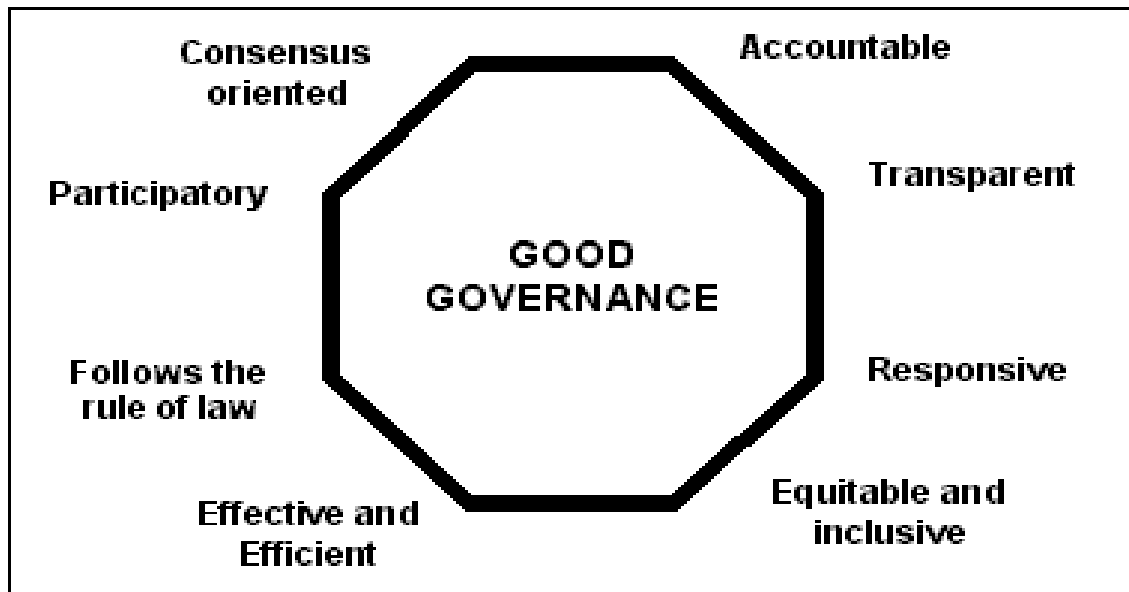
4.3.1 The United Nations’ perspective

Earlier, it was shown that the United Nations defined good governance as, “the process of decision-making and the process by which decisions are implemented or not implemented” (UN, 2010:1). According to that UN report of 2010, good governance can only be

²⁷This is an agreement entered into in Georgetown in 1975 which includes African, Caribbean and Pacific States as members. The group’s primary objectives are: “sustainable development of its Member-States and their gradual integration into the global economy, which entails making poverty reduction a matter of priority and establishing a new, fairer, and more equitable world order; coordination of the activities of the ACP Group in the framework of the implementation of ACP-EC Partnership Agreements; consolidation of unity and solidarity among ACP States, as well as understanding among their peoples; establishment and consolidation of peace and stability in a free and democratic society” (ACP, 2012).

accomplished when it possesses the following characteristics: It should be participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follow the rule of law (see Figure 3). Indeed, the report asserted that if these characteristics are met, corruption might be minimised; the views of minorities will be heard and, eventually, the voices of the most vulnerable will be taken into consideration during the decision making process.

Figure 3: Characteristics of good governance



Source: (United Nations, 2010)

Arguably, looking at the components in the diagram above, it can be attested that organisational goals are likely to be achieved if those characteristics are properly met. Accountability, the first characteristic, was defined by Roberts and Scapens (1985) as a relationship that involves giving and demanding reasons for conduct or actions. Hence, good governance will not be achieved without stipulating both ‘who was accountable to whom and who has been affected by the actions or decisions as a result of the information given’ (see, Alexander et al., 2007; Drever, et al., 2007; Broadbent et al., 1996; Sinclair, 1995; Gray et al., 1988, 1996; Keasey and Wright, 1993; Laughlin et al., 1992; Laughlin, 1990; Roberts and Scapens, 1985; Ijiri, 1983; Tricker, 1983 and Benston, 1982). This is basically true in every organisational setting. Take the joint development agreement for instance, the discussion in Section 2.4 showed that MOCs are accountable to the JDA; the JDA reports its actions to the JMC; then finally the JMC, as the representative of the participating states, accounts to the respective countries. As a result, therefore if every

party discharges its accountability responsibilities properly, the set goals are likely to be met. Equally, transparency is an essential component of good governance as it helps to ascertain whether the required information is freely available and directly accessible to those affected by the decisions taken and enforced. In addition, information is said to be transparent when it is presented in a comprehensive manner. Thus, transparency can arguably enhance mutual understanding and minimise conflict among stakeholders (Roland, 2009 and CEC, 2001). Transparency goes hand-in-hand with responsiveness, which is another characteristic mentioned in the UN report. This attribute advocates that agents or institutions serve legitimate stakeholders within a defined or reasonable timeframe.

Participation and rule of law are another set of characteristics developed by the United Nations. The former emphasises the freedom of representation and that the people, or the organisation, should at least be represented at all necessary levels by capable individuals. In the case of the latter (the rule of law), the UN states that an organisation is said to have a good governance culture when it imposes an impartial legal framework that protects human rights, especially those of minorities. Having fully participated in a just environment, legitimate stakeholders should benefit from an equitable and inclusive atmosphere. This implies that the stakeholder should enjoy equal/fair treatment by the management. Unequal/fair treatment of stakeholders generates much concern in organisational governance, particularly in the oil and gas sector where capital strength plays a significant role. Indeed, the unequal treatment of stakeholders is one of the allegations levied against the Nigeria São Tomé and Príncipe JDA (HRW, 2010, Berman, 2005).

Other characteristics advocated by the UN, are effectiveness and efficiency. These are obtainable when organisational outcomes meet the demand or needs of the stakeholders while making best use of the available resources. In fact, according to the UN, this should include the sustainable use of resources for the benefit of future generations. This argument is consistent with the sustainable development principle discussed in Chatham House's good governance (see Section 6.4.2). The UN report finally advocates a consensus agenda. In a nutshell, the concept requires stakeholders to be provided with a long lasting solution for a likely problem, for the common interest of all involved in the operational activities within an area. Indeed, this requirement is included in many treaties, agreements and governance codes, usually in the way of mediation, arbitration and other related terms.

In summary, the UN report on good governance appears comprehensive and indeed versatile and one which many sectors, including petroleum, could consider and use as a benchmark for their practices. Nevertheless, the reasons for its rejection are subsequently equally discussed.

4.3.2 Organisation for Economic Co-operation and Development perspective

The Organisation for Economic Co-operation and Development (OECD)²⁸ is another organisation that devised a comprehensive governance framework, in 1999, and reviewed it in 2003, with particular focus on corporate governance. More specifically, the OECD pointed out the need for a benchmark that would help governments to assess and improve the way they exercise their ownership. Thus, in 2005, the OECD created guidelines on corporate governance for state owned enterprises. The OECD had earlier defined the concept of governance as the, “use of political authority and exercise of control in a society in relation to the management of its resources for social and economic development” (OECD, 1995:14). Hence, the devised framework looked into different economic, political and environmental issues. Reiterating the importance of this effort, Klop and Lubbers (2008) wrote that the OECD as an organisation “provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.” Thus, the OECD could be viewed as an organisation concerned with providing guidance to policy makers, regulators and other stakeholders on general political and economic affairs. In particular, the OECD’s 2005 comprehensive framework for state owned enterprises, as mentioned above, consists of five principles which were established with the intention of assisting the OECD and non-OECD governments. The principles are discussed below.

4.3.2.1 The OECD Guidelines on corporate governance

As argued earlier, currently there is no single model for good governance that could be generalised for every issue across the globe (see UN, 2010; Brennan and Solomon, 2008 and Lahn et al., 2007). In an earlier study, this view was also assented in the specific area of corporate governance (OECD, 2004: 2005). However, the OECD was of the view that

²⁸The OECD member countries are: Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States (Klop and Lubbers, 2008).

there are common elements that bring about these governance practices that could be termed and summarised as principles/guidelines. The organisation believes that these principles, to some extent, embraced the diverse existing models as they are focused on publicly traded financial and non-financial companies (OECD, 2004). Equally, the OECD principles are believed to be applicable and useful in the state's own organisations and privately held enterprises (Klop and Lubbers, 2008 and OECD, 2005). The below guidelines are discussed individually.

4.3.2.1.1 Ensuring an effective legal and regulatory framework for state-owned enterprises

Under this principle, organisations must ensure that both state owned entities and private firms compete appropriately. In addition, the principle further states there should be a clear separation of roles and responsibilities. In other words, it advocates for the decentralisation of power. This seems to be important as evidence has shown that efficiency and effectiveness for better accountability can only be accomplished when a division of responsibility prevails (see Stevens, 2008; Adams et al., 2008; Nwokeji, 2007; Lahn et al., 2007 and Marcel, 2006). In fact, literature has revealed that the division of responsibility is one of the major characteristics of every governance framework. Therefore, this code is consistent with the third principle of Chatham House (see section 4.5) and its effect is manifested in the governance structure of the NSTP-JDA where four departments were established²⁹. Some of the advantages attributed to the division of responsibility include the enhancement of efficiency and increased trust among stakeholders. However, Casson (2011) posited that on some occasions it caused over-dependence and monotony within an organisation.

Furthermore, the guidelines pointed out that it was not only decentralising roles and obligations that were important, but also management should ensure that the assigned tasks are conducted within the ambit of the laws and regulations and should be disclosed to legitimate stakeholders in a transparent manner. Equally, the legal and regulatory framework should conform to the rule of law set for the sector. This may confine stakeholders to act within their stipulated limit and authority. The guideline appears

²⁹The JDA, as shown in Chapter 2.6 structured its departments into four, namely: Monitoring and Inspection, Commercial and Investment, Non-Hydrocarbon Resources and Finance and Administration Departments. This categorization indicates the division of responsibility among personnel and units. Each one has a stipulated designed task. Evidence showed that with all problems encountered right from the inception of the agreement, the division of those tasks significantly assisted in the continual existence of the agreement.

consistent with the subsequent characteristics of the rule of law developed by the United Nations and discussed in the previous section. The last important issue discussed under this principle advocates that organisations develop practices for the betterment of general economic performance. This entails the judicial use of resources by organisations, particularly in relation to the financial sector. Overall, the present principle is focused on the effective use of resources, the judicial application of the rule of law and the division of obligation and responsibility within a state owned organisation.

4.3.2.1.2 The state acting as an owner

The second principle of the OECD states that, “The state should act as an informed and active owner and establish a clear and consistent ownership policy, ensuring that the governance of state-owned enterprises is carried out in a transparent and accountable manner, with the necessary degree of professionalism and effectiveness” (P.13). From this quote, it is evident that the principle is urging the government to define the objectives of the organisation and to assign a higher authority: for example, a board that will oversee its activities. Additionally, the states should always exercise their ownership rights, but at the same time should not intervene in the day-to-day management of the organisation. This practice may encourage full operational autonomy that may assist in achieving the stated organisational objectives. In summary, the current principle is designed with the aim of protecting and facilitating the respective stakeholders’ rights. Moreover, it also gives legitimate owners the opportunity to assume necessary ownership functions.

4.3.2.1.3 The equitable treatment of shareholders

Generally, human beings appreciate being treated fairly by their peers or colleagues. Moreover, in an organisational setting they wish to experience equitable treatment by the management. In line with this, the OCEDs’ third guideline (2005:14) stated that, “the state and state-owned enterprises should recognise the rights of all shareholders and in accordance with the OECD Principles of Corporate Governance ensure their equitable treatment and equal access to corporate information”. This guideline further implored sectors to ensure transparency towards all stakeholders. Similarly, sectors should devise an effective policy of communication and consultation with all stakeholders whenever the need arises. In sum, this principle is specifically concerned with the rights of all stakeholders, irrespective of their level of contributions.

Contrary to the above proposition, evidence derived from the literature revealed that supremacy struggle between shareholders is one of the major concerns within organisations. In most cases, the controlling parties pursue their personal interest at the expense of minority partners (see Young et al., 2008; Su et al., 2007 and Claessens et al., 2002). Thus, fair and equitable treatment between the two groups is threatened and results in the adverse realisation of organisational goals (Jiang and Peng, 2010; Young et al., 2008; Su et al., 2007; Denis and McConnell, 2003 and Claessens et al., 2002).

The principle of equitable or fair treatment of participants is basically contained in every good governance framework (see UN, 2010, UNDP, 2010, CHGGP, 2007, IMF, 2005). Therefore, adherence to it may likely reduce the chances of the business failing and agreements being terminated (Denis and McConnell, 2003). This is evident in Chapter 3.5, where significant numbers of stakeholders made allegations and indicated their dissatisfaction with the unfair treatment they had experienced by the management of the NSTP-JDZ. The allegation nearly caused the termination of the JDZ agreement. Similarly, arguments in Chapter 2 showed that some countries employed a compulsory joint venture model and were reluctant to create a joint development authority in order to avoid a conflict of interest, because in this type of agreement each state has the mandate to engage the services of its nationals, thereby avoiding allegations of unfair treatment (see Chapter 2.4).

4.3.2.1.4 Relations with stakeholders

The fourth OECD 2005 guideline advocated that, “The state ownership policy should fully recognise the state-owned enterprises’ responsibilities towards stakeholders and request that they report on their relations with stakeholders”. Principally, this guideline is consistent with fourth principle of OECD 2004, which implored that, “organisations to recognise the rights of stakeholders established by law or through mutual agreements and encourage active co-operation between corporations and stakeholders in creating wealth, jobs, and the sustainability of financially sound enterprises.” The argument urges stakeholders to understand their lawful rights and seek redress if those rights are violated. Equally, stakeholders should be able to voice any concerns about unethical practices to the highest authority. The last issue raised under this section is the stakeholders’ ability to have access to relevant, sufficient and reliable information on a timely and regular basis. This is a very detailed principle with many demands that appear difficult to meet. However, if all

of the aspects within the principle were met, then a meaningful progress would be recorded within the firm or organisation. The concepts contained in this principle are consistent with the requirements stated in the Chatham House Principle 4 and to some extent the Principle 5. Nonetheless, it is not as comprehensive as them.

4.3.2.1.5 Transparency and disclosure

In an organisational setting, disclosure and transparency were argued to be the most significant mechanisms of accountability (Chen et al., 2007; Ho and Wong, 2001 and Gray et al., 1996). Therefore, stakeholders need available and reliable information for decision making purposes (see Section 3.7). Indeed, analysts posit that whenever information is not properly disclosed, in a transparent manner, a misleading result is inevitable (Gibson and O'Donovan, 2007; Mulgan, 2002 and Gray et al., 1996). In its efforts to enhance this practice, the OECD's, 2005, fifth guideline urges state owned organisation to observe high standards of transparency, specifically in accordance with the corresponding fifth principle of the OECD 2004. This principle states that, "The corporate governance framework should ensure that timely and accurate disclosure is made on all material matters regarding the corporation, including the financial situation, performance, ownership, and governance of the company". This principle is in line with the earlier argument put forwarded by Grey et al. (1996; 1998) who posited that transparency and disclosure issues had never been limited to financial information but also included non-financial matters. In addition, the principle urged institutions to prepare and disclose the information in accordance with high quality accounting standards and financial and non-financial disclosure.

The final three major points listed in the principle were:

- i. An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects.
- ii. External auditors should be accountable to the shareholders and have a duty to the company to exercise due professional care in the conduct of the audit.
- iii. Channels for disseminating information should offer users equal, timely and cost-efficient access to relevant information.

The content of the principle would appear to be comprehensive and indeed, if followed, may encourage an organisational accountability culture. In the same vein, the information provided in this principle was also included in the Chatham House Framework. Hence, the survey took them into consideration.

4.3.2.1.6 The Responsibilities of the boards of state owned enterprises

The OECD principles have always emphasised on traded firms and on companies' activities. This emphasis on a specific trading area further reveals the differences between the OECD framework and that of Chatham House (see Section 4.4). Nevertheless, in any setting, the board or similar composition must be set up to guide and monitor the activities of an organisation. Hence, the last OECD guidelines advocate that:

“The boards of state-owned enterprises should have the necessary authority, competencies and objectivity to carry out their function of strategic guidance and monitoring of management. They should act with integrity and be held accountable for their actions.”

This guideline categorically points out the strategic guidance needs of a board to discharge its responsibility appropriately. In more specific terms, the responsibility of the board where one exists, includes: “reviewing and guiding corporate strategy, major plans of action, risk policy, annual evaluation of performance; setting new performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures and finally, oversee the process of disclosure and communication” (OECD, 2005). The elements listed are almost identical to those devised by the Chatham House Framework. The sequence has shown that the board is expected to discharge its responsibilities to the organisation and other related legitimate shareholders. Traditionally this structure commonly appears in both traded and public organisations. For example, in the NSTP-JDZ, the MOC/IOC reports their actions to the JDA, while the JDA is accountable to the JMC which serves as the board (Council) in the NSTP-JDZ; lastly the council reports its actions to the respective states (see Section 2.5). Hence, this structure was argued to enhance a monitoring culture in the zone and also assist in the decentralisation of duties amongst the parties involved.

In general, following the discussion on the OECD framework in this section, it could be argued that the framework is comprehensive enough to be emulated and to be used to

assess the governance practices of both private and public institutions. Nevertheless, it is evident that OECD principles focused on traded companies, with particular attention placed on enhancing the relationship between the different classes of shareholders (Chen, 2011).

4.3.3 The extractive industries transparency initiative (EITI)

The EITI is another multi-stakeholder initiative organisation, established in 2002 and officially launched in June 2003, which comprises of government, the private sector and the civil societies. The organisation focuses on promoting revenue-resource transparency at local level. The initiative has established criteria for measuring the transparency of its members through designated steps. Its information sources offer, “regular publication of all material oil, gas and mining payments by companies to governments (‘payments’) and all material revenues received by governments from oil, gas and mining companies (‘revenues’) to a wide audience in a publicly accessible, comprehensive and comprehensible manner”. In essence, the EITI is concerned with transparency in revenue and payment with regards to mineral resources. No doubt this quality would enhance stakeholders’ trust and promote accountability within organisations. However, the sole focus on transparency by the developed standard made it deficient as a model in the general governance of the national petroleum sector. Unlike the OECD, the UN and Chatham House Frameworks, the EITI developed standard did not take other issues into consideration. These areas included sustainable development, corporate social responsibility, stakeholder’s interest and many more.

Following analysis of what constitutes good governance and the various frameworks which enhance its practices within the sectors, the next section focuses on good governance exclusively in the National Petroleum Sector.

4.4. Good governance of the National Petroleum Sector

Lahn et al. (2007:5) defined the governance of the petroleum sector as a, “system for making and implementing decisions concerning the exploitation of a nation's oil and gas resources. It includes the structural and hierarchical organisation of the sector, the decision-making and communication processes, the policies and objectives governing sector’s activities and the regulation of those activities.” The National Petroleum Sector is said to be a major sector instrumental in influencing the political and socioeconomic arena of oil

and gas producing states (see Tordo, 2011, Steven, 2008:2003 and McPherson, 2003). Yet, for decades, managing this sector proved to be challenging, especially in developing economies (Lahn et al., 2007; Heller, 1980 and Nore 1980). A number of these challenges arose from the difficulty of combining political motives, economic goals and maximising profit (Tordo, 2011 and Kan, 1994). In such situations, the national oil sector was faced with numerous expectations and challenges, such as the difficulties of managing revenues effectively and fairly, pressure to comply with international standards, meeting local public demands, minimising environmental concern, international economic liberalisation and so on. To manage these challenges and expectations, adequate governance structures and practices have to be put in place within the sector.

In view of the above, and in an attempt to address the issues surrounding the sector, the oil and gas producing states established an institution with the mandate of managing their respective petroleum sectors (Mommer, 2002 and Heller 1980). These efforts became popular in 1959 when the world's major oil exporting countries (OPEC) agreed to and recommended the creation of the National Oil Companies (NOC) in order to ensure direct state participation by the host countries (Tordo et al., 2011). Some of the reasons given for the creation of those NOCs were to reduce and condoned the aforementioned challenges. Nevertheless, the purpose of the NOC varies from one country to another (McPherson, 2003 and Horn, 1995). Some countries restricted their activities to petroleum operations, while others were involved in multiple tasks beyond the normal production of petroleum resources³⁰ (Stevens, 2008; Marcel, 2006). Broadly speaking, Stevens (2008:6) stated that the NOCs had three major responsibilities: (i) to protect the national hydrocarbon wealth; (ii) to promote economic development; (iii) to promote the political interests of the state. In contrast, Tordo et al. (2011) agreed with the reasons given for the creation of NOCs, but went ahead to summarise a number of challenges that hindered their proper governance. These included historical context, political influence, economic factors and socioeconomic issues, among others.

In the case of protecting national interest, people in developing countries see MOCs as an agent of international countries who interfere with the country's economic system at the expense of national interest (Kan, 1994; Hartshorn, 1993 and Grayson 1981). Therefore,

³⁰Most of the multiple tasks are in the form of socioeconomic benefits which are provided in different forms. The most noticeable are employment for local citizens, provision of schools, hospitals, roads, bridges, water supply, subsidies for products consumed by locals (McPherson, 2003 and Gayson, 1981).

creating an institution like the NOC, with the aim of protecting the interest of the host country, may help to realise the said multiple tasks. However, the conflicting goals (developing hydrocarbon resources and funding government projects) appeared difficult and indeed caused operational paralysis within the sector (Stevens, 2004 and Olorufemi, 1991). Nonetheless, many countries decided to embrace the NOC with its multiple functions; however, there is evidence that such NOCs faced numerous governance challenges.

In addition, political interference is another significant challenge of the National Oil Sector. In most cases, this interference has hindered the decisions making process and value creation within the sector. Evidence showed that petroleum resources in many countries were used as political weapons by the government or ruling class. In this situation, the politician used the resources to secure financial and political advantage (Robinson, 1993). Elaborating on the political and financial advantages driven by the government or its agent, Tordo et al. (2011:23) said that, “domestically, state participation in the sector via NOCs provides the government with better control of the petroleum sector along the value chain, including technical and commercial decision making; resource development and depletion policy; product prices and subsidies; employment decisions; and scope of activities”. It is, of course, a great advantage to have all the required powers of the state politicians or government. Adding to this argument McPherson (2003), deducts that when the government’s control descends to the downstream sector within a country, voters, as well as the populace in general could also be controlled through the pricing policies of petroleum products. In this respect, price control could be used as a political tool. Expanding on this from a global perspective, Tordo et al. (2011:23) stated that the, “petroleum wealth can be used to secure financial, political, or military support and direct state control over the oil and gas sector enhances the government’s standing and bargaining position”. Hence, the struggle for the attainment of power causes concern within the sector and the country at large.

An additional governance issue in the national oil sector is operational management. Operational management is said to be a way of managing the sector in accordance with laid down rules and regulations, in an effective and efficient manner. Therefore, whenever inefficiency prevails organisational governance is bound to fail. Surprisingly, inefficiency was argued to be a great concern of the petroleum sector, particularly when the sector was

being managed by the NOC. These weaknesses were argued to occur as a result of insufficient technical and managerial capabilities, as well as policies that were not in accordance with the initial set target of the sector (Al-Mazeedi, 1992 and Jaidah, 1980). The inadequacies of personnel capabilities were mainly caused by unchallenged attitude or practices within the sector. These include recruitment based on religious, tribal or family consideration, instead of competency and performance (Al-Mazeedi, 1992). Moreover, incompetent personnel were paid above average wages compared to their counterparts in other sectors within the chosen country (Stevens, 2004). As a consequence, the inefficiencies of such personnel lead the sector becoming uncompetitive. This, in many instances, was followed by reduced competition and the management's reluctance to monitor organisational performance (Palmade, 2005 and Pollit, 1995).

It has been previously discussed that through the NOC, the oil and gas sector combined both commercial and non-commercial objectives, especially in developing countries. However, it is evident that developing countries have a poor public investment culture, coupled with demands beyond normal corporate social responsibility programs. Subsidies of final products are no exceptions in these practices, indeed it is believed to be one of the principal non-commercial obligations. Thus, even though subsidies appeared to have political advantages, they were criticised as being an ineffective and inefficient way of spending public fund (Heller, 2009 and Hodges 2003).

Oversight and control are other issues worthy of discussion in the course of reviewing the national petroleum sector management. It has been argued that the majority of the national oil sectors are poorly governed compared to the private oil companies (Jaffe and Ellass, 2007). This may be as a result of inadequate oversight and control by the people assigned to do the tasks. As a consequence, the issue of poor management may be a result of direct or indirect intervention by the owners (Government) in their pursuance of resource control. Thus, top management might not have any less decision making powers than their counterparts in private sectors (Stevens 2004). These circumstances have arguably caused inefficiencies and corruption within the system (Hertzmark, 2007).

In this regard, the Chatham House Good Governance Principles have taken the surrounding governance issues and mechanisms in the national petroleum sector into serious consideration and have come up with guidelines that will help countries assess their systems of governance. Hence, the next section provides details to that respect.

4.5: Good Governance: the Chatham House Viewpoint

Having seen what Chatham House perceived to be good governance of the petroleum sector in section 4.4 above, the present section looks at the framework in detail. Scholars posited that there is no international standard measure of good governance, particularly in the petroleum sector (Marcel, 2011; Stevens, 2008 and Lahn, et al., 2007). Hence, Chatham House³¹ came up with a comprehensive and encompassing framework. This effort is in line with the institution's research interest on resource governance and accountability (Lahn et al., 2007). Thus, decision makers from 23 major oil and gas producing countries³² gathered and shared their experiences and created the framework entitled, '*five principles of good governance in the petroleum sector*'. The recommendations of the framework were arguably significant for national oil companies, organisations or agencies bestowed with the responsibility of managing natural resources. This may help stakeholders identify possible improvements in the general governance of the petroleum sector. In addition to these principles, the outcome of the research outlined a number of components or benchmarks under each principle for consideration. These are partly why some scholars regarded the framework as being a comprehensive guideline that may steer the activities of the oil and gas sector. Table 4.1, below, presents the principles and a discussion follows.

³¹The Royal Institute of International Affairs (henceforth, referred to as Chatham House) is an independent non-governmental international affairs think-tank organisation. The organisation has mainly structured and focused its research activities within three areas, namely: (i) Energy, Environment and Resource Governance; (ii) International Economics; (iii) Regional and Security Studies. The Chatham House has more than 100 individual and corporate members such as National Oil Companies, Financial Institutions and Countries worldwide (Chatham House, 2011). In addition, the Centre for Energy, Petroleum and Mineral Law Policy (CEPMLP) Dundee has partnered Chatham House in developing the advocated good governance principles.

³²The participants are from: Algeria, Angola, Azerbaijan, Brazil, Colombia, Egypt, India, Iran, Iraq, Kazakhstan, Kuwait, Libya, Malaysia, Mexico, Nigeria, Norway, Saudi Arabia, Suriname, Trinidad and Tobago, the United Arab Emirates, the United Kingdom, the United States of America and Venezuela (Lahn et al., 2007)

Table 4.1 Chatham House Good Governance Principles

No.	Principles
1	Clarity of goals, roles and responsibilities
2	Sustainable development for the benefits of future generations
3	Enablement to carry out the role assigned
4	Accountability of decision making and performance
5	Transparency and accuracy of information.

Source: (Lahn et al., 2007)

4.5.1. The principle of clarity of goals, roles and responsibilities

In a decentralised organisation, specific roles are assigned to a particular person or group with a mandate to account for his/her action at the end of the task. In such situations, Wade (1997) asserted that accountability and organisational performance improves and, to a large extent, minimises corruption. However, some scholars like Persson and Tabellini (2000); Brueckner (1999) and Tanzi (1996) contended that regular supervision and appropriate monitoring of subordinates play a more significant role in achieving organisational goals than decentralization. Moreover, whenever the words ‘supervision and monitoring’ are mentioned, it is assumed that there is superior-subordinate relationship, which would imply direct or indirect decentralisation of the task. In the petroleum industry, it is noted that the duplication of efforts and conflicts of interest are significantly reduced whenever organisational roles are clearly defined and decentralised to an appropriate person or group. This is evident in the Chatham House Governance Principles, where organisations are encouraged to clearly define the goals, roles and responsibilities before deciding on any other accountability rights or obligations. This view is consistent with the provision contained in the principle of the OECD and United Nations, as previously discussed. Certainly, identifying who is best suited to do a certain job, the best time to do it and the methods to be use may considerably improve transparency and accountability (see Keasey and Wright, 1993 and Jensen and Meckling, 1976). Continuing this argument, Lahn et al. (2007:7) stated that the, “*Lack of clarity can lead to conflicting agendas, duplication of effort and policy paralysis*”. Therefore, to minimise this management issues in the industry, each and every stakeholder’s role must be defined in the framework. Thus, the

present principle contains eight major components³³ that should be stipulated at the beginning of an agreement. Some of these benchmarks are advocated and the next sections explain why.

4.5.1.1 Major attributes of the principle of clarity of goals, roles and responsibilities

In failed attempts to maximise resources, countries often develop haphazard policies that lead to the duplication of effort, or oil sector's strategies that conflict with governmental goals (Marcel, 2011). Thus, the CHGGP advocates the needs for adequate clarification of stakeholder's roles and responsibilities, as well as the sectors' goals. The framework begins by discussing the National Oil Company (NOC) and its assigned responsibilities. In many instances the NOCs of developing countries do not operate solely on the basis of market principles as a result of the multiple objectives beyond profit making (Stevens, 2008; Adams *et al.*, 2008 and Nwokeji, 2007). Indeed, Stevens (2008) and Pirog (2007) added that these types of NOCs placed more emphasis on wealth redistribution, job creation, energy generation and more importantly the general economic development of the country. In this vein, Article 1.1 of CHGGP advocates that:

“National development objectives and the role of the oil and gas sector in contributing to those objectives are clear and well communicated”.

More specifically, the above article advocates that the oil sector, such as the NSTP-JDA to clearly communicate its programmes, plans and commitments with regards to the national development project to all stakeholders involved. However, the national objective of a country is often difficult to define exactly. Take the NSTP-JDZ as an example, it would be challenging for the JDA to identify and meet the national objectives of Nigeria as well as São Tomé and Príncipe at same time. As earlier discussed, in sections 3.2 and 3.3 of chapter 3, the environmental characteristics of the two countries make it difficult for them to have the same or similar national goals. Nonetheless, this does not mean the JDA cannot devise a means of establishing one for the benefit of both countries. Moreover, there is no specific provision that categorically mandates the JDA to execute or supervise any development project in either of the states. Nevertheless, Article 3 (1) of the Treaty

³³These sub-principles (components) were the basis of the questions asked in the questionnaire survey; they were tested in the context of the Nigeria São Tomé and Príncipe Joint Development Zone. However, in many instances, the provisions were simplified to facilitate the understanding of the respondents. In addition, where the article appears to be a statement of fact, it is excluded in the survey (see methodology chapter for the justification)

provides that the JDA is expected to share the cost and benefits derived from the zone 60/40% between the two states in favour of Nigeria. This is indirectly giving each country the mandate to execute its development project individually using the revenue derived from the zone. In a related development, the JDA supervises educational support programmes in the form of financial assistance for the populace of both states.

Another significant attribute worthy of discussion in Principle one, advocates the decentralisation of roles and responsibilities within an organisation. The principle indicates the significance of categorising major roles such as policy, strategy, operation and monitoring separately. Indeed, Article 1.2 of CHGGP stipulates that:

“The roles of (a) policy-making, (b) strategy-making, (c) operational decision-making and (d) monitoring and regulating industry activity are clearly defined and assigned to individuals and/or agencies”.

To this effect, the above article requires each of the four roles to be defined and assigned to a specific group of people and not overlaps in any way. Moreover, no individual should be permitted to carry out double or multiple functions. Gray et al (1996) posited that decentralisation will enhance accountability in organisations, as well as bringing with it many other benefits. In the context of this study, the clause appears consistent with Article 9 of the NSTP-JDZ treaty, which empowers the JDA to act as the NOC of the JDZ. Obviously, all functions and responsibilities designed and conferred to the authority are similar to that of the NOC (see Section 3.4). In fact, all the other functions enumerated are clearly stated in different sections of the Treaty. It is hoped that the survey will reveal any shortcomings or ambiguity present within zone. In a similar trend, Article 8.2 of the Treaty empowers the JMC to regulate the activities in the JDZ. This sole responsibility tallies with Article 1.3 of the Chatham House CCGG Principles.

The next significant clause looked into the concept of the purpose and mission of an NOC. The previous sections indicated the necessity of stipulating the roles and responsibilities of stakeholders within an oil sector. Consequently, it not only clarified the roles of the people involved within the sector, but stated that it was mandatory for management to clearly state the long-term mission and purpose of the NOC. In fact, management should even specify whether the NOC is multi or mono task in nature.

Moreover, Section 1.5 in the Chatham House Framework required the NOC (JDA) to categorically differentiate between commercial and non-commercial activities. The section reads as follows:

“The NOC’s operating role is defined in a way that allows commercial and non-commercial responsibilities to be distinguished, and prioritized if necessary.”

In the context of this research, Section 3.5.2.1 clearly defined the functions of the JDA, which serves as the NOC of the zone. More importantly, Section 9 and 10 of that Treaty clearly enumerated the mission not only that of the JDA, but for the entire JDZ. This clear stipulation indicated the level of consistencies between the Treaty and the provisions of the Chatham House Framework with regards to the clarity of purpose and mission of the NOC.

Every action or inaction, in a sensitive sector or organisation like petroleum, needs legal guidance. To this end, Section 1.6 of the Chatham House Principle states:

“The legal framework for the NOC clearly defines the rights and responsibilities of shareholders and other stakeholders.”

The above provision requires the rights and responsibilities of both shareholders and stakeholders to be defined in the framework³⁴. The responsibilities should not be defined in proxy, nor by consent, but rather written in a legal document such as a contractual agreement or treaty. This is exactly the case in the JDA and all the aspects mentioned above were clearly contained in the Treaty or other relevant JDZ documents.

In general, the above major provisions of the Chatham House Framework were arguably believed to be broad attributes of the first principle. The principle is concerned with the clarity of goals, roles or responsibilities of stakeholders, agencies or other parties involved in the sector. Preliminary investigation showed certain consistencies between the provisions in the treaty and the advocacy of the Chatham House Framework, in relation to the transparency of roles and responsibilities of stakeholders, the purpose and mission of

³⁴Again, section 1.7 and 1.8 of Chatham House’s first principle was similarly defined in the JDA documents, thus those issues were adequately contained and taken care of. These are: “The governance structure specifies the role of the NOC board, the limits of its authority, what it is accountable for, and to whom” (1.7) and, “The legal, fiscal and regulatory framework in which foreign and private operators/service companies will operate and any obligations to the country beyond their agreed work programme are clearly defined in their contracts” (1.8).

the institution charged with the mandate of governing the sector. However, only the stakeholders (survey participants) can attest or dispute these statements

4.5.2 The principle of sustainable development

Ordinarily, countries increase the production of available resources in order to maximise income. In this situation, some countries give little consideration to long-term repercussions (Douthwaite, 1992). Thus, the environment and its related resources are mostly exploited for current benefits at the expense of future generations (Hopwood et al., 2003; Christie and Warburton, 2001; Middleton et al., 1993). In many cases, environmental problems were perceived and treated as a local predicament, with little or no attention shown by the authorities concerned.

To address the growing concern of a range of socio-economic, as well as environmental issues, the concept of sustainable development evolved (Hopwood et al., 2003; Lele, 1991 and Tolba, 1984). For Hopwood et al. (2003) sustainable development is a way of managing potential current and future challenges for humanity. In a broader sense, the world Commission on Environment and Development (WCED, 1987:43) defined sustainable development as a, “*development that meets the needs of the present without compromising the ability of future generations to meet their own needs.*” In a very similar description, Lahn, et al, (2007) defined sustainable development in the petroleum sector as an effort by the stakeholders to meet current demand, without compromising the needs of future generation. Therefore, in petroleum operations the Chatham House Framework hinted that when an organisation succeeds in defining its goals, roles and responsibility it is expected to start thinking not only about meeting the immediate needs, but also how to safeguard resources for future generations. Furthermore, to meet these expectations, the sector is expected to plan and establish policies that will take social, economic, and environmental issues into account. This kind of consideration was argued by Lahn et al. (2007) to be the best way of accomplishing the sector’s objectives, as well as national development goals, especially when responsibilities are assigned to the appropriate individuals.

4.5.2.1. Major attributes of the principle of sustainable development

Addressing issues on sustainable development, the second principle summarises the theme into components. One of the most significant components is concerned with how people

are responsible for the management of a system and utilise resources for the benefit of future generations. By including this provision, the Chatham House would like to see an initial structure put in place by organisations to ensure qualified personnel occupy those positions.

Similarly, the literature indicated that enhancing education and training is of utmost importance in the petroleum sector operations (Marcel, 2011). On a general note, human development through education and training promoted peace and enhanced efficiency of the targeted outcome of an organisation (Murphy and McIntyre, 2007; Julie, 2005 and Dalziel, 2003). Indeed, Cunha and Cunha (2005) argued that enhancing personnel, through training and education in petroleum operations, may influence and reflect on any likely changes that may occur, particularly in this technological global era. Cunha and Cunha (2005:3) further state that, “*the petroleum industry demands from our possible future leaders and managers a basic understanding of the oil business, the global market, its trends, risks and economic implications.*” This of course indicates the importance of enhancing education and training, particularly in a complex industry like oil and gas. In this regard, Article 2.2 of the sustainable development principle states the necessity of providing sufficient education and training of personnel in the sector³⁵.

Researches showed that, to a certain extent, employment practices and policies influence organisational performance (Baron and Armstrong, 2007; Nicholson and Kiel, 2004 and Hillman and Dalziel, 2003). Thus, organisations give their best in order to attain a favourable outcome by providing adequate knowledge, skills and other resources (Nicholson and Kiel, 2004). In this respect, another clause within the principle recommended that petroleum sectors ensure fair and realistic local participation in their employment and purchasing practices. It argues that these practices may develop the economy within the sector and enhance human development, as well as technology transfer. Therefore, the efficiency and effectiveness of the end result is achieved. Corporate social responsibility (CSR) is another component advocated by the sustainable development principle. Section 2.4 categorically states that, “Corporate social responsibility (CSR) policies and programmes are aligned with a national development

³⁵The principle stated that, “Education and training are sufficient to meet the sector’s needs and the transfer of skills to the non-oil sectors is promoted.” This is to say, that it is the on-going provisions for training of personnel enough to meet the requirement of the sector? Unless this is met, the Chatham House Principle is of the view that the sector is lagging behind achieving the target.

agenda.” This means that it is expected that the national oil sector at least establishes policies that will encompass CSR activities for the benefit of local communities. In a similar provision, within the sustainable development principle, the national oil sector is urged to subsidise its related products for the benefit of the immediate community. This, according to Lahn et al. (2007), may ease the effect of international price fluctuations and may also reduce the level of poverty among the people.

As stated before, the central idea of sustainable development is doing everything possible not to compromise the future generation’s hopes at the expense of current benefits; therefore, this principle ended the section with Article 2.7 which states, “*Effective processes are in place to ensure that the development of hydrocarbon infrastructure and its operations do not result in long-term damage to local and regional environmental assets.*” Thus, the challenge for the oil sector, such as the NOC (JDA) is to oversee the activities of the MOC, or any operations that may hamper the environment or its resources in the long run.

4.5.3 The Principle of enablement to carry out the role assigned

To achieve an organisational target and efficient performance, each factor must possess the required resources, which include but not limited to finance, information, skills, knowledge and experience (Marcel, 2011 and Lahn et al., 2007). Unlike the perceptions of other institutions on governance, the Chatham House Principles opined that the only way to set roles, goals and responsibilities of an organisation efficiently and also put mechanisms in place to safeguard the resources for benefits of future generations is to gather both financial and non-financial resources as much as possible. In this regard, the current principle outlined a number of standards for the attainment of the above stated variables. The first article states that policy makers must possess sufficient knowledge, skill and capacity to set policies for the sector. Indeed, this is necessary otherwise the policy makers may set misleading policies or those that may generate long term negative effects. Another important point rose in Article 3.2 is that, “*Checks and balances are in place at government level to enable consistency for long-term policy-making.*” The clause assumed that any oil sector is overseen by a governmental agency working on behalf of the state. Moreover, the most important issue was the ability of personnel to supervise long-term plans, as well as being in the possession of adequate financial and managerial authority to carry out the assigned roles. On the other hand, the ability of the operational staff, auditors,

regulatory personnel and other employees to perform their functions correctly with the required resources, is also vital. In summary, the current principle advocates that the personnel possess the required skills and resources when performing the assigned tasks.

4.5.4 Accountability for decision-making and performance principle

The accountability concept increases stakeholder's confidence that performance and actions are subject to checks and evaluation, thus minimising the possibility of corruption and malpractice (Marcel, 2011 and Lahn, et al., 2007). However, for an organisation to be accountable or transparent in its operations, certain standards should be adhered to, as noted in the Chatham House principles. Notably, the mechanism put in place by the management plays a significant role in ensuring personnel discharge their responsibilities properly. Thus, Article 4.1 states that the, "*Mechanisms are in place to ensure that operators in the sector are in compliance with national and international regulations and contractual obligations*". The accountability obligation here is the compliance of the operators in discharging their operational duties to the set rules and regulations. Any deviation from the set standards must be addressed by the party concerned. Again, the current principle highlights that regular audits and accounting for revenues are the necessary responsibilities of any petroleum sector if they are to be accountable. These may give stakeholders confidence in what is happening within the organisation and help them plan for future challenges. An important issue arising from this principle is mutual understanding and problem solving processes between local communities and operators within any oil sector. The provision set out in Article 4.6 states that, "*There is an effective mechanism for dialogue between local communities and operators to account for the impact of operational activities*". Therefore, it is argued that there must be a structure in place to reconcile any potential misunderstanding between or amongst parties. The principle is not only concerned with reconciliation in times of difficulties, but also emphasises the need to explain any corporate social responsibility programme carried out in the area. This will ensure that the local community appreciates any work undertaken locally.

4.5.5 The principle of transparency and accuracy of information

Transparency is an act of disseminating timely, reliable, and relevant information to the stakeholders for their decision making purposes (Drever, et al., 2007 and Eggert and Helm, 2003). The procedures for disseminating this information could come in any form, as long

as it helps legitimate stakeholders in their decision making process (O'Donovan and Gibson, 2007). Therefore, transparency is argued to be the most significant element in organisational accountability setting (Lahn, et al., 2007 and Drever, et al., 2007). In a similar vein, transparency is said to be an element that enhances trust amongst stakeholders, enables management to take good decisions, and helps stakeholders quickly intervene when problems arise within organisations. In the specific sector of petroleum resources, transparency concerns the information between the principle and the agent, transparency in licensing process, procurement practices and transparency in all other related issues that contribute to the success of the sector.

This is exactly what constitutes the fifth principle of the Chatham House Framework. The first provision urges players within the sector to make sure timely and accurate financial and operational information are properly disseminated from the operators to the legitimate stakeholders. If the information is confidential, the providers of that information should ensure a proper explanation is given to the people concerned. In addition, the transparency issues on licensing, procurements and employment practices should also be disclosed in an appropriate and timely manner.

In general, the five principles of Chatham House, explained above, are said to be a comprehensive guide for policy makers, industry executive, officials, the immediate community and civil society in the oil and gas sector. The following segments briefly highlight the rationale behind the choice of the Chatham House Framework as a tool to assessing governance practices of the NSTP-JDZ.

4.5.6 Rationale for adopting Chatham House Good Governance Framework

Evidence has revealed that a well-designed and implemented framework enhances sector development in an effective and efficient way (Tordo, 2007). Undoubtedly, previous arguments showed that there is no international framework or a standard measure of good governance principally for the petroleum sector (Marcel, 2011; Stevens, 2008; Lahn, et al., 2007). However, in addition to the traditionally theoretical frameworks discussed in Section 4.1, attempts have been made by different organisations such as the United Nations, OECD, IMF, World Bank, EITI to create an inclusive framework that may guide activities in different circumstances (see Section 4). It would appear that the frameworks developed by the above organisations were not primarily for the oil and gas sector. The one designed by the United Nations emerged as a general framework that may be applicable for

almost every setting, such as international aid, businesses and other governmental affairs. Therefore, it was not designed to encompass the delicate characteristics of the oil and gas sector. On the other hand, the OECD codes of 2005, discussed in this thesis, were mainly designed for state owned enterprises and were intended to enhance the overall economic efficiency and competitiveness of a country (OECD, 2005). This framework would appear to be instrumental in resolving conflicts between shareholders and management. In addition, it investigates conflicts between controlling and minority shareholders. In a real sense, the oil and gas sector is beyond any shareholders' conflict resolution as the petroleum sector consists of different types of stakeholders. For its part, the framework of EITI is principally concerned with the transparency of revenue and payment with regards to mineral resources. Thus, it is obvious that the oil and gas sector is apparently beyond revenues and payments.

On the other hand, the Chatham House Framework was designed to accommodate all major issues in the oil and gas sector. These include sustainable development issues, revenues and payments, stakeholders' satisfaction, clarity of roles and responsibilities of stakeholders, accountability and transparency of all activities, legal provisions for the way operations are being conducted and so on. Indeed, the categorisation of the framework into five principles has demonstrated the richness of the principles and their capabilities of addressing many issues experienced by the petroleum sector. Thus, for many reasons, the adoption and the possible implementation of the CHGGP in the context of the NSTP-JDZ are significant and consistent with the circumstances of the JDZ. This is because, unlike other frameworks that broadly talked about issues, the CHGGP has vividly categorised each principle into sub-sections (components) addressing such issues individually.

Firstly, after analysing the literature, it would appear there is a need for general public and stakeholder's enlightenment on the roles, goals and responsibly of all parties involved in the NSTP-JDZ. In fact, a preliminary investigation revealed the need for further enlightenment, even concerning the activities of the NSTP-JDA. These preliminary findings are basically consistent with the content of the Chatham House's first principle. Secondly, the NSTP-JDZ is not just concerned with revenue sharing between Nigeria and São Tomé and Príncipe. Indeed, the sharing of costs and revenue between states is only one of the many goals of the agreement and depends on successful operations being carried out. Therefore, the CHGGP is more concerned with the processes and procedures of how that

revenue was generated and how the cost was incurred. The focus on those processes and procedures, to some extent, differentiates this framework from others.

Thirdly, a joint development agreement is a process that seeks political solutions to problems between states. As a result, the state and its citizen's satisfaction are of paramount importance to the success of this sort of agreement. In line with this, the CHGG principles advocated necessary measures for national oil sectors (e.g. the JDA) to voluntarily implement the devised principles in order to carry all stakeholders along in a transparent manner. Ordinarily, had this provision been taken into consideration in the governance of the JDZ, the allegations made by stakeholders regarding the domination of JDA's activities would not have arisen (see Section 3.7) since the participating states might have been satisfied with the management. Fourthly, the CHGGP clearly stipulated that both human and capital resources are required to operate the oil and gas sector; this is unlikely to be the case in other frameworks.

4.6 Conclusion

This chapter identified and reviewed different frameworks that might suit the current research. The literature reiterates that there is no single international acceptable governance model that could be adopted in assessing governance practices of certain organisations or countries. But, rather, environmental characteristics of those organisations or countries were arguably the determining factors. However, the findings further revealed common elements that appeared universal in every guideline/model. In view of the above and in consideration of its unique characteristics, this study adopted the Chatham House Good Governance Framework for the operationalization of the governance practices in the Nigeria São Tomé and Príncipe Joint Development Zone.

Chapter 5

Research Methodology and Methods

5.0 Research Methodology and Methods

5.1 Introduction

The previous chapter discussed the theoretical framework which underpins the current research. This chapter accounts for the methodology, methods and techniques adopted that complemented the chosen framework in guiding the research study. Therefore, the chapter has been divided into seven sections. Section 5.2 discusses the philosophical assumption that underpins the study. Development and justification of questions asked are the subject of Section 5.3. In Section 5.4 data collection methods and the choice of population sample are discussed. This is followed by Section 5.5 which justifies the exclusion of some components of the Chatham House principles in the questionnaire survey. Lastly, sections 5.6 and 5.7 respectively discussed interviews and the conclusion of the chapter.

5.2 Philosophical assumptions that underpins the study

Research studies are traditionally guided by some sets of paradigms, feelings or beliefs about the world and how it should be studied and understood (Denzin and Lincoln, 2003). These feelings or paradigms have been defined as, “the process of scientific practice based on people’s philosophies and assumptions about the world and the nature of knowledge” (Collis and Hussey, 2003:46). These assumptions were classified by Burrell and Morgan, 1979, into ‘ontology’, ‘epistemology’, ‘human nature’ and ‘methodology’. In their efforts to highlight the Burrell and Morgan work, Ryan et al. (2002:35) highlighted the classified variables as follows: “the assumptions which the researcher holds regarding the nature of the phenomenon’s reality (ontology), will affect the way in which knowledge can be gained about that phenomenon (epistemology), and this in turn affects the process through which the research can be conducted (methodology)”.

The work of Burrell and Morgan (1979) is presented in Figure 5.1 and fully explained underneath.

Figure 5.1: A scheme for analysing assumptions on the nature of social science research by Burrell and Morgan

The Subjective-Objective Dimension		
The subjective approach to social science		The objective approach to social science
Nominalism	Ontology	Realism
Anti-Positivism	Epistemology	Positivism
Voluntarism	Human Nature	Determinism
Ideographic	Methodology	Nomothetic

Source: Burrell and Morgan (1979)

The first assumption in the above diagram is ‘ontology’ which is mainly concerned with the, “very essence of the phenomena” and defines “whether ‘reality’ is given ‘out there’ in the world, or is a product of one’s mind” (Burrell and Morgan, 1979:2). Thus, the main

concern is the nature of the reality of the problem under investigation. Nominalism and Realism are the two main elements of ontological assumption. The former assumes that social reality could only happen or exist within individual consciousness or human imagination (Hassard, 1991; Ryan et al., 2002 and Burrell and Morgan, 1979). In contrast, the realist opines that the world has an existing structure, characterised by objective facts which can be investigated and defined by an appropriate set of variable. Therefore, it can be said that the two schools of thought view issues from different perspectives.

The second assumption concerns epistemology, which involves the nature of knowledge and what constitutes acceptable knowledge in a research (Collis and Hussey, 2003 and Hassard, 1991). In this regard, Burrell and Morgan (1979:2) explained the epistemological assumptions on whether knowledge is, "hard, real, and capable of being transmitted in tangible form", or whether it is, "a softer, more subjective, spiritual or even transcendental kind, based on experience and insight of a unique and essentially personal nature". Therefore, the epistemological assumption is mainly concerned with the relationship between the researcher and the problem under investigation. There are both positivist and anti-positivist views towards this assumption. The former category believes that only knowledge that is both observable and measurable can be regarded as indisputable knowledge. In trying to explain the positivist argument, Dunne (2003) stressed that researchers can be objective and independent in their work. Indeed, they can explain all events occurring in the social world and even predict the outcome by developing and testing the hypothesis. On the other hand, anti-positivists argue that a researcher can only understand a particular phenomenon through proper participation (Burrell and Morgan, 1979).

The third classification of Burrell and Morgan's paradigm is the assumption concerning human nature which describes the correlation between human beings and their external environment. This relationship has been debated as being voluntarism–determinism (Burrell and Morgan, 1979). The assumptions posited that, "human beings and their experience are regarded as products of environment", or that, "man is regarded as the creator of his environment" (Burrell and Morgan, 1979:2). Basically, the debate centres on what determines or influences human beings' behaviour and experiences. The determinism camp argues that the external environment influences or controls human beings' behaviour and experiences. On the other hand, voluntarism states that human beings' behaviour and

experiences are determined and, in some cases, constrained by their free will (Mahmud, 1997).

Acquiring methodological knowledge and aligning it to an appropriate theoretical assumption is an essential element in any research (Snape and Spencer, 2003). Thus, a reflection on the issues of ontology, epistemology and human nature, as discussed above, is essential. This agrees with the position of some researchers who posited that it is the earlier three paradigms, mentioned above, that have a direct connotation on the overall research approach that a researcher may decide to adopt, i.e. methodological choices (Collis and Hussey, 2003; Burrell and Morgan, 1979). The ideographic–nomothetic debate has deliberated on what exactly constitutes methodology. The ideographic debate argues that methodology involves only obtaining first-hand knowledge on the subject under investigation. However, the nomothetic viewpoint is concerned with whether the right methodology for any subject under investigation could involve the use of techniques and methods as in natural sciences.

In summary, the positivist and interpretivist schools of thought view the world from different dimensions. The positivist thoughts from the epistemological and philosophical points of view are concerned with objectivity and evidence in the course of an investigation. Similarly, evidence reveals that in most cases positivists adheres to fundamentalist ontology (Saunders et al. 2007; Marsh and Furlong, 2002; Easterby-Smith et al. 2002). According to Ritchie and Lewis (2003), this indicates that positivists believe that knowledge is available and can be acquired directly.

In contrast, the interpretive school of thought is of the view that the world, people, and institutions are essentially different from actual science (Saunders et al., 2007 and Bryman and Bell 2004). Indeed, Bevir and Rhodes (2002:133) state that the two cardinal principles of the interpretivist school of thought are that: (a) people act on their beliefs and preferences; and (b) we cannot presume objective facts, such as social class, race and institutional position by looking at people's beliefs and preferences. In essence, the analyst's explanation of the interpretivist school of thought involves the observation and interpretation of information in the social world (Saunders et al., 2007 and Snape and Spencer, 2003).

Therefore, considering the environmental characteristics of NSTP-JDZ as well the nature of data collected and the way it was collected (questionnaire and interview), this thesis has adopted a pragmatic approach. Pragmatism is an approach that, “works within both positivist (quantitative) and interpretivist (qualitative) positions. It applies a practical approach, integrating different perspectives to help to collect and interpret data” (Saunders et al., 2009, p.598). This view was equally reiterated by Morgan (2007) who said that the pragmatic approach may serve as, “a new guiding paradigm in social science research methods, both as a basis for supporting work that combines qualitative and quantitative methods and as a way to redirect our attention to methodological rather than metaphysical concerns”.

5.3 Development of and justification for the questions and the statements in the questionnaire

Conventionally, information gleaned from literature, common sense, experiences and observations are among the characteristics that guide the formulation of questions in the survey (Eisenhardt, 1989). In this research, evidence from literature, treaties and other documents that steer the activities in the NSTP-JDZ necessitated the formulation of the major research questions and the statements asked in the questionnaire. Five overarching research questions were developed to facilitate the exploration of governance practices using five principles of good governance advocated by Chatham House. These overarching questions were instrumental in the derivation and purpose of the statements in the questionnaire and draw heavily on the provisions of the Chatham House Framework and on information gleaned from the literature as explained in the next 5 sub-sections.

5.3.1 Development and justification of research question one:

“Are the goals, roles and responsibilities of the parties involved in the management of the NSTP-JDZ clearly defined”?

In a decentralised organisation, specific roles are assigned to a particular person or group with a mandate to account for his/her action at the end of the task. In such situations, Wade (1997) asserted that accountability and organisational performance improves and, to a large extent, minimises corruption. However, some scholars like Persson and Tabellini (2000); Brueckner (1999) and Tanzi (1996) contended that regular supervision and appropriate monitoring of subordinates play a more significant role in achieving organisational goals

than decentralization. Moreover, whenever the words ‘supervision and monitoring’ are mentioned, it is assumed that there is superior-subordinate relationship, which would imply direct or indirect decentralisation of the task. In the petroleum industry, it is noted that the duplication of efforts and conflicts of interest are significantly reduced whenever organisational roles are clearly defined and decentralised to an appropriate person or group. This is evident in the Chatham House Governance Principles, where organisations are encouraged to clearly define the goals, roles and responsibilities before deciding on any other accountability rights or obligations. This view is consistent with the provision contained in the principle of the OECD and United Nations, as previously discussed in chapter 4. Certainly, identifying who is best suited to do a certain job, the best time to do it and the methods to be use may considerably improve transparency and accountability (see Keasey and Wright, 1993 and Jensen and Meckling, 1976). Continuing this argument, the Chatham House Framework (2007:7) stated that the, “*Lack of clarity can lead to conflicting agendas, duplication of effort and policy paralysis*”. Thus, to minimise this management issues in the industry, each and every stakeholder’s role must be appropriately defined. This is important as in attempts to maximise resources, countries often develop haphazard policies that lead to the duplication of effort, or oil sector’s strategies that conflict with governmental goals (Marcel, 2011). In this vein, the Chatham House Framework advocates the needs for adequate clarification of stakeholder’s roles and responsibilities, as well as the sectors’ goals. In fact, the framework categorically discusses the significant of de-centralising roles and responsibilities within organisations. Indeed, Article 1.2 of CHGGP stipulates that:

“The roles of (a) policy-making, (b) strategy-making, (c) operational decision-making and (d) monitoring and regulating industry activity should be clearly defined and assigned to individuals and/or agencies”.

To this effect, the above article requires each of the four roles to be defined and assigned to a specific group of people and not overlaps in any way. Moreover, no individual should be permitted to carry out double or multiple functions. Supporting this idea in an earlier research, Gray et al (1996) posited that decentralisation will enhance accountability in organisations, as well as bringing with it many other benefits. In the context of this study, the clause appears consistent with Article 9 of the NSTP-JDZ treaty, which empowers the JDA to act as the NOC of the JDZ. Obviously, all functions and responsibilities designed and conferred to the authority are similar to that of the NOC (see Section 3.4). In fact, all

the other functions enumerated are clearly stated in different sections of the Treaty. It is hoped that the survey will reveal any shortcomings or ambiguity present within zone. In a similar trend, Article 8.2 of the Treaty empowers the JMC to regulate the activities in the JDZ. This sole responsibility tallies with Article 1.3 of the Chatham House Framework. Another significant area that needs clarification in the oil sector is the nature and structure of organisation that manages the sector in general, such as National Oil Company (NOC). In many instances the NOCs of developing countries do not operate solely on the basis of market principles as a result of the multiple objectives beyond profit making (Stevens, 2008; Adams *et al.*, 2008 and Nwokeji, 2007). Indeed, Stevens (2008) and Pirog (2007) added that these types of NOCs placed more emphasis on wealth redistribution, job creation, energy generation and more importantly the general economic development of the country. In this vein, Article 1.1 of Chatham House Framework advocates that:

“National development objectives and the role of the oil and gas sector in contributing to those objectives should be clear and well communicated”.

More specifically, the above article advocates that the oil sector, such as the NSTP-JDA to clearly communicate its programmes, plans and commitments with regards to the national development project to all stakeholders involved. However, the national objective of a country is often difficult to define exactly. Take the NSTP-JDZ as an example, it would be challenging for the JDA to identify and meet the national objectives of Nigeria as well as São Tomé and Príncipe at same time. As earlier discussed, in sections 3.2 and 3.3 of chapter 3, the environmental characteristics of the two countries make it difficult for them to have the same or similar national goals. Nonetheless, this does not mean the JDA cannot devise a means of establishing one for the benefit of both countries. Moreover, there is no specific provision that categorically mandates the JDA to execute or supervise any development project in either of the states. Nevertheless, Article 3 (1) of the Treaty provides that the JDA is expected to share the cost and benefits derived from the zone 60/40% between the two states in favour of Nigeria. This is indirectly giving each country the mandate to execute its development project individually using the revenue derived from the zone. In a related development, the JDA supervises educational support programmes in the form of financial assistance for the populace of both states.

Furthermore, every action or inaction, in a sensitive sector or organisation like petroleum, needs legal guidance. To this end, Section 1.6 of the Chatham House Principle states:

“The legal framework for the NOC should clearly define the rights and responsibilities of shareholders and other stakeholders.”

The above provision requires the rights and responsibilities of both shareholders and stakeholders to be defined in the framework. The responsibilities should not be defined in proxy, nor by consent, but rather written in a legal document such as a contractual agreement or treaty. This is exactly the case in the JDA and all the aspects mentioned above were clearly contained in the Treaty or other relevant JDZ documents.

In view of the above discussed requirements, engagement with literature about stipulations and assignment of functions within the Nigeria Sao Tome and Principe joint development zone showed that roles, goals and responsibilities of different parties within the zone were reasonably defined. Most of these stipulations were define in the treaty developed to guide the operations of the zone. Indeed, Biang (2010); Taingson (2007) and Bot (2007) posited that the NSTP Treaty is comprehensive, rich and unique compared to the Malaysia-Thailand agreement and the Timor Gap treaty. Equally, according to Berman (2005) the unique nature and the explicit explanation of the NSTP-JDZ structure surpass others in place around the globe. To be precise, the literature review showed that the roles and the functions of all parties within the zone were clearly stated in either of the governing documents. Nevertheless, there were concerns regarding some duplication of efforts between and amongst units or parties conferred with certain managerial responsibilities within the zone (Salau, 2009). In addition, further evidence indicated that the Nigerian National Petroleum Corporation (NNPC) overshadowed the activities of the NSTP-JDA to such an extent that the populace within the zone - particularly Nigerians - were even unaware of the latter’s existence in the states (see Chapter 3).

In consequence of the above discussion, the following research question was established *“Are the goals, roles and responsibilities of the parties involved in the management of the NSTP-JDZ clearly defined”* and in order to address the question appropriately the statements (see Section 1 of the questionnaire) presented below were developed :

- (a) Strategy-making roles are appropriately assigned in the JDZ*
- (b) Policy-making roles are appropriately assigned in the JDZ*
- (c) Operational decision-making roles are appropriately assigned in the JDZ*
- (d) Monitoring roles are appropriately assigned in the JDZ*
- (e) Regulatory functions in the JDZ are assigned to the appropriate individuals.*
- (f) The purpose and mission of the JDA are well defined.*

(g) *Objectives of the JDA are transparent and aligned with the needs of the participating states.*

Note; the wording in the individual statements that are linked to the “research question” is taken from the Chatham Houses framework (see principal one). The Chatham House Framework provides the rationale for the wording of the statements. But for clarification in the case of statements (a) – (e) the roles of the personnel within the JDZ were identified by liaising with contacts within the zone. The “appropriately assigned” component of the statements was used as a means of gathering views on the responsibilities associated with the identified “roles”. Statements (f) and (g) enabled views to be gathered on the “goals” aspect of the first overarching question. Responses to this group of statements were used to assess the validity of the first research question.

5.3.2 Development and justification of research question two:

“Are developmental and operational activities within the zone in accordance with sustainable development practiced”?

Ordinarily, countries increase the production of available resources in order to maximise income. In this situation, some countries give little consideration to long-term repercussions (Douthwaite, 1992). Thus, the environment and its related resources are mostly exploited for current benefits at the expense of future generations (Hopwood et al., 2003; Christie and Warburton, 2001; Middleton et al., 1993). In many cases, environmental problems were perceived and treated as a local predicament, with little or no attention shown by the authorities concerned.

To address the growing concern of a range of socio-economic, as well as environmental issues, the concept of sustainable development evolved (Hopwood et al., 2003; Lele, 1991 and Tolba, 1984). For Hopwood et al. (2003) sustainable development is a way of managing potential current and future challenges for humanity. In a broader sense, the world Commission on Environment and Development (WCED, 1987:43) defined sustainable development as a, “*development that meets the needs of the present without compromising the ability of future generations to meet their own needs.*” In a very similar description, the Chatham House Framework (2007) defined sustainable development in the petroleum sector as an effort by the stakeholders to meet current demand, without compromising the needs of future generation. Therefore, in petroleum operations the CHF

hinted that when an organisation succeeds in defining its goals, roles and responsibility it is expected to start thinking not only about meeting the immediate needs, but also how to safeguard resources for future generations. Furthermore, to meet these expectations, the sector is expected to plan and establish policies that will take social, economic, and environmental issues into account. This kind of consideration was argued by Lahn et al. (2007) to be the best way of accomplishing the sector's objectives, as well as national development goals, especially when responsibilities are assigned to the appropriate individuals.

When addressing issues on sustainable development, the second principle of the Chatham House Framework identified the essential components relating to the topic. One of the most significant components specified is concerned with how people meet their responsibility for the management of a sustainable system and how they utilise resources for the benefit of future generations. Indeed, this component was deemed to be important enough for it to be incorporated into the Chatham House Framework which advocates that an initial structure should put in place by organisations to ensure qualified personnel occupy such managerial positions. Similarly, the literature indicated that enhancing education and training is of utmost importance in the petroleum sector operations (Marcel, 2011). On a general note, human development through education and training promoted peace and enhanced efficiency of the targeted outcome of an organisation (Murphy and McIntyre, 2007; Julie, 2005 and Dalziel, 2003). Indeed, Cunha and Cunha (2005) argued that enhancing personnel, through training and education in petroleum operations, may influence and reflect on any likely changes that may occur, particularly in this technological global era. Cunha and Cunha (2005:3) further state that, "*the petroleum industry demands from our possible future leaders and managers a basic understanding of the oil business, the global market, its trends, risks and economic implications.*" This of course indicates the importance of enhancing education and training, particularly in a complex industry like oil and gas. In this regard, Article 2.2 of the sustainable development principle states the necessity of providing sufficient education and training of personnel in the sector.

Researches showed that, to a certain extent, employment practices and policies influence organisational performance (Baron and Armstrong, 2007; Nicholson and Kiel, 2004 and Hillman and Dalziel, 2003). Thus, organisations give their best in order to attain a

favourable outcome by providing adequate knowledge, skills and other resources (Nicholson and Kiel, 2004). In this respect, another clause within the CHF second principle recommended that petroleum sectors ensure fair and realistic local participation in their employment and purchasing practices. It argues that these practices may develop the economy within the sector and enhance human development, as well as technology transfer. Therefore, the efficiency and effectiveness of the end result is achieved. Corporate social responsibility (CSR) is another component advocated by the sustainable development principle. Section 2.4 categorically states that, “Corporate social responsibility (CSR) policies and programmes should be aligning with a national development agenda.” This means that it is expected that the national oil sector at least establishes policies that will encompass CSR activities for the benefit of local communities. In a similar provision, within the sustainable development principle, the national oil sector is urged to subsidise its related products for the benefit of the immediate community. This, according to Lahn et al. (2007), may ease the effect of international price fluctuations and may also reduce the level of poverty among the people.

As stated before, the central idea of sustainable development is doing everything possible not to compromise the future generation’s hopes at the expense of current benefits; therefore, this principle ended the section with Article 2.7 which states,

“Effective processes should be put in place to ensure that the development of hydrocarbon infrastructure and its operations do not result in long-term damage to local and regional environmental assets.”

Thus, the challenge for the oil sector, such as the NOC (JDA) is to oversee the activities of the MOC, or any operations that may hamper the environment or its resources in the long run.

Nonetheless, with all the expected measures and provisions put in place for managing resources both for the current and future benefits, challenges and concern are recorded in virtually all oil producing states (Mujih, 2008 and Nelson, 2008). Mostly, these allegations arise as a result of damage to the resources found in the area, or after the alleged destruction of the immediate environment (Chircop, et al., 2008). Indeed, these challenges were specifically reported in some joint development zones around the globe (Keyuan, 2006) and of course the NSTP-JDZ has not been an exception (see Section 2.3). In fact, according to Taingson (2007) having seen what is happening in a neighbouring region of

Niger-Delta, it is almost impossible to rule out problems relating to sustainable development in the Nigeria São Tomé and Príncipe joint development zone. However, up till 2010 no incident had been reported between the operators and the communities relating to destruction of the environment (Biang, 2010). Similarly, no evidence had been found to support the view that operational activities within the zone are being carried out to the detriment of future generations. In fact, the evidence from the literature supports the counter-view that both countries as well as the NSTP-JDA were actively involved in enhancing lives of the citizenry within the zone (Biang, 2010, Vines, 2010, Bot, 2007 and Taingson, 2007). Tiny (2010) listed lots of areas where operational activities in Nigeria São Tomé and Príncipe contributed to the enhancement of lives and wellbeing of the citizenry within the two countries. This includes employment of personnel by the JDA and companies involved in the operations within the zone, building and equipping schools in both Nigeria and São Tomé and Príncipe, providing necessary support for teachers within the zone, providing scholarship funds to tertiary institution's students in both countries, construction and rehabilitation of roads and hospitals, provision of potable water to the communities, and indeed provision of fishing facilities to the locals. Based on the earlier provisions and literature reviewed regarding sustainable development practices, the following research question was developed "*Are developmental and operational activities within the zone in accordance with sustainable development practiced*"? To address the question, the statements (see Section two of the questionnaire) presented below were established:

- a) *Education and training of personnel in the JDZ are sufficient to meet the needs of the zone.*
- b) *Education and training of personnel in the JDZ are sufficient to promote transfer of skills to the non-oil sectors in the zone.*
- c) *Contractors' local procurement practices in the JDZ promote the diversification of Nigerian economy.*
- d) *Contractors' local procurement practices in the JDZ promote the diversification of São Toméan economy.*
- e) *Employment policies in the JDZ promote the diversification of the Nigerian economy.*
- f) *Employment policies in the JDZ promote the diversification of the São Toméan economy.*
- g) *Corporate social responsibility (CSR) policies and programmes in the JDZ are aligned with the development needs of Nigeria.*
- h) *Corporate social responsibility (CSR) policies and programmes in the JDZ are aligned with the development needs of São Tomé and Príncipe.*
- i) *The JDA has effective processes in place to ensure that the development of hydrocarbon infrastructure and its operations do not result in long-term damage to the JDZ assets.*

Statements (a) and (b) reflect the view that education and training of the indignant population is central to ensuring a population that is prepared for taking advantage of ongoing opportunities and hence ensuring sustainability of the economy. Statements (c) – (f) were designed to elicit opinions on the future economic prospects of both Nigeria and *São Toméa and Príncipe*. Statements (g) – (i) probe issues connected with the social welfare of the region and with protection of the environment. Responses to statements (a) – (i) taken together provide a rich data set from which conclusions can be drawn with regards to the second research question.

5.3.3 Development and justification of research question three:

“Do the parties responsible for managing the NSTP-JDZ have the required resources to carry out their assigned roles”?

To achieve an organisational target and efficient performance, each actor within the sector must possess the required resources, which include but not limited to finance, information, skills, knowledge and experience (Marcel, 2011 and Lahn et al., 2007). Unlike the perceptions of other institutions on governance, the Chatham House Principles opined that the only way to set roles, goals and responsibilities of an organisation efficiently and also put mechanisms in place to safeguard the resources for benefits of future generations is to gather both financial and non-financial resources as much as possible. In this regard, the third principle outlined a number of standards for the attainment of the above stated variables. The first article states that policy makers must possess sufficient knowledge, skill and capacity to set policies for the sector. Indeed, this is necessary otherwise the policy makers may set misleading policies or those that may generate long term negative effects. Another important point rose in Article 3.2 is that:

“Checks and balances should be put in place at government level to enable consistency for long-term policy-making.”

The clause assumed that any oil sector is overseen by a governmental agency working on behalf of the state. Moreover, the most important issue was the ability of personnel to supervise long-term plans, as well as being in the possession of adequate financial and managerial authority to carry out the assigned roles. On the other hand, the ability of the operational staff, auditors, regulatory personnel and other employees to perform their functions correctly with the required resources, is also vital.

In sum, the third principle concerns how efficient organisation is in equipping individuals. In view of the above, it is clear that the petroleum sector, due to its very nature, requires sufficient human and financial resources in order to accomplish its targets. This is particularly important when it comes to joint development agreements where two countries co-operate to exploit resources, since insufficient resources could impact on the effectiveness of the set target. In fact, as discussed earlier in Section 2.2.3, insufficient resources whether human or financial form part of the reason why some countries sublet their rights to others to exploit resources on their behalf and prefer to simply benefit from the profits received after deducting the running costs. This particular method is known as the single structure model of joint development. Nonetheless, the NSTP-JDZ decided to establish a joint development authority, rather than a single structure model. It was reported that the authority was initially funded by the two states, thereafter; the organisation is now financially autonomous as it received lots of money from signature fees, taxes and royalties (Tiny, 2010). On the issue of human capital, the majority of the JDA's personnel have, as a minimum, a first degree qualification and most of them also have comprehensive work experience. Similarly, all the companies that operate in the zone are the same companies that have operated in Nigeria for decades, including Chevron-Texaco and ADDEX, CONOIL. Therefore, their capabilities have never been in question. The only company that generated lots of controversy about its capabilities was the US-based Environmental Remedial Holding Corporation (Tiny, 2005). This company had succeeded in both the first and second round bids, despite allegedly having no documented required oil and gas exploration, exploitation or drilling experience (Vines, 2010 and Berman, 2005).

In this regard, some issues relating to availability of resources were sought in the survey relating to this section, in particular on the checks and balances concerning long term policies in the JDA. The respondents were asked whether the parties within the zone had sufficient financial and managerial authority to conduct their assigned functions. The extent of transparency in the criteria of appointing members of the JMC, as well as JDA management was another question put to the respondents. The section also sought the views of the respondents on any political interference and conflict of interest in the operations, as well as commercial activities in the JDZ. A regulatory body within an oil sector is expected to be independent and capable of conducting its assignment efficiently and effectively. In this respect, three questions were forwarded to the respondents on

whether the JDZ's regulatory body possessed the required technical skills, financial resources and legal authority to exercise those duties/powers effectively. Another significant question asked was on audit operators within the JDZ, the extent of audit coordination and the tendency to minimise duplication and indeed avoid unnecessary bureaucracy. Issues of employment are a great challenge to an organisation. Therefore, CHGG principles set out a specific article for the oil sector on employment related issues. Hence, respondents were asked to comment on the merit, or otherwise, of appointment practices as well as deployment of staff in the JDA. Finally, in addition to the provisions of the principles, much literature argued that the lack of appropriate incentives may be responsible for underdevelopment and indeed the resulting failure of an institution (see North et al., 1996; North, 1990 and 1981). In line with this, a specific question was asked on whether incentives helped to improve performance of the management of the JDA.

In view of the above discussion, the following research question was developed “*Do the parties responsible for managing the NSTP-JDZ have the required resources to carry out their assigned roles*”? In order to address the question the statements (see Section three of the questionnaire) below were drafted and put forward to the survey participants:

- a) *The JDZ policy-makers have sufficient knowledge and capacity to set effective policies for the JDZ.*
- b) *Checks and balances have been put in place by the JDA which enable consistency of long-term policy-making.*
- c) *Personnel within the JDA are delegated financial and managerial authority to carry out their assigned roles.*
- d) *The selection criteria for appointments to the JMC and executive management of the JDA are transparent.*
- e) *The Members of the JMC possess appropriate skills and knowledge required to carry out their assigned roles.*
- f) *The members of the JMC are provided with required financial resources to carry out their roles.*
- g) *Operational and commercial decisions by either JMC or JDA are separated from political and other conflicting interventions.*
- h) *The JDA regulating body has the necessary technical skills to exercise its powers effectively.*
- i) *The JDA regulating body possesses the necessary financial resources to exercise its powers effectively.*
- j) *The JDA regulating body has the necessary legal authority to exercise its powers effectively.*
- k) *Audits of operators within the JDA are coordinated to minimize duplication and avoid unnecessary bureaucracy.*
- l) *Staffing decisions within the JDZ are based on the principle of best person for the job.*
- m) *The JDA personnel are incentivised to improve performance.*

With respect to the third research question “resources” can be interpreted in several different ways. For example in statement (a) it relates to the know-how of the policy makers: are they equipped to do the job and are there enough of them? Statement (b) interprets “resource” of having a long-term consistent plan against which to operate. Statements (c) reflects the fact that for the JDZ to be efficiently exploited there needs to be a system in place where decisions can be taken quickly through having authority delegated to appropriate personnel This system then becomes the “resource”. Equally, statements (d) – (j) concern more on how adequate executive management are quip with required resources and how efficient they use those resources as well as extent of external influences in their normal activities. Lastly, statements (k) to (k) sought the extent to which personnel are placed and paid within the organisation.

5.3.4 Development and justification of research question four:

“To what extent is accountability relating to decision making and performance being practiced in the NSTP-JDZ” ?

Accountability is argued to be a way of sustaining trust between owners and managers. Indeed, it serves as a means of conveying essential information that guides organisational future plans. The accountability practices increases stakeholder’s confidence that performance and actions are subject to checks and evaluation, thus minimising the possibility of corruption and malpractice (Marcel, 2011 and Lahn, et al., 2007). However, for an organisation to be accountable or transparent in its operations, certain standards should be adhered to, as noted in the Chatham House principles. Notably, the mechanism put in place by the management plays a significant role in ensuring personnel discharge their responsibilities properly. For example, Article 4.1 states that:

“Mechanisms should be put in place to ensure that operators in the sector are in compliance with national and international regulations and contractual obligations”.

The accountability obligation here is the compliance of the operators in discharging their operational duties to the set rules and regulations. Any deviation from the set standards must be addressed by the party concerned. Again, this principle highlights that regular audits and accounting for revenues are the necessary responsibilities of any petroleum sector if they are to be accountable. These may give stakeholders confidence in what is happening within the organisation and help them plan for future challenges. An important issue arising from this principle is mutual understanding and problem solving processes

between local communities and operators within any oil sector. The provision set out in Article 4.6 states that:

“There should be an effective mechanism for dialogue between local communities and operators to account for the impact of operational activities”.

Therefore, it is argued that there must be a structure in place to reconcile any potential misunderstanding between or amongst parties. The principle is not only concerned with reconciliation in times of difficulties, but also emphasises the need to explain any corporate social responsibility programme carried out in the area. This will ensure that the local community appreciates any work undertaken locally.

It was reported previously in Chapter 2, that stagnation and indeed the renunciation of some joint development zones around the globe were the result of poor accountability systems or practices put in place by those zones (Keyuan, 2006a and Lagoni, 1999). In the case of the Nigeria São Tomé and Príncipe joint development zone, adequate provisions were made in the Treaty as well as other governing documents on how management should account and report their operational activities. For example, Article 11.1 of the Treaty states that “...the authority (JDA) shall in all respects be responsible and accountable to the council (JMC) and shall comply with all directives given by the council...”. On the other hand, the JMC is expected to report and account its operations to the respective state’s government. However, evidence from the literature showed that vested interest influences operational activities of the JDA which led to misappropriation of funds and alleged corruption that involved many stakeholders from both countries. One of the major examples cited in the Human Rights Watch reports of 2010 revealed that millions of US dollars generated from signature bonuses were missing. The money was allegedly diverted to the Nigerian bank (Hallmark Bank, PLC), a Bank that was managed by top Nigerian politicians and indeed an associate of the former Nigerian dictator (Odunlami, 2010). The accused were reported to have invested the fund in international capital markets and the investments subsequently failed and indeed led to the closure of the Bank in 2008. These actions could be regarded as violation of the treaty, particularly section 17(8) which says “The Authority shall comply with the budgetary procedures in force and shall make efficient use of its available resources”. Therefore, misappropriation of resources and placement of these accrued funds in an account not approved by the council are indicative of deficient accountability practices within the zone.

In view of the above, primary information on accountability for decision making and performance within the NSTP-JDZ were collected in this section. In particular, respondents' views were sought on the extent to which parties within the NSTP-JDZ accounted for their actions. Questions asked included the type and extent of mechanisms put in place to ensure operators in the JDZ were in compliance with the treaty and their contractual obligations. The thesis sought information on whether NSTP-JDA accounts for revenues due to the government and revenues received by the government. Also in this section the views of the respondents were required on the effectiveness of the JDA's internal audit particularly on conducting financial, physical and process audits which eventually report to the management. A similar question was whether the JDA was subject to regular, functionally independent audit. As discussed previously, the Chatham House Framework placed more emphasis on issues of corporate social responsibility (CSR), to this end; another question asked was whether there was an effective mechanism in place to enable dialogue between local communities and operators in the JDZ, especially in relation to the impact of operational activities within the zone. The final question asked in this section was also in relation to the CSR. The respondents' opinions were sought on accounting practices of corporate social responsibility within the JDZ. In summary, the section leads to the development of this research question "*To what extent is accountability relating to decision making and performance being practiced in the NSTP-JDZ*"? In order to answer the question, the statements (see Section four of the questionnaire) presented below are put forward to the respondents in the questionnaire survey:

- a) *Mechanisms are in place to ensure that operators within the JDZ are in compliance with contractual and other regulations*
- b) *The JDA accounts for revenues due to the government and revenues received by the government.*
- c) *The internal audit unit of the JDA conducts financial, physical and process audits and report same to the management*
- d) *The JDA is subject to regular, functionally independent audit.*
- e) *There is an effective mechanism for dialogue between local communities and operators in the NSTP-JDZ*
- f) *Corporate social responsibility in the JDZ is accounted for separately and evaluated against stated objectives.*

With respect to the fourth research question, the statements as advocated in the fourth principle of Chatham House gauged stakeholders view on mechanism relating to accountability for decision making and performance. Thus, statements (a) wants to find out

the primarily whether operators comply with the laid down rules and regulations. While, the statement (b) intends to know whether the institution confers with responsibility of distributing the resources amongst stakeholders is discharging the duty appropriately. Statement (d) verifies the existence and efficiency of audit process and procedures within the organisation. Lastly, statements (e) and (f) gauged views of respondents regarding CSR provision, understanding between providers of the CSR and the beneficiaries.

5.3.5 Development and justification of research question five:

“To what extent is transparency relating to operational activities taking place within the NSTP-JDZ”?

Transparency is an act of disseminating timely, reliable, and relevant information to the stakeholders for their decision making purposes (Drever, et al., 2007 and Eggert and Helm, 2003). The procedures for disseminating this information could come in any form, as long as it helps legitimate stakeholders in their decision making process (O'Donovan and Gibson, 2007). Therefore, transparency is argued to be the most significant element in organisational accountability setting (Lahn, et al., 2007 and Drever, et al., 2007). In a similar vein, transparency is said to be an element that enhances trust amongst stakeholders, enables management to take good decisions, and helps stakeholders quickly intervene when problems arise within organisations. In the specific sector of petroleum resources, transparency concerns the information between the principle and the agent, transparency in licensing process, procurement practices and transparency in all other related issues that contribute to the success of the sector.

This is exactly what constitutes the fifth principle of the Chatham House Framework. The first provision urges players within the sector to make sure timely and accurate financial and operational information are properly disseminated from the operators to the legitimate stakeholders. If the information is confidential, the providers of that information should ensure a proper explanation is given to the people concerned. In addition, the transparency issues on licensing, procurements and employment practices should also be disclosed in an appropriate and timely manner.

In the case of the Nigeria São Tomé Príncipe joint development zone, the prevalent concerns reported in the literature were as a consequence of inadequate information provided by the authority to the legitimate stakeholders (see Vines, 2010; Biang, 2010; and Salau, 2009). In fact, Biang (2010) posited that stakeholders lacked sufficient

information particularly on all licensing bids carried out from 2003 to 2005 (Seibert, 2008). In addition, Odunlami (2010) posited that all the bids conducted were allegedly among the top shady deals witnessed in the zone and were seriously flawed and failed to meet the minimum acceptable standards. An additional concern expressed about the bids was that many stakeholders were complicit in ageing the “shady” deals including multinational oil companies, top government officials from both states, management staff of the joint development authority and even political associates of both Heads of States of the two countries (Vines, 2010; Biang, 2010 and Seibert, 2008). The issue of employment and appointment practices were also allegedly not been conducted in a fair and transparent manner. Groves (2005) argued that the political realities in the NSTP-JDZ are that Nigeria assumed a dominant position which made it difficult for the Authority to conduct those exercises in a transparent and fairly manner. He stressed recruitment and appointments as the major areas of concern in the management of the zone in which Nigeria dominates its partner. With reference to a lack of transparency in employment practice, appointments, bids and other transactions conducted right from the establishment of zone, the HRW (2010) report opined that unless full documentation and reassessment exercises were carried out, stakeholders might not have confidence in the agreement and that might even pose a threat to the existence of the zone.

As previously discussed in Section 3.6, Article 11(3) provides that, “The Authority shall produce an Annual Report on its activities and on the progress made in the Zone...” However, investigation showed that the NSTP-JDA had not been making its books and reports available for legitimate stakeholders (IMF, 2010 and Vines, 2010). The conventional practice of being economical on reports and activities was reported to have threatened the survival of the agreement (IMF, 2010). Nonetheless, in what appeared to be an attempt by the Authority to reduce tension and indeed enhance transparency, it agreed to subscribe to the principles of the Extractive Industries Transparency Initiatives (EITI) which should, in future, convince stakeholders that the Authority will, at the very least, publish payments and receipts generated from the activities of the zone (Aderinokun, 2010). On balance however, it deems appropriate to have primary evidence on transparency practices from stakeholders involved in the management of the zone. In regards to the above discussions, the research question was established “*To what extent is transparency relating to operational activities taking place within the NSTP-JDZ*”? And to address the question the following statements were developed:

- a) *Legitimate stakeholders receive timely and accurate financial and operational information from operators in the JDZ.*
- b) *The JDA keeps appropriate stakeholders informed of all significant operational developments.*
- c) *Where information about the JDZ remains confidential the rationale for that confidentiality is explained and justified.*
- d) *Final decisions for awarding licenses are explained to the parties involved.*
- e) *Final decisions on procurement contracts by the JDA are disclosed publicly.*
- f) *The JDA has transparent recruitment practices.*
- g) *The JDA recruitment practices are fair to Nigerians.*
- h) *The JDA recruitment practices are fair to São Toméans.*

Generally, the statements developed to address the fifth research question were meant to look into transparency of practices within the Nigeria São Tomé and Príncipe joint development zone. These include follows of information, confidentiality of that information, decisions on licences, procurements and recruitments.

5.4 Research methods

Quantitative and qualitative research methods are argued to be the most significant approaches used for the purposes of data collection and analysis (Sale et al., 2002; Altheide and Johnson, 1994 and Kuzel and Like, 1991). In addition, the method of combining the two approaches, commonly referred to as the ‘mixed method’, is becoming increasingly popular among researchers (Johnson and Onwuegbuzie, 2004).

A quantitative method is generally believed to be a scientific way of conducting research. The major concern of using this method, according to Sheila (2009:11) is that it, “measures the proportion of populations who think or behave in a particular way.” Thus, it appears objective in nature. Assenting to this view, Brannen (1992:5) stated that a quantitative approach is more appropriate when a study intends to, “discover how many and what kind of people in the general or parent population have a particular characteristic which has been found to exist in the sample population”. Hence, this approach is said to place more emphasis on measurement, sampling, designing issues and indeed analysing informal relationships between variables (Denzin and Lincoln, 2003). Summarising the major attributes of the quantitative method, Sheila (2009:12) described them as follows:

- ✓ It generally involves large numbers of people, including specific subgroups, grouped for example by age, social class, marital status or brand usage.

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- ✓ It involves statistical and numerical measurement of the raw data captured in the questionnaires.
 - ✓ The results can be used as a benchmark; the survey can be repeated in the future using the same questions, and the results can be compared.

On the other hand, the qualitative method is argued to be a means of understanding people's perceptions, experiences and even history in their natural setting (Devine, 2002 and Spencer et al., 2003). That is to say, the primary concern of qualitative research is to grasp the meaning of a phenomenon and understand the reasons why groups or individuals behave, or think in a specific manner on a particular issue (Sheila, 2009). Explaining the qualitative method broadly, Walsh and Downe (2006:113) stated: "If the culture of an environment is being explored, then ethnography is most appropriate as method. If the focus is on an in-depth exploration of subjective experience, then phenomenology would be suitable. If 'talk' or dialogue is under scrutiny, then discourse analysis is indicated". Therefore, as posited by Patton (2001), qualitative research views the situation from their real world setting.

In summary, Sheila (2009:13) enumerates the major attributes of qualitative research as follows:

This usually involves small samples of people, who may be representative of the population as a whole, or who may represent a small subsection of the general population, such as those who buy a certain brand of cough medicine or who care for an elderly relative.

It is person-centred, in that it starts with an attempt to understand the world of the individuals being researched: to gain some understanding of what is important to them; how they view the world, and the context within which they will evaluate the idea, product or service that may be presented to them. The emphasis is on the depth of understanding and relationships that the individual has.

The interaction between the researcher and the research participants was informal - rather like normal conversation; it is fluid, open-ended, dynamic and (to a degree) spontaneous and creative.

The aim is to understand people holistically, to see for instance what they think and feel, and to get beneath their ‘top of mind’ responses: to tap their emotional and intuitive knowledge. The research participants are also encouraged to respond to ideas that are presented to them and to generate their own ideas.

It involves a high level of interpretation and synthesis of data by the researcher throughout the research process, both in the interaction with the research participants and in the analysis and presentation of the research outcomes.

Having seen what quantitative as well qualitative approaches represent, this study adopts a mixed method approach. The major reason attributed to the adoption of this approach has to do with the nature of the information analysed, outcome of the findings and of course its potential impact to the larger environment. For, example, even though the information collected and analysed in this study could be used in different part of the world particularly where joint development agreement is being practice. However, those areas most take into account environmental characteristics, such as geographical differences, participating states’ needs, and the states’ resource capabilities.

In this regard, the next section discusses the questionnaire and interview as the tools employed for data collection in the research.

5.4.1 Data collection techniques

After considering the various methodologies above, the current section discusses data collection methods. Researchers employ various methods including: interview, observation, content analysis, questionnaire based surveys, case studies and literature review to name but a few (see Jonker and Pennink, 2010; Hoque, 2006; Parahoo, 2006; Collis and Hussey, 2003; Smith, 2003; Creswell, 1998; Remenyi et al., 1998 and Morgan and Smircich, 1980). The appropriate choice and application of a method is considered to be the greatest challenge in the course of a research (Brown and Brignall, 2007; Sale and Brazil, 2004; Read and Marsh, 2002 and Pinsonneault and Kraemer, 1993). Researchers select the method or methods which they consider as adequate means of collecting information in order to address the problem under investigation (Spencer et al., 2003 and Devine, 2002). In this regard, the questionnaire and interview methods were considered to be most appropriate for the current study. The nature of this study influences the choice of the aforementioned methods since it sought respondents’ perceptions, as highlighted

earlier. The following sections provide a detailed discussion on the chosen methods of questionnaire and interview.

5.4.2 The questionnaire

A questionnaire is one of the most significant and efficient methods of data collection. It has been defined as a, “list of carefully structured questions, chosen after considerable testing, with a view to eliciting reliable responses from a chosen sample” (Collis and Hussey, 2003:173). According to Sekaran (1992:200), "a questionnaire is a pre-formulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives". Similarly, Whittemore et al. (2001) and Lincoln (1995) describe a questionnaire as a process of conducting research through direct, or indirect, personal participation with the view of understanding certain phenomena, or finding information related to a particular problem. Spencer et al. (2003) argued that a questionnaire is one approach used to gain an in-depth knowledge of people’s history, perceptions and experiences in their proper context. Explaining the importance of the questionnaire, Denscombe (2003) and Sekaran (1992) argued that it is a technique which is designed to determine what the population sample thinks, does, or feels about certain phenomena under investigation. In a similar vein, Fink and Kosecoff (1985) added that a questionnaire helps to collect information about people's views, as well as fact finding. However, this method is efficient only when the problems under investigation are identified and can easily be measured in an appropriate manner (Sekaran, 1992). The next section looks into the design of the questionnaire.

5.4.3 The Questionnaire design

An excellent questionnaire can be achieved through good design. Oppenheim (1992) enumerates some of the design techniques that a questionnaire must possess in order to obtain comprehensive information from respondents. These include the wording, type, sequence, scaling of questions, as well as general piloting before final administration is conducted. Thus, each of these techniques or variables is highlighted below.

According to Dillman (1983), wording matters most in a survey, thus it is important to construct sentences in the most simple and shortest possible manner. This might assist the targeted respondents to understand what is expected of them in their real context. Indeed, Sahotang (2003) opined that in many cases wording and language influence respondents’

thinking and way of answering questions. To avoid this problem, technical terms, specialised vocabulary, abbreviations and ambiguous words were avoided as far as possible during the survey conducted. It was earlier stated that this study used the components of the Chatham House Principles in the course of assessing governance practices in the NSTP-JDZ. In this regard, an attempt was made to ensure that the wording of the principles were simplified so as to promote better understanding by the respondents without changing the original meaning of the document. Another issue raised by Oppenheim (1992) as well as Sekaran (1992) regarding wording and language, concern the avoidance of leading or negative questions. To this end, an absolute demarcation between various themes was established. Whenever a component under a certain principle was divided in to two or more questions, respondents were able to understand and differentiate between the current question and subsequent ones, because the themes were noticeably different.

Open ended and closed-ended questions are two distinct ways of framing a questionnaire survey. The open ended allows respondents to give answers or additional information in their own words (Fink, 2003). The major disadvantage of this method is that it is time-consuming for both the respondents when answering the questions and for the researchers when analysing the responses. This is because the researcher needs to allocate additional time for analysing and discussing the responses in order to derive meaningful results, unlike free set answers (Pallant, 2007). In addition, open ended questionnaire allows respondents to freely exchange their ideas without being constrained to any predefined alternatives. Therefore, this type of question may fatigue respondents and as a result, may foster non-responses.

On the other hand, closed ended questions are a freely determined set of questions with the option of choices given to the respondents (Saunders et al., 2009). These questions can be classified into two further categories: dichotomous and multi-choice³⁶ which include: lists, categories, ranking, rating, quantity and matrix (Saunders et al., 2009:375). A closed ended questionnaire is argued to be the most favourable and frequently used method (Saunders et

³⁶Dichotomous refers to Yes/No answers to a given question. In some cases with an additional category of 'Don't know' option, whereas the Multi-choice option is another type that offers a mutually exclusive and comprehensive list of answer options that virtually covers everything (Collis and Hussey, 2003). On the other hand, the use of the Likert scale questions is a way of assigning numerical value to respondent's options, and provides answer choices (Pallant, 2007).

al., 2009; Pallant, 2007 and Tull and Hawkins, 1993). In consequence, both open and closed ended questions can serve as a means of data collection. However, most importantly, according to Sohatang (2002:175) the questionnaire should possess at least the following characteristics in their respective circumstances: (1) questions should be grouped into sections to provide a flow to enhance the structure of the questionnaire; (2) sections and questions should be placed in a logical order to maintain respondents' concentration and a connected train of thought; (3) open-ended questions ought to be kept to a minimum and placed towards the end of the relevant sections.

In the current study, the environmental characteristics of NSTP-JDZ and the chronological order of the chosen framework (CHGGP) led to the adoption of both close ended and open ended questions. However, the questions were predominately close ended. Indeed, the closed-ended questions were based on the 5-point Likert scale³⁷, followed by a single open ended option at the end of each section. This format provided the respondents with the opportunity to add meaningful contributions to each principle covered under a particular section.

It should be noted that the questionnaire in this thesis was divided into six sections. The first one seeks certain classification or personal information from the respondents, while the remaining five sections asked respondents to express their opinions on a range of statements.

5.4.4 Pilot study

Having designed the questions, this thesis considered subjecting the questionnaire to a piloting exercise both here in the UK and within the NSTP-JDZ. This was important considering that it has been argued that piloting contributes to the formation of a meaningful questionnaire. Polit and Beck (2009:563) described the pilot study as a, “*small-scale version, or trial run, done in preparation for a major study*”. Aitman et al. (2006) posited that pilot studies reduce the tendency of time and resource wasting as it reveals

³⁷According to Anderson (1988) Likert scales have the following advantages: (1) easy design; (2) suitability for a wide form of attitude situations; (3) capability of appraising both direction and strength of attitude. In addition, the use of a Likert scale is argued to help researchers establish descriptive statistics for measuring the magnitude of the differences and similarities in the preferences among the individual respondents (Sekaran, 1992). Indeed, it further facilitates investigation in some cases whether a link exists between different variables, even if it does not provide an explanation of those links (de Vaus, 1991). The ranking in this thesis commenced with *strongly disagree* as the first choice and *strongly agree* as the last, that is: “1=strongly disagree”; “2=disagree”; “3=neutral”; “4=agree” and finally, “5=strongly agree”.

deficiencies in the proposed approach design or procedure which could be addressed prior to the main administration of the survey. Similarly, Smith (2003) asserted that a pilot study is used to ascertain the capability, reliability and validity of the proposed questions prior to the final administration of the survey. This is basically to test whether the instrument is capable of generating the targeted response from the audience. Hence, the selected respondents during the piloting may be helpful in enhancing the quality of the questions through ascertaining the wording, language and presentations of the context in an appropriate way, before the survey is conducted properly (Oppenheim, 1992).

Having completed the first draft of the questionnaire, a pilot test was conducted in the UK amongst academic staff members and postgraduate students who were most likely to produce valuable information in the chosen area. After obtaining their responses, their comments, recommendations, and criticisms were considered accordingly and the questionnaire was revised based on the feedback.

Another significant pilot test was conducted within the NSTP-JDZ. Looking carefully at the context of the questionnaire and the targeted information of this thesis, the questionnaire was distributed to ten individuals within the NSTP-JDZ. These included two senior staff members of the JDA; four experts from oil companies involved in operational activities in the JDZ; two individuals from the immediate community in Nigeria and, finally, two individuals from the immediate community in São Tomé and Príncipe. The first two senior staff members from the NSTP-JDA were chosen for the piloting test due to their expertise and knowledge of the JDZ, considering their roles as operators and monitors of the entire operational activities of the zone. In addition, as MOCs/IOCs are major players in the zone, their expert views were also required. Local communities were also targeted as they are the final beneficiaries of the revenue derived in the zone and of social responsibility programmes executed by either the NSTP-JDA or oil companies. Therefore, it was important to also obtain their comments. Feedback from the respondents included requests for some questions to be divided into two, even though they were under the same component within a principle. This suggestion was deemed reasonable and was incorporated following careful perusal by the supervisory team. Hence, the questionnaire was revised for the second time and the last version was finally drafted. The next section discusses the justification for the choice of respondents participating in the survey.

5.4.5 Administration of questionnaire and population sample chosen

Selecting the appropriate method of administering a questionnaire is another significant component within the planning process. Personally administered questionnaires have been argued to have advantages over other means of distribution, as it offers an avenue for interaction with the survey respondents (Zikmund, 2003 and Sekeran, 1992). In addition, personally administered questionnaires provide an opportunity for a follow-up at an agreed period of time. However, it tends to be more expensive than mailing and electronic techniques, especially where geographical challenges exist when respondents are spread across two or more countries (Garton et al., 2003; Yun and Trumbo, 2000; Taylor, 2000 and Bachmann and Elfrink, 1996). As a result, it might be difficult or even impossible to gain access to the chosen groups or individuals whose contribution is key to the success of the study (Garton, Haythornthwaite, and Wellman, 1999; Wellman, 1997). Therefore, in such instances researchers may employ alternative methods, such as posting the questionnaires to the targeted respondents (Bell, 1999).

Although this research involved two countries (Nigeria and São Tomé and Príncipe) and the respondents were distributed between the two countries and despite the constraints mentioned earlier, the questionnaire was administered personally. The reason being was that one of the participating states (São Tomé and Príncipe) is not an English speaking country; therefore, personal participation was essential. Secondly, the study's sponsor took the cost constraint into consideration and indeed, sponsored all of the costs involved.

The next step was to decide how to administer the questionnaire to the chosen sample. In a research context, a stakeholder is said to be a person, group, organisation, or system that can influence and can be influenced by an organisation's actions, objectives or policies (Gray et al., 1996). This group, according to Solomon and Solomon (2004), could be creditors, suppliers, employees, customers, communities in the vicinity of the company's operations and the general public. Nevertheless, it is not easy or feasible to survey the entire population in a chosen area of interest when the numbers of the people involved in the research are huge (Collis Hussey, 2003). Therefore, researchers always define a sample of the population. The current research specifically categorised the population sample into three groups: government and its organisations, people and societies and, finally, the contractors and operators. In this respect, each of the groups mentioned above has either policy, strategy, operational, monitoring or related decision making roles in the

management of the NSTP-JDZ. Thus, playing any of the roles stated above placed the respective stakeholder in a significant position to participate in this research.

Government and its organisations: Questionnaires were distributed to the representative samples of government organisations in both Nigeria and São Tomé and Príncipe. The first and major stakeholder group in this category is the Nigeria São Tomé and Príncipe Joint Development Authority (NSTP-JDA), by virtue of its status conferred by the treaty Article 9.6, which states that:

“The Authority, subject to directions from the council, shall be responsible for the management of activities relating to exploration for and exploitation of the resources in the Zone”.

Therefore, the NSTP-JDA is granted the mandate of licensing, regulating, managing and other operational functions in the zone on behalf of the participating states. As a result, the JDA directly serves as an NOC of both Nigeria and São Tomé and Príncipe in the context of the JDZ. According to the NSTP-JDAs’ human resource unit, the entire organisation has less than 70 senior staff who have the necessary resources to answer the questions. Thus, this thesis considered 100% of the identified personnel.

Questionnaires were also distributed to certain governmental organisations in both states. In particular, to the Ministries of Foreign Affairs, Agriculture, Defence, and Finance, as well as Boundary Commissions. The logic and justification for involving the Ministry of Foreign Affairs was that the NSTP-JDZ involves two neighbouring states, which automatically made it a matter of international affairs. Equally, the NSTP-JDZ was not primarily established for just hydrocarbon resources, but rather for general natural resources including fishing; therefore, the Ministries of Agriculture were involved. A non-hydrocarbon department was created in the NSTP-JDA which is concerned with living resources in the zone. In fact, the two Ministries of Agriculture in Nigeria and São Tomé and Príncipe rigorously campaign for citizens to utilize the natural resources in the zone (Biang, 2010). Equally, the NSTP-JDZ’s concerned with sovereignty of the states; therefore, the Ministry of Defence come in as it is responsible for guarding and protecting assets as well as the states. The Ministry of Finance in both Nigeria and São Tomé and Príncipe represent the financial interest of their respective states, hence, whenever, the agreed financial resources are distributed each state’s allocation is received by the Ministry

of Finance. The origin of any joint development agreement, as discussed in Chapter 2 and 3, is the failure of two states to reach a final agreement on delimiting their borders. Thus, they engage in a provisional arrangement to exploit resources for their mutual benefits (Biang, 2010 and Miyoshi, 1999). This role necessitates boundary commissions to play a role in the management of the JDZ, as they have the responsibility of managing their state borders. In fact, the literature reiterates the importance of the above ministries whereby most of the nominees for the JMC were nominated from those ministries.

The aforementioned ministries and agencies are legitimate stakeholders in the NSTP-JDZ. This is either due to their importance in the management of the zone or the roles played by their personnel towards actualising the objectives of the NSTP-JDZ. However, it was not possible to distribute the questionnaire to all personnel within those organisations because the ministries were not established only for the purpose of NSTP-JDZ, but rather each one has a designated office/desk conferred with intermediary responsibility. Thus, the questionnaire was only given to the desk officer in-charge of NSTP-JDZ in the respective aforementioned agencies. These officers were believed to have the required knowledge on activities within the NSTP-JDZ.

People/Societies: parliaments and non-governmental organisations formed part of the population sample chosen in this study. Generally, lawmakers (members of the national assembly) represent and protect the interests of their people. They make laws, supervise or monitor activities to ensure that the executive arm of the government follows the established laws. By virtue of these roles, the parliaments in both states have certain responsibilities of overseeing activities within the NSTP-JDZ.

Nevertheless, considering the population of Nigerian parliaments³⁸ and its numerous subcommittees with respective supervisory responsibilities, this thesis considered only committee members with direct supervisory roles over activities of the NSTP-JDZ. On the other hand, the São Toméan parliament has a unicameral system, with a total number of only 55 members (DRSP, 2004). The aim was to persuade at least the chairman, or one of the other members to answer the questionnaire. Equally, under the same category, the

³⁸The Nigerian National Assembly is a bicameral legislature system, which consists of upper and lower houses with a total number of 109 and 360 members respectively (see the National Assembly website). The Nigerian constitution empowers the leadership of the parliaments to establish committees in order to decentralise the broad supervisory functions conferred on the two chambers. Moreover, this thesis is mainly concerned with the views of the committees discussed within the paragraph.

administration of the questionnaire took a number of non-governmental organisations in both states into consideration, even though the NGOs in Nigeria seem to be more active than their counterparts in São Tomé and Príncipe. The justification for using NGOs in this research was their roles in agitation for transparency in oil and gas operational activities and equally their interest in protecting environment within the states.

Contractors/Operators: There are more than ten indigenous and multinational oil companies working in the NSTP-JDZ, some as operators, others as contractors (see Chapter 3.5). Generally, it is expected that the contractors and the operators have a vast knowledge or expertise on the activities and policies governing the NSTP-JDZ. Thus, the thesis targeted and distributed at least 2 questionnaires in each company that has a contractual agreement with the NSTP-JDA. The survey was aimed at the units associated with the NSTP-JDA, or where possible at the people directly in charge of the operations within the zone. This was important, because, virtually all companies operating in the NSTP-JDZ also operate in Nigeria's oil and gas sector. Considering the huge reserves in the Nigeria's oil sector, as well as its significance to these companies, personnel in this category may not have paid much attention to activities in the NSTP-JDZ. Hence, this study concentrated only on the units, or individuals who managed the contractual agreement between the NSTP-JDA and their companies or at least had insights into operations within the JDZ. In consequence, it is likely that the respondents in this category may be economical on issues that concern either of the states. Nonetheless, they may respond positively to any question that sought more information on their activities within the zone.

As discussed above, although it was not possible to obtain 100% of NSTP-JDZ stakeholders as a population sample, the number obtained was considered significant to provide reasonable information to answer the research question. Table 5.1, below, illustrates the stakeholder group. This includes codes assigned to each group, their place of work and the total number of questions distributed to them.

Table 5.1: Respondents' Working Places

Codes	Place of Work	Population
1	Joint Development Authority (JDA)	60
2	Multinational Oil Companies (MOC)	20
3	Indigenous Oil Companies (IOC)	20
4	Non-Governmental Organisation (NGO)	20
5	Governmental Organisation (GO)	20
6	National Assembly (PAR)	20
	Total	160

Source: Author Generated

5.5 Interview

Interview is another significant qualitative approach for data collection (Silverman, 2006 and Gubrium and Holstein 2002). Parahoo (2006:307) defined interview as a “verbal interaction between one or more researchers and one or more respondents for the purpose of collecting valid and reliable data to answer particular research questions.” Similarly, Collis and Hussey (2003:167) described interview as, “a method of collecting data in which selected participants are asked questions in order to find out what they do, think or feel”. The interview between the parties involved can be conducted face-to-face, voice-to-voice, or screen-to-screen (Collis and Hussey, 2003 and Bell, 1999). In any of these approaches, the interview can be structured or unstructured, depending on the problems under investigation (Sanders et al., 2006).

In a structured format, the interviewer has predetermined questions that have been designed to extract the required information (Parahoo, 2006; Smith, 2003 and Collis and Hussey, 2003). Patton (2002) also called this method a ‘guided interview’, where a systematic and comprehensive approach is adopted by the researcher in the course of interviewing across a number of people, and in some cases the respondents received the questions to be explored in advance. Unstructured interview is another method whereby the interviewer does not have any pre-planned questions prior to the interview (Sekaran, 1992). Indeed, some scholars called this method standard open-ended interview. In this situation the researcher ask participants the same questions throughout the exercise with room for allowing the interviewees opportunity to explain different areas in aspect under

investigation (Saunders et al., 2007 and Maxwell, 2005). Sanders et al. (2006) Collis and Hussey (2003) asserted that unstructured interviews allow researchers to collect rich information. However, they argued that it can only be conducted by a competent researcher so as to gain access to the relevant information without deviating from the main issue. Equally, an unstructured interview gives the researcher an opportunity to ask questions that were not originally on the interview sheet and also allows the respondents to shed more light on issues under discussion (Collis and Hussey, 2003).

The semi-structured interview is a combination of the two methods discussed above and is believed to be the preferred option for conducting interviews in different scenarios. This is because it possesses the advantages of both approaches (Collis and Hussey, 2003). Generally, the interview has many advantages compared to questionnaires. Sarantakos (1998) describes its flexibility, high response rate and easy administration as some of the advantages of interviews. He further explained that the respondents normally correct themselves and answer questions without the need for personal reading or analysis of huge amounts of data in order to answer the questions under study.

Smith (2003) raised a general concern about interview. Firstly, if the questions are poorly worded, then that may lead to confusion or misunderstanding between the interviewer and the interviewee. Secondly, memory problems in interviewees can make instant responses unreliable. Thirdly, there is concern about the recording and processing of responses.

A purposeful sampling approach was used in choosing the appropriate respondents that participated in the survey. The purposeful sampling approach is a technique whereby a researcher selects sample from the population based on his/her judgment that the chosen respondents meet certain criterion (Fogelman and Comber, 2002). This criterion gave more emphases to their level of expertise on a particular situation or issue under investigation and equally their qualifications. Hence, eighteen experts amongst the stakeholder groups within the NSTP-JDZ were selected based on their experiences in the operations and governance of the Nigeria São Tomé and Príncipe joint development zone. Fourteen out of the total participants were interviewed on phone while the remaining four were interviewed face to face.

5.5.1 Procedures followed in the analyses of interviews

To accomplish the aim of analysing the interview findings, certain procedures have to be followed. This procedure involves organising and interpreting data with the intent of obtaining a meaning in respect to the research purpose or questions (Stephens, 2009 and Grbich, 2007). Mainly, these steps include data display, data reduction and generating conclusions (Miles and Huberman, 1994).

Data display is all about reading and noting down the information gathered from the interviews conducted and making sense out of it (Stephens, 2009). In normal circumstances, interview data is not wholly transcribed, but instead relevant points are cited from individual participants. Therefore, data display is a way of noting the statements taken from the interviewees which were jotted down or recorded during the interview. After transcription and presentation of data, the researcher decided to send the written files (answers) to the respective interviewees for their comments. This method of validating information in mixed method study has been argued to enhance the research outcome (Saunders et al., 2007) and indeed helps respondents to crosscheck what they earlier asserted and in some cases to make amendments (Parahoo, 2006 and Smith, 2003). Luckily, in this research all the participants agreed with the researcher's request to review their written answers and provide feedback. In fact, their responses proved to be very helpful and more points were included and mistakes were rectified.

Having received the corrected version of the participant's responses, the researcher's next line of action was data reduction. The data reduction process involves essential deleting, focusing, simplifying, abstracting and transforming data from the original transcript and writing up the final files (Miles and Huberman, 1994). This procedure makes the work understandable as ideas are grouped into themes and patterns based on the relevance of the statement under discussion (Berg, 2007). Equally, the two procedures may help researchers to provide a more flexible and indeed simpler picture of the issues emerging from the survey (McCabe, 2008 and Grbich, 2007).

In view of the above, data collected were analysed using content analysis and views of the participants were interpreted and explained in the findings.

5.6 Conclusions of the Chapter

This chapter thoroughly gave an account of the methodology adopted in the research. The chapter highlighted philosophical assumptions, research methodologies and methods that underpinned the research study. In sum, a pragmatic methodological approach was adopted whereby interview and questionnaire survey were employed as tools for data collection. The subsequent chapters analysed the questionnaire and the interview survey conducted in the research.

Chapter 6

Analysis of Responses to Questionnaire Survey

6.0 Questionnaire Survey Findings

6.1 Introduction

This chapter analyses the responses to the questionnaire survey. Individual segments of the analysis address a particular research question. Section 6.2 of the chapter outlines the total number of questionnaires issued and returned during the survey. Section 6.3 analyses the respondents' demographic characteristics, and the major findings of the study are presented in Sections 6.4 to 6.8. Finally, Section 6.9 concludes the chapter.

6.2 Number of questionnaires issued and returned

The questionnaires were distributed to 160 participants, 130 of whom completed and returned them (Table 6.1). In addition, 9 questionnaires were excluded from the analysis as they were not appropriately completed³⁹.

³⁹The excluded questionnaires did not meet the requirement of the study, as the respondents filled in two or three options for a single question, these happened in several statements asked within the questionnaire. Therefore, it was not possible to decide which among the options represented the interest/opinion of the respondents. Thus, all the omitted questionnaires were not used in the analysis.

Table 6.1: Questionnaires issued and returned

Group of Respondents	Questionnaires			
	Distributed	Returned	Excluded	Used
1) Joint Development Authority	60	55	7	48
2) Multinational Oil Companies	20	13	1	12
3) Indigenous Oil Companies	20	13	0	13
4) Non-Governmental organisations	20	16	1	15
5) Governmental Organisations	20	17	0	17
6) National Assembly/Parliament	20	16	0	16
TOTAL	160	130	9	121
Percentage (%)	100	81	5	76

Source: Author generated

Table 6.1 shows the questionnaire's distribution pattern which indicated a total response rate of 76%. There were several reasons that might have contributed to what appears to be a high response rate. For example, as discussed in Section 5.2.5, personally distributed questionnaires generally yield high response rate. Thus, the number of questionnaires successfully completed and returned in this study may be attributed to the said personal distribution. In addition, in order to mitigate possible issues arising from some respondents being fluent in Portuguese rather than in English, measures were put in place to expedite the successful completion of the questionnaire. These measures included seeking support from translation officers and individuals during the administration of the questionnaire. These measures were effective and they enabled some of the Portuguese speakers to complete their questionnaire, whereas this result would have been problematical in the absence of the translation officers.

6.3 Respondents' demographic characteristics

Relevant demographic information about respondents is discussed in this section. This information includes nationality and the place of work of the participants. Table 6.2 below presents this categorisation of respondents with their respective frequencies.

Table 6.2: Respondents' demography

Nationality	Frequency	Percentage
Nigerian	81	66.9
São Toméan	36	29.8
Others	4	3.3
Total	121	100
Place of work	Frequency	Percentage
Joint Development Authority	48	39.7
Multinational Oil Companies	12	10.0
Indigenous Oil Companies	13	10.7
Non-Governmental Organisation	15	12.4
Governmental Organisation	17	14.0
National Assembly/Parliament	16	13.2
TOTAL	121	100

Source: Author generated

The motivation for collecting this information was that it helps reflection to take place on the rationale behind the way different respondents or groups of respondent had completed the questionnaire. In other words it addresses the question of whether or not demographic factors influenced responses. This does not, per se, imply some bias in how respondents gave their answers but rather that it might help to identify problem areas such as, for example, where a particular group may not be in the decision-making consultancy loop. Such an omission may well impair the efficiency of the operations of the JDZ. One of the major objectives and findings of the research was to identify and review differences between key stakeholder groups in the zone. This analysis might then lead to recommendations that could improve the governance of the zone in the future. From Table 6.2, it can be seen that almost 67% of the respondents were from Nigeria and approximately 30% from the Republic of São Tomé and Príncipe whilst the remaining 3% were from other countries.

The second demographic characteristic collected was the respondents' place of work. As stated before, the NSTP-JDA is considered to be the primary stakeholder in this study. But in order for a JDZ to be developed efficiently and effectively it requires all key stakeholders to be actively involved in its operations. Consequently these other key stakeholder groups were identified and in addition to the questionnaires issued to the JDA,

20 questionnaires were distributed to each of the other key stakeholder groups. In addition, Table 6.2 illustrates that governmental organisations and the national assembly constitute respectively 14% and 13.2% of the total responses received. The corresponding figures for non-governmental organisations, indigenous oil companies and MOCs were 14%, 13.2% and 10.7% respectively. Lastly, evidence from a previous research study showed that MOCs have a poor record of responding to questionnaire surveys, especially to those issued in Nigeria (Nwokeji, 2007). Nevertheless, 60% of the questionnaires issued to MOCs in this study were returned successfully and these responses constituted 10.7% of the total number of responses.

Cross tabulation analysis has often been used to gain insights into how different groups have responded to questionnaires (Fink, and Kosecoff, 1985). In line with this approach, cross tabulation analysis among the three demographic characteristics was conducted and some significant findings were revealed. Firstly, analysis of the respondent's place of work, and according to nationality, revealed that in virtually all six places of work identified in the survey, there tended to be more respondents from Nigeria than from São Tomé and Príncipe. For example, 63.3% of the totals of JDA's respondents were from Nigeria, compared to 36.7% from São Tomé and Príncipe. It was discussed earlier in Chapter 3 that the two countries are to distribute the cost and benefits derived in the zone in certain proportion as provided in article 3.1 of the Treaty stated below:

“...the State Parties shall share in the proportions: Nigeria 60 per cent., São Tomé and Príncipe 40 per cent., and all benefits and obligations arising from developmental activities carried out in the Zone in accordance with this Treaty”.

Hence, the above sharing agreement of 60/40 may be responsible for this difference in responses, as more Nigerians are employed in the JDA.

The analysis of respondents from the MOCs with regards to the place of work nationality, shared the same trend as above. The results revealed that 50% of respondents were from Nigeria, 16.7% from São Tomé and Príncipe, while 33.3% were from other nationals. This could be attributed to the fact that Nigeria has been involved in oil and gas operations for more than 50 years, in contrast to São Tomé and Príncipe which only entered the sector a few years ago.

Furthermore, analysis of IOCs showed that 61.5% of the respondents were Nigerians compared to 38.5% São Toméans and as expected there were no respondents from other countries. The most likely reasons for this pattern might also be connected to Nigeria's long-term oil and gas operational activities. In addition, it was apparent that most of the IOCs were Nigerians and their respective head offices were also located in Nigeria. This may possibly have influenced their recruitment policies and practices. Thus, it was to be expected that Nigerians held the majority of these posts.

The NGOs responses were not exceptional, because, the percentages revealed the same trend: 66.7% and 33.3% of respondents were from Nigeria and São Tomé and Príncipe respectively.

The responses from the GO group (62.5% Nigerian) were again approximately in line with the 60:40 relationships between Nigeria and São Tomé and Príncipe as per the JDA agreement. In the case of parliaments, there were 75% and 25% responses from Nigeria and São Tomé and Príncipe respectively. This may be ascribed to the many factors discussed in Chapters 3 and 5. One of the most significant factors could be the population imbalance between the two parliaments: 469 against 55 in favour of Nigeria, and the number of committees in the Nigerian chambers assigned with overseeing the activities of the JDZ. In contrast, it emerged that in the São Toméan parliament, no committee was given such responsibility. As a consequence, more respondents from Nigeria could be expected than from São Tomé and Príncipe.

Based on the above analysis the views of both Nigeria and São Tomé and Príncipe will be appropriately (in line with JDZ representation) captured from the responses received.

6.4 Major findings of the research

6.4.1 Criteria for addressing research questions

Data collected through questionnaire survey were coded based on a five point Likert scale in the following order, strongly disagree (1), disagree (2), neutral (3), agree (4) strongly agree (5). The techniques applied and metrics collated involved in the analysis of these data include mean, median, cross-tabulation, and frequencies. Furthermore, the non-

parametric Mann-Whitney test was used to help analyse statistically significant responses between groups for each variable tested at 5% significant level. As earlier stated, this study investigates whether or not the governance practices prevalent in the Nigeria and São Tomé and Príncipe's joint development zone are consistent with globally acknowledged good governance practice as exemplified in the Chatham House Framework. In order to resolve this issue, the elements of this framework were used as components of the questionnaire survey (see Section 5.3). In fact, as discussed earlier in Chapter 5, Section 4.5, the Chatham House Framework is divided into five principles, thus the analyses in this chapter has been categorised into five sections and each section encompasses a number of those elements of the framework. In consequence, the total number of those variables under each section will be used to address a corresponding research question. A summary of findings relating to the analysis of those variables will be used to form a view about each corresponding research question of that particular section.

6.4.2 The views of stakeholders regarding clarity of goals, roles and responsibilities within the NSTP-JDZ

The first principle of the Chatham House Framework advocated the necessity of ascertaining clarity of roles, goals and responsibility of parties entrusted with functions within oil sector. The principle, further added that the most important issue about clarity of goals, roles and responsibilities are defining who should be responsible for what, what each actor's objectives are and how appropriate those functions are assigned within the sector. These according to the framework are arguably important for the following reasons; 1) appropriate definition of goals, roles and responsibility may help in reducing conflicting agendas, duplication of effort and policy paralysis; 2) it may also help direct petroleum producing countries to take appropriate political and economic decisions for the benefit of their citizenry; and 3) such clarity makes it easier to establish accountability for actions and inactions relating to the interests of an organisation. In the complex arrangements associated with cross border joint development zones such issues become a sine qua non. Thus, respondent's perceptions were sought and analysed on these components in the context of the Nigeria- São Tomé and Príncipe Joint Development Zone. These analyses are conducted in order to address the research question below (derived in Section 5.3 of Chapter 5) and are presented in section 6.4.3 to 6.4.10.

RQ1: Are the goals, roles and responsibilities of the parties involved in the management of the NSTP-JDZ clearly defined?

6.4.3 The perceptions relating to the strategy-making roles

Leavitt (2002) argued that the strategy-making role is an essential activity that underpins operational as well as managerial activities in the petroleum sector. In consequence, respondents' views were tested on whether strategy-making roles within the NSTP-JDZ are appropriately assigned. Table 1 in appendix 3 lists descriptive statistics relating to their responses. Results in the table indicate an overwhelming majority of the respondents from the entire stakeholder group either agreed or strongly agreed that strategy-making roles were appropriately assigned within the NSTP-JDZ. The pattern of the responses was almost unanimous even within all stakeholder groups; 50% or more of the respondents from both Nigeria and São Tomé and Príncipe in each group agreed or strongly agreed with the statement. Indeed, in total, 71.5% of the Nigerian respondents agreed or strongly agreed with the suggestion that strategy-making roles are appropriately assigned within NSTP-JDZ. The corresponding result for the São Toméans was that 92% agreed or strongly agreed with the statement. This finding is, in some ways, surprising as it is inconsistent with the literature that refers to dysfunctional allocation of roles, which include strategy within the NSTP-JDZ, perhaps on a partisan basis. In accordance with the literature the NSTP-JDZ as institution subscribed to the principles of EITI, therefore, this might have influenced or helped in improving practices within the zone since 2011 and this may underpin the finding.

In order to check that a near unanimous overall view was being expressed a Mann-Whitney test was conducted which confirmed that no significant differences existed between responses of different stakeholder groups ($p > 0.05$).

In summary, a possible reason for the "satisfaction" being expressed by the stakeholders for the actions of those assigned with the strategy-roles might be attributed to the reported enhanced transparency culture in the NSTP-JDZ within the last three years. In this regard, empirical evidence indicated that strategy making role is clearly assigned within the zone, as overwhelming majority were in agreement with the statement. Thus, the findings signified the extent of clarity of the strategy making role in the zone.

6.4.4 Perceptions relating to the policy-making roles

In response to the question posed as to whether policy-making roles are appropriately assigned within the NSTP-JDZ, The majority of the survey participants agreed with this statement (see Appendix 3, Table 2). In sum, 61% and 16.9% of participants from Nigeria agreed and strongly agreed respectively with the said statement. Participants from São Tomé and Príncipe had similar views on this issue, as 67.5% and 15% agreed and strongly agreed respectively with the suggested statement. Indeed, the total median and mean scores of Nigeria (4.00 and 3.78) and (4.00 and 3.90) that of São Tomé and Príncipe respectively had further indicted the assenting positions of the respondents from both countries. However, looking at the pattern of the responses in that table, it is noticeable that a certain number of respondents had reservations about the statement asked. As a result, 33.3% and 37.5% of Nigerians within Multinational Oil Companies and Indigenous Oil Companies disagreed with the statement respectively. Similarly 20% and 28.6% from both Nigeria and São Tomé and Príncipe within Governmental Organisation disagreed with the statement. In a related view which further confirmed dissatisfactions of some respondents, 30% of Nigerians and 20% of São Toméans within the NGO were neutral on whether policy-making roles were appropriately assigned within the NSTP-JDZ. On average, with all these reservations by some respondents, majority of them within all groups were in agreement that policy-making roles are appropriately assigned within the NSTP-JDZ. Indeed, the Mann-Whitney test conducted revealed that those differences in perceptions between groups were not statistically significant at 95% level ($p>0.05$).

The above discussed “satisfaction” being expressed by the stakeholders about the appropriateness of policy making roles being assigned, might be attributed to the reported enhanced transparency culture in the NSTP-JDZ within the last three years. In particular on the way policy makers have been discharging their assigned duties. Therefore, the findings revealed that policy making roles were appropriately assigned within the zone.

6.4.5 Perceptions relating to the operational decision-making roles

Table 3 in appendix 3 presents the descriptive statistics relating to the perceptions of respondents on whether operational decision making roles were appropriately assigned in the NSTP-JDZ. The statistic in the table showed that, in total, 80.5% of Nigerian respondents and 90% of São Toméans expressed their agreement or strongly agreeing

views that operational decision-making roles were appropriately assigned in the NSTP-JDZ. In fact, the total median and mean scores recorded by Nigeria are 4.00 and 3.90 respectively, and also that of São Tomé and Príncipe are 4.00 and 3.95 respectively, indicating high level of agreements by both states. This finding appears surprising considering the extent of stakeholder's concern about operational activities within the zone (see Section 3.6). It is likely there are some improvements in operational practices or obligations within the zone, particularly with the recent JDA's subscriptions to EITI principles. It is equally possible that operational activities improved following allegations and concerns that led to different investigations in the year 2010 (see Biang, 2010 and HRW, 2010). A Mann-Whitney test conducted revealed no significant differences between the perceptions of the groups. The findings in this section had equally indicated that operational decision making roles were appropriately assigned.

6.4.6 Perceptions relating to the monitoring roles:

Table 4 in appendix 3 presents data relating to the assignment of monitoring roles within the NSTP-JDZ. Once again the main finding to emerge from the Table 4 is that these monitoring roles are appropriately assigned with 66.3% of Nigerians and 60% of São Toméans agreeing (or strongly agreeing) with the statement. One interesting feature of the analysis is that the "parliaments" group had different perceptions from those of the other groups with approximately 70% of that group disagreeing with the statement. In addition; the nongovernmental organisations took an essentially neutral view of the statement. A Mann-Whitney test was conducted and the results showed there were seven significant differences between pairs of groups: see Table 5, appendix 3). The differences in the table are likely to have arisen as a consequence of the already referred to variance in perceptions of the parliaments and non-governmental organisation from those of the other groups.

One possible reason for the difference in perceptions is that, the non-governmental organisations (NGOs) might not be happy with the way monitoring roles were initially assigned within the NSTP-JDZ. It may also be that they were not satisfied with the way monitoring practices are being conducted in the zone. Furthermore, it is also likely that the NGOs were not well informed on the way those practices are being carried out in the zone compared to the remaining groups. However, being stakeholders within the zone, their neutral position cast a little doubt about the extent of transparency and openness in the

operations within the zone. In addition, parliaments' disagreeing views is another indicative of lack of transparency on monitoring practices within the zone. Indeed, some parliaments emphasises their dissatisfactions in the open ended survey. Therefore, the finding appears worrying as parliaments that have the mandate and access to the JDA's activities indicated dissatisfaction about the way monitoring roles were assigned in the zone. Thus, this finding is very important as it pinpoints the differences in perceptions between stakeholder groups. Nonetheless, as the majority of the stakeholder groups were in agreement with the statement, the findings had primarily showed that the monitoring roles were appropriately assigned within the Nigeria São Tomé and Príncipe Joint Development Zone.

6.4.7 Perceptions relating to the regulatory functions

Table 6 in appendix 3 presents the perceptions on whether regulatory functions are appropriately assigned in the Nigeria São Tomé and Príncipe Joint Development Zone. The results presented in the table indicated that a majority of respondents, 63.6% and 57.5% from Nigeria and São Tomé and Príncipe respectively, agreed or strongly agreed that regulatory functions are appropriately assigned in the Nigeria São Tomé and Príncipe Joint Development Zone. Corresponding numbers disagreeing were 31.2% and 27.5% of Nigerians and São Toméans respectively. The results further indicated that 50% of Nigerians within IOCs strongly agreed with the statement, while 60% of São Toméans disagreed. Similarly 83.4% of the Nigerian Parliaments assented that regulatory functions were appropriately assigned, while, 75% of their São Toméan counterparts disagreed with the statement. On its part, 70% and 60% of respondents from Nigeria and São Tomé and Príncipe respectively disputed the statement. On average, it appears there are asymmetries of information between stakeholder groups. Indeed, the statistics indicated that in most cases Nigerian respondents agreed with the statement, whilst, their counterparts of São Tomé and Príncipe indicated their disagreement. A Mann-Whitney test was conducted and the results (Table 7, appendix 3) confirmed the existence of significant differences in perceptions between the groups.

The reported differences arise as a results of the already referred to variance in perceptions between states within the groups. The reasons for the NGO's disputing position may equally be attributed to the reasons discussed in the previous question (Section 6.4.6). On

the other hand, the disputing views of most São Toméan respondents within other groups may be as a consequence of dissatisfaction on the way regulatory roles were assigned. It may also be possible that São Toméans expect more from the regulators especially that the country has just newly involved in petroleum operations compared to Nigeria that has been in the business for decades. However, having majority from all stakeholder groups apart from the NGOs agreeing with the statement, it is evident that regulatory functions are appropriately assigned in the Nigeria São Tomé and Príncipe Joint Development Zone.

6.4.8 Perceptions relating to the clarity of purpose and mission of the NSTP-JDA

Analysis in this section reports the views of stakeholders regarding the clarity of purpose and mission of the Nigerian São Tomé and Príncipe Joint Development Authority (NSTP-JDA). In Section 5.4 an argument was presented that posited that the JDA could be viewed as a pseudo-NOC of the NSTP-JDZ participating states. If this claim is accepted then it seems to be of paramount importance for stakeholders to clearly understand the purpose and mission of the JDA. Indeed, Section 1.4 of the CHGGP (2007) advocates petroleum sectors of oil producing states should ensure that the purpose and mission of their NOCs are emphatically clear to all direct and indirect stakeholders. Consequently, respondents' perceptions were sought on the issue and the summaries of the findings are presented in Appendix 3, Table 8. From this table, it is reported that, in total, 61% of Nigerian respondents and 60% of São Toméans agreed or strongly agreed that the purpose and mission of the JDA are well defined. The corresponding 39% and 40% of respondents were neutral or disagreed with the statement. The interesting part of the statistics results is that, an overwhelming majority of respondents from the JDA and GO were in agreement with statement, whilst, more than 50% from each of the remaining four stakeholder groups disagreed or were neutral about the statement.

In order to check whether the above differences in perceptions were significant, a Mann-Whitney test was conducted and the results confirmed that the differences existed were significant; Table 9 in same appendix 3 reports the results of the test.

Six significant differences ($p \leq 0.05$) were reported as indicated in the table. The significant differences were mainly as a result of differences in perceptions earlier reported in Table 8 of appendix 3, whereby the JDA and GO indicated their agreement and the rest of the groups indicated their dissatisfaction with the statement. The potential reasons for these variances in perceptions may be attributed to the relationship of those JDA and GO

personnel with the NSTP-JDA compared to their counterparts from the remaining groups. In other words, the two groups might be better informed about the purpose and mission of the NSTP-JDA. If this argument can be sustained it then, however, suggests that there may be a lack of transparency generally within the zone, because other legitimate stakeholder groups cast doubt on whether the purpose and mission of the major player in the zone were well defined. This finding suggests that, even though groups relate with the JDA yet there are certain issues, roles and other activities conducted by the JDA that were not known or clear to other legitimate stakeholders. This shows that stakeholder groups varied on this issue.

6.4.9 Perceptions on whether the objectives of the JDA are transparent and aligned to the needs of the participating states.

Hydrocarbon resources are said to be advantageous only when they enhance the financial position as well as the general well-being of a country's citizens (Adeleke, 2008; Collier, 2007). Consequently, respondents' perceptions were sought on whether the objectives of the JDA are transparent and aligned to the needs of the participating states, and the summaries of the findings are presented in appendix 3, Table 10. It is indicated in the table, that, 52% of Nigerians and 57.5% of São Toméans agreed or strongly agreed that the objectives of the JDA are transparent and aligned with the needs of the participating states. In contrast, 48% and 42.5% of Nigerians and São Toméans respectively remained neutral or disagreed with the statement. One of the fascinating features of the analysis is that the groups were divided into three categories. The JDA and GO agreed with the statement, MOC and IOC remained neutral whilst NGO and PAR indicated their disagreement.

In order to check whether these differences in perceptions are significant, a Mann-Whitney test was performed and nine significant differences were reported in Table 11 of appendix 3. The differences in perceptions between the groups may arise as a consequence of individual groups' roles. For example, the consenting perceptions by JDA and GOs might be connected to their assigned responsibilities. It was earlier stated in chapters 3 and 5 that the NSTP-JDA is the primary stakeholder within the NSTP-JDZ and is working closely with the GO on all operational management. Therefore, respondents from these two groups might be better informed than from any other group of stakeholder, particularly on issues concerning the NSTP-JDA. In addition, the JDA spearheads social responsibility

programmes in the zone and in most cases the projects were executed through governmental organisations.

Furthermore, the foremost concern of the Multinational Oil Companies and Indigenous Oil Companies is how to manage contractual relationship with the host country/principal for the benefit of their shareholders (Johnson, 2004). Nevertheless, it will be good commercial practice for those companies to be aware of the objectives of the parties they are working with, particularly the NSTP-JDA which was presumed to be the National Oil Company in the NSTP-JDZ. Thus, the expressed “neutral” view by the two groups about the statement signified a lack of transparent practices within the zone. On the other hand, the disagreeing position held by the majority of the respondents from NGO and Parliaments may be attributed or influenced by their dissatisfaction with the NSTP-JDA’s efforts in discharging its responsibilities to the states. Generally, the parliaments and the NGO should equally be better informed on the objectives of the JDA as well as the alignment of its activities to the needs of the respective states that formed the NSTP-JDZ. This identification of a potential source of asymmetric information relating to the activities of the zone amongst key stakeholder groups is likely to be a potential cause of misunderstanding and dysfunctional behavior between groups; it may also help indicate how such problems can be avoided in the future.

In summary, based on the above discussion, it is clear that stakeholders have much concern about the extent of transparency with regards to the objectives of the JDA and its alignment to the needs of Nigeria as well as São Tomé and Príncipe. Thus, this could be considered an important finding as stakeholders expressed different views. Nonetheless, a majority of the participants agreed with the statement.

6.4.10 Perceptions on the roles of the JMC and limit of its authority

In Chapter 3, it was stated that the JMC is the supreme body within the NSTP-JDZ. In consequence, respondents’ opinions were tested on whether the JDZ governance structure specifies the roles of the JMC and the limit of its authority. Table 12 in appendix 3 lists descriptive statistics relating to the respondents responses. Thus, the results show that 84.40% and 87.5% of respondents from Nigeria and São Tomé and Príncipe respectively agreed or strongly agreed that the JDZ governance structure specifies the roles of the JMC and the limit of its authority. In fact, the pattern of the responses was almost unanimous even within the all stakeholder groups. This is ascertained as more than 50% of the

respondents from both Nigeria and São Tomé and Príncipe in each group agreed or strongly agreed with the statement. Indeed, the corresponding total median and mean scores of both states ranged from 4.00 to 4.08.

In order to check the possibilities of asymmetric views being expressed, a Mann-Whitney test was conducted which confirmed that no significant differences existed between responses of different stakeholder groups ($p \geq 0.05$). Overall, it seems reasonable to conclude that the satisfaction being expressed by stakeholders showed their confidence in the governance structure within the NSTP-JDZ which specified the roles and limits of each stakeholder, particularly the JMC. The findings seem reasonable as all stakeholder groups appeared to be informed about the JMC and its roles. It is likely the role and objectives of the JMC been a council that comprises a set of individuals might be easily understood by stakeholders than the JDA. It is therefore clear that the NSTP-JDZ governance structure specifies the roles of the JMC and the limit of its authority.

In summary, evidence relating to the findings of the eight statements analysed in this section revealed that the roles, goals and responsibilities of parties involved within the Nigeria São Tomé and Príncipe Joint Development Zone were well defined. In this regard, the findings indicated that the governance practices within the NSTP-JDZ were consistent with the components of the first principle of the Chatham House Framework. It should, however, be noted that there were statistically significant differences in views being expressed between groups particularly in relation to the issues of defining purpose, mission and objectives of the NSTP-JDA. On a general note, based on the empirical evidence analysed within the section, it can be concluded that the goals, roles and responsibilities of the parties involved in the management of the NSTP-JDZ are clearly defined and indeed appropriately assigned.

6.5 Stakeholder's views on sustainable development issues

Sustainable development is all about developing resources for current benefits without compromising the needs of future generations (Lahn, et al., 2007). Sustainable development issues were thoroughly discussed and argued in line with the provisions of the second principle of the Chatham House Framework (see Section 4.5.2). In that section, five major components and attributes of sustainable developments were provided. Indeed, it was argued that for an organisation or sector to address sustainable development issues

effectively, those attributes and components have to be addressed appropriately; namely: 1) education and training of personnel; 2) local procurement practices; 3) employment practices; 4) corporate social responsibility; 5) the long-term implication of hydrocarbon exploration activities within the oil sector. These components as provided in the Chatham House Framework are used to address the following research question:

RQ2: Are developmental and operational activities within the zone in accordance with sustainable development practiced?

In order to answer the above question, the perceptions of respondents were sought and analysed on those components in relation to the operations within the Nigeria-São Tomé and Príncipe Joint Development Zone. The analyses of the perceptions are presented in section 6.5.1 to 6.5.6 henceforth.

6.5.1 Respondents' perceptions on the impact of education and training within the NSTP-JDZ

This section sought respondents' opinion on the importance and impact of training and education within the NSTP-JDZ. The section consisted of two questions. Appendix 3, Table 13 presents data relating to the first question which sought the respondents' perceptions on whether the education and training of personnel in NSTP-JDZ are sufficient to meet the needs of the zone. Findings emerged as seen in the table showed that a significant number (40.3%) of respondents from Nigeria were not certain whether or not current human development (education and training) was sufficient to meet the needs of the zone. Corresponding numbers agreeing and disagreeing were 23.3% and 36.4% of Nigerians respectively. On the other hand, a majority of respondents (50%) from São Tomé and Príncipe disagreed or strongly disagreed with the statement. This had left only 27.5% and 22.5% of São Toméans respectively expressing a neutral and agreeing views. The only group that held an entire different position with the rest was the MOC, whose most of the respondents agreed with the statement. In general, states' total median and mean scores ranged from 2.50 to 3.00, signifying the unsatisfactory views by the survey participants.

The Mann-Whitney test conducted revealed that the few significant differences that existed between responses of different stakeholder groups were mainly an indicative of the extent of disagreement of neutral views. In general, many reasons might be attributed to the

expressed views on inadequate education and training within the zone. For example, the sluggish exploration and development activities in the zone as expressed by many interview respondents might be attributed to this inadequacy (see Section 7.2.2). This view is consistent with the findings in the literature review discussed in chapter 3, which revealed that it took contractors and operators more than 10 years to discover and start exploiting oil at a commercial quantity in the NSTP-JDZ. As a consequence, many analysts attributed this setback to inadequate and inexperienced personnel or companies working within the zone. Furthermore, the majority of the views attributed these problems to corruption especially considering the calibre of the companies engaged in the exploitation and exploration of resources within the zone. The empirical evidence emerged from the analysis indicated the need for further enhancement of skills and training of personnel within the zone.

The second question sought respondents' opinions on whether the current education and training of personnel are sufficient enough to promote the transfer of skills to the non-oil sector. It was discussed in chapter 2 that the NSTP-JDZ agreement encompasses both petroleum and non-hydrocarbon resources. Table 14 in appendix 3 presents the perceptions of respondents on the issue. It emerged from the results that respondents responded in similar pattern with the previous question. This is because none of the group agreed that education and training of personnel are sufficient enough to promote the transfer of skills to the non-oil sector. This is clearly seen from the results as 45.5% Nigerians disagreed or strongly disagreed with the statement and 46.8% remained neutral. Equally, 52.5% and 42.5% of São Toméans disagreed and took a neutral position respectively. As a result, the total median and mean scores of both states ranged from 2.00 to 3.00, this is also a further indication that none of the states agreed with the statement. Indeed, the findings appeared interesting as none of the groups agreed with the statement, in fact even the JDA that has the mandate of overseeing the operational activities in zone disagreed that the education and training of personnel in zone are sufficient to promote transfer of skills to the non-oil sector.

In an attempt to check that a near unanimous overall view was being expressed, a Mann-Whitney test was conducted and the result confirmed that no significant differences existed between the responses of different stakeholder groups ($P > 0.05$).

In this regard, based on the perceptions of stakeholders the current education and training in the JDZ is not sufficient to make any positive impact or help in transferring skills to the non-oil sector. It is likely that the management has not been profound in enhancing non-oil sector in the zone.

6.5.2 Impact of procurement practices within the participating states

In this section, respondents' views were sought regarding procurement practices and their corresponding economic impact in the NSTP-JDZ. Local purchases and procurement practices have long been issues of concern in oil and gas producing countries (Davis, 2003). Thus, analysis in this section reports the views of stakeholders regarding the impact of procurement practices on Nigeria's economy, as well as that of São Tomé and Príncipe. Consequently, respondents' perceptions on these issues were sought and the summaries of the findings are presented in Appendix 3, Tables 15 and 16.

The first question asked was whether local procurement practices in the NSTP-JDZ promote the diversification of the Nigerian economy. Results in this respect as presented in Table 15 indicates that a majority of participants 89.6% (68.8%+20.8%) of Nigerians and 90% (77.5%+12.5%) São Toméans were reported to have agreed or strongly agreed with the statement. Indeed, the total median and mean scores of both states connoted the agreeing views. This is the case, as all median and mean values ranged from 3.75 to 4.06. Furthermore, a Mann-Whitney test conducted revealed that no significant differences were discovered between pairs of groups ($P>0.05$).

The position of respondents, in this respect, tallied with one of the findings in Chapter 3, which stated that the parties involved in the operational activities within the NSTP-JDZ had a significant impact on the states' economy. Hence, the groups of respondents agreed with the findings in the literature.

The second statement sought the views of respondents on whether procurement practices in the JDZ promoted the diversification of the São Toméan economy. Perceptions of respondents on this issue are presented in Table 16, it can be seen that in total, 54.5% and 33.8% of Nigerian respondents agreed and strongly agreed respectively with the statement. In the same vein, 77.5% and 17.5% of São Toméans were reported to have agreed and strongly agreed respectively with the suggested statement. The assenting views were equally demonstrated within the groups. In fact, the Mann-Whitney test conducted confirmed that no significant differences existed between different stakeholder groups

($P > 0.05$). Many reasons can be attributed to the aforementioned perceptions. The results clearly showed that all of the groups were in agreement with the two statements. It was difficult for any residents within the countries to dispute the positive impact of procurement practices within the zone. In summary, it is evidence that procurement practices contribute in one way or the other the developmental and operational activities within the NSTP-JDZ.

6.5.3 Perceptions on employment practices

In this section, the survey's participants were asked two questions regarding employment policies and practices. Table 17 of appendix 3, presents descriptive statistics relating to the perceptions of respondents on whether employment policies and practices in the JDZ promote the diversification of the Nigerian economy. There are clear view expressed that showed an agreement by majority of the Nigerian participants, as 63.6% and 14.3% of Nigerians agreed or strongly agreed with the positive impact employment practices bring about in the zone. This position taken by the states is similarly demonstrated within the stakeholder groups, as with the exception of the São Toméans' NGO, more than 80% of the remaining groups of respondents agreed with the suggested statement. Surprisingly, respondents from Nigeria's counterpart (São Tomé and Príncipe) revealed a similar result. This is indicated in the table, as 82.5% and 7.5% of respondents agreed or strongly agreed that employment practices enhance Nigerian economy. Indeed, a Mann-Whitney test conducted indicated that no significant differences existed between responses of different stakeholder groups ($p \geq 0.05$). Overall, it appeared that respondents were satisfied with the way employment policies and practices impacted on the Nigeria's economy.

The second statement sought respondents' opinion on whether employment policies and practices in the JDZ promote the diversification of the São Toméan economy. The overall findings of this question equally revealed that respondents were in agreement with the statement. These perceptions were presented in appendix 3, Table 18. As presented in the table, results suggest that 83.1% and 72.5% of Nigerians and São Toméans respondents agreed or strongly agreed respectively that employment policies and practices made significant impact on São Tomé and Príncipe's economy. In the same vein, a majority of the respondents from each stakeholder group made a similar assenting position. However, a thorough examination of the table revealed that a certain number of respondents particularly from São Tomé and Príncipe disagreed or were neutral about the statement.

These constitute 20% of the total participants from the country. In fact, the number was considered significant considering the groups that were disputing the statement. It is shown in the table that 57.1% of GO from São Tomé and Príncipe disagreed with the statement. In addition 40% and 11.8% of NGO and JDA respondents from São Tomé and Príncipe respectively disputed the statement. The opinion of these disputants sent a sense of concern, which in one way or the other signified that Nigerians were more satisfied with the employment practices in the zone than their counterparts. Nevertheless, the Mann-Whitney test conducted revealed that the differences were not statistically significant.

In general, respondents were in agreement with the two statements under investigation. The results are said to be consistent with the literature review findings as it clearly showed that employment policies and practices enhanced and indeed helped in diversifying the participating states' economy. However, even though the practices were posited to enhance states' economy, interview respondents were of the view that the recruitment practices conducted in the zone are not transparent (Section 7.2.9). Nonetheless, overwhelming majority of participants assented with the above two statements, therefore, the practices contributed in general development of the zone.

6.5.4 Perceptions on corporate social responsibility policies and programmes

Two questions on social responsibility policies and programmes relating to Nigeria and São Tomé and Príncipe were discussed in this section. The perceptions of respondents relating to these questions were presented in Tables 21 and 22 of appendix 3 respectively.

Overwhelming agreements were expressed about the first question by both participating states. In total, 54.5% and 23.4% of Nigerian participants agreed and strongly agreed respectively that corporate social responsibility (CSR) policies and programmes in the JDZ are aligned with the development needs of Nigeria. Equally, 65% of São Toméans agreed with the statement and indeed additional 15% indicated their agreement in strong terms. One of the interesting findings revealed in the table is that, the variances in perceptions were divided into two, the NGOs disagreeing or strongly disagreeing that CSR policies and programs in the JDZ are aligned with the development needs of Nigeria, and in the other hand, the remaining five groups agreed or strongly with the statement.

Furthermore, information analysed from the open ended questionnaire have equally supported the assenting position held by the stakeholders which indicated a satisfactory

sign on the CSR programmes carried out within the zone. Indeed, according to the respondents the CSR programmes were part of the activities that brought NSTP-JDZ into limelight within the two countries. A participant stated:

“All I can appreciate and remember about the NSTP-JDA and its activities are the scholarship given to our kids, the classrooms constructed in our locality, and other related gestures”.

It is understandable from the respondent's view that little was known about NSTP-JDA activities; therefore, its presence was much recognised through CSR activities. Another respondent expressed similar view as follows:

“We have limited words to express our appreciation to the management of the JDA; we feel their presence better than any organisation in this country”.

Indeed, following the overwhelming agreement by stakeholders, only a few significant differences were revealed by the Mann-Whitney test conducted ($p \leq 0.05$). The results of these findings are reported in Table 19 of Appendix 3.

The statistical significant differences may be as a result of previously identified differences in perceptions between groups. One of the major possible reasons for these differences could be attributed to the respective group's roles or targets. It is likely the NGO is demanding more CSR programmes and activities from the NSTP-JDA or the contractors. On one hand, it is expected that the other five groups agree that little CSR has been rendered within the zone, because with the exception of the parliaments, all the remaining four groups were directly or indirectly involved in providing the CSR. More arguably, the agreeing views by the parliament justified the extent of satisfaction by the citizens about the issue of CSR, because it is expected of the parliaments to speak on behalf of their citizenry. In fact, going by the constitution people are expected to send their views to the state through their parliaments, which in turn may influence development of policy or law of the nation. Based on the above discussed perceptions and arguments, it emerged that corporate social responsibility (CSR) policies and programmes in the JDZ are aligned with the development needs of Nigeria.

Table 22 of Appendix 3, presents the perceptions of the respondents on whether or not the CSR policies and programmes in the NSTP-JDZ were aligned to the development needs of

São Tomé and Príncipe. Based on the summaries of the findings, respondents answered the question in a similar way to the previous statement as indicated in the table. In total, 80.5% of Nigerians agreed or strongly agreed that the CRS programmes in the JDZ contributed positively to its counterpart's development. On their part, 70% of the São Toméans were also in agreement with the statement. These overwhelming opinions have left only 19.5% and 20% of Nigerians and São Toméans respectively disputing the claim.

A further Mann-Whitney test conducted confirmed some variances in perceptions between the stakeholder groups, like the results obtained in the previous question. Hence, all reasons for these variances were as a consequence of the already referred reasons in the above question. Hence, the CSR policies and programmes in the NSTP-JDZ were aligned to the development needs of São Tomé and Príncipe.

6.5.5 Perceptions on developmental activities in the NSTP-JDZ and their long term repercussions

Table 23 of appendix 3 presents a clear view of the perceptions of respondents on whether the JDA has effective processes in place to ensure that the development of hydrocarbon infrastructure and its operations did not result in long-term damage to the JDZ assets. The empirical findings emerged from the table is that the JDA had effective processes in place that ensured activities and operations did not result in long-term damage to the JDZ's assets with 68.9% of Nigerians and 70% of São Toméans agreeing (or strongly agreeing) with the statement. One of the interesting parts of the analysis is that, 20%, 40% and 25% of São Toméans respondents within indigenous oil companies, non-governmental organisations and parliaments respectively disagreed with the statement. This is contrary to the enthusiastic Nigerian respondents who overwhelmingly agreed with the statement. Therefore, the perceptions of the São Toméans indicated their dissatisfaction with the way operators and other JDZ handlers manage the asset of the zone.

In consequence to the above pattern of analysis, a Mann-Whitney test was conducted in order to ascertain the extent of statistical significant differences between stakeholder groups. The findings of these tests were reported in Table 24 of the same appendix 3.

The differences were mainly arose as a result of the already referred to variances in perceptions of some significant number of São Toméans within indigenous oil companies, non-governmental organisations and parliaments.

It was reported earlier in Chapter 3 that the republic of São Tomé and Príncipe has just been newly ventured into petroleum exploration activities. In consequence, the variances in perceptions might be attributed to the São Toméans being unacquainted with the oil and gas exploration activities compared to Nigerians who experienced different kind of environmental problems in the country's oil rich zone. Thus, Nigerians may consider the NSTP-JDZ issue a minor one. In particular, the views of São Toméan parliaments and NGO who were agitated to protect the interest of their citizenry were not in any way surprising. On the other hand, it is expected of joint development authority, governmental organisations, indigenous oil companies and multinational oil companies to agree that enough has been done in safeguarding the asset within the zone. This is because they are directly or indirectly responsible for the operations. Thus, they are better informed. Overall, the perceptions of the majority of all the groups were overwhelmingly convinced and agreed that the JDA has effective processes in place to ensure that the development of hydrocarbon infrastructure and its operations did not result in long-term damage to the JDZ assets. Indeed, the views of the interview respondents are consistent with these findings (Chapter 7, Section 7.2.4).

Overall, the findings emerged from the nine statements discussed and analysed in this section revealed that the practices in the NSTP-JDZ were not wholly consistent with the components or provisions of the second principle of the Chatham House Framework. Indeed, it is empirically evident that developmental and operational activities within the zone are not in accordance with sustainable development practiced. See Chapter 8, Section 8.2.2 for detail answer to the question relating to this section.

6.6 Stakeholder's views on enablement to carry out the role assigned

It was stated in the third principle of the Chatham House Framework that, for oil sector to be governed or managed in an effective and efficient way personnel and/or parties within organisations or sector must have access and indeed possess adequate resources. These resources according to the framework include necessary means in terms of authority, financial resources, information, human capacity (skills, knowledge, experience, etc) and supporting processes. In this section, respondent's perceptions were sought on 13 statements mainly asking whether or not parties' concern within the Nigeria-São Tomé and Príncipe Joint Development Zone possessed the afore-discussed resources. The perceptions

are analysed and presented in sections 6.6.1 to 6.6.7 and indeed the statements are consequently used in answering the question below:

RQ3: Do the parties responsible for managing the NSTP-JDZ have the required resources to carry out their assigned roles?

6.6.1 Perceptions on the policy-makers' capability of setting effective policies and realistic objectives within the JDZ

In Section 6.4 earlier in this chapter, respondents were asked whether policy makers' responsibilities were appropriately assigned to capable individuals. On the other hand, this section sought respondents' perceptions on whether those policy makers had sufficient resources and capabilities to set effective policy and realistic objectives for the JDZ. Thus, Table 25 in appendix 3 presents those perceptions. The results in this table indicated considerable satisfaction expressed by the respondents on the JDZ's policy-makers possession of resources and capabilities. It can be seen that, in total 94.8% of Nigerians and 85% of São Toméans agreed or strongly agreed with the statement. Indeed, the total median and mean scores of both Nigeria and São Tomé and Príncipe ranged from 4.00 to 4.14; these have further confirmed the agreeing position by the two states. Findings from Mann-Whitney tests confirmed that no significant statistical differences existed between the perceptions of the participants.

The overall response pattern, as determined in the analysis, indicated the agreement of each group of respondents. The possible reasons for these views could be attributed to the claimed enhanced practices within the NSTP-JDZ compared to other JDZ around the globe. This is because all the programmes carried out in the zone depended on those policies established by the policy makers. Indeed, some of the survey participants posited that policies were revisited following allegations and petitions about operational weaknesses made by different stakeholders in 2010. Thus, it is empirically evident that policy makers had sufficient resources and capabilities to set effective policy and realistic objectives for the JDZ.

6.6.2 Stakeholder's perceptions on checks and balances put in place by the NSTPJDA

This section sought respondent's perceptions on whether checks and balances had been put in place by the NSTP-JDA to enable the consistency and sustenance of policies. To ascertain these views, summaries of descriptive statistic conducted are presented in Table

26 of Appendix 3. The descriptive statistic results showed that 58.4% and 14.3% of respondents from Nigeria agreed and strongly agreed respectively that check and balances are there in place to meet the target of sustaining the policies. Respondents from São Tomé and Príncipe have similarly agreed and strongly agreed with the statement at 62.5% and 10% respectively. This result is indeed consistent with the earlier finding on policy making, which revealed that the roles of making policy in the NSTP-JDZ were appropriately assigned and people responsible were equally availed with required resources to carry out their task. Therefore, it is understandable to see that majority of these respondents agreed that checks and balances had been put in place by the NSTP-JDA in order to sustain and indeed achieve consistency about long-term policies.

However, more interesting features about the findings in this section are that, some significant part of respondents particularly within indigenous oil companies (IOC), non-governmental organisation (NGO), governmental organisation (GO) and parliaments differed with joint development authority and multinational oil companies. These differences are shown as 40% of the São Toméans within IOC indicated their discontent, and 70% and 100% of Nigerians and São Toméan respectively within the NGO were not satisfied with the statement. In addition, 50% and 16.7% of Nigerians from GO and Parliaments respectively were equally dissatisfied with statement.

In order to check whether differences exist between the perceptions of stakeholder groups, a Mann-Whitney test conducted confirmed the existence of those differences; Table 27 presents the results of these tests. These differences arise as a consequence to the already referred to variances in perceptions between groups. The major possible reasons may be attributed to the respective groups' roles. For example, people within the JDA have the responsibility of ensuring that checks and balances are put in place as stated in the statement. Thus, it is not surprising to see respondents in these groups concurring with the statement. On the other hand, it is a worrying matter to see a significant number of Parliaments, NGOs and indeed GOs indicating their dissatisfaction on a very vital issue like policy making. It is likely, that these respondents have confidence with the people assigned to do the job but might not be happy with the way the people are governing the system. However, majority of the respondents agreed or strongly agreed that checks and balances had been put in place by the NSTP-JDA to enable the consistency and sustenance of policies.

6.6.3 Delegation of financial and managerial authority in the NSTP-JDA

Table 28 in Appendix 3 presents the perceptions of the participants on whether personnel in the NSTP-JDA were delegated with required financial and managerial authority to carry out their assigned roles. The results presented in the table showed that 46.8% and 50% of Nigerians and São Toméans respondents respectively indicated their neutral position on whether personnel in the JDA were delegated with sufficient financial and managerial authority to carry out their assigned roles. Corresponding numbers disagreeing were 23.4% and 20% of Nigerians and São Toméans respectively. On the other hand, 29.9% and 30% of respondents from Nigeria and its counterpart (São Tomé and Príncipe) were in agreement with the statement. Interestingly, the results showed that more than 90% participants of each of the two states' parliaments agreed or strongly agreed that required resources and delegation is available to the JDA personnel. This position is entirely different with the opinions of the remaining five groups.

In order to check the existence of significant differences between the perceptions of the respondents, a Mann-Whitney test was conducted the results are presented in Table 29 of appendix 3. Many reasons can be attributed to those reported significant differences. Firstly, it is noteworthy that the four groups: multinational oil companies (MOC), indigenous oil companies (IOC), non-governmental organisations (NGO) and governmental organisations (GO) categorically indicated their uncertainties on whether the financial and managerial provisions are delegated to the JDA personnel. This is because these groups should at least have an idea on whether or not financial resources are available to the JDA; they should equally be better informed on the level of authority vested on the JDA to carry out its functions. Most surprising is the neutral position taken by the JDA's respondents, because they should have been better informed on what transpires within the organisation. Consequently, it is logical to conclude that there was inadequate transparency within the zone, as legitimate stakeholders claimed not to be informed about delegation of financial and managerial authority within the NSTP-JDA. This signifies a need for better transparency in the JDA. Thus, based on the emerged evidence, it appears that there is need for the provision of financial and managerial authority to the personnel of the NSTP-JDA to conduct their assigned roles effectively.

6.6.4 General perceptions on JMC and other executive management

This section sought the respondents' perceptions on the following statements: 1) Whether the selection criteria for appointments to the JMC and executive management of the JDA are transparent; 2) Whether the JMC possesses the appropriate skills and knowledge required to carry out their assigned roles; 3) Whether the members of the JMC are provided with adequate financial resources to carry out their roles.

Table 30 in Appendix 3 presents respondents' perceptions about statement (1). The results indicated that none of the group or either State agreed that there was transparency in the selection criteria for the appointments to the JMC and the executive management of the JDA. The strong dissatisfaction opinions are highlighted by the fact that 84.4% of Nigerians disagreed or strongly disagreed with the statement. Responding in a similar pattern, 72.5% of São Toméans disagreed or strongly disagreed with the statement. This huge number of disputants left only 6.5% and 12.5% of respondents from Nigeria and São Tomé and Príncipe respectively agreeing with the suggested statement. As a result, on average, the total median and mean scores of both states ranged from 1.90 to 2.20. The disagreeing views were further supported by most of the interviewees as analysed and discussed in Chapter, 7 Section 7.2.5.

Furthermore, there were numerous comments by the respondents in the open-ended questionnaire survey on this issue. Indeed, all the comments showed that there was no transparency in the selection of, or in appointments to, the JMC and to the executive management. For example, one of the participants stated that:

“There is nothing like transparency in the selection criteria for appointments. This is because the mandate for appointing JMC members is given to the respective Heads of State of each State Party. I do believe the appointments are influenced by politics, not competency”.

Similarly, another respondent noted that: *“Looking at the political antecedents of both Nigeria and São Tomé and Príncipe, I doubt if either of the Presidents can appoint someone in the JMC based on merit”.*

With regards to statement 2, the perceptions of respondents on whether the members of the JMC possess appropriate skills and knowledge required to carry out their assigned role, a

majority of the participants formed a negative view of the situation. These perceptions are presented in Table 31 of appendix 3, whereby 53.3% of Nigerian and 60% of São Toméan respondents disagreed that the JMC possesses the appropriate skills and knowledge required to carry out their assigned roles. However, unlike the first statement, a certain number of respondents from both countries indicated their agreement. As shown in the table, 39% and 40% of Nigerian and São Toméan participants respectively agreed with the statement. One of the interesting findings about this statement is that even the JDA's respondents disagreed that members of the JMC possess the required skills to discharge their assigned responsibilities. Additionally, the parliament's position indicated that they disagreed with the statement. This position was further strengthened by most of the interviewees (see Section 7.2.5) who opined that appointments to the JMC were mainly based on political affiliations not competency. This approach of appointing members to the council may have influenced decisions by most stakeholders to have assented that the members do not possess the required skills to discharge their assigned responsibilities.

Lastly, the perceptions of respondents on whether members of the joint ministerial council (JMC) are provided with the required financial resources to carry out their roles are presented in Table 32 of appendix 3. The results indicated that overwhelming majority of respondents from both states and indeed within the groups agreed with the statement. Thus 89.6% and 92.5% of Nigerians and São Toméans respectively agreed or strongly agreed with the statement. Indeed, the total median score of each state was 4.00 and corresponding mean scores were 4.12 and 4.28 for Nigeria and São Tomé and Príncipe respectively. The statistical results indicated a high level of agreement by the stakeholders. It is surprising to see that respondents disagreed with the level of JMC's skills and approach of appointments, but yet they agreed that required financial resources were given to them in order to discharge their responsibilities. This interpretation of the situation appears to be robust as it was the view of all groups even including the JDA.

In order to check whether significant differences existed between the perceptions of the respondents in all the three statements, Mann-Whitney tests conducted revealed that the differences were not statistically significant. Nonetheless, the few differences recorded just indicted the extent of agreement between Non-Governmental Organisation, Multinational and Indigenous Oil companies (see Table 33 of appendix 3).

In general, the analysis revealed that respondents disagreed that selection criteria for appointments to the JMC and executive management were transparent. And, they overwhelmingly agreed that members of the JMC were provided with required financial resources to carry out their roles. However, they posited that the JMC lacked adequate skills and knowledge to carry out their roles.

6.6.5 Perceptions relating to political and other conflicting interventions

Table 34 in appendix 3 presents respondents' perceptions on whether operational and commercial decisions by the JMC or the JDA are separated from political and other conflicting interventions. These perceptions indicated that respondents from both countries were of the view that operational and commercial decisions taken by either JMC or JDA are not separated from political and other conflicting interventions. Stressing this opinion, 79.2% and 75% of Nigerians and São Toméans respectively disagreed with the statement. This left only 16.3% of Nigerians and 15% of São Toméans who had taken a neutral position. In fact, the total median of each state was 2.00 and corresponding means of 2.05 and 2.22 for Nigeria and São Tomé and Príncipe respectively. These figures show the extent of disagreement by both countries.

A Mann-Whitney test was performed and the results indicated that there were no significant differences between the perceptions of the stakeholders ($p > 0.05$).

In summary, the views of the respondents were that political influence and other conflicting interventions prejudiced some commercial and operational decisions within the zone. Indeed these opinions were consistent with the findings reported earlier in the literature review (Biang, 2010; HRW, 2010 and IMF, 2005). Furthermore, interviewees confirmed this position (see Section 7.26). Going by the literature and indeed the confirmation by the interviewees, most of the allegations and concerns raised in the zone were mainly caused by political intervention, particularly in the first ten years of the zone's establishment. It is likely the survey participants were still not convinced with the purported improvement in the management of the JDA, especially with regards to the external interventions in the management of the zone. On this note, it is empirically evident that operational and commercial decisions by the JMC or the JDA are not separated from political and other conflicting interventions.

6.6.6 Perceptions on the capabilities of the JDA regulating body

This section sought respondents' opinions on three major statements: (1) the JDA regulating body has the necessary technical skills to exercise its powers effectively, (2) the JDA regulating body possesses the necessary financial resources to exercise its powers effectively and (3) the JDA regulating body has the necessary legal authority to exercise its powers effectively.

Table 35 in appendix 3 presents respondent's perceptions with regards to statement 1. In total the results showed that 89.6% and 90% of Nigerians and São Toméans respondents strongly agreed or agreed that the JDA regulating body had the necessary technical skills to exercise its powers effectively. Based on these opinions coupled with the corresponding indicated median and mean scores of both States (ranged from 4.00 to 4.14) the respondents were satisfied with the statement. Many comments analysed during the survey showed that stakeholders were satisfied with the caliber of people running or/and regulating the JDA unlike that of JMC. A Mann-Whitney test conducted with the intention of checking any likely significant differences between pairing groups confirmed that no such differences that existed.

The results in Table 36 further strengthened the respondent's positive position, as 92.2% of Nigerians and 94% of São Toméans agreed or strongly agreed that the JDA regulating body possessed the necessary financial resources to exercise its powers effectively. In fact, the median and mean scores of Nigeria were 4.00 and 4.09 respectively, while, that of São Toméans and Príncipe were recorded as 4.00 and 4.18 and these results signified the extent of agreement by both stakeholder groups. The findings are encouraging as even the joint development authority (JDA) confirmed that the financial resources available to the regulators are sufficient to carry out their assigned duties efficiently. This position has been confirmed by the governmental organisation. The results is said to be encouraging because all parties that are better informed with the financial decisions within the zone are satisfied with the available financial resources given to the regulators. A Mann-Whitney test was conducted and the findings confirmed that no statistical significant differences between pairing groups existed.

Lastly, in response to the third statement, the respondents also concurred that the JDA regulating body had the necessary legal authority to exercise its powers effectively.

Preliminary investigation showed that there is legal authority for each party to exercise its activities, but it is still important to seek out whether those legal authorities are being implemented or allowed to be implemented by the relevant authorities. In this regard, Table 37 of appendix 3 presents the perceptions of stakeholders, and the results show that 89.6% and 95% of the questionnaire's participants indicated their agreement with the statement. Indeed, all median and mean scores of both states ranged from 4.00 to 4.13, indicating a high level of agreement. In an attempt to ascertain the existence of any likely significant differences between the perceptions of the groups, a Mann-Whitney test was conducted and the results confirmed that no such differences existed. These findings re-justified the respondents' confidence in JDA as reported earlier in Chapter 3 and in some latter sections of the analysis chapter. This indicated that the JDA regulating body possess the required resources to their daily dealings.

6.6.7 Perceptions on audit operations within the JDA

Table 38 in appendix 3 presents respondents' perceptions on audits of operators and their level of coordination in the Nigeria São Tomé and Príncipe Joint Development Authority. The results indicate that a majority of Nigerians (53.2%) were neutral on whether audits of operators within the JDA are coordinated to minimize duplication and avoid unnecessary bureaucracy. The position taken by Nigerians slightly differed from those of São Toméans, as 47.5% of them agreed or strongly agreed with the statement, even though the São Toméans that agreed with the statement were not up to half of the total respondents, yet it signified their position, as the remaining respondents divided into 15% disagreeing and 37.5% taking a neutral position. More interesting features revealed in this analysis is that, the joint development authority (JDA) is the only group that agreed with the statement, the remaining five; multinational oil companies, indigenous oil companies, non-governmental organisations, governmental organisations and parliaments took a neutral position. Therefore, the clear asymmetric views between the groups mainly existed between the JDA and the other five groups.

Reasons for these differences were as a consequence of the aforementioned differences in perceptions between the stakeholder groups. One of these reasons might be that the question was directly related to the internal role of a department within the NSTP-JDA. It is understandable that respondents within the JDA might take a "biased" position on something that mainly concerns its affairs as to do otherwise might reflect badly on

themselves. In other words, participants in this group may claim to be better informed on this issue. On the other hand, it might be difficult for the other groups to confirm or disagree with the statement because, the people responsible for the role are not reporting directly to either of the groups. In a normal pattern of accountability, it is only the external audit report that goes to the directors or other legitimate stakeholders. However, those legitimate stakeholders should have access to certain operational information. Any shortage of this could indicate a lack of transparency in the operations. In fact, earlier findings in Chapter 3 revealed weaknesses in the audit operations within the NSTP-JDA, as most lapses could have been avoided had the audit units performed their assigned roles appropriately. Thus, the above arguments indicated that the system is weak and indeed, respondents' perceptions showed needs for additional coordination in the audit system within the zone.

6.7 Perceptions on staffing decisions within the NSTP-JDZ

This section sought respondent's perceptions on two statements; (1) on whether staffing decisions within the JDZ were based on merit, (2) whether those personnel were incentivised to improve performance. Table 39 of appendix 3 presents those perceptions regarding the first question. The results showed that, 49.4% and 55% of Nigerians and São Toméans respectively were neutral about the statement. On the other hand, 24.7% respondents from Nigeria and 27.5% from São Tomé and Príncipe showed their disagreement. These figures left only 26% Nigerians and 17.5% São Toméans agreeing or strongly agreeing that staffing decisions within the JDZ are based on merit. The most interesting part of the analysis in this section is that, respondents within the JDA have been divided into two with a majority of Nigerians within this group agreeing that staffing decisions were based on merit, while 58.8% of São Toméans within the same groups disputed the statement. The revealing point here is that, even for stakeholders within the JDA, only Nigerians appeared to be in agreement with the statement. In a similar vein, more than 60% of respondents from each State within multinational oil companies, indigenous oil companies, non-governmental organisations, governmental organisations and parliaments showed that they were not sure whether the staffing decisions were based on merit. Thus, they all took an indifferent position. In a similar view, a majority of interviewees posited while commenting on employment practices that, generally

employment and staffing decisions were not transparent in the JDZ. Thus, impliedly according to participants the practices were not based on merit (see Section 7.2.9).

In order to check whether the above differences were significant, a Mann-Whitney test was conducted and the results confirmed the existence of those differences in perceptions between the pairing groups as presented in Table 40 of same appendix 3. These differences were as a result of the earlier referred to differences in perceptions between those groups. The potential reason for this pattern is that, it is likely that the stakeholders particularly from São Tomé and Príncipe were not happy with the staffing decision practices or there was little or no transparency in the recruitment, promotions or other staffing decisions that take place within the zone. In addition, it is also possible that there was no recruitment in the JDZ for a long period of time which may affect other staffing decisions in one way or the other. In fact, some of the interviewees from the JDA posited that employment practices mostly favoured internal promotion and secondment from other sister organisations whenever recruitment needs arise. If this happens to be the case, it may be translated as been un-transparent practices.

Table 41 presents the respondents' perceptions with regards to the statement 2, which sought their views on whether personnel within the JDA were appropriately incentivised to improve performance. Results in the table indicated that, 23.4%, 33.8% and 42.9% of Nigerian respondents disagreed, held neutral position and agreed respectively that personnel in the JDA were appropriately incentivised to improve performance. Equally, 30%, 27.5% and 42.5% of São Toméans disagreed, held neutral view and agreed respectively with same statement. Another noticeable issue indicated by the descriptive statistics is the way a significant number of respondents from Nigeria in each stakeholder group appeared to be in agreement with the statement. Overall, the results indicated that both states were neutral on the question asked. These perceptions appeared logical because respondents indicated their neutral position on whether staffing decisions were based on merit. However, analysis further showed that groups varied in perceptions, for example, the JDA respondents were unhappy with their incentive arrangements whilst more than 60% of each of the respondents in multinational oil companies, indigenous oil companies and governmental organisations felt that incentives were sufficient and they encourage personnel to achieve performance in the JDA. Arguably the views of the JDA as primary beneficiary of the incentives should be considered, because they are better informed about

what they receive as incentives. However, the perceptions of the other five groups should also be taken into consideration, especially the GO and the Parliaments who in one way or another may have access to certain financial information and benefits of different organisations within the States.

In order to check the possibilities of near unanimous overall views being expressed, a Mann-Whitney test was performed and the results confirmed the existence of significant differences between responses of different stakeholder groups ($P < 0.05$) and these results are presented in Table 42 of appendix 3. The differences occurred as a consequence of earlier referred to differences in perceptions between groups. The likely reason for these differences might be attributed to the respective groups' roles and responsibilities. For example, the statement mainly concerns the incentives given to the JDA, thus it is expected of the personnel from this group not to be bold in accepting that the incentive given to them is sufficient. This is not enough to dispute that fact that the JDA is one of the best paying institutions within the zone. It is likely the remaining groups might not be better informed compared to the JDA itself; however, their disputing position may indicate a lack of transparency within the zone.

In summary, empirical evidence relating to the thirteen statements analysed in this section indicated that the practices in the NSTP-JDZ were not wholly consistent with the provision contained in the third principle of the Chatham House Framework. In particular, provisions of financial and non-financial resources, poor recruitment practices, deprived incentives to personnel and external interventions in personal day to day activities were the major areas of concern. On this note, the findings indicated urgent needs for putting resources appropriately in place in order to allow parties responsible for managing the zone to carry out their assigned roles effectively.

6.8 Stakeholders' views on accountability for decision-making and performance

The fourth principle of the Chatham House Framework is designed to guide accountability for decision-making and performance practices in the oil sector. The major components and attributes of the principle relates to the extent to which mechanisms are put in place to ensure all actors within the sector comply with the necessary regulations and contractual obligations. It also stipulates how management should ensure that appropriate audit practices as well as revenue remittance procedures are put in place. Another significant

component discussed in this principle has to do with how the mechanism for dialogue between local communities and operators is put in place. At the end, the principle urged management to put proper mechanisms in place that would ensure corporate social responsibility within the sector is accounted for separately and evaluated against stated objectives. Having argued and discussed these issues earlier in Section 4.5.4 and Section 5.3 thoroughly, this section sought primary evidence from stakeholders relating to these components within the Nigeria- São Tomé and Príncipe Joint Development Zone in order to address the research question stated below:

RQ4: To what extent is accountability relating to decision making and performance being practiced in the NSTP-JDZ?

The analyses on the perceptions are presented in section 6.8.1 to 6.8.4 below.

6.8.1 Perceptions on operator's compliance with regulations and obligations

Table 43 in appendix 3 presents respondent's perceptions on whether mechanisms are in place within the JDZ that ensure operator's compliance to contractual obligations and other regulations. Descriptive statistics presented in the table showed that a majority of participants from both States agreed that there were adequate mechanisms put in place to ensure operators comply with the obligations and regulations within the JDZ. The perceptions showed that 51.9% and 14.3% Nigerians agreed and strongly agreed respectively with the statement. Consenting with these opinions, 45% and 22.5% of respondents from São Tomé and Príncipe agreed and strongly agreed with the same statement. Nevertheless, a certain number of respondents from both States disputed this position. Out of these disputants, 23.4% and 10.4% of Nigerians were indifferent and disagreed with the statement respectively. Similarly, 32.5% and 10% of their counterpart (São Tomé and Príncipe) were neutral and disagreed with the statement. More noticeably from the results is that only respondents from the Joint Development Authority, multinational oil companies, indigenous oil companies and to a large extent parliaments agreed with the statement. In contrast, respondents from non-governmental organisations and governmental organisations were either neutral or disagreed that mechanisms are in place to ensure that operators within the JDZ are in compliance with contractual and other regulations.

In order to check whether the above differences are significant, a Mann-Whitney test was conducted and the results confirmed the existence of such significant differences between the groups are presented in Table 44 of appendix 3. These differences may be attributed to earlier refer to differences in perceptions between groups, and may equally occur as a consequence of the level of information each group possesses on the operational activities in the zone. For example, arguably, the multinational oil companies, joint development authority and indigenous oil companies might be better informed about the operational activities and indeed general mechanisms within the zone. In contrast, non-governmental organisations and governmental organisations might not be fully informed about those operations compared to the former groups discussed. In addition, most of the significant differences indicated the extent of agreement or disagreement between the two States within the group. For example, São Toméan respondents within MOC, IOC and Parliaments consented with the statement strongly compared to their Nigerian counterparts who indicated their mere agreement about the statement. These differing views most likely occurred as a result of each State's experience about operators' compliance when it comes to obligations and regulations. It is likely that Nigerians were not comfortable with the level of compliance having seen or experienced what is happening in their country, whilst, the latter State might not have experienced compliance failure from the operators. This is because São Tomé and Príncipe as a country did not engage in oil and gas operations fully before the establishment of NSTP-JDZ. Thus, it is also likely that experience influences the decisions of Nigerians.

Overall, it is clear that the views stated in the literature review and the perceptions of the respondents differed significantly. Arguments from the literature revealed significant deficiencies in the operators' compliance, while the results from the perceptions indicated that a majority of respondents agreed that adequate compliance is met within the zone. This is indeed, a good compliment on the part of the management.

6.8.2 Perceptions on revenue remittance, audit procedures and reporting in the NSTP-JDA

In this section, respondents' views were sought on whether derived revenues are adequately remitted to the appropriate States; secondly, whether there are appropriate internal audit programmes and procedures within the JDA and lastly, whether there is appropriate external audit processes put in place for the JDA.

Table 45 of appendix 3 presents respondents' perceptions on whether JDA accounts for revenues due to the government and revenues received by the government. The list of descriptive statistic in the table showed that 62.4% of Nigerians and 60% of São Toméans agreed or strongly agreed that the JDA accounts for revenues due to the government and revenues received by the government. A corresponding 32.5% of Nigerians and 37.5% of São Toméans were indifferent. The results further confirmed the asymmetries of information between groups as perceptions of the JDA, MOC, GO and Parliaments differed with those of the IOC and NGO, because more than 60% of respondents from the first four groups overwhelmingly agreed that proper accountability on revenue is exercised in the JDA; in contrast, the last two groups (IOC and NGO) remained neutral.

In consequence to the above divergent views, a Mann-Whitney test conducted confirmed that those differences in perceptions between groups were significant, results of these tests are presented in Table 46 of appendix 3. These significant differences were as a consequence of the earlier reported differences in perceptions between the groups. The reason for these might be attributed to the groups' assigned roles. For example, the JDA in particular is the one responsible for disbursing the resources to the States, while the GO and Parliament might have access in one way or the other to resources given to their respective States. On the other hand, the neutral position taken by the NGO and IOC on this issue appeared justifiable, because both groups might not necessarily have access to this particular information. Thus, how each group is informed about the resources influences the respondents' decisions. In sum, it appears reasonable to conclude that there is transparency relating to this particular practice.

Secondly, it was reported in Section 6.6.9 that audit operators within the JDA are coordinated to minimise duplication and avoid unnecessary bureaucracy. In this section, respondents were asked whether the internal audit department of the JDA conducted financial, physical and process audits appropriately. Long before this statement, the findings in Chapter 3 showed that the JDA's internal audit department reported its activities to the management of the authority. However, information on whether the process and reporting procedures were effective and efficient was scant. Hence, respondents' perceptions were sought on this respect and the majority of responses were positive, particularly on the way the authority's audit department performed its duties. The results of these findings are presented in Table 47 of appendix 3. The results indicated that

a majority of Nigerians (61%) and that of São Toméans (52.5%) were neutral regarding the internal audit procedures of the JDA. On the other hand, 32.5% respondents from Nigeria agreed or strongly agreed that the internal audit unit carries out its roles appropriately. Similarly, São Toméans had views commensurate with that of Nigerians, whereby 35% of them indicated their agreement with the statement. Further statistical results showed that apart from the JDA, all the remaining five groups were neutral. In order to check whether these differences are significant, a Mann Whitney test was conducted and the results revealed that the differences between perceptions of stakeholders are significant, the results of the tests are presented Table 48 of appendix 3.

One of the major reasons for these differences may be attributed to how each stakeholder group is informed about the issue under discussion. Of course, the internal audit is within the JDA, so it is expected of this group to be more insightful compared with other groups about how this unit functions. Therefore, it is likely that the respondents from the JDA are now much happier with the internal practices and how it conducts its functions recently. It is also likely that there are improvements in the unit's function, especially considering the reported weaknesses in the audit procedures within the authority in the early days of the zone. In fact, most of the respondents to the open-ended questionnaires posited that the issue is not whether the internal audit unit conducts its assigned role or not, but rather how efficiently they do it. Thus, they summarily added that generally the unit improved and significant achievements were made recently. However, the neutral position taken by the other five groups (MOC, IOC, NGO, GO and Parliaments) are very important to consider, because for legitimate stakeholders to indicate that they have reservations about the functioning of a very important unit such as the internal audit within the joint development authority, casts a doubt on the level of transparency within the zone. These groups should ordinarily be informed or at least have an idea about the existence of the unit as well as its practices. This evidence indicated the extent of transparency weaknesses in the system.

The third question asked in this section concerns external audit issues in the JDA. As reported earlier, the treaty mandates that an external audit should be conducted independently. In this regard, the respondent's opinions were sought on whether the JDA was subject to regular, functionally independent audits. The importance of this question was not overstated, as many believed that the purpose of the audit was to add credibility and faith to the financial statements and other reports in the eyes of the users (Liew, 2006;

Salleh et al., 2005 and Mitton, 2002). Notwithstanding the fact that some part of this question resembles a statement of fact, it was vital to seek clarification, considering the controversy generated around the authenticity and reliability of the previous audit reports in the early days of the JDA.

Table 49 of appendix 3 presents respondents' perceptions on whether the JDA is subject to regular, functionally independent audit. The results indicated that a majority of respondents from Nigeria (57.2%) agreed or strongly agreed with the statement, leaving another 33.8% to take a neutral position. These perceptions slightly differed with the position of São Toméans, whereby 45% of them stated that regular and functionally independent audit is always conducted within the JDA. Equally, another 45% of São Toméan respondents were indifferent. This result varied with the immediate question, where only the JDA appeared to be comfortable with the internal audit practices, but on external audit matters, the parliaments were equally in agreement that the JDA was subject to regular and functionally independent audit. Further interesting findings revealed by these statistics are that a majority of participants from multinational oil companies, indigenous oil companies, non-governmental organisations, and governmental organisations held a neutral position. Generally, the results appeared worrying as a majority of the groups indicated a neutral position. Ordinarily, legitimate stakeholders should have access and indeed be well informed about external audit conducted with regards to organisations that they possess a stake.

In order to check whether the above differences in perceptions between groups are significant, a Mann-Whitney test was conducted and the findings revealed the existence of such differences, Table 50 in the same appendix 3 presents the results. These significant differences were attributed to the earlier discussed differences in perceptions between groups. Lack of transparency is one of the reasons that caused these differences. It is uncommon for legitimate stakeholders to be totally unaware and indeed uninformed about external audit reports. In fact, it is an issue of concern for these groups to take an indifferent position. However, it is encouraging from the other angle that the JDA and Parliaments confirmed that external audit has been conducted accordingly. Nonetheless, the fact that a majority of the participants were not sure about the external audit practices and the reasons discussed may indicate a lack of transparency in the management of zone.

6.8.3 Perceptions on dialogue between local communities and operators

Several studies revealed that contractors and operators in many oil producing states face difficulties and challenges in the course of exploiting resources, as a result of conflict between local communities and companies (Nwakeji, 2007 and Johnson, 2004). However, communication and dialogue remained one of the most significant ways of resolving this conflict (Watts, 2004; Auty, 2001; Ross, 1999 and Karl, 1997). Table 51 of appendix 3 presents the perceptions of the respondents on whether there is an effective mechanism in place to enable dialogue between local communities and operators in the JDZ.

Statistical results in the table 51 showed that both Nigerians and São Toméans did not agree that there is an effective mechanism for dialogue between local communities and operators within the JDZ. This is indicated as, 64.9% of Nigerians and 70% of São Toméans disagreed or strongly disagreed with the statement. Indeed, even the remaining 23.4% and 22.5% of Nigerians and São Toméans were neutral, which showed that none of the groups agreed with the statement. Each State recorded a median score of 2.00 and a corresponding mean of 2.40 and 2.18 for Nigeria and Sao and Príncipe respectively. In fact, to check any likely existence of significance differences between the groups, a Mann-Whitney test was conducted and the findings confirmed that no significant statistical differences that existed between the perceptions of the groups.

It was clear from the respondents' perceptions that no appropriate mechanism was available to stimulate dialogue between parties in the zone. These perceptions agreed with the findings in the literature, which reiterated the need for better understanding between local communities and oil companies. This finding is arguably interesting as parliaments, governmental organisations as well as non-governmental organisations disagreed with what has been put in place so far to stimulate dialogue. Equally, on their part, both multinational and indigenous oil companies did not agree with the statement. This had categorically indicated a need for further improvement and better understanding between the two parties for the betterment of the zone and successful continuation of the agreement.

6.8.4 Perceptions on corporate social responsibility within the JDZ

Table 52 of appendix 3 presents the perceptions of respondents on corporate social responsibility in the NSTP-JDZ. The perceptions presented in Table 52 showed that 75.3% and 87.5% of Nigerians and São Toméans respectively agreed or strongly agreed that CSR

in the JDZ is accounted for separately and evaluated against stated objectives. In other words, there is satisfaction from stakeholders that CRS programmes and activities within the zone are satisfactory. This assenting position is further indicated by the median and mean scores of both states. Nigeria on its part had a median and mean scores of 4.00 and 3.70 respectively, whilst, São Tomé and Príncipe recorded scores of 4.00 and 3.95 respectively. The agreeing position on the extent of CSR provision in the zone, was equally held by most interviewees (see Section 7.2.3)

Despite the overwhelming assenting views shown by each state, a Mann-Whitney test was conducted in order to check that a near unanimous overall views was being expressed, and the results confirmed that no significant differences existed between responses of different stakeholder groups ($p > 0.05$).

Some participants supported their views by commenting further in the open-ended questionnaire as follows:

“To be frank, no-one could ever forget the positive impact of the projects carried out in the name of CSR in our locality. We appreciate the JDA and other sister organisations in zone than any other organisation in this country” (a respondent from the NGO).

“How we wish other organisations could emulate JDA in terms of providing amenities in our society through CSR, our schools were improved, and our children were given scholarship. All we can say to them, as always, is a big thank you” (a respondent from Parliaments).

“Indeed, right from the beginning of oil operations in this country, I have been aware of CSR through programmes and services provided by the JDA. We are most grateful for all they have done and what the JDA is still doing in our society” (a GO participant).

On the basis of the above findings, there would appear to be high level of satisfaction among the majority of respondents on the way CSR programmes are being conducted in the zone.

Summarily, the findings that emerged from the six statements analysed and discussed revealed that the practices in the NSTP-JDZ were not wholly consistent with the components or provisions of the fourth principle of the Chatham House Framework. In

particular, the findings indicate some weaknesses in reporting processes and procedures, audit practices and relationships between operators and local communities. Thus, in general, it is empirically evident that accountability relating to decision making and performance within the zone requires to be strengthened.

6.8.5 Stakeholders' views on transparency and accuracy of information in the JDZ

Transparency and accuracy of information is the last principle of the Chatham House Good Governance Framework that is used for the assessment of governance practices within the Nigeria São Tomé and Príncipe Joint Development Zone (NSTP-JDZ). The major components and attributes of the principle relates to how legitimate stakeholders receive timely and accurate financial and operational information from operators within oil sector. It also highlighted issues of keeping appropriate stakeholders informed of all significant operational developments in the sector. Another component requires management to ensure that whenever information about the sector remains confidential the rationale for that confidentiality is explained and justified to the legitimate stakeholders. Another significant issue pinpointed in the principle considers the way decisions for awarding licenses as well as procurements practices are disclosed and explained to the parties involved. The last major component discussed in the principle requires management to explain their recruitment practices in a transparent manner. In this regard, the research question below was developed (see Section 5.3) and will be address in this section.

RQ5: To what extent is transparency relating to operational activities taking place within the NSTP-JDZ?

The analyses in this respect are presented in section 6.8.6 to 6.8.11 below.

6.8.6 Perceptions on timely and accuracy of information

Accountability is a duty that requires agencies/people with delegated authority to provide account of their actions to those who bestowed the authority on them (Mulgan, 2002 and Gray et al., 1996). In this regard, Table 53 of appendix 3 presents respondents perceptions on whether legitimate stakeholders receive timely and accurate financial and operational information from operators in the JDZ. The results in the table showed that 65% of Nigerian respondents and 72.5% of São Toméans agreed or strongly agreed that legitimate stakeholders receive timely and accurate financial and operational information from

operators in the JDZ. On the other hand, significant number of respondents 15.6% and 20% of Nigerians and São Toméans disputed the statement. The most interesting part of the findings is that, more than 80% from each of the joint development authority, multinational oil companies, indigenous oil companies, and governmental organisations, indicated their agreement. In disparity, more than 80% of each state within the NGO indicated their disagreement. Generally, this pattern of responses showed that respondents were overwhelmingly satisfied with the way information both financial and non-financial was disseminated to the legitimate stakeholders. In fact, the median and mean scores of each State indicated this position as Nigeria recorded 4.00 and 3.63 median and mean scores respectively. Similarly, São Tomé and Príncipe had 4.00 and 3.62 median and mean values respectively.

In order to ascertain the above findings and determine whether the perceptions of respondents vary significantly with one another, a Mann-Whitney test was conducted and the results indicated that significant differences existed only between non-governmental organisations in the one hand and the remaining five groups on the other ($p < 0.05$). It is, perhaps, understandable the way respondents perceived the issue under discussion. The major likely reason for these differences might be attributed to a group's role or the extent of information it possess. This is could be the case as the five groups might have been better informed about how information is being disseminated than the NGOs. For example, the MOCs and IOCs being the contractors or operators in the zone account for their actions to the JDA and in most cases this information reaches GO. Thus, they may be better informed to take a position on this issue. In contrast, the NGOs might not have adequate information particularly on reports or information prepared by the operators or contractors.

On a general note, despite the disputing position by the NGOs, a majority of respondents showed their satisfaction with the way legitimate stakeholders receive timely and accurate financial and operational information from operators.

6.8.7 Perceptions on keeping appropriate stakeholders informed of all significant development

In this section two questions were put to the respondents: firstly, on whether the JDA keeps appropriate stakeholders informed of all significant operational developments and secondly, on whether, the rationale for the confidentiality behind JDZ information is

explained and justified. The perceptions of respondents on these questions are presented in Table 54 and 56 of appendix 3 respectively.

In Table 54, respondents' perceptions with regards to question one showed that, 57.2% and 52.5% of Nigerians and São Toméans agreed and strongly agreed that the JDA keeps appropriate stakeholders informed of all significant operational developments. However, 18.2% and 24.7% of Nigerian respondents respectively disagreed and remained neutral with the statement. Similarly, 30% and 17.5% of São Toméans respectively disputed and held indifferent views on the issue. Interestingly, only JDA respondents overwhelmingly agreed with the statement. A significant number of respondents from other groups were undecided. Thus, two things were obvious about group positions: firstly, the differences between groups apart from the JDA just indicated the extent of agreement or disagreement; and secondly, the JDA is the only group that agreed and differed in perceptions with the rest of the groups.

In order to ascertain whether the reported differences in perceptions between groups are significant or not, a Mann-Whitney test was conducted and results confirmed that those differences were significant, the results of these tests are presented in Table 55 of appendix 3. The significant differences occurred as a consequence of the differences in perceptions earlier reported. These had happened as a result of respective group's roles played in the zone. It is understandable that respondents from the JDA agreed that their organisation is doing the right thing by keeping legitimate stakeholders informed on all relevant operational development. The respondents in this group can claim to have been better informed on what the organisation is legitimately doing. On the other hand, it was unexpected of the parliaments to agree that the JDA keeps appropriate stakeholders informed of all significant operational developments, because they earlier disputed receiving timely and accurate financial and operational information from the operators. Nonetheless, it is likely the parliaments were satisfied with the activities of the JDA and dissatisfied with those of the operators. The findings further revealed dissatisfaction positions about the statement by the MOC, IOC and NGOs. These dissatisfactions indicated that groups differed on this issue and this forms part of the findings of this study. In addition, the results indicated the inadequacy of transparency on the part of the JDA in discharging its responsibilities. This is because some legitimate stakeholders claimed not to be receiving updates on most significant operational development from the JDA.

In Table 56 of appendix 3, respondents' perceptions are presented on information confidentiality and rationale for that confidentiality. The perceptions presented in the table showed that 57.2% Nigerians agreed or strongly agreed that whenever information about the JDZ remains confidential the rationale for that confidentiality is explained and justified. In contrast, 62.5% of São Toméans disagreed or strongly disagreed with the statement. There were differences in views between groups. Thus, respondents from the joint development authority and the governmental organisations overwhelmingly agreed with the statement. In contrast, their counterparts from multinational oil companies, indigenous oil companies, non-governmental organisations and parliaments disagreed and strongly disagreed with the statement.

To check whether the above differences are significant, a Mann-Whitney test conducted confirmed the existence of such differences between the perceptions of the groups, the result of these tests are presented in Table 56 of appendix 3. These differences were as a consequence of the already referred to differences in perceptions between groups. The potential reason for these differences might be attributed to the respective roles in the management of the JDZ. The JDA and GO were the primary stakeholders that control most of the information this question is talking about. Thus, it was likely that their respondents should agree with the statement. However, this position appears contestable as a majority of the groups who used that very information provided by the JDA and GO contested the statement, and indeed asserted that nothing was explained or justified to them. Ordinarily, legitimate stakeholders should have access to certain information, but where for any reason that isn't possible a reasonable explanation must be given to stakeholders. This has been proved difficult and even non-practicable according to the perceptions of the respondents.

6.8.8 Perceptions on criteria for awarding licenses

It was previously discussed that most of allegations surrounding the Nigerian São Tomé and Príncipe Joint Development Zone (NSTP-JDZ) from 2003 to 2010 were related to licensing decisions (see, Section 3.6). In this regard, Table 58 of appendix 3 presents the perceptions of respondents on whether the final decisions for awarding licenses were explained to the parties involved. The results in the table revealed that an overwhelming majority of respondents from both States were in agreement that final decisions for awarding licenses were explained to the parties involved. This is indicated in the Table, as 74% and 67.5% of respondents from Nigeria and São Tomé and Príncipe respectively

agreed or strongly agreed with the statement. In contrast, 18.2% and 20% of the participants in the same order respectively disagreed or strongly disagreed with statement. Furthermore, it is noticeable from the results that apart from non-governmental organisation that held disagreeing views, majority of respondents from the remaining five groups were in agreement with the statement. Nonetheless, in order to check whether the above differences between groups were significant a Mann-Whitney test was conducted and the findings confirmed that only NGOs differed with the remaining five groups significantly.

The perceptions of respondents were totally inconsistent with the arguments discussed in the literature. It is likely there are tremendous improvements in practices and procedures during subsequent licence rounds. These improvements might have occurred as a result of allegations and concern raised both within and outside the zone. Indeed, it was reported that many São Toméans mounted pressure on their government to renounce its agreement with Nigeria about the NSTP-JDZ (HRW, 2010 and Afrol News, 2005). These allegations and concerns might have influenced the management to enhance their practices. In this regard, it is fair to assume that the management of the NSTP-JDZ have reasonably improved oil blocks bidding practices.

6.8.9 Perceptions on major procurement contracts by the JDA

Traditionally, organisations publish tenders and various contracts in newspapers and on websites. However, final decisions on those tenders have been major issues of concern in most developing countries. Table 59 of appendix 3 presents respondents' perceptions on whether final decisions on procurement contracts by the JDA are disclosed publicly. The results demonstrated in the table showed that, in total 61% and 67.5% of Nigerian and São Toméan respondents respectively agreed or strongly agreed that final decisions on procurement contracts by the JDA were disclosed appropriately. In contrast, 35.1% of Nigerians and 30% of São Toméans respondents were neutral. The perceptions further revealed that most of the views expressed by the respondents from joint development authority, governmental organisations and parliament were in agreement with the statement, whilst a majority of respondents from multinational oil companies, indigenous oil companies and non-governmental organisations were neutral. Arguably, it is understandable for the JDA to hold agreeing views, because procurements are one of the responsibilities of the JDA. Thus, it is expected to have been better informed than any

other group. In fact, this position has also been posited by some respondents who made some remarks in the open-ended section of the questionnaire. Most of these respondents posited that the JDA followed necessary rules and procedures while dealing with procurement issues. However, the respondents added that the management have enhanced the way they handle procurements following allegations and petitions on licensing bids. In other words, the management's efforts to enhance general practices, including procurement have tremendously impacted on different issues or practices in the zone, particularly from the year 1999 to 2013.

In order to check whether the above differences between the perceptions of respondents are significant, a Mann-Whitney test was conducted and the results showed that stakeholders' views were statistically different, the results of these tests are presented in Table 60 of appendix 3. The findings in the Table showed significant differences in views between groups. One of the major reasons for this might be as a consequence of a group's interest and involvement in procurement practices. It is expected of the JDA as organisation that prepares those procurements to agree with the statement. However, other perceptions might indicate poor transparency in the management of the zone as most stakeholders were not even sure whether the procurement practices had been conducted accordingly. For legitimate stakeholder groups that work within the JDA in the zone, to be unaware of how procurements are been conducted arguably signifies poor management and lack of transparency in the zone.

6.8.10 Perceptions on transparency of employment practices in the JDA

In Chapter 2, the discussion on joint development zone around the globe revealed that institutions entrusted with the governance of disputed areas faced challenges handling employment practices between the participating states. In this section, respondent's perceptions were sought on three different statements.

Table 61 of appendix 3 presents respondent's perceptions relating to the first statement which sought their views on whether the JDA has transparent recruitment practices. The results presented in the Table showed that 46.8% of Nigerians disagreed that the Nigeria São Tomé and Príncipe Joint Development Authority has transparent recruitment practices. On their part, 37.5% of São Toméans were neutral about the statement. Nevertheless, what is clear from the perceptions of each State is that respondents were almost evenly divided on the issue. This is ascertained in the table, as the with the exception of the JDA, the

remaining stakeholder groups (MOC, IOC, NGO, GO and PAR) were not satisfied with the way recruitment practices are being conducted in the JDA. In fact, the total median and mean scores of Nigeria were 3.00 and 2.87 respectively, while, that of São Tomé and Príncipe were 3.00 and 3.10 respectively. These views were consistent with the views of interviewees (see Section 7.2.9), in which a majority of the survey participants revealed that there was no transparency in the recruitment practices within the NSTP-JDZ.

Table 62 of appendix 3 presents the Mann-Whitney test conducted in order to ascertain any potential significant difference between the perceptions of respondents and the results confirmed the existence of those differences. Many reasons might be attributed to the respondents' significant differences in perceptions relating to this question as shown in the Table 62. The assenting position by the JDA's respondents was surprising, as the question under discussion concerned directly the practices by their employer. However, this is in no way doubts the creditability of their answers, since a substantial number of these participants within the group disagreed with the statement. However, although it is evident that respondents from the JDA are better informed than any other group about the employment practices within the NSTP-JDA, it was still surprising that no respondents from the remaining five groups agreed with the statement. This is particularly unexpected as transparency in recruitment and other practices takes into account the openness and involvement of appropriate stakeholders (Drever, et al., 2007). The disagreeing positions by the majorities, casts doubt on the extent of transparency in recruitment practices within the NSTP-JDA.

The second statement in this section sought respondents' perceptions on whether recruitment practices are fair to Nigerians and the results of those perceptions are presented in Table 63 of appendix 3. The findings in the table indicated that 22%, 39% and another 39% of Nigerian respondents disagreed, held neutral views and agreed that the JDA recruitment practices are fair to Nigerians. In a similar vein, 22.5%, 42.5% and 39% of participants from São Tomé and Príncipe disagreed, were indifferent and agreed with the statement. These divergent opinions were equally demonstrated within the groups as only the Joint Development Authority appeared to be in agreement with the statement, while the remaining five stakeholder groups (MOC, IOC, NGO, GO and Parliaments) were not satisfied that the recruitment practices are fair to Nigerians. In fact, none of the state within each of the five stakeholder groups agreed with the statement. The most interesting part of

this finding is that both States with the JDA agreed that recruitment is fair to Nigerians. In other words, respondents from Nigeria as well as São Tomé and Príncipe agreed with the statement. The result is surprising because the literature earlier indicated that stakeholders from São Tomé and Príncipe were of the view that Nigerians dominated most of the posts in the JDA which influences many decisions arguably to their detriment (Biang, 2010 and HRW, 2010).

In order to check whether the above differences between the perceptions of the participants were significant, a Mann-Whitney test was performed and the findings revealed that the differences were mainly between the JDA's respondents and the rest of the stakeholder groups, the results of the test are presented in Table 64 of appendix 3.

In summary, some possible reasons for the above differences in perceptions of respondents might be related to the groups' status or roles. It is likely the respondents within the JDA are currently happy with the recruitment practices in the organisation, while respondents from other groups were not. The decisions of the JDA's respondents might be influenced by their organisational affiliations. Arguably, it is expected of the other five stakeholder groups to give more independent views than those of JDA. In other words, it is expected of the remaining five groups to look at the issue independently from a broader perspective. Thus, their disputing positions may indicate a lack of transparency on the part of JDA in discharging its responsibilities particularly with regard to recruitment practices. And, unless transparency and openness prevails it will be difficult for stakeholders to attest the extent of fairness of the practices to the respective states.

Finally, the perceptions on whether the JDA recruitment practices are fair to São Toméans are sought in this last part of the analysis, and the results are presented in Table 65 of appendix 3. Results presented in the Table showed that, 18.23%, 42.8%, and 39% of Nigerians disagreed, held neutral views and agreed respectively that JDA recruitment practices are fair to São Toméans. On the other hand, 22.5% of São Toméans disagreed with the statement, 35% of them were neutral and the remaining 42.5% indicated their agreement that recruitment practices within the JDA were fair to São Toméans. Further analysis of the results within the groups revealed that only JDA's respondents agreed with the statement, while the remaining five groups disputed or took a neutral position.

Generally, it appeared that the survey participants answered this question in a similar way to the preceding one.

In order to check whether significant differences existed between the perceptions of the respondents, a Mann-Whitney test was conducted and the results confirmed the existence of such significant differences, the results of these tests are presented in Table 66 of appendix 3.

Most of the differences were between the perceptions of the JDA and the remaining stakeholder groups. There are many reasons that might be attributed to the respondents' divergent opinions. It has been repeatedly argued that the NSTP-JDA is the primary stakeholder in the zone, thus, its' personnel were said to be the primary beneficiaries of the recruitment practices within the JDA. Arguably, this might have influenced their assenting decisions. However, the perceptions of the other five groups were very vital, because they have legitimate rights to testify to or dispute the state of transparency in all practices including recruitments. Therefore, their disputing positions may indicate a lack of transparency and fairness of the practices to either of the States. In summary, the reasons for these differences are similar to the earlier referred to reasons discussed in the previous question.

Overall, the discussion emerged from the analyses of the eight statements of this segment showed that the practices in NSTP-JDZ were not fully consistent with the components of the fifth principle of the Chatham House Framework. In particular, the results reiterated the extent of lack of transparency relating to operational activities within the zone.

6.9 Conclusions

The analysis presented above has revealed a willingness on the part of key stakeholders in the NSTP-JDZ to engage with the components of the Chatham House Framework when assessing aspects of governance practices in the zone. This "acceptance" of the use of the Chatham House Framework suggests it would be a suitable governance framework for use in the zone, and in other similar zones, going forward. As this finding is one of the potentially important contributions of the study it is analysed in a more rigorous manner in the next chapter. In addition to evidencing the appropriateness and applicability of the Chatham House Framework for the NSTP-JDZ and its expediency in assessing the

governance practices of the zone, additional issues revealed from the analysis are briefly highlighted below and comprehensively discussed in the conclusion chapter (8.2.1 to 8.2.5).

In short, the analysis suggested that governance practices in the zone are deficient in many areas. For example, according to the respondents' perceptions, "inadequate personnel skills" have impaired the management of the zone to such an extent that it casts doubt on whether or not exploitation of the zone's resources would benefit future generations. Respondents were also of the view that control over the zone's resources was severely impaired by uncertainty about who had the authority to implement actions and by political and other conflicting interventions in the management decisions of the NSTP-JDA. There also appeared to be a need for improvement in the audit procedures and communication culture between local communities and NSTP-JDZ operators. Further, the findings revealed that there was a body of opinion that employment and recruitment practices within the zone were unfair (see Section 8.2.5). There were positive aspects emerging from the analysis, however, since virtually every section of the analysis reported areas of strength or practices that were consistent with the provisions of the Chatham House Framework; these practices thus appear sound and appropriate. The analysis highlighted a number of significant differences in opinion amongst the stakeholder groups and summative views of these differences are presented in Table 67 of appendix 3. The findings show the number of times each stakeholder group significantly differed with other groups in their responses to the questionnaire. Indeed, the identification of these differences in views between key stakeholders (Joint Development Authority, Multinational Oil Companies, Indigenous Oil Companies, Non-Governmental Organisation, Governmental Organisation and Parliaments) relating to the elements of good governance within the zone is one of the major contribution of this study (see Section 8.3). The reason why identification of such differences is important is that it may reveal dysfunctional aspects of the interaction between stakeholder groups which, in turn, may suggest ways for policy makers to improve governance of the zone (see Section 8.4).

In light of the above discussion, the governance system in place within the zone is not fully compliant with internationally accepted norms such as those underpinning the Chatham House Framework. This shortfall in governance as evidenced by responses to the questionnaire indicated that the developmental and operational activities within the zone

were not in accordance with sustainable development practices. In fact, the results relating to the third question showed that the parties responsible for managing the NSTP-JDZ do not possess the required resources to carry out their assigned roles. On the issue of accountability, the findings revealed that accountability relating to decision making and performance being practiced in the NSTP-JDZ is inappropriate. In response to the transparency relating to operational activities within the NSTP-JDZ the results indicated that the practices were inappropriate. On the other hand, in relation to question one earlier it showed that the goals, roles and responsibilities of the parties involved in the management of the NSTP-JDZ were clearly defined and assigned. The detailed summaries of the findings relating to this Chapter are presented in Section 8.2.1 to 8.2.5 of the conclusion Chapter.

Chapter 7

Analysis of Interview Findings

7.0 Analysis of Interview Findings

7.1 Introduction

This chapter presents the analysis of findings from the interviews that have been conducted with eighteen experts, nine from each of the two countries that formed the Nigeria São Tomé and Príncipe Joint Development Zone (NSTP-JDZ)⁴⁰. The participants were chosen based on their experience as they are considered to be highly experienced individuals having contributed to the formation of the existing stakeholder groups of the NSTP-JDZ (see Section 5.6.1). Section 7.2 of the chapter discusses the major findings arising from the interviews conducted with policy makers, major operators, and stakeholders. Section 7.3 concludes the chapter, highlighting the key issues that have been identified from the interviews.

⁴⁰Participants from Nigeria were coded as N001, N002N009, while those from São Tomé and Príncipe were tagged S010, S011.....S018.

7.2 Interview analyses of major statements

It was stated in Section 5.8 that the reason for adopting the guided interview method in this study is to provide a reliable means of validating or reviewing the findings or issues that emerged in analysing responses to the questionnaire. As a consequence, six broad areas were identified as areas needing further clarification from the chosen experts that participated in the interviews (see Appendix 2 for the interview questions). These areas are presented as follows:

1. Suitability of the Chatham House Framework in management of the NSTP-JDZ
2. Reasons for the delay in operational activities within the NSTP-JDZ
3. Fairness in the recruitment exercise within the NSTP-JDZ
4. Extent of political intervention in managerial decisions within the NSTP-JDZ
5. Corporate social responsibility issues
6. Accounting and reporting standard issues and compliance

In this regard, the above areas were broken into nine questions as presented in the proceeding sub-sections (Sections 7.2.1 to 7.2.9):

7.2.1 Appropriateness of the Chatham House Framework in the NSTP-JDZ

Although prior comments on the absence of an agreed international framework or a standard measure of good governance for the petroleum sector have been presented in literature (Marcel, 2011; Stevens, 2008; Lahn, et al., 2007), several governance frameworks have been developed that might be suitable as the basis for an international approach, including for example, those of the United Nations, OECD, IMF, World Bank, EITI and Chatham House Frameworks (see Section 4.3). In assessing the extent of good governance practices within the Nigeria São Tomé and Príncipe joint development zone, this thesis adopted the Chatham House Good Governance Framework since it is widely recognised as a benchmark framework for governing a sovereign state's oil and gas resources. Indeed one of the major objectives of the research is to test whether or not the framework is applicable to cross-border development zones similar to that of NSTP-JDZ.

In order to assess the suitability of the framework, interviews were held with 18 experts in the NSTP-JDZ. Each of the interviewees was asked the question below:

Do you agree that the principles of good governance in the petroleum sector as stated in the questionnaire (the Chatham House Principles) are applicable to cross-border development zones such as the NSTP-JDZ? Please explain your answer?

It emerged from their responses that all interviewees not only had a good understanding of the Chatham House Good Governance Framework but also were familiar with individual countries that subscribed to it with respect to the development of their oil and gas resources. The clear view of the 12 out of 18 respondents was that the Chatham House Framework is applicable for the operations of cross-border developments such as the Nigeria São Tomé and Príncipe joint development zone. Respondents from both Nigeria and from São Tomé and Príncipe shared this view and were certain its application could help successfully guide the general operational activities within the zone; the remaining six participants that had reservations about the framework's applicability for the zone, agreed that despite its flaws (mainly associated with its implementation) it was better than all other models they have come across.

Respondent (N001) observed:

“The Chatham House Framework was ideally suited to provide good governance for joint development zones in general and especially for the Nigerian São Tomé and Príncipe joint development zone”.

Concurring with this view, respondent (S016) stated that:

“I am thoroughly conversant with the Chatham House Framework and I have no doubts whatsoever that it is the most appropriate governance framework in the NSTP-JDZ context”.

Further, respondent (N009) added that:

“The Chatham House Framework is really comprehensive and deals well with a range of problematic issues; it is therefore a very good model for the Nigeria São Tomé and Príncipe joint development zone”.

The six respondents with reservations were more concerned with managing its implementation than with doubts over the framework itself. For instance, interviewee (S012) noted that:

“It is evident that the Chatham House framework has the potential to be beneficial for the zone but, nevertheless, there may be problems that could arise with its implementation and these would need to be dealt with in a sensitive manner”.

It appears that there were common concerns from both nationalities that vested interests of management might impede proper implementation of the framework. Thus one Sãotoméan respondent (S018) said

“The Framework is ambitious and addresses major legal and accountability issues that could affect the general governance of any oil sector. However, my concern is how committed will the management be to its implementation.”

A respondent (N007) from a Multinational Oil Company noted that

“I am impressed with the richness of the framework as it deals with basic pressing issues that need to be addressed in the oil sector. Thus, it is perfectly applicable for the Nigeria São Tomé and Príncipe joint development zone”.

This respondent added that

“The framework may certainly enhance the relationships amongst stakeholders within the zone”

Another respondent from the Indigenous Oil Companies (S014) said

“Yes, indeed the framework can be applicable. It possesses the necessary credentials to address governance issues worrying the zone”

A participant who asserted that the framework might not be needed for the operations in the Nigeria São Tomé and Príncipe joint development zone (N003) said:

“..... Our problem is not about possessing a written list of governance principles or codes, but rather how each party excises its initial contractual obligations”.

Nonetheless, what this participant fails to explain is that the governance issues are not all about contractual arrangements but rather general governance issues and that unless appropriate arrangements are put in place operational activities might not be conducted effectively.

In summary, a clear majority of the interviewees (12) from both countries and indeed within the departments agreed that the Chatham House Framework is appropriate and applicable for the operations of the Nigeria São Tomé and Príncipe joint development zone. This is evidence that the Chatham House Framework is indeed applicable to cross border development zones and it is consistent with the findings of the questionnaire survey which showed that the framework possessed the required characteristics to pinpoint strengths and weaknesses of an oil sector such as the Nigeria São Tomé and Príncipe joint development zones.

7.2.2 Concern over slowness of operational activities in the NSTP-JDZ

The literature review in Chapter 3 revealed that operational activities within the NSTP-JDZ were not progressing as planned. Indeed, stakeholders cast doubt on the survival of the agreement (see Section 3). Political reasons were said to be one of the major issue hindering the smooth running of the zone (Afrol News, 2005). Supporting the view of operational stagnation in the zone, the stakeholders that participated in the questionnaire survey agreed that something was wrong with the operations as activities were not progressing as expected. Furthermore, when interviewees were asked to explained why over the past 11 years there has not been any significant commercial production from the NSTP-JDZ venture and indeed, the venture is still at exploration stage. The perceptions of respondents were divided into two, where fifteen out of eighteen in precise were optimistic that the operational activities have been on course and that milestones have been met. Three major views that confirmed this position are presented below:

“Well, we still have 3 to 5 years to go before we start production. Generally, to commence production especially in a deep offshore location you need an average of 8 to 10 years. This is normal as you rarely see production start in less than 10 years. Therefore, I don’t consider this period as being delayed” (N002).

“No, I don’t think we are late or delayed considering our exploration activities are all offshore and are a delicate agreement between two countries with different socio-economic backgrounds” (N008).

“Not at all, compared to other existing joint development zones in the world, we are moving in the right direction. You know we are operating on behalf of two countries, so

we need to consider many factors in the course of our operations, we need to make sure both parties are satisfied” (S010).

In general, contrary to the preliminary affirmation about operational progress in the zone, arguments and views given by the majority of the interviewees showed that operational activities are moving as planned. Indeed, going by the aforementioned reasons given by the assenting participants in their arguments it is understandable that the operations are agreeably progressing.

However, revealing their divergent opinions, the only remaining three interview participants were of the view that activities within the zone were not progressing as expected. Hence, one of the respondents said:

“.....this tardiness happened as a result of extension right filed by the operators at the initial stage of the contract, at the end lacked of managerial interest and dynamism manifested. However, this has been a general problem for most developing nations” (S013).

The reasons given by the participant (S013) above were not convincing. This is because the respondent emphasises more on the reasons behind operational slowness instead of acknowledging or repudiating progress recorded in the operational activities of the zone. Indeed, the participant had further weaken the argument by reiterating that the slowness is not something new as it has been a general norm in many part of the world.

In addition, another respondent who had similar opinions to the above interviewee and also had concern over operational progress in the zone attributed the asserted delay to the change of operatorship. Thus, he said:

“Chevron-Texaco was our major operators, but later assigned their interest to Total PLC, thus the new operators have different strategies, policies and models, and therefore, it took them a little time to put the new system in place” (S017).

In this regard, it is fair to believe that operational activities within the zone progresses as planned, this is because even the few participants who believed that the operational

activities are not moving as planned failed to provide convincing arguments, but rather did provide reasons for those concerns as discussed earlier.

7.2.3 Benefits of joint development venture to the general public within the NSTP-JDZ

The findings in the previous chapter and literature revealed that people appreciated and commented positively on the activities and services provided within the states by either the NSTP-JDA or the Operators. Therefore it would be of paramount importance to re-confirm primarily from stakeholders the true situation on this issue. Therefore, the interviewees were asked whether the local population of both states are appropriately benefitting from the enterprise.

Fourteen out of the eighteen participants reiterated the satisfaction of the populace and opined that a significant number of people were happy and appreciate the venture in general. Some of the most important statements by the participants are presented as follows:

“Yes, very much I can say, we separate our social projects to all states in Nigeria as well as São Tomé and Príncipe. In any case, we ask local community, through their commissioners, what they like most. In a nutshell, communities choose what they want with the money we intend to spend” (N004).

“Yes absolutely, it is good you ask the locals yourself, go and see the types of schools, hospitals, IT equipment, roads and many things provided across the states. I believed the locals appreciate the work of the NSTP-JDA as well as the operators” (S015).

“...we have benefited, we enjoyed lots and we are grateful to this venture and indeed to the management in general” (N001).

“.....I have the feelings that everyone is happy with the little development brought in the zone as a result of the Nigeria São Tomé and Príncipe Joint Development Agreement” (S014).

In addition to the satisfactions being expressed by the survey participants in the previous chapter about this issue, it is reasonable to conclude from the comments and opinions

presented above that both management and the citizens within the zone are happy with the developmental contributions brought about by the operational activities in the zone. Opinions showed that both parties are happy with the beneficial projects having been executed so far in the zone.

However, one of the participants said:

“The venture takes social responsibility issues into consideration but it is hard to convince people that those responsibilities are being met. This is particularly the case in Nigeria, where people have lost confidence in the Multinational Oil Company” (N005).

Nonetheless, even the above participant believed that the venture brought certain benefits and took social responsibility issues into consideration within the zone, but has reservation with the extent to which people may be convince with those benefits. Arguably, the fact that Multinational Oil Companies had poor track records of impacting positively in terms of social responsibility projects does not in any way mean that people will not appreciate developmental changes portrayed currently by the parties concerned. Therefore, arguably the findings in the previous chapter with respect to the provision of social responsibility programs were confirmed by the interview participants.

7.2.4 Multinational Oil Companies’ efforts in safeguarding the environment and other natural resources in the NSTP-JDZ

Despite the reported environmental challenges and the undeniable misunderstanding between communities and operators in most oil producing states, respondents in the previous chapter posited that Multinational Oil Companies have been doing enough to safeguard the NTSP-JDZ environment and the resources. In consequence, interviewees were asked to ascertain the differences between what was reported in the literature and the positions taken by the respondents in the questionnaire survey chapter.

There was general agreement amongst the interviewees that so far there has been no threat to the environment or to the resources within the zone. This implies the MOC have put the necessary effort into safeguarding the zone. Although, some of the evidence given by the participants was theoretical in nature, with little consideration given to what was really

happening within the zone. This was evident when one of the participants reminded the interviewer and indeed quoted Article 38.1 of the NSTP-JDZ treaty as follows:

“The Authority shall take all reasonable steps to ensure that development activities in the Zone do not cause or create any appreciable risk of causing pollution or other harm to the marine environment” (N001). Of course this provision is theory; nonetheless, the same participant added that “there has not been any incident reported in the exploration activities conducted so far within the zone”

The above argument by respondent (N001) is not justifiable because having provision in the treaty does not in any way mean that the people in authority are adhering to that provision. But rather to what extent those people in the authority implement provision. Equally, the respondents’ statement of not recording any incident does not mean the MOC are doing all that is required of them. However, additional statements by other respondents proved positive as they further showed that efforts are being made in safeguarding the environment as well as the zone.

For example, respondent (S014) said:

“It may interest you to know that the NSTP-JDZs’ second engagement is in fisheries, thus, we have very robust regulation on the environment and we are trying to enforce it in the course of safeguarding the environment and agriculture in general. Fully aware of this fact, the Multinational Oil Companies are really trying in all respects. I can testify they are trying”.

In his contribution, another participant (S010) from São Tomé and Príncipe stated that:

“Natural resources are important to our country. In fact, we feel that the fisheries are going to be the area of our concern in the next few years. I believe Multinational Oil Companies got this message, because they have been wonderful in helping our communities towards achieving this target”.

Most of the comments and responses made during the interview were similar to the ones stated above. Hence, in general, it appears that stakeholders were convinced that the MOC

activities are encouraging particularly in managing the environment as well as the natural resources contained within the environment. Interview participants from both countries placed emphases on the importance of natural resources in their daily lives as well the importance of the environment at large. Thus, it is arguable, that with this potential importance the authorities within the zone will not in any way allow MOC to destroy those potentials and ruin the hope of the agreement.

7.2.5 Alleged political interventions on appointing members to the joint ministerial council

It is hard to read an article, a book or a report about the NSTP-JDZ without learning about the issues surrounding political intervention by both Nigeria and São Tomé and Príncipe. This indeed, was the major issue that prompted an investigation by the São Toméan authorities following a series of allegations and petitions (HRW, 2010, Biang, 2010 and Berman, 2005). The procedure in appointing members to the JMC is one of the major allegations posited by those concerned. Therefore, respondents' perceptions were asked in Section 6.5.5. The survey respondents asserted that political intervention negatively affects operational activities in the zone. This was also the case as revealed in the literature review in Chapter 3. Taking into account the importance of ascertaining political intervention issues, the interview participants were also asked the same question.

Unsurprisingly, majority of the participants confirmed that appointment to the JMC is far from transparent and indeed they opined that politics play a significant role in appointments made by both states. See some of the major comments below:

“Yes, the JMC appointment is purely political by the two Heads of States. However, in most cases they are ministers in their respective states and indeed, excel in their fields. For instance the Nigerian Minister of Petroleum is a member of the council, so he is already a minister within the sector.” (N007).

“No doubt the appointment to the JMC is political and may have some negative consequences, because the members are mainly appointed by the Head of State. Although, ordinarily, they are supposed to be technical people, that's why most of them in most cases are seconded from petroleum related department” (N008).

“...the appointment has never been on merit, is purely political” (S016)

“...there is no any contention about political influence in the course of appointing members to the JMC in both countries. I think it will take ages to change this trend in both countries” (S013).

Although a significant number of the respondents believed that politics influenced appointment decisions, this does not mean the appointees lack expertise because they were selected in most cases from oil and gas related sector or departments. Hence in general it is understandable that politics influences appointment decisions to the JMC but capabilities of those people appointed rest on their individual experiences.

7.2.6 Alleged political interventions on oil blocks bidding processes

Similarly, politics were reported to have played a significant role in the bidding process that was conducted right from the establishment of the NSTP-JDZ (Odunlami, 2010; FSF, 2008; IMF, 2006b and Berman, 2005). Findings in Section 6.6.6 revealed that politics equally influences procedures in bidding process. Commenting further on this issue, thirteen out of the total eighteen participants agreed that the process heavily involved political intervention.

A participant from São Tomé and Príncipe said:

“The bidding of oil blocks is mostly controversial, not only in the NSTP-JDZ but in many oil producing countries. Personally, I was not satisfied with the first and second licensing rounds in the JDZ” (S012).

Arguing in a similar direction, S013 stated:

“I am convinced that the bidding process and the issuance of licenses were not transparent. Moreover, the people involved denied the allegation but the truth was politics played a significant role”

However, a Nigerian participant (N007) appeared to be satisfied with what eventually transpired in the said licensing rounds. He replied

“You know, allegation has always been the issue, of course, we had issues, which were a bit controversial, which led the Antony General of São Tomé and Príncipe to launch an investigation and we were all invited, we went there and defended our actions. Therefore, to the best of my knowledge those alleged political interventions have been resolved and indeed, to the satisfaction of both governments.”

Similarly, another Nigerian respondent (N003) was quoted to have said:

“It is normal to have disputes among parties controlling such a significant resource as oil. There were two round of licenses in which there was dispute. The dispute was resolved after an investigation at the instance of São Tomé and Príncipe. From all indications all aggrieved parties were satisfied as we didn’t hear of any litigation about it.”

Arguably, one thing that became apparent from the literature review, the questionnaire survey findings, as well as the interview findings particularly in this question, is that stakeholders from Nigeria appeared to be more satisfied with the said alleged bidding licensing than their counterparts in São Tomé and Príncipe. The satisfaction from Nigerians may be attributed to the long term experience of Nigeria in oil and gas operations as well as the extent of its citizenry participation and benefaction in those biddings process. On the other hand, even though some Sãotoméans especially government officials were equally reported to have benefited from the 2003/2004 oil bids but that might not be compared to the number of private companies and individuals from Nigeria that benefited from the exercise (see Section 3.6.1). In a way, Nigerians were arguably benefited than Sãotoméans. In general, based on stakeholder’s opinions politics influences many decisions in the said oil biddings.

7.2.7 The NSTP-JDZ reporting system and its conformity to international standard

The literature review in Section 3.5 reiterates the importance of and the necessity for international reporting standards for an organisation’s success. With regards to this study, the literature showed that the reporting system in the NSTP-JDZ does not in any way conform to international standards. In contrast, the findings in Section 6.7.2 revealed that participants indicated their uncertainties on whether or not the reporting system within the NSTP-JDZ conforms to international standards. In fact, majority of those respondents, who answered the question relating to this issue, held a neutral position. As a result, there was a median score of 3.00 with a corresponding mean of 3.02 were recorded. Surprisingly, even

NSTP-JDA respondents who prepare the reports held the same indifferent view. These contrasting opinions necessitated further investigation and primary information from the chosen stakeholders. Thus, they were still asked whether in their view the reporting practices within the NSTP-JDZ conform to international standards. The interview respondents were all of the unanimous position that the reporting practices have never been prepared to international standard. Nevertheless, they asserted that the personnel responsible for the reporting are doing all possible to improve the system. These positions have been arrived at by analysing the responses and comments of the interviewees. Some of the major comments are presented below:

A participant from Nigeria (N009) stated:

“Well, we can’t claim to have a perfect system but by the requirement of our treaty I can say we have a standardised accounting and reporting system. Notwithstanding, I can’t say whether our reporting system conforms to international standard or not, but am optimistic we are doing all possible to enhance our practices in all aspects.”

Adding further to this point, some Sãotoméan participants noted as follows:

“Compared to other institutions within the zone, one can say the NSTP-JDA’s reporting style is fair and the venture is adhering to standard accounting and reporting systems” (S011)

“.....I am fully aware of the importance of international reporting standard, but our reporting style has never been consistent to that standard, and in fact I don’t think it is necessary to conform to any international standard” (S012).

“The reporting system is not in line with the international standard.....but the most important thing about our reporting practices is that it meets the expectations of its users” (S015).

Based on the responses of all participants including those not quoted above the broad picture to emerge is that interviewees are of the view that the current reporting system does not conform to international standards. This judgement resonates with the indifferent position held by the questionnaire survey respondents.

7.2.8 The NSTP-JDZ contractual agreement and its conformity to international standards

In contrast to the outcome of the previous section, when attesting to the standard of the Nigeria São Tomé and Príncipe Joint Development Agreement, all the eighteen interviewees asserted that the agreements governing the zone are consistent with international standard. One of the interesting arguments by a Sãotoméan participant (S015) was:

“In the case of the current agreement, I can proudly say we are the most vibrant existing joint development zone in the world. If our agreement did not conform to international standard we might not be in existence.....in fact the agreement could not have been in existence”.

The Nigerian counterpart (N009) said

“....to the best of my knowledge the agreements are excellent and indeed exemplary to other zones around the globe”.

In conclusion on this issue, the general satisfaction by all the participants indicated that the NSTP-JDZ agreement may be regarded as agreement that possess credentials of international standard.

7.2.9 Recruitment practices and their conformity to international best practice

Findings in the previous chapter revealed that the entire stakeholder groups with the exception of the NSTP-JDA were uncertain on whether recruitment practices in the zone are transparent. Indeed, the respondents added that they were not sure whether the personnel in the zone were comfortable with the amount of incentives given (see Section 6.6.10).

Based on researcher’s conversation with the top management official within the Nigeria-São Tomé and Príncipe joint development zone, there are three general employment procedures which are set to be the standard recruitment practices for filling any arisen vacancy. These standards are:

1. Internal promotion, which is the first method and indeed the most popular method used by the NSTP-JDA. This method was argued to be the most cost effective and least time consuming because the firm does not need to train the retained person.
2. The second method is to seek secondment from other organisations that are believed to have the capabilities of filling the proposed vacancy.
3. Lastly, the NSTP-JDA advertises through the media, to which all interested person can apply within the states.

In this regard, interviewees were asked whether they believe that the recruitment practices in the NSTP-JDA conforms to international best practices. Ten out of the eighteen interviewees asserted that the practices are neither fair nor transparent and thus did not conform to internationally recognised best practices. On one hand, the remaining eight participants opined that the recruitment exercises in the NSTP-JDA were transparent and it could therefore be regarded as best international practice.

For example, two participants doubting the transparency and conformity of the recruitment process within the zone commented as follows:

“I have not seen any advertisement for quite a long time. I don’t really know whether in the last seven years there were any recruitment exercises. It appears the NSTP-JDA favours internal promotion, which I believe could easily be manipulated at the expense of the general public” (S013).

“.....I can’t really say much about the recruitment in the zone generally, I have never witness any recruitment exercise, may be is being conducted in-house” (N008).

A Nigerian respondent (N006) who believed in the process said:

“I believe that our recruitment procedure is fair. I haven’t heard of any allegation or dissatisfaction from any angle. By virtue of the treaty our recruitment exercise is 60/40 between the states in favour of Nigeria”

In general, a majority of the participants believed that the recruitment system did not conform to international standard practice and neither was it transparent. In fact, even the remaining interviewees that have faith in the system were not able to give convincing arguments. Indeed, arguments put in place centred on their inability to see any allegation

on recruitment practices or they have not come across any dissatisfaction comments from stakeholder within the countries.

7.3 Conclusions

This chapter presented the findings relating to the interview analysis. Eighteen participants were asked nine questions in different areas that have been identified as requiring further clarifications from the findings in the previous chapter.

In the first question, it was indicated that majority of Nigerians and Sãotoméan interviewees agreed that the Chatham House Framework is appropriate and applicable for the operations of the Nigeria São Tomé and Príncipe joint development zone. This finding strengthens the findings in the previous chapter which showed the capabilities of the framework in assessing governance practices of the zone. Having seen the applicability of the Framework in the operations of the zone, the interviewees further reaffirmed that the operations within the NSTP-JDZ has been progressing as designed or expected. Nonetheless, the few participants that were not convinced with the operational progress in the zone attributed the setback to the weaknesses of the operators.

In addition, when expressing their views on the benefits of a joint development venture to the general public, interviewees also reiterated the findings in Section 6.4.1 and 6.5.4 of the previous chapter. Hence, a majority of the respondents were optimistic that the locals were comfortable and indeed, satisfied with the social responsibility programmes rendered within the states. Furthermore, while responding to Multinational Oil Companies' efforts in safeguarding the environment and resources within the zone, a majority of interviewees agreed that there was no threat to the environment, or to the resources within the zone. In essence, stakeholders were convinced that the MOC are doing all possible in managing the environment as well as the natural resources contained within it. Thus, the interviewees supported the initial findings in Section 6.5.6.

In respondents' opinion with regards to the political intervention in the course of appointing members to the JMC, interviewees believed that those appointments are motivated and indeed influenced by politics. This position taken by the respondents is consistent with the findings in the previous chapter.

In response to the alleged political intervention during oil blocks bidding processes, the majority of the respondents concurred with the statement and believed that there was interference during the bidding processes that negatively affected the process. In the opinion of the interviewees Nigerians benefited more in the bid process than their Sãotoméans counterparts.

Based on the responses of all participants the broad picture to emerge is that interviewees are of the view that the current reporting system does not conform to international standards. This judgement resonates with the indifferent position held by the questionnaire survey respondents. The interviewees held similar opinions on the issue of recruitment practices conformity to international standard. In contrast, on the issue of contractual agreements conformity to international standard, participants were in general satisfied and acknowledged that the agreement possess credentials like any other international standard agreement. Indeed, it could be a good model for other zones.

Chapter 8

Findings, contributions and recommendations

8.0 Findings, contributions and recommendations

8.1 Introduction

This thesis has explored the consistency and applicability of the Chatham House Governance Framework for the extractive industries, designed for use by sovereign states, to a joint development zone under the control of two sovereign states. In addition it sought evidence that its applicability could resolve issues that had been identified in the literature relating to the control and operation of such a joint development zone. The empirical evidence and analysis was restricted to the situation pertaining to good governance practices within the Nigeria-São Tomé and Príncipe Joint Development Zone. This zone was selected for study for several reasons. Firstly, there were reports of issues arising within the operation of the zone that may have had their foundation in the characteristics of the countries concerned, namely Nigeria (large in population and land mass; experienced in oil exploration and production; relatively rich economically and politically powerful) and São Tomé and Príncipe (small in population and land mass, inexperienced in oil exploration and production, relatively poor economically and politically weak). Consequently, if the Chatham House Framework could be shown to be applicable and beneficial to the operation of the zone even under these different characteristics of the

countries involved, then it would suggest that the framework was suited for use in such zones. Secondly, the aforementioned ‘issues’ suggested that there was need to investigate why governance problems were emerging in the zone and how these could be resolved. If the Chatham House Framework was seen to be suited for ensuring good governance then this would suggest how future issues could be avoided. Indeed, the findings might avoid stagnation in the management of the zone or, in extremis, renunciation of the agreement by the parties involved in the NSTP-JDZ. Consequently, this study looked into the general governance practices of the NSTP-JDZ. The methodological approach adopted for the research study included: (a) a critical review of the literature and other relevant information on the operation of general joint development zones around the globe and that of the NSTP-JDZ (see Chapters 2, 3 and 4); (b) a questionnaire survey distributed to the chosen stakeholder groups (see Chapter 6); (c) interviews conducted with experts within the zone (see Chapter 7). From the data gathered and the framework applied (Chatham House), a critical analysis was undertaken that resulted in findings being obtained which led to recommendations to the NSTP-JDZ stakeholders and policy makers as well as recommendations for further research.

8.2 Summary of research findings

This study investigated whether or not the governance practices prevalent in the NSTP-JDZ are consistent with globally acknowledged good governance practice as exemplified in the Chatham House Framework.

The results of the analysis are that the Chatham House Framework is applicable as a good governance system for such inter-nation development zones but that the current governance practices in the zone fail to comply with all aspects of the Chatham House Framework. This latter finding may help pinpoint the reasons for the dissatisfaction that had been expressed in the media in relation to the operation of the zone; the first finding may help ensure that steps can be taken to ensure that the future operation of the zone complies with internationally accepted good governance practice.

The findings where governance practices in the NSTP-JDZ materially differed from the good governance practices advocated by Chatham House for the development of oil and gas resources are summarised in subsections below. The summary will be categorised

based on five research question developed as discussed in Chapter 5, Section 5.3. These questions are:

RQ1: Are the goals, roles and responsibilities of the parties involved in the management of the NSTP-JDZ clearly defined?

RQ2: Are developmental and operational activities within the zone in accordance with sustainable development practiced?

RQ3: Do the parties responsible for managing the NSTP-JDZ have the required resources to carry out their assigned roles?

RQ4: To what extent is accountability relating to decision making and performance being practiced in the NSTP-JDZ?

RQ5: To what extent is transparency relating to operational activities taking place within the NSTP-JDZ?

8.2.1 Summary of the findings relating to research question “Are the goals, roles and responsibilities of the parties involved in the management of the NSTP-JDZ clearly defined”?

Although there is evidence that stakeholders of the NSTP-JDZ take cognisance of the rules and regulations guiding the activities in the zone (see Chapters 3 and 5), the literature had suggested that applying the rules and regulations still presented a challenge (Biang, 2010 and Berman, 2005). Evidence consistent with these views emerged from the analysis of the responses to the questionnaire. For example, even though functions and responsibilities of parties were stipulated in the treaty of the NSTP-JDZ, some respondents disputed the extent of stakeholders’ understanding of those functions within the zone. Thus, more than 65% of survey respondents in each of Multinational Oil Companies, Non-Governmental Organisations and Parliaments disputed that the purpose and mission of the NSTP-JDA were well defined neither were they known to the stakeholders (Section 6.4.2). The findings further showed that significant numbers of survey respondents indicated their uncertainties on whether or not the objectives of the NSTP-JDA are transparent and aligned to the needs of the two countries (see Section 6.4.3). Indeed, the findings revealed that more than 40% of respondents from both states disagree that objectives of the NSTP-JDA are transparent and may help the needs of the two countries. The overall views of respondents indicated that weighty part of participants disputed that things were adequately defined within the NSTP-JDZ. However, the number of governance practices observed in the NSTP-JDZ that comprehensively take cognisant of the advocated governance provision

contained in the first element of the Chatham House Framework outweigh the inconsistent ones (see Section 4.5.1). Thus, it can be concluded that the roles, goals and responsibilities of parties involved within the zone were sufficiently defined.

8.2.2 Summary of the findings relating to research question “Are developmental and operational activities within the zone in accordance with sustainable development practiced”?

Joint development agreement has arguably remained one of the most effective ways of solving disputes, and equally most efficient way states adopt to reap the benefits of resources contained in an overlapping area (Biang, 2010 and Vanburen, 2005). However, it is evident that enough has not been provided in the NSTP-JDZ, taking into consideration the initial stagnation of oil production to a commercial quantity especially in the first ten years of operations. Equally, in that period, stakeholders indicated their worries for the time taken by the management of the NSTP-JDZ without reaping significant benefits in non-oil sector. One of the major components advocated by the Chatham House Framework to help states to overcome similar situation is provision of adequate skill and training to the personnel. However, the findings of this research study revealed the inadequacy of skill and training to the personnel within the zone. The findings showed that the personnel were not appropriately equipped in such a way that they can manage the zone effectively and transmit those skills and experiences from one sector to another. According to the participants, well-skilled and trained personnel are needed in the NSTP-JDZ, as the zone concern both with petroleum as well as ecosystem. Therefore, the soundness of personnel may in one way or the other help in sustaining the zone and achieving its goals.

Issues of corporate social responsibilities (CSR) were equally raised by the respondents. Although a significant number of the survey participants indicated their satisfaction with the amount of CSR provided to both two countries, results showed that 60% of Nigerians and 80% of São Toméan respondents within Non-Governmental Organisation were not satisfied with the CSR programmes provided (Chapter 6.5.4). Arguably, to some extent the unsatisfactory views shown by the NGOs indicated a degree of doubt about the general public gratification of the CSR programmes. In consequence, the issues discussed above are the major inconsistencies between the current practices within the zone and the relevant component in the Chatham House Framework (see Chapter 4.5.2). These discrepancies may in one way or another have hindered the development activities in the zone or threatens its general survival. Thus, based on empirical evidence the developmental and

operational activities within the zone appeared not to be in accordance with sustainable development practiced.

8.2.3 Summary of the findings relating to research question “Do the parties responsible for managing the NSTP-JDZ have the required resources to carry out their assigned roles”?

It was earlier argued in the literature review chapters that organisational achievements fervently depend on the sufficient provision and efficient use of financial and non-financial resources (Lahn et al., 2007). Arguably, the provision and indeed the efficient use of these resources might not be enough until managerial authority is vested on the parties conferred to control those resources. The current section gauged the inconsistencies of the NSTP-JDZ governance practices and the provisions advocated by the Chatham House Framework particularly in terms of financial, information, human resources of parties involved within the NSTP-JDZ.

The survey respondents revealed major areas of concern which include resource control issues between the two countries; authority to implement actions within NSTP-JDZ and, most worryingly, political and other conflicting interventions in managerial decisions within the zone. Firstly, looking at resource control issue, the literature earlier showed that Nigeria assumed a dominant position which made it difficult for the authority to treat the states equally (Groves (2005). In fact, as reported in Chapter 3.6.5, even political observers were of the view that Nigeria exercised greater influence within the zone, which, in turn, created a power imbalance between the two states. Indeed not only political commentators, the Prime Minister of São Tomé and Príncipe made similar statements about Nigeria's dominance in the management of the NSTP-JDZ (HRW, 2010). However, these reports were not categorical on specific areas that Nigeria dominates its counterpart (São Tomé and Príncipe). Hence, by extension, the finding of this research revealed that the reported dominance is particularly eminent on resource sharing. Indeed participants categorically indicated their dissatisfactions with the way resources are been shared as well as the entire resource sharing approach.

Further difference between the practices observed and the framework were revealed by the survey respondents. This concern was mainly on inadequacy of financial and non-financial resource availed to the parties running the zone (see Chapter 6.6.3). These views were held by virtually all the groups (JDA MOC, IOC, NGO and GO) who categorically indicated their uncertainties on whether the financial and managerial provision is sufficient or

delegated to the parties concern within the zone. Compounding on the issue of inadequacy of resources provided in the zone, respondents reiterated that political and other conflicting interventions played significant roles in management decisions of the NSTP-JDZ, particularly in the appointment of JMC members. As one of the interviewee stated:

“There is nothing like transparency in the selection criteria for appointments of JMC. This is because; the mandate for appointing JMC members is given to the respective Heads of State of each State Party. I do believe the appointments are influenced by politics, not competency”.

Similar great concern raised in the findings is the issue of transparency in recruitment and staffing within the zone. The majority of respondents in each of the groups stated that staffing decisions were not based on merit (Chapter 6.6.8). It is likely that the participants were not satisfied with the process or there were no transparency in the recruitment and other staffing decisions within the zone. Surprisingly, the findings in this thesis faulted the incentives practices within the zone, because not only the recruitment practices but the way current employees indicated their dissatisfactions with the incentivise practices. From respondents’ points of view, personnel were not satisfied with what is being avail to them as incentives. On a general note, there appeared to be some inconsistency between what is obtainable in the practices within the zone and what the Chatham House Framework advocated for. Thus, based on the findings discussed, it appeared that the parties responsible for managing the NSTP-JDZ do not possessed the required resources to carry out their assigned roles.

8.2.4 Summary of the findings relating to research question “To what extent is accountability relating to decision making and performance being practiced in the NSTP-JDZ”?

Critical evaluation of accountability practices relating to decision making and performance within the NSTP-JDZ was conducted in the course of answering the research question. Accountability practices were stressed to have increases stakeholder’s confidence that performance and actions are subject to checks and evaluations (Marcel, 2011). An earlier study indicates that information dissemination from corporation to stakeholders through annual reports is the major channel through which accountability can be observed (Gibson and O’Donovan, 2007). However, evidence about the NSTP-JDZ revealed a broad weakness on financial and non-financial reporting style. An extension to these broad weaknesses is the findings of this research study which showed that audit process and

procedures within the zone were not appropriate (Chapter 6.7.2). This position was reached as five out of six groups of the survey participants indicated their neutral position. Their neutrality views indicated the level of dissatisfaction of the audit process within the zone. The major issue revealed by the findings with regards to audit practices showed that the management is not making the audit reports available to the stakeholders as requested by the treaty and indeed advocated by the Chatham House. In addition to this, respondents were of the view that final reports were not in accordance with the set objective neither were they prepared to an internationally recognised set standard.

An extension on the existing literature revealed by this research has been on relationship and understanding between local communities and operators. Earlier studies revealed that contractors and operators in many oil producing states face difficulties and challenges when exploiting resources, as a result of conflict between local communities and companies (Nwakeji, 2007 and Johnson, 2004). Adding to this, survey participants did believe that no appropriate mechanism was put in place to stimulate dialogue between the parties in the NSTP-JDZ. Indeed, both respondents from Nigerians and São Toméans did not agree that there is an effective mechanism for dialogue between local communities and operators within the zone (Chapter 6.7.3). Thus, the participants recommended ways of enhancing communication culture between local communities and operators. According to them these improvements will enhance understanding between and among parties involved in the management of the zone. In this respect, accountability practices relating to decision making and performance within the NSTP-JDZ is said to be deficient and inconsistent with the requirements advocated by the Chatham House.

8.2.5 Summary of the findings relating to research question “To what extent is transparency relating to operational activities taking place within the NSTP-JDZ”?

Transparency and accuracy of information is the last element advocated in the Chatham House Framework. Motivation for Chatham House choosing to emphasise these aspects of disclosure, stems from the widely agreed outcomes of good transparency and accuracy of information such as enhancing trust amongst stakeholders, enabling management in decision making, and indeed guiding stakeholders to promptly intervene whenever problems arise within organisations. Respondents’ views on the transparency of activities and the accuracy of information within the zone revealed certain inconsistencies with the Chatham House Framework.

For example, survey participants indicated their dissatisfaction with the way members to the Joint Ministerial Council were selected. All groups, apart from the Nigeria-São Tomé and Príncipe Joint Development Authority, in general, expressed this view. The Joint Development Authority; of course, reports directly to the Joint Ministerial Council which may, or may not, have influenced their viewpoint. This study has provided evidence that employment practices and recruitment exercises within the zone lack transparency, openness and that Nigeria has, probably, benefited more than São Tomé and Príncipe. This state of affairs was confirmed by the interviewees (see Chapter 7.3.8).

In a similar fashion a significant number of the questionnaire survey respondents criticised the way current transparency practices disseminate information on major transactions within the zone. These include key aspects of the operation of the zone such as procurement practices and licensing decisions. In summary, it appears that the current governance system within the zone is deficient with respect to transparency and accuracy of information.

In light of the above discussion, it can be claimed that the governance system in place within the zone is not consistent with the internationally accepted norms such as those advocated by Chatham House Framework. The Chatham House Framework, however, was deemed to be an ideal system of governance for cross border joint development zones (see Chapter 4.5).

8.3 Contributions of the study

This thesis explored good governance practices within the Nigeria-São Tomé and Príncipe Joint Development Zone. In consequence, the thesis offered certain contributions as follows:

Firstly, this thesis is the first empirical investigation that adopted and employed the Chatham House Good Governance Principles as a vehicle to exploring the governance system and the practices in the NSTP-JDZ. In particular, the thesis happens to be the first study that uses components of Chatham House Good Governance Principles as the variables in the questionnaire survey. The use of these components confined all elements and issues advocated by the Chatham House Framework. Other studies that were conducted on issues that concern the NSTP-JDZ used secondary data (HRW, 2010 and FSF, 2008) and even the few studies that used primary data did not adopt any guiding

framework in their assessment. Engagement with the literature showed that these studies interviewed stakeholders on certain issues or allegations that need further clarification in certain period of time (Biang, 2010 and Berman, 2005). Nevertheless, discussing from an international perspective, a research conducted by Marcel and sponsored by the Dubai School of Government and Chatham House, in 2011, uses the Chatham House principles in examining governance challenges of the East Timor oil sector (Marcel 2011). However, the main distinction between the East Timor study and the current research study is that the researcher in latter study used qualitative approach (interview) in his assessment while this thesis employed both quantitative (questionnaire survey) and qualitative (follow-up interview) approaches in its assessment. In addition to this, the current study assesses governance of joint development zone while the Dubai school of government assesses that of single country's oil sector (East Timor).

Secondly, this thesis is the first empirical evidence about the adequacy of governance situation in place within the Nigeria and São Tomé and Príncipe's joint development zone. Thus, by extension, the study is now in a position to comment authoritatively on the concerns that were raised in researches and reports earlier conducted (See, IMF, 2005, HRW, 2010 and Biang, 2010). This is because the findings of this thesis revealed areas and practices that deteriorated further and those that need improvements, in contrast, it also highlighted areas and practices that were evidently enhanced within the period.

Thirdly, this study was able to identify differences in views between key stakeholders (JDA, MOC, IOC, NGO, GO and Parliament) relating to the elements of good governance within the NSTP-JDZ. These differences are important as they pinpointed that the NSTP-JDZ governance system and practices were not consistent with globally acknowledged good governance practices or system particularly the one tested in this study (Chatham House). Hence, the findings revealed that the governance system is deficient and, more importantly showed the Chatham House Framework is suitably applicable in the joint development zones. The divergent views gauged may equally help the parties concern to deal with the issues and worked it out for possible enhancement. This is because the vested interests of stakeholders are known to shape stakeholder views and when there are stakeholders from different countries representing their nation's interests these differences can be acute.

Finally, having this study being the first of its kind to explore good governance of any joint development zone around the globe, the findings may be extrapolated to other joint development zones, although the various characteristics of the parties involved in each zone will affect the degree to which it is applicable.

8.4 Recommendations for stakeholders

i. Economic consequences for the two countries

Studies had earlier revealed the importance of petroleum resources to both Nigeria and São Tomé and Príncipe. The discovery of petroleum resources in NSTP-JDZ had drastically changed and improved the economic status of São Tomé and Príncipe (EIA, 2013b). In fact, prior to this discovery, the São Tomé and Príncipe had never benefited from oil and gas resources. Thus, this research study may have significant economic consequences for both Nigeria and the São Tomé and Príncipe, bearing in mind the importance of oil resources to both countries. In fact, literature showed that the signature bonuses collected in 2003/04 by the respective states had tremendously impacted on both countries' economy (Biang, 2010). Therefore, successful continuation of the agreement is very important to both countries. So also a research like this study that gauged ways to increasing good governance in the system is equally most important.

ii. Promoting stability between the two countries

One of the most important characteristics of the joint development agreement is promoting stability and understanding between the agreeing parties (Biang, 2010 and Keyuan, 2006a). This study found out some areas of weaknesses and indeed areas where the NSTP-JDZ governance practices and system are lacking behind compared to the set standard of internationally recognized framework (Chatham House). Thus, if stakeholders take these weaknesses into consideration and improve the practices in that line and adopted that into the system, stability may be promoted and disputes may be avoided between the two states and indeed in the entire Gulf of Guinea. Therefore, any step to enhance the governance practices is directly or indirectly enhancing the mutual understanding between the two countries.

iii. Competency considerations in recruitment and appointment exercises

The findings in Chapters 6.8.5 and 7.3.8 revealed that respondents were not happy with the recruitment exercises as well as the appointments to the joint ministerial council. In the

views of the participants, the recruitment exercises were not conducted based on merit; neither did the exercise take stakeholders' interest into consideration. Thus, each state was not satisfied with the process. In addition, even the appointment to the JMC, which the authority vested on the respective Heads of State of both countries, has not been made based on merit. In this regard, it is recommended that both the NSTP-JDA and National Assemblies of both countries should work together and find a solution that may satisfy stakeholders. These may include the NSTP-JDA to be advertising any recruitment exercises and also to be seeking approval of the Parliaments on all employment practices. On the one hand, the Presidents of either of the state should seek approval from his country's parliament upon appointment to the JMC. Equally, a certain perimeter or minimum work experience should be set by the parliament on any person nominated by the President for the appointment to the JMC. This may help in making sure that any appointee to the council has the necessary experience and may also reduce the level of incompetent politicians been appointed in the council.

iv. Adopting internationally recognised accounting standards

An extension to the existing literature about the extent of weaknesses in NSTP-JDZ reporting system gauged by this study was the issue of audit practices and inappropriate reporting of accounts (Chapter 6.7.2 and Chapter 7.3.6). The major issue revealed in this regard by the findings showed that accounts were not produced to an internationally acceptable standard. To this end, it is recommended that the NSTP-JDA should adopt international best practices that meet the quality and clarity of what is acceptable in accounting standards issued by the IASB. This will help to enhance the reports as well as to compel the authority to meet the minimum internally acceptable accounting standard. Above all, adopting an internally acceptable standard will enhance the authority's level of transparency which will lead to the stakeholders' satisfaction.

v. Parliaments' influence within the NSTP-JDZ

It is evident that roles and responsibilities of stakeholder groups are stipulated in the NSTP-JDZ documents (Chapter 3). However, in some cases excessive influences were reported to have been vested in one stakeholder rather than another without adequate justification. Taking allegations of unsatisfactory oil bids that took place in 2003/2004 into consideration, one could argue that many things could have been avoided should the parliaments of the two states supervises the bids. This is to say, should the parliaments

have powers to approve or counter approve any successful bids both stakeholder groups could have been satisfied with the exercise. However, having left the executive arm through the JMC to oversee the exercise, this resulted in the unending criticism which in a real sense affected the credibility of the NSTP-JDZ. In this regard, it is recommended to devolve more power and influence to the parliament, particularly to approve any gigantic exercises that involve national interest. These may include oil blocks bid, procurement contracts and social responsibility programs.

8.5 Recommendations for further research

It is reasonable to posit that this thesis has adequately addressed the questions set for this research. However, further research might be helpful in strengthening the management and the survival of the NSTP-JDZ. This could be argued as in virtually every section of the analyses; respondents indicated the need for further improvements in certain practices or policies. Hence, this thesis highlighted some major areas that could demand special attention by researchers in the near future.

Firstly, most of the problems encountered in oil producing areas within the Gulf of Genuine have to do with misunderstandings between operators and local communities. In some instances, these clashes inflame as a result of CSR provision dissatisfactions. Nevertheless, survey respondents in this study indicated their satisfaction in some aspects with regards to the sustainable development issues; it will be of paramount importance if a unique research could be conducted to look into the corporate social responsibility concerns within the NSTP-JDZ. This may give stakeholders room to highlight other areas of concerns that might not be covered within the ambit of Chatham House provisions.

Secondly, the Chatham House Good Governance Framework concentrates more on petroleum resource governance. On the other hand, the NSTP-JDZ is established with the aim of managing resources (living and non-living) within the overlapping area. Thus, it is recommended another research to be conducted particularly on ecosystem management. The need for a research in this area coincided with the current management structure of the NSTP-JDA, which established a separate non-hydrocarbon department with a mandate of managing living resources (see Section 3.4). However, it is fair to say this research study gave more emphases on oil resources.

Thirdly, it is evident that accountability comprises of the reporting of both financial and non-financial actions (Grey et al., 2006). Therefore, it will be of great importance if a separate research is conducted on financial issues surrounding the management of the NSTP-JDA instead of concentrating on stakeholders' perceptions on non-financial issues.

Fourthly, a comparative analysis of joint development agreements between the chosen case study and other renowned zone around the globe could be a great idea. This will help to ascertain the practices, and the strengths and weakness of the Nigeria São Tomé and Príncipe JDZ against the other chosen one. And conclusions could be drawn that may help in enhancing the current practices or even change of model from joint authority to a single structure model or to a compulsory joint venture (see Section 2.4).

8.6 Limitations of the study

This thesis employed questionnaires and follow-up interviews as its main research methods. The methods have a number of inherent limitations such as non-response bias, the possibility for dishonest responses, unqualified respondents masquerading as being eminently qualified, as well as possible bias in interviewee responses due to influence of the interviewer. All possible steps were taken to minimize these limitations and, on balance, the advantages of using these research methods appear to outweigh their drawbacks.

It could be argued that failure to check factual information (accounting data for example) that could have confirmed or refuted responses for some questions, was a limitation. Indeed in some respects this may have been the case. The purpose of using questionnaires and interviews, however, was to spot patterns in the attitudes of key stakeholders within the zone. The absolute veracity of how they responded, from this viewpoint, was almost immaterial. It is the interaction of the groups within the operation of the zone that determines the success or failure of the governance system and this was, arguably done to good effect.

Finally, the use of a single framework to underpin the research may be considered a potential weakness, but, in view of the strong evidence for the use of the Chatham House Framework for the development of oil and gas resources for sovereign states the research provided too good an opportunity to test its applicability for the cross border development zones, and this is one of the major findings of the research.

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APPENDIX 1: QUESTIONNAIRE SURVEY



Nov, 2011

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Dear Sir/Madam,

Introduction to Sani Saidu

My name is Professor Alex Russell. I am Head of the Department of Management at Robert Gordon University and a professor of petroleum accounting. I very much hope that you can assist with a research project that my excellent research student, Sani Saidu, is undertaking. We are aware of your expertise in the research areas under investigation and your input will be invaluable to us.

Please find attached a letter to you from Mr Saidu.

Yours sincerely

**Alex Russell
Professor of Petroleum Accounting
Head of Department of Management
Aberdeen Business School
Chair of the Oil Industry Finance Association**



**ROBERT GORDON
UNIVERSITY•ABERDEEN**

Nov, 2011

.....

Dear Sir/Madam,

QUESTIONNAIRE

I am a research scholar based in Robert Gordon University, Aberdeen, United Kingdom. My research interest and speciality is in governance practices in the petroleum sector. I am particularly interested in governance issues related to joint development zones. I attach a questionnaire relating to good governance practices in the Nigeria São Tomé and Príncipe Joint Development Zone (NSTP-JDZ).

I would be very grateful if you can complete the questionnaire so that we can have the benefit of your expertise. Please, be assured that your responses will be treated in strict confidence and that your identity will not be revealed at any time. I am happy to let you have a summary of my findings in due course, should you request one. Information on completing the questionnaire can be found at the beginning of each section.

I would be glad to be contacted any time about the survey or procedures on: +44(0) 7552871628 Or 07066152468. Alternatively by email at: s.saidu@rgu.ac.uk

Many thanks for your time and cooperation

Yours sincerely,

Sani Saidu
PhD Research Fellow
Aberdeen Business School
The Robert Gordon University, Aberdeen
AB10 7QE
United Kingdom

SURVEY OF GOOD GOVERNANCE PRACTICES IN THE NIGERIA-SÃO TOMÉ AND PRÍNCIPE JOINT DEVELOPMENT ZONE (NSTP-JDZ)

Please note the following abbreviation:

Joint Development Zone..... (JDZ)

Joint Development Authority..... (JDA)

Joint Ministerial Council..... (JMC)

Section A

Background Details

Please indicate your nationality?

a	Nigerian	
b	São Toméan	
c	Others, please state	

Please tick the box that best describes your place of work/organization.

1	Joint Development Authority	
2	Multinational Oil Company	
3	Indigenous Oil Company	
4	Non-Governmental Organisation	
5	Governmental Organisation	
6	National Assembly/Parliaments	

Section B

Clarity of goals, roles and responsibilities

Your responses to this section should reflect your views on how well goals, roles and responsibilities are understood by parties within the Nigeria São Tomé and Príncipe Joint Development Zone (JDZ).

Please tick the box that best reflects your opinion on each of the following statements.

(1= strongly disagree, 2= disagree, 3=neutral, 4=agree, 5=strongly agree)

Statement	1	2	3	4	5
a) Strategy-making roles are appropriately assigned in the JDZ					
b) Policy-making roles are appropriately assigned in the JDZ					
c) Operational decision-making roles are appropriately assigned in the JDZ					
d) Monitoring roles are appropriately assigned in the JDZ					
e) Regulatory functions in the JDZ are assigned to the appropriate individuals.					
f) The purpose and mission of the JDA are well defined.					
g) Objectives of the JDA are transparent and aligned with the needs of the participating states.					
h) The JDZ governance structure specifies the roles of the JMC and the limit of its authority.					

If you would like to add any comments relating to the issues covered by statements (a) to (k) above please do so in the space provided below:

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.....
.....

Section C

Sustainable development

This section seeks your views on the principles of sustainable development⁴¹ in the Nigeria São Tomé and Príncipe Joint Development Zone.

Please tick the box that best reflects your opinion on each of the following statements.

(1= strongly disagree, 2= disagree, 3=neutral, 4=agree, 5=strongly agree)

Statement	1	2	3	4	5
j) Education and training of personnel in the JDZ are sufficient to meet the needs of the zone.					
k) Education and training of personnel in the JDZ are sufficient to promote transfer of skills to the non-oil sectors in the zone.					
l) Contractors' local procurement practices in the JDZ promote the diversification of Nigerian economy.					
m) Contractors' local procurement practices in the JDZ promote the diversification of São Toméan economy.					
n) Employment policies in the JDZ promote the diversification of the Nigerian economy.					
o) Employment policies in the JDZ promote the diversification of the São Toméan economy.					
p) Corporate social responsibility (CSR) policies and programmes in the JDZ are aligned with the development needs of Nigeria.					
q) Corporate social responsibility (CSR) policies and programmes in the JDZ are aligned with the development needs of São Tomé and Príncipe.					
r) The JDA has effective processes in place to ensure that the development of hydrocarbon infrastructure and its operations do not result in long-term damage to the JDZ assets.					

If you would like to add any comments relating to the issues covered by statements (a) to (l) above please do so in the space provided below:

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⁴¹Sustainable development in petroleum operations implies developing petroleum resources for current consumption without compromising the needs of future generations.

Section D

Enablement to carry out the role assigned

Your responses to this section should reflect your views on the ability of personnel in the JDZ to carry out their assigned roles.

Please tick the box that best reflects your opinion on each of the following statements.

(1= strongly disagree, 2= disagree, 3=neutral, 4=agree, 5=strongly agree)

Statement	1	2	3	4	5
n) The JDZ policy-makers have sufficient knowledge and capacity to set effective policies for the JDZ.					
o) Checks and balances have been put in place by the JDA which enable consistency of long-term policy-making.					
p) Personnel within the JDA are delegated financial and managerial authority to carry out their assigned roles.					
q) The selection criteria for appointments to the JMC and executive management of the JDA are transparent.					
r) The Members of the JMC possess appropriate skills and knowledge required to carry out their assigned roles.					
s) The members of the JMC are provided with required financial resources to carry out their roles.					
t) Operational and commercial decisions by either JMC or JDA are separated from political and other conflicting interventions.					
u) The JDA regulating body has the necessary technical skills to exercise its powers effectively.					
v) The JDA regulating body possesses the necessary financial resources to exercise its powers effectively.					
w) The JDA regulating body has the necessary legal authority to exercise its powers effectively.					
x) Audits of operators within the JDA are coordinated to minimize duplication and avoid unnecessary bureaucracy.					
y) Staffing decisions within the JDZ are based on the principle of best person for the job.					
z) The JDA personnel are incentivised to improve performance.					

If you would like to add any comments relating to the issues covered by statements (a) to (q) above please do so in the space provided below:

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Section E

Accountability for decision making and performance

Your responses to this section should reflect your views on accountability practices within the JDZ.

Please tick the box that best reflects your opinion on each of the following statements regarding accountability of actions in the JDZ.

(1= strongly disagree, 2= disagree, 3=neutral, 4=agree, 5=strongly agree)

Statement	1	2	3	4	5
g) Mechanisms are in place to ensure that operators within the JDZ are in compliance with contractual and other regulations					
h) The JDA accounts for revenues due to the government and revenues received by the government.					
i) The internal audit unit of the JDA conducts financial, physical and process audits and report same to the management					
j) The JDA is subject to regular, functionally independent audit.					
k) There is an effective mechanism for dialogue between local communities and operators to account for the impact of operational activities in the JDZ					
l) Corporate social responsibility in the JDZ is accounted for separately and evaluated against stated objectives.					

If you would like to add any comments relating to the issues covered by statements (a) to (h) above please do so in the space provided below:

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Section F

Transparency and accuracy of information

Your responses to this section should reflect your views on the extent of transparency in the JDZ.

Please tick the box that best reflects your opinion on each of the following statements.

(1= strongly disagree, 2= disagree, 3=neutral, 4=agree, 5=strongly agree)

Statement	1	2	3	4	5
i) Legitimate stakeholders receive timely and accurate financial and operational information from operators in the JDZ.					
j) The JDA keeps appropriate stakeholders informed of all significant operational developments.					
k) Where information about the JDZ remains confidential the rationale for that confidentiality is explained and justified.					
l) Final decisions for awarding licenses are explained to the parties involved.					
m) Final decisions on procurement contracts by the JDA are disclosed publicly.					
n) The JDA has transparent recruitment policy.					
o) The JDA recruitment policy is fair to Nigerians.					
p) The JDA recruitment policy is fair to São Toméans.					

If you would like to add any comments relating to the issues covered by statements (a) to (k) above please do so in the space provided below:

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End of the Questionnaire
Thank you very much for your time and interest.

APPENDIX 2: FOLLOW-UP INTERVIEW QUESTIONS

- Do you agree that the principles of good governance in the petroleum sector as stated in the questionnaire (the Chatham House principles) are applicable to cross-border development zones such as the NSTP-JDZ?

(1) Please explain your answer?

- Over the past 11 years there has not been any significant commercial production from the NSTP-JDZ venture, indeed, the venture is still at exploration stage.

(1) Can you say why that has happened?

- In many cases local populations are grateful that their oil resources have been used to good effect to build schools, hospitals and other beneficial programmes.

(1) Do you believe that the NSTP-JDA ensures that the local population of both states benefits appropriately from the enterprise?

(2) With respect to exploration activities, do you believe that MOCs are adequately safeguarding the environment and other natural resources within the NSTP-JDZ?

- Academic commentators have reported alleged political interventions which have (sometimes negatively) affected many decisions in the management of the NSTP-JDZ. Do you share this view? In particular, has this been the case in:

(1) Appointment of members to the joint ministerial council.

(2) The bidding processes for oil blocks?

- Traditionally, it is expected of parties to joint development agreements to follow international standards both in terms of contractual relations and reporting.

(1) In your view, do you believe the reporting practices within the NSTP-JDZ conform to international standards?

(2) Do you believe the current contractual agreement governing the NSTP-JDZ conforms to best international practice?

- Some researchers have commented on unfair recruitment practices in the oil and gas industry in general, and within Nigeria and São Tomé and Príncipe in particular.

(1) Do you believe that, in general, the recruitment process within the NSTP-JDZ is based on merit and international best practices?

APPENDIX 3: LIST OF DESCRIPTIVE STATISTIC TABLES OF CHAPTER 6

The following names were abbreviated in each of the table presented below: Joint Development Authority (JDA), Multinational Oil Companies (MOC), Indigenous Oil Companies (IOC), Non-Governmental Organisations (NGO), Governmental Organisations (GO) and National Assembly/Parliament (PAR). Strongly Disagree (SD), Disagree (D), Neutral (N), Strongly Agree (SA), Agree (A).

Table 1: Perceptions regarding the statement: Strategy-making roles are appropriately assigned in the JDZ

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	3.71	0(0.0)	3(9.7)	5(16.1)	21(67.7)	2(6.5)	31(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	1(5.9)	15(88.2)	1(5.9)	17(100)
MOC	Nigerian	3.50	3.33	0(0.0)	2(33.3)	1(16.7)	2(33.3)	1(16.7)	6(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	2(100)	0(0.0)	2(100)
IOC	Nigerian	4.00	3.75	0(0.0)	2(25.0)	1(12.5)	2(25)	3(37.5)	8(100)
	São Toméan	4.00	4.20	0(0.0)	0(0.0)	0(0.0)	4(80)	1(20)	5(100)
NGO	Nigerian	4.00	4.00	1(10.0)	0(0.0)	1(10.0)	4(40.0)	4(40.0)	10(100)
	São Toméan	4.00	4.20	0(0.0)	0(0.0)	0(0.0)	4(80.0)	1(20.0)	5(100)
GO	Nigerian	4.00	3.40	3(30.0)	0(0.0)	2(20.0)	0(0.0)	5(50.0)	10(100)
	São Toméan	4.00	3.71	0(0.0)	1(14.3)	0(0.0)	6(85.7)	0(0.0)	7(100)
PAR	Nigerian	4.00	4.25	0(0.0)	1(8.3)	0(0.0)	6(50)	5(41.7)	12(100)
	São Toméan	4.50	4.25	0(0.0)	0(0.0)	1(25.0)	1(25.0)	2(50.0)	4(100)
<i>SUB-TOTAL</i>	<i>Nigerian</i>	<i>4.00</i>	<i>3.77</i>	<i>4(5.2)</i>	<i>8(10.4)</i>	<i>10(13.0)</i>	<i>35(45.5)</i>	<i>20(26)</i>	<i>77(100)</i>
	<i>São Toméan</i>	<i>4.00</i>	<i>4.03</i>	<i>0(0.0)</i>	<i>1(2.5)</i>	<i>2(5.0)</i>	<i>32(80.0)</i>	<i>5(12.5)</i>	<i>40(100)</i>
TOTAL		4.00	3.86	4(3.4)	9(7.6)	12(10.3)	67(57.3)	25(21.4)	117(100)

Table 2: Perceptions regarding the statement: Policy-making roles are appropriately assigned in the NSTP-JDZ

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	3.84	0(0.00)	2(6.5)	3(9.7)	24(77.4)	2(6.5)	31(100)
	São Toméan	4.00	3.88	0(0.00)	1(5.9)	1(5.9)	14(82.4)	1(5.9)	17(100)
MOC	Nigerian	4.00	3.33	0(0.00)	2(33.3)	0(0.0)	4(66.7)	0(0.0)	6(100)
	São Toméan	5.00	5.00	0(0.00)	0(0.0)	0(0.0)	0(0.0)	2(100)	2(100)
IOC	Nigerian	4.00	3.13	1(12.5)	2(25)	0(0.0)	5(62.5)	0(0.0)	8(100)
	São Toméan	5.00	4.40	0(0.00)	0(0.0)	1(20)	1(20)	3(60)	5(100)
NGO	Nigerian	3.50	3.60	1(10.0)	1(10)	3(30)	1(10)	4(40)	10(100)
	São Toméan	4.00	3.80	0(0.0)	0(0.0)	1(20)	4(80)	0(0.0)	5(100)
GO	Nigerian	4.00	3.90	0(0.0)	2(20)	0(0.0)	5(50)	3(30)	10(100)
	São Toméan	4.00	3.29	0(0.0)	2(28.6)	1(14.3)	4(57.1)	0(0.0)	7(100)
PAR	Nigerian	4.00	4.33	0(0.0)	0(0.0)	0(0.0)	8(66.7)	4(33.3)	12(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	4(100)	0(0.0)	4(100)
<i>SUB-TOTAL</i>	<i>Nigerian</i>	<i>4.00</i>	<i>3.78</i>	<i>2(2.6)</i>	<i>9(11.7)</i>	<i>6(7.8)</i>	<i>47(61)</i>	<i>13(16.9)</i>	<i>77(100)</i>
	<i>São Toméan</i>	<i>4.00</i>	<i>3.90</i>	<i>0(0.0)</i>	<i>3(7.5)</i>	<i>4(10)</i>	<i>27(67.5)</i>	<i>6(15)</i>	<i>40(100)</i>
TOTAL		4.00	3.79	2(1.7)	12(10.3)	10(8.5)	74(63.3)	19(16.2)	117(100)

Table 3: Perceptions regarding the statement: Operational decision-making roles are appropriately assigned in the NSTP-JDZ

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	4.16	0(0.0)	0(0.0)	1(3.2)	24(77.4)	6(10.4)	31(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	1(5.9)	15(88.2)	1(5.9)	17(100)
MOC	Nigerian	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	6(100)	0(0.0)	6(100)
	São Toméan	3.50	3.50	0(0.0)	0(0.0)	1(50)	1(50)	0(0.0)	2(100)
IOC	Nigerian	4.00	3.87	0(0.0)	1(12.5)	1(12.5)	4(50)	2(25)	8(100)
	São Toméan	4.00	4.20	0(0.0)	0(0.0)	0(0.0)	4(80)	1(20)	5(100)
NGO	Nigerian	3.50	3.60	1(10.0)	0(0.0)	4(40)	2(20)	3(30)	10(100)
	São Toméan	4.00	3.80	0(0.0)	0(0.0)	1(20)	4(80)	0(0.0)	5(100)
GO	Nigerian	3.50	3.20	1(10)	2(20)	2(20)	4(40)	1(10)	10(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.00)	7(100)	0(0.0)	7(100)
PAR	Nigerian	4.00	4.00	0(0.0)	0(0.0)	2(16.7)	8(66.7)	2(16.7)	12(100)
	São Toméan	4.00	3.75	0(0.0)	0(0.0)	1(25)	3(75)	0(0.0)	4(100)
<i>SUB-TOTAL</i>	<i>Nigerian</i>	<i>4.00</i>	<i>3.90</i>	<i>2(2.6)</i>	<i>3(3.9)</i>	<i>10(13)</i>	<i>48(62.3)</i>	<i>14(18.2)</i>	<i>77(100)</i>
	<i>São Toméan</i>	<i>4.00</i>	<i>3.95</i>	<i>0(0.0)</i>	<i>0(0.0)</i>	<i>4(10)</i>	<i>34(85)</i>	<i>2(5)</i>	<i>40(100)</i>
TOTAL		4.00	3.90	2(1.7)	3(2.6)	14(11.9)	82(70.1)	16(13.7)	117(100)

Table 4: Perceptions regarding the statement: Monitoring roles are appropriately assigned in the JDZ

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	3.61	0(0.0)	6(19.4)	4(12.9)	17(54.8)	4(12.9)	31(100)
	São Toméan	4.00	3.65	1(5.9)	2(11.8)	2(11.8)	9(52.9)	3(17.6)	17(100)
MOC	Nigerian	5.00	4.67	0(0.0)	0(0.0)	0(0.0)	2(33.3)	4(66.7)	6(100)
	São Toméan	3.50	3.50	0(0.0)	0(0.0)	1(50)	1(50)	0(0.0)	2(100)
IOC	Nigerian	4.00	3.75	0(0.0)	1(12.5)	0(0.0)	7(87.5)	0(0.0)	8(100)
	São Toméan	4.00	3.80	0(0.0)	0(0.0)	1(20)	4(80)	0(0.0)	5(100)
NGO	Nigerian	3.00	2.90	1(10.0)	1(10)	6(60)	2(20)	0(0.0)	10(100)
	São Toméan	3.00	3.20	0(0.0)	0(0.0)	4(80)	1(20)	0(0.0)	5(100)
GO	Nigerian	4.00	4.10	0(0.0)	0(0.0)	1(10)	7(70)	2(20)	10(100)
	São Toméan	4.00	3.71	0(0.0)	2(28.6)	0(0.0)	3(42.9)	2(28.6)	7(100)
PAR	Nigerian	2.00	2.67	0(0.0)	8(66.7)	0(0.0)	4(33.3)	0(0.0)	12(100)
	São Toméan	2.00	2.50	0(0.0)	3(75)	0(0.0)	1(25)	0(0.0)	4(100)
SUB-TOTAL	<i>Nigerian</i>	4.00	3.53	1(1.3)	16(20.8)	11(14.3)	39(50.6)	10(13.0)	77(100)
	<i>São Toméan</i>	4.00	3.50	1(2.5)	7(17.5)	8(20)	19(47.5)	5(12.5)	40(100)
TOTAL		4.00	3.52	2(1.7)	23(19.7)	19(16.2)	58(49.6)	15(12.8)	117(100)

Table 5: Mann-Whitney tests relating to statement: Monitoring roles are appropriately assigned in the NSTP-JDZ

	JDA	MOC	IOC	NGO	GO	PAR
JDA						0.001
MOC				0.006		0.001
IOC				0.002		0.002
NGO		006	0.002		0.002	0.001
GO				0.002		
PAR	0.001	0.001	0.002	0.001		

Table 6: Perceptions regarding the statement: Regulatory functions are appropriately assigned in the NSTP-JDZ

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	3.58	1(3.2)	7(22.6)	2(6.5)	15(48.4)	6(19.4)	31(100)
	São Toméan	4.00	3.88	0(0.0)	1(5.9)	3(17.6)	10(58.8)	3(17.6)	17(100)
MOC	Nigerian	4.50	3.83	0(0.0)	2(33.3)	0(0.0)	1(16.7)	3(50)	6(100)
	São Toméan	3.50	3.50	0(0.0)	0(0.0)	1(50)	1(50)	0(0.0)	2(100)
IOC	Nigerian	4.00	3.75	0(0.0)	2(25)	2(25)	0(0.0)	4(50)	8(100)
	São Toméan	2.00	3.20	0(0.0)	3(60)	0(0.0)	0(0.0)	2(40.0)	5(100)
NGO	Nigerian	2.00	2.50	2(20)	5(50)	0(0.0)	2(20)	1(10)	10(100)
	São Toméan	2.00	2.80	0(0.0)	3(60.0)	0(0.0)	2(40)	0(0.0)	5(100)
GO	Nigerian	4.00	3.40	0(0.0)	3(30)	0(0.0)	7(70)	0(0.0)	10(100)
	São Toméan	4.00	3.43	0(0.0)	1(14.3)	2(28.6)	4(57.1)	0(0.0)	7(100)
PAR	Nigerian	4.00	3.83	0(0.0)	2(16.7)	0(0.0)	8(66.7)	2(16.7)	12(100)
	São Toméan	2.00	2.50	0(0.0)	3(75)	0(0.0)	1(25)	0(0.0)	4(100)
SUB-TOTAL	<i>Nigerian</i>	4.00	2.87	3(3.9)	21(27.3)	4(5.2)	33(42.8)	16(20.8)	77(100)
	<i>São Toméan</i>	4.00	3.43	0(0.0)	11(27.5)	6(15)	18(45)	5(12.5)	40(100)
TOTAL		4.00	3.49	3(2.6)	32(27.4)	10(8.54)	51(43.6)	21(17.95)	117(100)

Table 7: Mann-Whitney tests relating to the statement: Regulatory functions are appropriately assigned in the JDZ

	JDA	MOC	IOC	NGO	GO	PAR
JDA				0.004		
MOC				0.014		
IOC						
NGO	0.004	0.014			0.046	0.044
GO				0.046		
PAR				0.044		

Note: This table shows only significant differences with P-value $\leq 5\%$.

Table 8: Perceptions regarding the statement: The purpose and mission of the JDA are well defined

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	4.03	1(3.2)	3(9.7)	0(0.0)	17(54.8)	10(32.3)	31(100)
	São Toméan	4.00	4.18	0(0.0)	0(0.0)	2(11.8)	10(58.8)	5(29.4)	17(100)
MOC	Nigerian	3.50	3.50	0(0.0)	3(50)	0(0.0)	0(0.0)	3(50)	6(100)
	São Toméan	2.00	2.00	0(0.0)	2(100)	0(0.0)	0(0.0)	0(0.0)	2(100)
IOC	Nigerian	3.50	3.13	0(0.0)	3(37.5)	1(12.5)	4(50)	0(0.0)	8(100)
	São Toméan	2.00	2.60	0(0.0)	3(60)	1(20)	1(20)	0(0.0)	5(100)
NGO	Nigerian	2.00	2.50	0(0.0)	8(80)	0(0.0)	1(10)	1(10)	10(100)
	São Toméan	2.00	2.00	0(0.0)	5(100)	0(0.0)	0(0.0)	0(0.0)	5(100)
GO	Nigerian	4.00	3.60	0(0.0)	2(20)	1(10)	6(60)	1(10)	10(100)
	São Toméan	4.00	4.00	0(0.0)	1(14.3)	0(0.0)	4(57.1)	2(28.6)	7(100)
PAR	Nigerian	2.00	2.67	0(0.0)	8(66.7)	0(0.0)	4(33.3)	0(0.0)	12(100)
	São Toméan	3.50	3.25	0(0.0)	1(25)	1(25)	2(50)	0(0.0)	4(100)
SUB-TOTAL	Nigerian	4.00	3.40	1(1.3)	27(35.1)	2(2.6)	32(41.6)	15(19.5)	77(100)
	São Toméan	4.00	3.48	0(0.0)	12(30)	4(10)	17(42.5)	7(17.5)	40(100)
TOTAL		4.00	3.44	1(0.9)	39(33.3)	6(5.2)	49(41.9)	22(18.7)	117(100)

Table 9: Mann-Whitney tests relating to the statement: The purpose and mission of the JDA are well defined

	JDA	MOC	IOC	NGO	GO	PAR
JDA			0.000	0.000		0.000
MOC						
IOC	0.000				0.031	
NGO	0.000				0.001	
GO			0.031	0.001		0.014
PAR	0.000				0.000	

Note: This table shows only significant differences with P-value $\leq 5\%$.

Table 10: Perceptions regarding the statement: Objectives of the JDA are transparent and aligned with the needs of the participating states

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	4.29	0(0.0)	0(0.0)	1(3.2)	20(64.5)	10(32.3)	31(100)
	São Toméan	4.00	3.94	0(0.0)	3(17.6)	1(5.9)	7(41.2)	6(35.3)	17(100)
MOC	Nigerian	3.00	3.00	0(0.0)	0(0.0)	6(100)	0(0.0)	0(0.0)	6(100)
	São Toméan	3.00	3.00	0(0.0)	0(0.0)	2(100)	0(0.0)	0(0.0)	2(100)
IOC	Nigerian	3.00	3.13	0(0.0)	2(25)	3(37.5)	3(37.5)	0(0.0)	8(100)
	São Toméan	2.00	2.40	0(0.0)	3(60)	2(40)	0(0.0)	0(0.0)	5(100)
NGO	Nigerian	2.00	1.60	4(40)	6(60)	0(0.0)	0(0.0)	0(0.0)	10(100)
	São Toméan	2.00	1.60	2(40)	3(60)	0(0.0)	0(0.0)	0(0.0)	5(100)
GO	Nigerian	2.00	2.80	1(10)	5(50)	0(0.0)	3(30)	1(10)	10(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	7(100)	0(0.0)	7(100)
PAR	Nigerian	2.00	2.50	0(0.0)	9(75)	0(0.0)	3(25)	0(0.0)	12(100)
	São Toméan	4.00	3.75	0(0.0)	1(25)	0(0.0)	2(50)	1(25)	4(100)
SUB-TOTAL	<i>Nigerian</i>	4.00	3.25	5(6.5)	22(28.6)	10(13)	29(37.7)	11(14.3)	77(100)
	<i>São Toméan</i>	4.00	3.40	2(5.0)	10(25)	5(10)	16(40)	7(17.5)	40(100)
TOTAL		4.00	3.30	7(5.98)	32(27.3)	15(12.82)	45(38.5)	18(15.4)	117(100)

Table 11: Mann-Whitney tests relating to the statement: Objectives of the JDA are transparent and aligned with the needs of the participating states

	JDA	MOC	IOC	NGO	GO	PAR
JDA		0.000	0.000	0.000	0.000	0.000
MOC	0.000			0.000		
IOC	0.000			0.000		
NGO	0.000	0.000	0.000		0.000	0.000
GO	0.000			0.000		
PAR	0.000			0.000		

Note: This table shows only significant differences with P-value $\leq 5\%$.

Table 12: Perceptions regarding the statement: The JDZ governance structure specifies the roles of the JMC and the limit of its authority

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	3.97	1(3.2)	2(6.5)	3(9.7)	16(51.6)	9(29)	31(100)
	São Toméan	4.00	4.18	0(0.0)	0(0.0)	0(0.0)	10(58.8)	7(41.2)	17(100)
MOC	Nigerian	4.00	4.17	0(0.0)	0(0.0)	1(16.7)	3(50)	2(33.3)	6(100)
	São Toméan	4.00	4.00	0(0.0)	1(50)	0(0.0)	1(50)	0(0.0)	2(100)
IOC	Nigerian	4.00	4.25	0(0.0)	0(0.0)	0(0.0)	6(75)	2(25)	8(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	4(80)	1(20)	5(100)
NGO	Nigerian	4.00	3.70	0(0.0)	1(10)	2(20)	6(60)	1(10)	10(100)
	São Toméan	4.00	3.80	1(20)	0(0.0)	3(60)	1(20)	0(0.0)	5(100)
GO	Nigerian	4.00	4.30	0(0.0)	0(0.0)	1(10)	5(50)	4(40)	10(100)
	São Toméan	4.00	4.00	0(0.0)	2(28.6)	0(0.0)	5(71.4)	0(0.0)	7(100)
PAR	Nigerian	4.00	4.00	0(0.0)	0(0.0)	1(8.3)	10(83.3)	1(8.3)	12(100)
	São Toméan	4.00	4.25	0(0.0)	0(0.0)	0(0.0)	4(100)	0(0.0)	4(100)
<i>SUB-TOTAL</i>	<i>Nigerian</i>	<i>4.00</i>	<i>4.03</i>	<i>1(1.3)</i>	<i>3(3.9)</i>	<i>8(10.4)</i>	<i>46(59.7)</i>	<i>19(24.7)</i>	<i>77(100)</i>
	<i>São Toméan</i>	<i>4.00</i>	<i>4.08</i>	<i>0(0.0)</i>	<i>1(2.5)</i>	<i>4(10)</i>	<i>26(65)</i>	<i>922.5)</i>	<i>40(100)</i>
TOTAL		4.00	4.10	1(0.85)	4(3.42)	12(10.26)	72(61.54)	28(23.93)	117(100)

Table 13: Perceptions regarding the statement: Education and training of personnel in the JDZ are sufficient to meet the needs of the zone

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	2.00	2.74	5(16.1)	12(38.7)	2(6.5)	10(32.3)	2(6.5)	31(100)
	São Toméan	2.00	2.71	2(11.8)	7(41.2)	2(11.8)	6(35.3)	0(0.0)	17(100)
MOC	Nigerian	5.00	4.67	0(0.0)	0(0.0)	0(0.0)	2(33.3)	4(66.7)	6(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	2(100)	0(0.0)	2(100)
IOC	Nigerian	3.00	2.88	0(0.0)	1(12.5)	7(87.5)	0(0.0)	0(0.0)	8(100)
	São Toméan	3.00	2.60	0(0.0)	2(40)	3(60)	0(0.0)	0(0.0)	5(100)
NGO	Nigerian	3.00	3.00	0(0.0)	0(0.0)	10(100)	0(0.0)	0(0.0)	10(100)
	São Toméan	3.00	2.40	1(20)	1(20)	3(60)	0(0.0)	0(0.0)	5(100)
GO	Nigerian	2.00	2.00	0(0.0)	10(100)	0(0.0)	0(0.0)	0(0.0)	10(100)
	São Toméan	2.00	2.43	0(0.0)	5(71.4)	1(14.3)	1(14.3)	0(0.0)	7(100)
PAR	Nigerian	3.00	3.00	0(0.0)	0(0.0)	12(100)	0(0.0)	0(0.0)	12(100)
	São Toméan	2.50	2.50	0(0.0)	2(50)	2(50)	0(0.0)	0(0.0)	4(100)
SUB-TOTAL	Nigerian	3.00	2.88	5(6.5)	23(29.9)	31(40.3)	12(15.5)	6(7.8)	77(100)
	São Toméan	2.50	2.65	3(7.5)	17(42.5)	11(27.5)	9(22.5)	0(0.0)	40(100)
TOTAL		3.00	2.83	8(6.83)	40(34.19)	42(35.9)	21(17.95)	6(5.13)	117(100)

Table 14: Perceptions regarding the statement: Education and training of personnel in the JDZ are sufficient to promote transfer of skills to the non-oil sectors in the zone

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	2.00	2.35	6(19.4)	14(45.2)	5(16.1)	6(19.4)	0(0.0)	31(100)
	São Toméan	2.00	2.18	0(0.0)	15(88.2)	1(5.9)	1(5.9)	0(0.0)	17(100)
MOC	Nigerian	3.00	3.00	0(0.0)	0(0.0)	6(100)	0(0.0)	0(0.0)	6(100)
	São Toméan	3.00	3.00	0(0.0)	0(0.0)	2(100)	0(0.0)	0(0.0)	2(100)
IOC	Nigerian	3.00	2.63	0(0.0)	3(37.5)	5(62.5)	0(0.0)	0(0.0)	8(100)
	São Toméan	3.00	3.00	0(0.0)	0(0.0)	5(100)	0(0.0)	0(0.0)	5(100)
NGO	Nigerian	3.00	2.90	0(0.0)	1(10)	9(90)	0(0.0)	0(0.0)	10(100)
	São Toméan	3.00	3.00	0(0.0)	0(0.0)	5(100)	0(0.0)	0(0.0)	5(100)
GO	Nigerian	2.00	1.90	1(10)	9(90)	0(0.0)	0(0.0)	0(0.0)	10(100)
	São Toméan	2.00	2.00	2(28.6)	4(57.1)	0(0.0)	1(14.3)	0(0.0)	7(100)
PAR	Nigerian	3.00	2.92	0(0.0)	1(8.3)	11(91.7)	0(0.0)	0(0.0)	12(100)
	São Toméan	3.00	3.00	0(0.0)	0(0.0)	4(100)	0(0.0)	0(0.0)	4(100)
SUB-TOTAL	Nigerian	3.00	2.53	7(9.1)	28(36.4)	36(46.8)	6(7.8)	0(0.0)	77(100)
	São Toméan	2.00	2.28	2(5)	19(47.5)	17(42.5)	2(5)	0(0.0)	40(100)
TOTAL		3.00	2.52	9(7.69)	47(40.17)	53(45.30)	8(6.84)	0(0.0)	117(100)

Table 15: Perceptions regarding the statement: Procurement practices in the JDZ promote the diversification of Nigerian economy

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	4.00	1(3.2)	1(3.2)	1(3.2)	22(71)	6(19.4)	31(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	2(11.8)	13(76.5)	2(11.8)	17(100)
MOC	Nigerian	4.00	4.33	0(0.0)	0(0.0)	0(0.0)	4(66.7)	2(33.3)	6(100)
	São Toméan	3.00	3.00	0(0.0)	1(50)	0(0.0)	1(50)	0(0.0)	2(100)
IOC	Nigerian	4.50	4.50	0(0.0)	0(0.0)	0(0.0)	4(50)	4(50)	8(100)
	São Toméan	4.00	4.20	0(0.0)	0(0.0)	0(0.0)	4(80)	1(20)	5(100)
NGO	Nigerian	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	10(100)	0(0.0)	10(100)
	São Toméan	4.00	4.20	0(0.0)	0(0.0)	0(0.0)	4(80)	1(20)	5(100)
GO	Nigerian	4.00	4.00	0(0.0)	0(0.0)	2(20)	6(60)	2(20)	10(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	7(0.0)	0(0.0)	7(100)
PAR	Nigerian	4.00	3.90	0(0.0)	0(0.0)	3(25)	7(58.3)	2(16.7)	12(100)
	São Toméan	4.00	3.75	0(0.0)	1(25)	0(0.0)	2(50)	1(25)	4(100)
SUB-TOTAL	Nigerian	4.00	4.06	1(1.3)	1(1.3)	6(7.8)	53(68.8)	16(20.8)	77(100)
	São Toméan	4.00	4.13	0(0.0)	2(5)	2(5)	31(77.5)	5(12.5)	40(100)
TOTAL		4.00	4.02	1(0.85)	3(2.56)	8(6.85)	84(71.79)	21(17.95)	117(100)

Table 16: Perceptions regarding the statement: Procurement practices in the JDZ promote the diversification of São Toméan economy

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	4.10	0(0.0)	1(3.2)	3(9.7)	19(61.3)	8(25.8)	31(100)
	São Toméan	4.00	4.06	0(0.0)	0(0.0)	1(5.9)	14(82.4)	2(11.8)	17(100)
MOC	Nigerian	5.00	4.33	0(0.0)	1(16.7)	0(0.0)	1(16.7)	4(66.7)	6(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	2(100)	0(0.0)	2(100)
IOC	Nigerian	4.00	4.25	0(0.0)	0(0.0)	0(0.0)	6(75)	2(25)	8(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	5(100)	0(0.0)	5(100)
NGO	Nigerian	4.00	4.30	0(0.0)	0(0.0)	7(70)	3(30)	0(0.0)	10(100)
	São Toméan	4.00	4.20	0(0.0)	0(0.0)	0(0.0)	4(80)	1(20)	5(100)
GO	Nigerian	5.00	4.60	0(0.0)	0(0.0)	0(0.0)	4(40)	6(60)	10(100)
	São Toméan	4.00	4.29	0(0.0)	0(0.0)	5(71.4)	2(28.6)	0(0.0)	7(100)
PAR	Nigerian	4.00	3.83	0(0.0)	1(8.3)	3(25)	5(41.7)	3(25)	12(100)
	São Toméan	4.50	4.25	0(0.0)	0(0.0)	1(25)	1(25)	2(50)	4(100)
SUB-TOTAL	Nigerian	4.00	4.18	0(0.0)	3(3.9)	6(7.8)	42(54.5)	26(33.8)	77(100)
	São Toméan	4.00	4.12	0(0.0)	0(0.0)	2(5)	31(77.5)	7(17.5)	40(100)
TOTAL		4.00	4.16	0(0.0)	3(2.56)	8(6.84)	73(62.4)	33(28.2)	117(100)

Table 17: Perceptions regarding the statement: Employment policies and practices in the JDZ promote the diversification of the Nigerian economy

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	3.71	1(3.2)	1(3.2)	7(22.6)	19(61.3)	3(9.7)	31(100)
	São Toméan	4.00	3.71	0(0.0)	1(5.9)	3(17.6)	13(76.5)	0(0.0)	17(100)
MOC	Nigerian	4.00	4.17	0(0.0)	0(0.0)	1(16.7)	3(50)	2(33.3)	6(100)
	São Toméan	4.50	4.50	0(0.0)	0(0.0)	0(0.0)	1(50)	1(50)	2(100)
IOC	Nigerian	4.00	3.50	0(0.0)	1(12.5)	2(25)	5(62.5)	0(0.0)	8(100)
	São Toméan	4.00	4.20	0(0.0)	0(0.0)	0(0.0)	4(80)	1(20)	5(100)
NGO	Nigerian	4.00	4.40	0(0.0)	0(0.0)	0(0.0)	6(60)	4(40)	10(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	5(100)	0(0.0)	0(0.0)	5(100)
GO	Nigerian	4.00	3.70	0(0.0)	1(10)	3(30)	4(40)	2(20)	10(100)
	São Toméan	4.00	4.14	0(0.0)	0(0.0)	0(0.0)	6(85.7)	1(14.3)	7(100)
PAR	Nigerian	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	12(100)	0(0.0)	12(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	4(100)	0(0.0)	4(100)
SUB-TOTAL	Nigerian	4.00	3.86	1(1.3)	3(3.9)	13(16.9)	49(63.6)	11(14.3)	77(100)
	São Toméan	4.00	3.95	0(0.0)	1(2.5)	3(7.5)	33(82.5)	3(7.5)	40(100)
TOTAL		4.00	3.89	1(0.85)	4(3.41)	16(13.68)	82(70.1)	14(11.96)	117(100)

Table 18: Perceptions regarding the statement: Employment policies and practices in the JDZ promote the diversification of the São Toméan economy

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	3.97	1(3.2)	3(9.7)	2(6.5)	15(48.4)	10(32.3)	31(100)
	São Toméan	4.00	3.59	0(0.0)	2(11.8)	3(17.6)	12(70.6)	0(0.0)	17(100)
MOC	Nigerian	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	6(100)	0(0.0)	6(100)
	São Toméan	4.50	4.50	0(0.0)	0(0.0)	0(0.0)	1(50)	1(50)	2(100)
IOC	Nigerian	4.00	4.13	0(0.0)	0(0.0)	0(0.0)	7(87.5)	1(12.5)	8(100)
	São Toméan	4.00	4.40	0(0.0)	0(0.0)	0(0.0)	3(60)	2(40)	5(100)
NGO	Nigerian	3.00	3.30	0(0.0)	5(50)	0(0.0)	2(20)	3(30)	10(100)
	São Toméan	4.00	3.20	0(0.0)	2(40)	0(0.0)	3(60)	0(0.0)	5(100)
GO	Nigerian	5.00	4.80	0(0.0)	0(0.0)	1(10)	0(0.0)	9(90)	10(100)
	São Toméan	2.00	3.00	0(0.0)	4(57.1)	0(0.0)	2(28.6)	1(14.3)	7(100)
PAR	Nigerian	4.00	4.08	0(0.0)	0(0.0)	1(8.3)	9(75)	2(16.7)	12(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	4(100)	0(0.0)	4(100)
SUB-TOTAL	Nigerian	4.00	4.03	1(1.3)	8(10.4)	4(5.2)	39(50.6)	25(32.5)	77(100)
	São Toméan	4.00	3.63	0(0.0)	8(20)	3(7.5)	25(62.5)	4(10)	40(100)
TOTAL		4.00	3.93	1(0.85)	16(13.69)	7(5.98)	64(54.7)	29(24.78)	117(100)

Table 19: Mann-Whitney tests relating to the statement: Corporate social responsibility policies and programs in the JDZ are aligned with the development needs of Nigeria

	JDA	MOC	IOC	NGO	GO	PAR
JDA			0.011	0.000		
MOC				0.002		
IOC	0.011			0.000	0.025	
NGO	0.000	0.002	0.000		0.001	0.000
GO			0.025	0.001		
PAR				0.000		

Note: This table shows only significant differences with P-value $\leq 5\%$.

Table 20: Mann-Whitney tests relating to the statement: Corporate social responsibility policies and programs in the JDZ are aligned with the development needs of São Tomé and Príncipe

	JDA	MOC	IOC	NGO	GO	PAR
JDA				0.000		
MOC				0.000		
IOC				0.001		
NGO	0.000	0.000	0.001		0.014	0.000
GO				0.014		
PAR				0.000		

Note: This table shows only significant differences with P-value $\leq 5\%$.

Table 21: The perceptions regarding the statement: Corporate social responsibility policies and programs in the JDZ are aligned with the development needs of Nigeria.

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	3.90	0(0.0)	4(12.9)	2(6.5)	18(58.1)	7(22.6)	31(100)
	São Toméan	4.00	4.06	0(0.0)	0(0.0)	1(5.9)	14(82.4)	2(11.8)	17(100)
MOC	Nigerian	3.50	3.33	0(0.0)	1(16.7)	2(33.3)	3(50)	0(0.0)	6(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	2(100)	0(0.0)	2(100)
IOC	Nigerian	4.50	4.50	0(0.0)	0(0.0)	0(0.0)	4(50)	4(50)	8(100)
	São Toméan	5.00	4.60	0(0.0)	0(0.0)	0(0.0)	2(40)	3(60)	5(100)
NGO	Nigerian	2.00	2.80	0(0.0)	6(60)	1(10)	2(20)	1(10)	10(100)
	São Toméan	2.00	1.80	2(40)	2(40)	1(200)	0(0.0)	0(0.0)	5(100)
GO	Nigerian	4.00	4.10	0(0.0)	1(10)	0(0.0)	6(60)	3(30)	10(100)
	São Toméan	4.00	3.71	0(0.0)	1(14.3)	1(14.3)	4(57.1)	1(14.3)	7(100)
PAR	Nigerian	4.00	4.25	0(0.0)	0(0.0)	0(0.0)	9(75)	3(25)	12(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	4(100)	0(0.0)	4(100)
SUB-TOTAL	Nigerian	4.00	3.85	0(0.0)	12(15.6)	5(6.5)	42(54.5)	18(23.4)	77(100)
	São Toméan	4.00	3.78	2(5)	3(7.5)	3(7.5)	26(65)	6(15)	40(100)
TOTAL		4.00	3.87	2(1.71)	15(12.82)	8(6.84)	68(58.12)	24(20.51)	117(100)

Table 22: Perceptions regarding the statement: Corporate social responsibility policies and programs in the JDZ are aligned with the development needs of São Tomé and Príncipe

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	4.13	0(0.0)	0(0.0)	6(19.4)	15(48.4)	10(32.3)	31(100)
	São Toméan	4.00	3.88	0(0.0)	2(11.8)	1(5.9)	11(64.7)	3(17.6)	17(100)
MOC	Nigerian	4.00	4.00	0(0.0)	0(0.0)	6(100)	0(0.0)	0(0.0)	6(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	2(100)	0(0.0)	2(100)
IOC	Nigerian	4.00	3.75	0(0.0)	2(25)	0(0.0)	4(50)	2(25)	8(100)
	São Toméan	5.00	5.00	0(0.0)	0(0.0)	0(0.0)	0(0.0)	5(100)	5(100)
NGO	Nigerian	3.00	2.90	0(0.0)	4(40)	3(30)	3(30)	0(0.0)	10(100)
	São Toméan	2.00	2.40	0(0.0)	3(60)	2(40)	0(0.0)	0(0.0)	5(100)
GO	Nigerian	4.00	4.40	0(0.0)	0(0.0)	0(0.0)	6(60)	4(40)	10(100)
	São Toméan	2.00	2.86	0(0.0)	4(57.1)	0(0.0)	3(42.9)	0(0.0)	7(100)
PAR	Nigerian	4.00	4.17	0(0.0)	0(0.0)	0(0.0)	10(83.3)	2(16.7)	12(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	4(100)	0(0.0)	4(100)
SUB-TOTAL	Nigerian	4.00	3.96	0(0.0)	6(7.8)	9(11.7)	44(57.1)	18(23.4)	77(100)
	São Toméan	4.00	3.68	0(0.0)	9(22.5)	3(7.5)	20(50)	8(20)	40(100)
TOTAL		4.00	3.90	0(0.0)	15(12.82)	12(10.26)	64(54.7)	26(22.22)	117(100)

Table 23: Perceptions regarding the statement: The JDA has effective processes in place to ensure that the development of hydrocarbon infrastructure and its operations do not result in long-term damage to the JDZ assets

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	3.77	0(0.0)	1(3.2)	6(19.4)	23(74.2)	1(3.2)	31(100)
	São Toméan	4.00	3.94	0(0.0)	2(11.8)	2(11.8)	8(47.1)	5(29.4)	17(100)
MOC	Nigerian	4.50	4.17	0(0.0)	0(0.0)	2(33.3)	1(16.7)	3(50)	6(100)
	São Toméan	4.50	4.50	0(0.0)	0(0.0)	0(0.0)	1(50)	1(50)	2(100)
IOC	Nigerian	4.00	3.88	0(0.0)	1(12.5)	2(25)	2(25)	3(37.5)	8(100)
	São Toméan	4.00	3.80	0(0.0)	1(20)	0(0.0)	3(60)	1(20)	5(100)
NGO	Nigerian	4.00	3.60	0(0.0)	3(30)	0(0.0)	5(50)	2(20)	10(100)
	São Toméan	2.00	2.80	1(20)	2(40)	0(0.0)	1(20)	1(20)	5(100)
GO	Nigerian	3.50	3.70	0(0.0)	0(0.0)	5(50)	3(30)	2(20)	10(100)
	São Toméan	5.00	4.43	0(0.0)	0(0.0)	2(28.6)	0(0.0)	5(71.4)	7(100)
PAR	Nigerian	4.00	3.75	0(0.0)	3(25)	1(8.3)	4(33.3)	4(33.3)	12(100)
	São Toméan	3.50	3.25	0(0.0)	1(25)	1(25)	2(50)	0(0.0)	4(100)
SUB-TOTAL	Nigerian	4.00	3.78	0(0.0)	8(10.4)	16(20.8)	38(49.4)	15(19.5)	77(100)
	São Toméan	4.00	3.83	1(2.5)	6(15)	5(12.5)	15(37.5)	13(32.5)	40(100)
TOTAL		4.00	3.83	1(0.85)	14(11.97)	21(17.95)	53(45.30)	28(23.93)	117(100)

Table 24: Mann-Whitney tests relating to the statement: The JDA has effective processes in place to ensure that the development of hydrocarbon infrastructure and its operations do not result in long-term damage to the JDZ assets

	JDA	MOC	IOC	NGO	GO	PAR
JDA		0.014				
MOC	0.014			0.014		0.031
IOC						
NGO		0.014				
GO						
PAR		0.031				

Note: This table shows only significant differences with P-value $\leq 5\%$.

Table 25: Perceptions regarding the statement: The JDZ policy-makers have sufficient resources and capacity to set effective policies and realistic objective for the zone

Place of work	Nationality	Media n	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	4.13	0(0.0)	1(3.2)	3(9.7)	18(58.1)	9(29)	31(100)
	São Toméan	4.00	4.00	0(0.0)	1(5.9)	2(11.8)	10(58.8)	4(23.5)	17(100)
MOC	Nigerian	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	6(100)	0(0.0)	6(100)
	São Toméan	3.00	3.00	0(0.0)	0(0.0)	2(100)	0(0.0)	0(0.0)	2(100)
IOC	Nigerian	4.00	4.13	0(0.0)	0(0.0)	0(0.0)	7(87.5)	1(12.5)	8(100)
	São Toméan	5.00	4.60	0(0.0)	0(0.0)	0(0.0)	2(40)	3(60)	5(100)
NGO	Nigerian	4.00	4.40	0(0.0)	0(0.0)	0(0.0)	6(60)	4(40)	10(100)
	São Toméan	5.00	4.60	0(0.0)	0(0.0)	0(0.0)	2(40)	3(60)	5(100)
GO	Nigerian	4.50	4.50	0(0.0)	0(0.0)	0(0.0)	5(50)	5(50)	10(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	1(14.3)	5(71.4)	1(14.3)	7(100)
PAR	Nigerian	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	12(100)	0(0.0)	12(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	4(100)	0(0.0)	4(100)
SUB-TOTAL	Nigerian	4.00	4.14	0(0.0)	1(1.3)	3(3.9)	54(70.1)	19(24.7)	77(100)
	São Toméan	4.00	4.10	0(0.0)	1(2.5)	5(12.5)	23(57.5)	11(27.5)	40(100)
TOTAL		4.00	4.05	0(0.0)	2(1.7)	8(6.84)	77(65.82)	30(25.64)	117(100)

Table 26: Perceptions regarding the statement: Checks and balances have been put in place by the JDA which enable consistency of long-term policy-making

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	4.06	0(0.0)	2(6.5)	4(12.9)	15(48.4)	10(32.3)	31(100)
	São Toméan	4.00	3.88	0(0.0)	1(5.9)	2(11.8)	12(70.6)	2(11.8)	17(100)
MOC	Nigerian	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	6(100)	0(0.0)	6(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	2(100)	0(0.0)	2(100)
IOC	Nigerian	4.00	3.88	0(0.0)	0(0.0)	1(12.5)	7(87.5)	0(0.0)	8(100)
	São Toméan	4.00	3.40	0(0.0)	1(20)	1(20)	3(60)	0(0.0)	5(100)
NGO	Nigerian	3.00	3.10	0(0.0)	2(20)	5(50)	3(30)	0(0.0)	10(100)
	São Toméan	2.00	2.40	0(0.0)	3(60)	2(40)	0(0.0)	0(0.0)	5(100)
GO	Nigerian	3.50	3.20	0(0.0)	3(30)	2(20)	5(50)	0(0.0)	10(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	7(100)	0(0.0)	7(100)
PAR	Nigerian	4.00	3.75	0(0.0)	2(16.7)	0(0.0)	9(75)	1(8.3)	12(100)
	São Toméan	4.50	4.25	0(0.0)	1(25)	1(25)	2(50)	0(0.0)	4(100)
SUB-TOTAL	Nigerian	4.00	3.75	0(0.0)	9(11.7)	12(15.6)	45(58.4)	11(14.3)	77(100)
	São Toméan	4.00	3.70	0(0.0)	5(12.5)	6(15)	25(62.5)	4(10)	40(100)
TOTAL		4.00	3.72	0(0.0)	14(11.97)	18(15.38)	70(59.83)	15(12.82)	117(100)

Table 27: Mann-Whitney tests relating to the statement: Checks and balances have been put in place by the JDA which enable consistency of long-term policy-making.

	JDA	MOC	IOC	NGO	GO	PAR
JDA				0.000	0.039	
MOC				0.003		
IOC				0.005		
NGO	0.000	0.003	0.005		0.016	
GO	0.039			0.016		0.002
PAR					0.002	

Note: This table shows only significant differences with P-value $\leq 5\%$.

Table 28: Perceptions regarding the statement: Personnel within the JDA are delegated financial and managerial authority to carry out their assigned roles

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	3.00	2.90	3(9.7)	8(25.8)	12(38.7)	5(16.1)	3(9.7)	31(100)
	São Toméan	3.00	2.94	2(11.8)	4(23.5)	5(29.4)	5(29.4)	1(5.9)	17(100)
MOC	Nigerian	3.00	2.67	1(16.7)	0(0.0)	5(83.3)	0(0.0)	0(0.0)	6(100)
	São Toméan	2.00	2.00	0(0.0)	2(100)	0(0.0)	0(0.0)	0(0.0)	2(100)
IOC	Nigerian	3.00	2.63	0(0.0)	3(37.5)	5(62.5)	0(0.0)	0(0.0)	8(100)
	São Toméan	3.00	3.00	0(0.0)	0(0.0)	5(100)	0(0.0)	0(0.0)	5(100)
NGO	Nigerian	3.00	2.90	0(0.0)	1(10)	9(90)	0(0.0)	0(0.0)	10(100)
	São Toméan	3.00	3.20	0(0.0)	0(0.0)	4(80)	1(20)	0(0.0)	5(100)
GO	Nigerian	3.00	3.10	0(0.0)	2(20)	5(50)	3(30)	0(0.0)	10(100)
	São Toméan	3.00	3.14	0(0.0)	0(0.0)	6(85.7)	1(14.3)	0(0.0)	7(100)
PAR	Nigerian	4.00	4.25	0(0.0)	0(0.0)	0(0.0)	9(75)	3(25)	12(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	4(100)	0(0.0)	4(100)
SUB-TOTAL	Nigerian	3.00	3.09	4(5.2)	14(18.2)	36(46.8)	17(22.1)	6(7.8)	77(100)
	São Toméan	3.00	3.08	2(5)	6(15)	20(50)	11(27.5)	1(2.5)	40(100)
TOTAL		3.00	3.07	6(5.13)	20(17.10)	56(47.86)	28(23.93)	7(5.98)	117(100)

Table 29: Mann-Whitney tests relating to the statement: Personnel within the JDA are delegated financial and managerial authority to carry out their assigned roles

	JDA	MOC	IOC	NGO	GO	PAR
JDA						0.000
MOC					0.041	0.000
IOC						0.000
NGO						0.000
GO		0.041				0.000
PAR	0.000	0.000	0.000	0.000	0.000	

Note: This table shows only significant differences with P-value $\leq 5\%$.

Table 30: Perceptions regarding the statement: The selection criteria for appointments to the JMC and executive management of the JDA are transparent

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	2.00	1.65	13(41.9)	16(51.6)	2(6.5)	0(0.0)	0(0.0)	31(100)
	São Toméan	2.00	1.82	7(41.2)	6(35.3)	4(23.5)	0(0.0)	0(0.0)	17(100)
MOC	Nigerian	2.00	2.00	0(0.0)	6(100)	0(0.0)	0(0.0)	0(0.0)	6(100)
	São Toméan	2.00	2.00	0(0.0)	2(100)	0(0.0)	0(0.0)	0(0.0)	2(100)
IOC	Nigerian	1.00	1.38	5(62.5)	3(37.5)	0(0.0)	0(0.0)	0(0.0)	8(100)
	São Toméan	2.00	2.20	1(20)	3(60)	0(0.0)	1(20)	0(0.0)	5(100)
NGO	Nigerian	3.50	3.00	2(20)	1(10)	2(20)	5(50)	0(0.0)	10(100)
	São Toméan	4.00	3.60	0(0.0)	1(20)	0(0.0)	4(80)	0(0.0)	5(100)
GO	Nigerian	2.00	2.00	0(0.0)	10(100)	0(0.0)	0(0.0)	0(0.0)	10(100)
	São Toméan	2.00	2.25	0(0.0)	6(85.7)	1(14.3)	0(0.0)	0(0.0)	7(100)
PAR	Nigerian	2.00	1.83	5(41.7)	4(33.3)	3(25)	0(0.0)	0(0.0)	12(100)
	São Toméan	2.00	2.20	0(0.0)	3(75)	1(25)	0(0.0)	0(0.0)	4(100)
SUB-TOTAL	Nigerian	2.00	1.90	25(32.5)	40(51.9)	7(9.1)	5(6.5)	0(0.0)	77(100)
	São Toméan	2.00	2.20	8(20)	21(52.5)	6(15)	5(12.5)	0(0.0)	40(100)
TOTAL		2.00	2.00	33(28.2)	61(52.14)	13(11.11)	10(8.55)	0(0.0)	117(100)

Table 31: The perceptions regarding the statement: The Members of the JMC possess appropriate skills and knowledge required to carry out their assigned roles

Place of work	Nationality	Md	M	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	2.00	2.03	3(9.7)	26(83.9)	1(3.2)	0(0.0)	1(3.2)	31(100)
	São Toméan	2.00	1.76	4(23.5)	13(76.5)	0(0.0)	0(0.0)	0(0.0)	17(100)
MOC	Nigerian	4.00	3.67	0(0.0)	0(0.0)	2(33.3)	4(66.7)	0(0.0)	6(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	2(100)	0(0.0)	2(100)
IOC	Nigerian	4.00	4.13	0(0.0)	0(0.0)	0(0.0)	7(87.5)	1(12.5)	8(100)
	São Toméan	5.00	4.60	0(0.0)	0(0.0)	0(0.0)	2(40)	3(60)	5(100)
NGO	Nigerian	3.00	2.70	3(30)	1(10)	3(30)	2(20)	1(10)	10(100)
	São Toméan	4.00	2.80	2(40)	0(0.0)	0(0.0)	3(60)	0(0.0)	5(100)
GO	Nigerian	5.00	4.60	0(0.0)	0(0.0)	0(0.0)	4(33.3)	6(60)	10(100)
	São Toméan	4.00	3.86	1(14.3)	0(0.0)	0(0.0)	4(57.1)	2(28.6)	7(100)
PAR	Nigerian	2.00	2.25	5(41.7)	3(25)	0(0.0)	4(33.3)	0(0.0)	12(100)
	São Toméan	1.50	1.50	2(50)	2(50)	0(0.0)	0(0.0)	0(0.0)	4(100)
SUB-TOTAL	Nigerian	2.00	2.83	11(14.3)	30(39)	6(7.8)	21(27.3)	9(11.7)	77(100)
	São Toméan	2.00	1.80	9(22.5)	15(37.5)	0(0.0)	11(27.5)	5(12.5)	40(100)
TOTAL		2.00	2.79	20(17.10)	45(38.46)	6(5.13)	32(27.35)	14(11.97)	117(100)

Table 32: The perceptions regarding the statement: The members of the JMC are provided with required financial resources to carry out their roles

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	4.16	1(3.2)	1(3.2)	1(3.2)	17(54.8)	11(35.5)	31(100)
	São Toméan	4.00	4.41	0(0.0)	0(0.0)	0(0.0)	10(58.8)	7(41.2)	17(100)
MOC	Nigerian	4.00	3.83	0(0.0)	0(0.0)	1(16.7)	5(83.3)	0(0.0)	6(100)
	São Toméan	3.00	3.00	0(0.0)	1(50)	0(0.0)	1(50)	0(0.0)	2(100)
IOC	Nigerian	5.00	4.75	0(0.0)	0(0.0)	0(0.0)	2(25)	6(75)	8(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	5(100)	0(0.0)	5(100)
NGO	Nigerian	4.00	3.90	1(10)	0(0.0)	0(0.0)	7(70)	2(20)	10(100)
	São Toméan	5.00	4.60	0(0.0)	0(0.0)	0(0.0)	2(40)	3(60)	5(100)
GO	Nigerian	4.00	3.80	0(0.0)	1(10)	1(10)	7(70)	1(10)	10(100)
	São Toméan	5.00	4.57	0(0.0)	0(0.0)	1(14.3)	1(14.3)	5(71.4)	7(100)
PAR	Nigerian	4.00	4.17	0(0.0)	1(8.3)	0(0.0)	7(58.3)	4(33.3)	12(100)
	São Toméan	4.50	4.00	0(0.0)	1(25)	0(0.0)	1(25)	2(50)	4(100)
SUB-TOTAL	<i>Nigerian</i>	4.00	4.12	2(2.6)	3(3.9)	3(3.9)	45(58.4)	24(31.2)	77(100)
	<i>São Toméan</i>	4.00	4.28	0(0.0)	2(5)	1(2.5)	20(50)	17(42.5)	40(100)
TOTAL		4.00	4.17	2(1.71)	5(4.27)	4(3.42)	65(55.56)	41(35.04)	117(100)

Table 33: Mann-Whitney test relating to statement: The members of the JMC are provided with required financial resources to carry out their roles

	JDA	MOC	IOC	NGO	GO	PAR
JDA		.011				
MOC			.004	.045		
IOC						
NGO						
GO						
PAR						

Note: This table shows only significant differences with P-value $\leq 5\%$.

Table 34: Perceptions regarding the statement: Operational and commercial decisions by either JMC or JDA are separated from political and other conflicting interventions

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	2.00	1.97	7(22.6)	18(58.1)	6(19.4)	0(0.0)	0(0.0)	31(100)
	São Toméan	2.00	2.53	2(11.8)	8(47.1)	3(17.6)	4(23.5)	0(0.0)	17(100)
MOC	Nigerian	2.00	2.00	0(0.0)	6(100)	0(0.0)	0(0.0)	0(0.0)	6(100)
	São Toméan	2.00	2.00	0(0.0)	2(100)	0(0.0)	0(0.0)	0(0.0)	2(100)
IOC	Nigerian	3.00	2.88	0(0.0)	2(25)	5(62.5)	1(12.5)	0(0.0)	8(100)
	São Toméan	3.00	2.60	0(0.0)	2(40)	3(60)	0(0.0)	0(0.0)	5(100)
NGO	Nigerian	2.00	2.20	2(20)	6(60)	0(0.0)	2(20)	0(0.0)	10(100)
	São Toméan	1.00	1.40	3(60)	2(40)	0(0.0)	0(0.0)	0(0.0)	5(100)
GO	Nigerian	2.00	2.20	0(0.0)	8(80)	2(20)	0(0.0)	0(0.0)	10(100)
	São Toméan	2.00	2.00	0(0.0)	7(100)	0(0.0)	0(0.0)	0(0.0)	7(100)
PAR	Nigerian	2.00	1.75	3(25)	9(75)	0(0.0)	0(0.0)	0(0.0)	12(100)
	São Toméan	1.00	1.00	4(100)	0(0.0)	0(0.0)	0(0.0)	0(0.0)	4(100)
<i>SUB-TOTAL</i>	<i>Nigerian</i>	<i>2.00</i>	<i>2.05</i>	<i>12(15.6)</i>	<i>49(63.6)</i>	<i>13(16.9)</i>	<i>3(3.8)</i>	<i>0(0.0)</i>	<i>77(100)</i>
	<i>São Toméan</i>	<i>2.00</i>	<i>2.22</i>	<i>9(22.5)</i>	<i>21(52.5)</i>	<i>6(15)</i>	<i>4(10)</i>	<i>0(0.0)</i>	<i>40(100)</i>
TOTAL		2.00	2.11	21(17.95)	70(59.83)	19(16.24)	7(5.98)	0(0.0)	117(100)

Table 35: Perceptions regarding the statement: The JDA regulating body has the necessary technical skills to exercise its powers effectively

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	4.26	0(0.0)	0(0.0)	1(3.2)	21(67.7)	9(29)	31(100)
	São Toméan	4.00	4.29	0(0.0)	0(0.0)	0(0.0)	12(70.6)	5(29.4)	17(100)
MOC	Nigerian	5.00	4.33	0(0.0)	0(0.0)	2(33.3)	0(0.0)	4(66.7)	6(100)
	São Toméan	3.50	3.50	0(0.0)	0(0.0)	1(50)	1(50)	0(0.0)	2(100)
IOC	Nigerian	5.00	4.63	0(0.0)	0(0.0)	0(0.0)	3(37.5)	5(62.5)	8(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	5(100)	0(0.0)	5(100)
NGO	Nigerian	4.00	3.70	0(0.0)	0(0.0)	3(30)	7(70)	0(0.0)	10(100)
	São Toméan	4.00	4.20	0(0.0)	0(0.0)	0(0.0)	4(80)	1(20)	5(100)
GO	Nigerian	4.00	3.80	0(0.0)	0(0.0)	2(20)	8(80)	0(0.0)	10(100)
	São Toméan	4.00	3.57	0(0.0)	0(0.0)	3(42.9)	4(57.1)	0(0.0)	7(100)
PAR	Nigerian	4.00	4.08	0(0.0)	0(0.0)	0(0.0)	11(91.7)	1(8.3)	12(100)
	São Toméan	4.50	4.50	0(0.0)	0(0.0)	0(0.0)	2(50)	2(50)	4(100)
<i>SUB-TOTAL</i>	<i>Nigerian</i>	<i>4.00</i>	<i>4.14</i>	<i>0(0.0)</i>	<i>0(0.0)</i>	<i>8(10.4)</i>	<i>50(64.9)</i>	<i>19(24.7)</i>	<i>77(100)</i>
	<i>São Toméan</i>	<i>4.00</i>	<i>4.10</i>	<i>0(0.0)</i>	<i>0(0.0)</i>	<i>4(10)</i>	<i>28(70)</i>	<i>8(20)</i>	<i>40(100)</i>
TOTAL		4.00	4.12	0(0.0)	0(0.0)	12(10.26)	78(66.67)	27(23.07)	117(100)

Note: Joint Development Authority (JDA), Multinational Oil Companies (MOC), Indigenous Oil Companies (IOC), Non-Governmental Organisations (NGO), Governmental Organisations (GO) and National Assembly/Parliament (PAR). Strongly Disagree (SD), Disagree (D), Neutral (N), Strongly Agree (SA), Agree (A)

Table 36: The perceptions regarding the statement: The JDA regulating body possesses the necessary financial resources to exercise its powers effectively

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	4.13	0(0.0)	1(3.2)	1(3.2)	22(71)	7(22.6)	31(100)
	São Toméan	4.00	4.12	0(0.0)	0(0.0)	0(0.0)	15(88.2)	2(11.8)	17(100)
MOC	Nigerian	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	6(100)	0(0.0)	6(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	2(100)	0(0.0)	2(100)
IOC	Nigerian	4.00	3.63	0(0.0)	1(12.5)	2(25)	4(50)	1(12.5)	8(100)
	São Toméan	4.00	4.20	0(0.0)	0(0.0)	0(0.0)	4(80)	1(20)	5(100)
NGO	Nigerian	4.00	3.80	1(10)	0(0.0)	0(0.0)	8(80)	1(10)	10(100)
	São Toméan	5.00	4.60	0(0.0)	0(0.0)	0(0.0)	2(40)	3(60)	5(100)
GO	Nigerian	4.50	4.50	0(0.0)	0(0.0)	0(0.0)	5(50)	5(50)	10(100)
	São Toméan	4.00	3.86	0(0.0)	0(0.0)	2(28.6)	4(57.1)	1(14.3)	7(100)
PAR	Nigerian	4.00	4.25	0(0.0)	0(0.0)	0(0.0)	9(75)	3(25)	12(100)
	São Toméan	4.50	4.50	0(0.0)	0(0.0)	0(0.0)	2(50)	2(50)	4(100)
SUB-TOTAL	Nigerian	4.00	4.09	1(1.3)	2(2.6)	3(3.9)	54(70.1)	17(22.1)	77(100)
	São Toméan	4.00	4.18	0(0.0)	0(0.0)	2(5)	29(72.5)	9(22.5)	40(100)
TOTAL		4.00	4.09	1(0.85)	2(1.71)	5(4.27)	83(70.95)	26(22.22)	117(100)

Table 37: The perceptions regarding the statement: The JDA regulating body has the necessary legal authority to exercise its powers effectively

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	4.16	0(0.0)	0(0.0)	3(9.7)	20(64.5)	8(25.8)	31(100)
	São Toméan	4.00	4.12	0(0.0)	0(0.0)	1(5.9)	13(76.5)	3(17.6)	17(100)
MOC	Nigerian	3.50	3.17	0(0.0)	2(33.3)	1(16.7)	3(50)	0(0.0)	6(100)
	São Toméan	5.00	5.00	0(0.0)	0(0.0)	0(0.0)	0(0.0)	2(100)	2(100)
IOC	Nigerian	5.00	4.63	0(0.0)	0(0.0)	0(0.0)	3(37.5)	5(62.5)	8(100)
	São Toméan	4.00	3.80	0(0.0)	0(0.0)	1(20)	4(80)	0(0.0)	5(100)
NGO	Nigerian	4.00	4.10	0(0.0)	0(0.0)	1(10)	7(70)	2(20)	10(100)
	São Toméan	4.00	4.40	0(0.0)	0(0.0)	0(0.0)	3(60)	2(40)	5(100)
GO	Nigerian	4.00	4.10	0(0.0)	0(0.0)	1(10)	7(70)	2(20)	10(100)
	São Toméan	4.00	4.29	0(0.0)	0(0.0)	0(0.0)	5(71.4)	2(28.6)	7(100)
PAR	Nigerian	4.00	4.25	0(0.0)	0(0.0)	0(0.0)	9(75)	3(25)	12(100)
	São Toméan	4.50	4.50	0(0.0)	0(0.0)	0(0.0)	2(50)	2(50)	4(100)
SUB-TOTAL	Nigerian	4.00	4.13	0(0.0)	2(2.6)	6(7.8)	49(63.6)	20(26)	77(100)
	São Toméan	4.00	4.13	0(0.0)	0(0.0)	2(5)	27(67.5)	11(27.5)	40(100)
TOTAL		4.00	4.16	0(0.0)	2(1.71)	8(6.84)	76(64.96)	31(26.49)	117(100)

Table 38: The perceptions regarding the statement: Audits of operators within the JDA are coordinated to minimize duplication and avoid unnecessary bureaucracy

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	4.13	0(0.0)	0(0.0)	3(9.7)	21(67.7)	7(22.6)	31(100)
	São Toméan	4.00	4.18	0(0.0)	0(0.0)	1(5.9)	12(70.6)	4(23.5)	17(100)
MOC	Nigerian	2.50	2.50	0(0.0)	3(50)	3(50)	0(0.0)	0(0.0)	6(100)
	São Toméan	3.00	3.00	0(0.0)	0(0.0)	2(100)	0(0.0)	0(0.0)	2(100)
IOC	Nigerian	3.00	2.88	0(0.0)	1(12.5)	7(87.5)	0(0.0)	0(0.0)	8(100)
	São Toméan	3.00	2.80	0(0.0)	1(20)	4(80)	0(0.0)	0(0.0)	5(100)
NGO	Nigerian	3.00	3.30	0(0.0)	0(0.0)	7(70)	3(30)	0(0.0)	10(100)
	São Toméan	3.00	3.20	0(0.0)	1(20)	2(40)	2(40)	0(0.0)	5(100)
GO	Nigerian	3.00	3.00	0(0.0)	0(0.0)	10(100)	0(0.0)	0(0.0)	10(0.0)
	São Toméan	2.00	2.57	0(0.0)	4(57.1)	2(28.6)	1(14.3)	0(0.0)	7(100)
PAR	Nigerian	3.00	2.92	0(0.0)	1(8.3)	11(91.7)	0(0.0)	0(0.0)	12(100)
	São Toméan	3.00	3.00	0(0.0)	0(0.0)	4(100)	0(0.0)	0(0.0)	4(100)
<i>SUB TOTAL</i>	<i>Nigerian</i>	<i>3.00</i>	<i>3.31</i>	<i>0(0.0)</i>	<i>5(6.5)</i>	<i>41(53.2)</i>	<i>24(31.2)</i>	<i>7(9.1)</i>	<i>77(100)</i>
	<i>São Toméan</i>	<i>3.00</i>	<i>3.33</i>	<i>0(0.0)</i>	<i>6(15)</i>	<i>15(37.5)</i>	<i>15(37.5)</i>	<i>4(10)</i>	<i>40(100)</i>
TOTAL		3.00	3.40	0(0.0)	11(9.4)	56(47.87)	39(33.33)	11(9.4)	117(100)

Table 39: Perceptions regarding the statement: Staffing decisions within the JDZ are based on the principle of best person for the job

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	3.45	0(0.0)	4(12.9)	9(29)	18(58.1)	0(0.0)	31(100)
	São Toméan	3.00	3.06	0(0.0)	6(35.3)	4(23.5)	7(41.2)	0(0.0)	17(100)
MOC	Nigerian	3.00	3.17	0(0.0)	5(83.3)	1(16.7)	1(16.7)	0(0.0)	6(100)
	São Toméan	3.00	3.00	0(0.0)	0(0.0)	2(100)	0(0.0)	0(0.0)	2(100)
IOC	Nigerian	2.50	2.50	0(0.0)	4(50)	4(50)	0(0.0)	1(10)	8(100)
	São Toméan	3.00	2.60	0(0.0)	2(40)	3(60)	0(0.0)	0(0.0)	5(100)
NGO	Nigerian	3.00	2.80	0(0.0)	4(40)	5(50)	0(0.0)	1(10)	10(100)
	São Toméan	3.00	2.60	0(0.0)	2(40)	3(60)	0(0.0)	0(0.0)	5(100)
GO	Nigerian	3.00	2.60	0(0.0)	4(40)	6(60)	0(0.0)	0(0.0)	10(100)
	São Toméan	3.00	3.00	0(0.0)	0(0.0)	7(100)	0(0.0)	0(0.0)	7(100)
PAR	Nigerian	3.00	2.75	0(0.0)	3(25)	9(75)	0(0.0)	0(0.0)	12(100)
	São Toméan	3.00	2.75	0(0.0)	1(25)	3(75)	0(0.0)	0(0.0)	4(100)
SUB-TOTAL	Nigerian	3.00	3.03	0(0.0)	19(24.7)	38(49.3)	19(24.7)	1(1.3)	77(100)
	São Toméan	3.00	2.90	0(0.0)	11(27.5)	22(55)	7(17.5)	0(0.0)	40(100)
TOTAL		3.00	2.98	0(0.0)	30(25.64)	60(51.29)	26(22.22)	1(0.85)	117(100)

Table 40: Mann-Whitney test relating to the statement: Staffing decisions within the JDZ are based on the principle of best person for the job

	JDA	MOC	IOC	NGO	GO	PAR
JDA			0.002	0.010	0.005	0.006
MOC			0.028			
IOC	0.002	0.028				
NGO	0.010					
GO	0.005					
PAR	0.006					

Note: This table shows only significant differences with P-value $\leq 5\%$.

Table 41: Perceptions regarding the statement: The JDA personnel are incentivised to improve performance

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	3.00	3.03	1(3.2)	9(29)	10(32.3)	10(32.3)	1(3.2)	31(100)
	São Toméan	3.00	3.00	2(11.8)	3(17.6)	7(41.2)	3(17.6)	2(11.8)	17(100)
MOC	Nigerian	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	6(100)	0(0.0)	6(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	2(100)	0(0.0)	2(100)
IOC	Nigerian	3.00	3.25	0(0.0)	1(12.5)	4(50)	3(37.5)	0(0.0)	8(100)
	São Toméan	4.00	3.60	0(0.0)	0(0.0)	2(40)	3(60)	0(0.0)	5(100)
NGO	Nigerian	3.00	3.00	0(0.0)	4(40)	3(30)	2(20)	1(10)	10(100)
	São Toméan	2.00	2.00	0(0.0)	5(100)	0(0.0)	0(0.0)	0(0.0)	5(100)
GO	Nigerian	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	10(100)	0(0.0)	10(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	7(100)	0(0.0)	7(100)
PAR	Nigerian	3.00	2.75	0(0.0)	3(25)	9(75)	0(0.0)	0(0.0)	12(100)
	São Toméan	2.50	2.50	0(0.0)	2(50)	2(50)	0(0.0)	0(0.0)	4(100)
SUB-TOTAL	<i>Nigeria</i>	3.00	3.22	1(1.3)	17(22.1)	26(33.8)	31(40.3)	2(2.6)	77(100)
	<i>São Toméan</i>	3.00	3.13	2(5)	10(25)	11(27.5)	15(37.5)	2(5)	40(100)
TOTAL		3.00	3.20	3(2.56)	27(23.08)	37(31.62)	46(39.32)	4(3.42)	117(100)

Table 42: Mann-Whitney tests relating to the statement: The JDA personnel are incentivised to improve performance

	JDA	MOC	IOC	NGO	GO	PAR
JDA		0.002		0.001	0.000	
MOC	0.002		0.016	0.001		0.000
IOC		0.016		0.020	0.001	0.040
NGO	0.001	0.001	0.020		0.000	0.000
GO	0.000		0.001	0.000		
PAR		0.000	0.040	0.000		

Note: This table shows only significant differences with P-value $\leq 5\%$.

Table 43: Perceptions regarding the statement: Mechanisms are in place to ensure that operators within the JDZ are in compliance with contractual and other regulations

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	4.12	0(0.0)	0(0.0)	0(0.0)	23(74.2)	8(25.8)	31(100)
	São Toméan	4.00	4.12	0(0.0)	0(0.0)	1(5.9)	13(76.5)	3(17.6)	17(100)
MOC	Nigerian	3.50	3.50	0(0.0)	2(33.3)	1(16.7)	1(16.7)	2(33.3)	6(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	1(50)	1(50)	0(0.0)	2(100)
IOC	Nigerian	4.00	4.40	0(0.0)	0(0.0)	0(0.0)	7(87.5)	1(12.5)	8(100)
	São Toméan	5.00	5.00	0(0.0)	0(0.0)	0(0.0)	3(60)	2(40)	5(100)
NGO	Nigerian	3.00	3.00	0(0.0)	2(20)	8(80)	0(0.0)	0(0.0)	10(100)
	São Toméan	3.00	3.00	0(0.0)	0(0.0)	5(100)	0(0.0)	0(0.0)	5(100)
GO	Nigerian	3.00	3.14	0(0.0)	4(40)	6(60)	0(0.0)	0(0.0)	10(100)
	São Toméan	3.00	3.14	0(0.0)	0(0.0)	6(85.7)	1(14.3)	0(0.0)	7(100)
PAR	Nigerian	2.00	2.00	0(0.0)	0(0.0)	3(25)	9(75)	0(0.0)	12(100)
	São Toméan	4.50	4.50	0(0.0)	4(100)	0(0.0)	0(0.0)	0(0.0)	4(100)
SUB-TOTAL	Nigerian	4.00	3.70	0(0.0)	8(10.4)	18(23.4)	40(51.9)	11(14.3)	77(100)
	São-Toméan	4.00	3.60	0(0.0)	4(10)	13(32.5)	18(45)	5(22.5)	40(100)
TOTAL		4.00	3.83	0(0.0)	12(10.26)	31(26.50)	58(49.57)	16(13.67)	117(100)

Table 44: Mann-Whitney tests relating to the statement: Mechanisms are in place to ensure that operators within the JDZ are in compliance with contractual and other regulations

	JDA	MOC	IOC	NGO	GO	PAR
JDA		0.002	0.011	0.000	0.000	
MOC	0.002		0.001	0.000	0.001	0.003
IOC	0.011	0.001		0.000	0.000	0.000
NGO	0.000	0.000	0.000			0.000
GO	0.000	0.001	0.000			
PAR		0.003	0.000	0.000		

Note: This table shows only significant differences with P-value $\leq 5\%$.

Table 45: The perceptions regarding the statement: The JDA accounts for revenues due to the government and revenues received by the government

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	3.84	1(3.2)	1(3.2)	8(25.8)	13(41.9)	8(25.8)	31(100)
	São Toméan	4.00	3.88	0(0.0)	0(0.0)	5(29.4)	9(52.9)	3(17.6)	17(100)
MOC	Nigerian	5.00	4.67	0(0.0)	0(0.0)	1(16.7)	0(0.0)	5(83.3)	6(100)
	São Toméan	4.50	4.50	0(0.0)	0(0.0)	0(0.0)	1(50)	1(50)	2(100)
IOC	Nigerian	3.00	2.75	0(0.0)	2(25)	6(75)	0(0.0)	0(0.0)	8(100)
	São Toméan	3.00	3.00	0(0.0)	5(100)	0(0.0)	0(0.0)	0(0.0)	5(100)
NGO	Nigerian	3.00	3.00	0(0.0)	0(0.0)	10(100)	0(0.0)	0(0.0)	10(100)
	São Toméan	3.00	3.00	0(0.0)	5(100)	0(0.0)	0(0.0)	0(0.0)	5(100)
GO	Nigerian	4.50	4.50	0(0.0)	0(0.0)	0(0.0)	5(50)	5(50)	10(100)
	São Toméan	5.00	5.00	0(0.0)	0(0.0)	0(0.0)	0(0.0)	7(100)	7(100)
PAR	Nigerian	4.00	4.17	0(0.0)	0(0.0)	0(0.0)	10(83.3)	2(16.7)	12(100)
	São Toméan	4.00	3.75	0(0.0)	1(25)	0(0.0)	2(50)	1(25)	4(100)
SUB-TOTAL	Nigerian	4.00	3.97	1(1.3)	3(3.9)	25(32.5)	28(36.4)	20(26)	77(100)
	São Toméan	4.00	3.88	0(0.0)	1(2.5)	15(37.5)	12(30)	12(30)	40(100)
TOTAL		4.00	3.84	1(0.85)	4(3.42)	40(34.19)	40(34.19)	32(27.35)	117(100)

Table 46: Mann-Whitney tests relating to the statement: The JDA accounts for revenues due to the government and revenues received by the government

	JDA	MOC	IOC	NGO	GO	PAR
JDA		0.037	0.000	0.000	0.000	
MOC	0.037		0.000	0.000		
IOC	0.000	0.000			0.000	0.000
NGO	0.000	0.000			0.000	0.000
GO	0.000		0.000	0.000		0.003
PAR			0.000	0.003	0.003	

Note: This table shows only significant differences with P-value $\leq 5\%$.

Table 47: Perceptions regarding the statement: The internal audit unit of the JDA conducts financial, physical and process audits and reports same to the management

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	3.84	0(0.0)	3(9.7)	5(16.1)	17(54.8)	6(19.4)	31(100)
	São Toméan	4.00	3.47	0(0.0)	2(11.8)	6(35.3)	8(47.1)	1(5.9)	17(100)
MOC	Nigerian	3.00	3.33	0(0.0)	0(0.0)	4(66.7)	2(33.3)	0(0.0)	6(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	2(100)	0(0.0)	2(100)
IOC	Nigerian	3.00	2.75	0(0.0)	2(25)	6(75)	0(0.0)	0(0.0)	8(100)
	São Toméan	2.00	2.40	0(0.0)	3(60)	2(40)	0(0.0)	0(0.0)	5(100)
NGO	Nigerian	3.00	3.00	0(0.0)	0(0.0)	10(100)	0(0.0)	0(0.0)	10(100)
	São Toméan	3.00	3.00	0(0.0)	5(100)	0(0.0)	0(0.0)	0(0.0)	5(100)
GO	Nigerian	3.00	3.00	0(0.0)	0(0.0)	10(100)	0(0.0)	0(0.0)	10(100)
	São Toméan	3.00	3.43	0(0.0)	0(0.0)	4(57.1)	3(42.9)	0(0)	7(100)
PAR	Nigerian	3.00	3.00	0(0.0)	0(0.0)	12(100)	0(0.0)	0(0.0)	12(100)
	São Toméan	3.00	3.00	0(0.0)	0(0.0)	4(100)	0(0.0)	0(0.0)	4(100)
SUB-TOTAL	Nigerian	3.00	3.34	0(0.0)	5(6.5)	47(61)	19(24.7)	6(7.8)	77(100)
	São Toméan	3.00	3.03	0(0.0)	5(12.5)	21(52.5)	13(32.5)	1(2.5)	40(100)
TOTAL		3.00	3.27	0(0.0)	10(8.55)	68(58.12)	32(27.35)	7(5.98)	117(100)

Table 48: Mann-Whitney tests relating to the statement: The internal audit unit of the JDA conducts financial, physical and process audits and reports same to the management

	JDA	MOC	IOC	NGO	GO	PAR
JDA		0.023	0.000	0.000	0.005	0.000
MOC	0.023					
IOC	0.000			0.000	0.003	0.007
NGO	0.000		0.000			
GO	0.005		0.003			
PAR	0.000		0.007			

Note: This table shows only significant differences with P-value $\leq 5\%$.

Table 49: Perceptions regarding the statement: The JDA is subject to regular, functionally independent audit

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	4.13	0(0.0)	1(3.20)	1(3.2)	22(71)	7(22.6)	31(100)
	São Toméan	4.00	3.82	0(0.0)	2(11.8)	2(11.8)	10(58.8)	3(17.6)	17(100)
MOC	Nigerian	3.00	3.33	0(0.0)	0(0.0)	4(66.7)	2(33.3)	0(0.0)	6(100)
	São Toméan	3.00	3.00	0(0.0)	2(100)	0(0.0)	0(0.0)	0(0.0)	2(100)
IOC	Nigerian	3.00	3.00	0(0.0)	0(0.0)	8(100)	0(0.0)	0(0.0)	8(100)
	São Toméan	3.00	3.00	0(0.0)	0(0.0)	5(100)	0(0.0)	0(0.0)	5(100)
NGO	Nigerian	3.00	3.00	0(0.0)	1(10)	8(80)	1(10)	0(0.0)	10(100)
	São Toméan	3.00	3.00	0(0.0)	0(0.0)	5(100)	0(0.0)	0(0.0)	5(100)
GO	Nigerian	2.50	2.50	0(0.0)	5(50)	5(50)	0(0.0)	0(0.0)	10(100)
	São Toméan	3.00	2.86	0(0.0)	2(28.6)	4(57.1)	1(14.3)	0(0.0)	7(100)
PAR	Nigerian	4.00	4.08	0(0.0)	0(0.0)	0(0.0)	11(91.7)	1(8.3)	12(100)
	São Toméan	5.00	4.75	0(0.0)	0(0.0)	0(0.0)	1(25)	3(75)	4(100)
SUB-TOTAL	Nigerian	4.00	3.58	0(0.0)	7(9.1)	26(33.8)	36(46.8)	8(10.4)	77(100)
	São Toméan	3.00	3.50	0(0.0)	4(10)	18(45)	12(30)	6(15)	40(100)
TOTAL		4.00	3.55	0(0.0)	11(9.40)	44(37.61)	48(41.03)	14(11.96)	117(100)

Table 50: Mann-Whitney tests relating to the statement: The JDA is subject to regular, functionally independent audit

	JDA	MOC	IOC	NGO	GO	PAR
JDA		0.000	0.000	0.000	0.000	
MOC	0.000		0.000	0.009		0.000
IOC	0.000	0.000			0.034	0.000
NGO	0.000	0.009				
GO	0.000		0.034			0.000
PAR		0.000	0.000		0.000	

Note: This table shows only significant differences with P-value $\leq 5\%$.

Table 51: Perceptions regarding the statement: There is an effective mechanism for dialogue between local communities and operators in the NSTP-JDZ

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	3.00	3.29	0(0.0)	5(16.1)	17(54.8)	4(12.9)	5(16.1)	31(100)
	São Toméan	3.00	2.76	0(0.0)	6(35.3)	9(52.9)	2(11.8)	0(0.0)	17(100)
MOC	Nigerian	2.00	2.00	0(0.0)	6(100)	0(0.0)	0(0.0)	0(0.0)	6(100)
	São Toméan	2.00	2.00	0(0.0)	2(100)	0(0.0)	0(0.0)	0(0.0)	2(100)
IOC	Nigerian	1.00	1.25	7(87.5)	0(0.0)	1(12.5)	0(0.0)	0(0.0)	8(100)
	São Toméan	1.00	1.20	4(80)	1(20)	0(0.0)	0(0.0)	0(0.0)	5(100)
NGO	Nigerian	2.00	1.90	1(10)	9(90)	0(0.0)	0(0.0)	0(0.0)	10(100)
	São Toméan	2.00	1.60	2(40)	3(60)	0(0.0)	0(0.0)	0(0.0)	5(100)
GO	Nigerian	2.00	1.80	2(20)	8(80)	0(0.0)	0(0.0)	0(0.0)	10(100)
	São Toméan	2.00	2.00	2(28.6)	4(57.1)	0(0.0)	1(14.3)	0(0.0)	7(100)
PAR	Nigerian	2.00	2.00	0(0.0)	12(100)	0(0.0)	0(0.0)	0(0.0)	12(100)
	São Toméan	2.00	2.00	0(0.0)	4(100)	0(0.0)	0(0.0)	0(0.0)	4(100)
<i>SUB-TOTAL</i>	<i>Nigerian</i>	<i>2.00</i>	<i>2.40</i>	<i>10(13)</i>	<i>40(51.9)</i>	<i>18(23.4)</i>	<i>4(5.2)</i>	<i>5(6.5)</i>	<i>77(100)</i>
	<i>São Toméan</i>	<i>2.00</i>	<i>2.18</i>	<i>8(20)</i>	<i>20(50)</i>	<i>9(22.5)</i>	<i>3(7.5)</i>	<i>0(0.0)</i>	<i>40(100)</i>
TOTAL		2.00	2.35	18(15.39)	60(51.28)	27(23.08)	7(5.98)	5(4.27)	117(100)

Table 52: Perceptions regarding the statement: Corporate social responsibility in the JDZ is accounted for separately and evaluated against stated objectives

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	4.06	0(0.0)	0(0.0)	4(12.9)	21(67.7)	6(19.4)	31(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	3(17.6)	11(64.7)	3(17.6)	17(100)
MOC	Nigerian	3.50	3.50	0(0.0)	2(33.3)	1(16.7)	1(16.7)	2(33.3)	6(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	2(100)	0(0.0)	0(0.0)	2(100)
IOC	Nigerian	4.00	3.38	1(12.5)	1(12.5)	0(0.0)	6(75)	0(0.0)	8(100)
	São Toméan	4.00	4.00	0(0.0)	5(100)	0(0.0)	0(0.0)	0(0.0)	5(100)
NGO	Nigerian	4.00	3.60	0(0.0)	2(20)	0(0.0)	8(80)	0(0.0)	10(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	5(100)	0(0.0)	5(100)
GO	Nigerian	4.00	3.60	0(0.0)	1(10)	2(20)	7(70)	0(0.0)	10(100)
	São Toméan	4.00	3.71	0(0.0)	0(0.0)	2(28.6)	5(71.4)	0(0.0)	7(100)
PAR	Nigerian	4.00	3.25	0(0.0)	4(33.3)	1(8.3)	7(58.3)	0(0.0)	12(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	4(100)	0(0.0)	0(0.0)	4(100)
SUB-TOTAL	Nigerian	4.00	3.70	1(1.3)	10(13)	8(10.4)	50(64.9)	8(10.4)	77(100)
	São Toméan	4.00	3.95	0(0.0)	0(0.0)	5(12.5)	32(80)	3(7.5)	40(100)
TOTAL		4.00	3.79	1(0.85)	10(8.55)	13(11.11)	82(70.08)	11(9.41)	117(100)

Table 53: Perceptions regarding the statement: Legitimate stakeholders receive timely and accurate financial and operational information from operators in the JDZ

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	3.81	0(0.0)	3(9.7)	2(6.5)	24(77.4)	2(6.5)	31(100)
	São Toméan	4.00	3.76	0(0.0)	2(11.8)	1(5.9)	13(76.5)	1(5.9)	17(100)
MOC	Nigerian	4.50	4.33	0(0.0)	0(0.0)	1(16.7)	2(33.3)	3(50)	6(100)
	São Toméan	3.00	3.00	0(0.0)	1(50)	0(0.0)	1(50)	0(0.0)	2(100)
IOC	Nigerian	4.00	3.75	0(0.0)	0(0.0)	3(37.5)	4(50)	1(12.5)	8(100)
	São Toméan	4.00	4.20	0(0.0)	0(0.0)	0(0.0)	4(80)	1(20)	5(100)
NGO	Nigerian	2.00	2.20	2(20)	6(60)	0(0.0)	2(20)	0(0.0)	10(100)
	São Toméan	2.00	1.80	1(20)	4(80)	0(0.0)	5(100)	0(0.0)	5(100)
GO	Nigerian	5.00	4.70	0(0.0)	0(0.0)	0(0.0)	3(30)	7(70)	10(100)
	São Toméan	4.00	4.29	0(0.0)	0(0.0)	0(0.0)	5(71.4)	2(28.6)	7(100)
PAR	Nigerian	3.00	3.08	0(0.0)	1(8.3)	9(75)	2(16.7)	0(0.0)	12(100)
	São Toméan	3.50	3.75	0(0.0)	0(0.0)	2(50)	1(25)	0(0.0)	4(100)
SUB-TOTAL	Nigerian	4.00	3.63	2(2.6)	10(13)	15(19.5)	37(48.1)	13(16.9)	77(100)
	São Toméan	4.00	3.62	1(2.5)	7(17.5)	3(7.5)	24(60)	5(12.5)	40(100)
TOTAL		4.00	3.63	3(2.57)	17(14.53)	18(15.38)	61(52.14)	18(15.38)	117(100)

Table 1: Perceptions regarding the statement: The JDA keeps appropriate stakeholders informed of all significant operational developments

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	4.00	0(0.0)	1(3.2)	2(6.5)	24(77.4)	4(12.9)	31(100)
	São Toméan	4.00	3.76	0(0.0)	2(11.8)	1(5.9)	13(76.5)	1(5.9)	17(100)
MOC	Nigerian	3.00	2.83	0(0.0)	1(16.7)	5(83.3)	0(0.0)	0(0.0)	6(100)
	São Toméan	2.50	2.50	0(0.0)	1(50)	1(50)	0(0.0)	0(0.0)	2(100)
IOC	Nigerian	3.00	2.63	0(0.0)	3(37.5)	5(62.5)	0(0.0)	0(0.0)	8(100)
	São Toméan	3.00	2.80	0(0.0)	1(20)	4(80)	0(0.0)	0(0.0)	5(100)
NGO	Nigerian	2.00	2.00	1(10)	8(80)	1(10)	0(0.0)	0(0.0)	10(100)
	São Toméan	2.00	1.60	2(40)	3(60)	0(0.0)	0(0.0)	0(0.0)	5(100)
GO	Nigerian	4.50	4.50	0(0.0)	0(0.0)	0(0.0)	5(50)	5(50)	10(100)
	São Toméan	3.00	3.00	0(0.0)	3(42.9)	1(14.3)	3(42.9)	0(0.0)	7(100)
PAR	Nigerian	3.50	3.58	0(0.0)	0(0.0)	6(50)	5(41.7)	1(8.3)	12(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	4(100)	0(0.0)	4(100)
SUB-TOTAL	<i>Nigerian</i>	4.00	3.65	1(1.3)	13(16.9)	19(24.7)	34(44.2)	10(13)	77(100)
	<i>São Toméan</i>	4.00	3.20	2(5)	10(25)	7(17.5)	20(50)	1(2.5)	40(100)
TOTAL		4.00	3.37	3(2.57)	23(19.65)	26(22.22)	54(46.16)	11(9.4)	117(100)

Table 25: Mann-Whitney tests relating to the statement: The JDA keeps appropriate stakeholders informed of all significant operational developments

	JDA	MOC	IOC	NGO	GO	PAR
JDA		0.000	0.000	0.000		
MOC	0.000			0.001	0.002	0.000
IOC	0.000			0.001	0.002	0.000
NGO	0.000	0.001	0.001		0.000	0.000
GO		0.002	0.002	0.000		
PAR		0.000	0.000	0.000		

Note: This table showed only significant differences with P-value $\leq 5\%$.

Table 53: Perceptions regarding the statement: Where information about the JDZ remains confidential the rationale for that confidentiality is explained and justified

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	3.61	0(0.0)	4(12.9)	6(19.4)	19(61.3)	2(6.5)	31(100)
	São Toméan	3.00	3.00	0(0.0)	6(35.3)	6(35.3)	4(23.5)	1(5.9)	17(100)
MOC	Nigerian	3.50	3.30	0(0.0)	1(16.7)	2(33.3)	3(50)	0(0.0)	6(100)
	São Toméan	2.00	2.00	0(0.0)	2(100)	0(0.0)	0(0.0)	0(0.0)	2(100)
IOC	Nigerian	1.50	1.50	4(50)	4(50)	0(0.0)	0(0.0)	0(0.0)	8(100)
	São Toméan	1.00	1.40	3(60)	2(40)	0(0.0)	0(0.0)	0(0.0)	5(100)
NGO	Nigerian	2.00	1.90	1(10)	9(90)	0(0.0)	0(0.0)	0(0.0)	10(100)
	São Toméan	2.00	1.80	1(20)	4(80)	0(0.0)	0(0.0)	0(0.0)	5(100)
GO	Nigerian	4.50	4.50	0(0.0)	0(0.0)	0(0.0)	5(50)	5(50)	10(100)
	São Toméan	4.00	3.43	0(0.0)	3(42.9)	0(0.0)	2(28.6)	2(28.6)	7(100)
PAR	Nigerian	2.00	2.08	0(0.0)	11(91.7)	1(8.3)	0(0.0)	0(0.0)	12(100)
	São Toméan	2.00	2.00	0(0.0)	4(100)	0(0.0)	0(0.0)	0(0.0)	4(100)
SUB-TOTAL	<i>Nigerian</i>	4.00	3.49	1(1.3)	13(16.9)	19(24.7)	34(44.2)	10(13)	77(100)
	<i>São Toméan</i>	2.00	2.58	4(10)	21(52.5)	6(15)	6(15)	3(7.5)	40(100)
TOTAL		2.00	2.81	5(4.27)	34(29.06)	25(21.37)	40(34.19)	13(11.11)	117(100)

Table 57: Mann-Whitney tests relating to the statement: Where information about the JDZ remains confidential the rationale for that confidentiality is explained and justified

	JDA	MOC	IOC	NGO	GO	PAR
JDA		0.006	0.000	0.000	0.008	
MOC	0.006				0.001	
IOC	0.000			0.025	0.000	0.001
NGO	0.000		0.025		0.000	
GO	0.008	0.001	0.000	0.000		0.000
PAR			0.001		0.000	

Note: This table shows only significant differences with P-value $\leq 5\%$.

Table 58: Perceptions regarding the statement: Final decisions for awarding licenses are explained to the parties involved

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	3.71	0(0.0)	3(9.7)	6(19.4)	19(61.3)	3(9.7)	31(100)
	São Toméan	4.00	3.47	1(5.9)	0(0.0)	6(35.3)	10(58.8)	0(0.0)	17(100)
MOC	Nigerian	4.00	3.67	0(0.0)	1(16.7)	0(0.0)	5(83.3)	0(0.0)	6(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	2(0.0)	0(0.0)	2(100)
IOC	Nigerian	4.00	4.13	0(0.0)	0(0.0)	0(0.0)	7(87.5)	1(12.5)	8(100)
	São Toméan	4.00	3.80	0(0.0)	0(0.0)	1(20)	4(80)	0(0.0)	5(100)
NGO	Nigerian	2.00	1.90	1(10)	9(90)	0(0.0)	0(0.0)	0(0.0)	10(100)
	São Toméan	2.00	1.80	1(20)	4(80)	0(0.0)	0(0.0)	0(0.0)	5(100)
GO	Nigerian	5.00	4.60	0(0.0)	0(0.0)	0(0.0)	4(40)	6(60)	10(100)
	São Toméan	5.00	4.86	0(0.0)	0(0.0)	0(0.0)	1(14.3)	6(85.7)	7(100)
PAR	Nigerian	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	12(100)	0(0.0)	12(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	4(100)	0(0.0)	4(100)
SUB-TOTAL	<i>Nigerian</i>	4.00	3.68	1(1.3)	13(16.9)	6(7.8)	47(61)	10(13)	77(100)
	<i>São Toméan</i>	4.00	3.63	2(10)	4(10)	7(17.5)	21(52.5)	6(15)	40(100)
TOTAL		4.00	3.68	3(2.56)	17(14.53)	13(11.11)	68(58.12)	16(13.68)	117(100)

Table 59: Perceptions regarding the statement: Final decisions on procurement contracts by the JDA are disclosed publicly

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	3.71	0(0.0)	1(3.2)	11(35.5)	15(48.4)	4(12.9)	31(100)
	São Toméan	4.00	3.88	0(0.0)	0(0.0)	5(29.4)	9(52.9)	3(17.6)	17(100)
MOC	Nigerian	3.50	3.50	0(0.0)	0(0.0)	3(50)	3(50)	0(0.0)	6(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	2(0.0)	0(0.0)	2(100)
IOC	Nigerian	3.00	3.50	0(0.0)	1(12.5)	4(50)	1(12.5)	2(25)	8(100)
	São Toméan	3.00	3.40	0(0.0)	0(0.0)	3(60)	2(40)	0(0.0)	5(100)
NGO	Nigerian	3.00	2.90	0(0.0)	1(10)	9(90)	0(0.0)	0(0.0)	10(100)
	São Toméan	3.00	2.80	1(20)	4(80)	0(0.0)	0(0.0)	0(0.0)	5(100)
GO	Nigerian	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	10(100)	0(0.0)	10(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	7(100)	0(0.0)	7(100)
PAR	Nigerian	4.00	4.08	0(0.0)	0(0.0)	0(0.0)	11(91.7)	1(8.3)	12(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	0(0.0)	4(100)	0(0.0)	4(100)
<i>SUB-TOTAL</i>	<i>Nigerian</i>	<i>4.00</i>	<i>3.66</i>	<i>0(0.0)</i>	<i>3(3.9)</i>	<i>27(35.1)</i>	<i>40(51.9)</i>	<i>7(9.1)</i>	<i>77(100)</i>
	<i>São Toméan</i>	<i>4.00</i>	<i>3.73</i>	<i>0(0.0)</i>	<i>1(2.5)</i>	<i>12(30)</i>	<i>24(60)</i>	<i>3(7.5)</i>	<i>40(100)</i>
TOTAL		4.00	3.66	0(0.0)	4(3.42)	39(33.33)	64(54.70)	10(8.55)	117(100)

Table 4: Mann-Whitney tests relating to the statement: Final decisions on procurement contracts by the JDA are disclosed publicly

	JDA	MOC	IOC	NGO	GO	PAR
JDA				0.000		
MOC				0.005	0.000	0.001
IOC				0.028	0.010	0.010
NGO	0.000	0.005	0.028		0.000	0.000
GO		0.000	0.010	0.000		
PAR		0.001	0.010	0.000		

Note: This table shows only significant differences with P-value $\leq 5\%$.

Table 61: Perceptions regarding the statement: The JDA has transparent recruitment practices

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	3.87	1(3.2)	1(3.2)	3(9.7)	22(71)	4(12.9)	31(100)
	São Toméan	4.00	4.00	0(0.0)	0(0.0)	4(23.5)	9(52.9)	4(23.5)	17(100)
MOC	Nigerian	3.00	2.67	0(0.0)	2(33.3)	4(66.7)	0(0.0)	0(0.0)	6(100)
	São Toméan	2.50	2.50	0(0.0)	1(50)	1(50)	0(0.0)	0(0.0)	2(100)
IOC	Nigerian	3.00	2.88	0(0.0)	2(25)	5(62.5)	1(12.5)	0(0.0)	8(100)
	São Toméan	3.00	2.80	0(0.0)	1(20)	4(80)	0(0.0)	0(0.0)	5(100)
NGO	Nigerian	2.00	1.90	3(30)	5(50)	2(20)	0(0.0)	0(0.0)	10(100)
	São Toméan	1.00	1.60	3(60)	1(20)	1(20)	0(0.0)	0(0.0)	5(100)
GO	Nigerian	2.00	1.90	1(10)	9(90)	0(0.0)	0(0.0)	0(0.0)	10(100)
	São Toméan	3.00	3.00	0(0.0)	1(14.3)	5(71.4)	1(14.3)	0(0.0)	7(100)
PAR	Nigerian	2.00	2.00	0(0.0)	12(100)	0(0.0)	0(0.0)	1(8.3)	12(100)
	São Toméan	2.00	2.00	0(0.0)	4(100)	0(0.0)	0(0.0)	0(0.0)	4(100)
<i>Sub-Total</i>	<i>Nigerian</i>	<i>3.00</i>	<i>2.87</i>	<i>5(6.5)</i>	<i>31(40.3)</i>	<i>14(18.2)</i>	<i>23(29.9)</i>	<i>4(5.1)</i>	<i>77(100)</i>
	<i>São Toméan</i>	<i>3.00</i>	<i>3.10</i>	<i>3(7.5)</i>	<i>8(20)</i>	<i>15(37.5)</i>	<i>10(25)</i>	<i>4(10)</i>	<i>40(100)</i>
TOTAL		3.00	2.93	8(6.8)	39(33.3)	29(24.8)	33(28.3)	8(6.8)	117(100)

Table 62: Mann-Whitney tests relating to statement: The JDA has transparent recruitment practices

	JDA	MOC	IOC	NGO	GO	PAR
JDA		0.000	0.000	0.000	0.000	0.000
MOC	0.000			0.012		0.001
IOC	0.000			0.001	0.035	0.000
NGO	0.000	0.012	0.001		0.049	
GO	0.000		0.035	0.049		0.043
PAR	0.000	0.001	0.000		0.043	

Note: This table shows only significant differences with P-value $\leq 5\%$.

Table 63: Perceptions regarding the statement: The JDA recruitment practices are fair to Nigerians

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	3.97	0(0.0)	2(6.5)	1(3.2)	24(77.4)	4(12.9)	31(100)
	São Toméan	4.00	4.24	0(0.0)	0(0.0)	1(5.9)	11(64.7)	5(29.4)	17(100)
MOC	Nigerian	3.00	2.33	2(33.3)	0(0.0)	4(66.7)	0(0.0)	0(0.0)	6(100)
	São Toméan	1.50	1.50	1(50)	1(50)	0(0.0)	0(0.0)	0(0.0)	2(100)
IOC	Nigerian	3.00	2.88	0(0.0)	2(25)	5(62.5)	1(12.5)	0(0.0)	8(100)
	São Toméan	3.00	3.00	0(0.0)	0(0.0)	5(100)	0(0.0)	0(0.0)	5(100)
NGO	Nigerian	2.00	2.20	1(10)	6(60)	3(30)	0(0.0)	0(0.0)	10(100)
	São Toméan	2.00	2.00	1(20)	3(60)	1(20)	0(0.0)	0(0.0)	5(100)
GO	Nigerian	3.00	2.80	0(0.0)	2(20)	8(80)	0(0.0)	0(0.0)	10(100)
	São Toméan	3.00	3.14	0(0.0)	1(14.3)	5(71.4)	0(0.0)	1(14.3)	7(100)
PAR	Nigerian	3.00	2.83	1(8.3)	1(8.3)	9(75)	1(8.3)	0(0.0)	12(100)
	São Toméan	2.50	2.50	0(0.0)	2(50)	2(50)	0(0.0)	0(0.0)	4(100)
SUB-TOTAL	Nigerian	3.00	3.17	4(5.2)	13(16.8)	30(39)	26(33.8)	4(5.2)	77(100)
	São Toméan	3.00	3.53	2(5)	7(17.5)	14(35)	11(27.5)	6(15)	40(100)
TOTAL		3.00	3.20	6(5.13)	20(17.09)	44(37.61)	37(31.62)	10(8.55)	117(100)

Table 64: Mann-Whitney tests relating to the statement: The JDA recruitment practices are fair to Nigerians

	JDA	MOC	IOC	NGO	GO	PAR
JDA		0.000	0.000	0.000	0.000	0.000
MOC	0.000					
IOC	0.000			0.002	0.001	
NGO	0.000	0.002				0.011
GO	0.000	0.001				
PAR	0.000			0.011		

Note: This table shows only significant differences with P-value $\leq 5\%$.

Table 65: Perceptions regarding the statement: The JDA recruitment practices are fair to São Toméans

Place of work	Nationality	Median	Mean	SD (%)	D (%)	N (%)	A (%)	SA (%)	Total Respondents (%)
JDA	Nigerian	4.00	4.03	0(0.0)	0(0.0)	4(12.9)	22(71)	5(16.1)	31(100)
	São Toméan	4.00	4.18	0(0.0)	0(0.0)	1(5.9)	12(70.6)	4(23.4)	17(100)
MOC	Nigerian	3.00	3.33	0(0.0)	0(0.0)	4(66.7)	2(33.3)	0(0.0)	6(100)
	São Toméan	3.00	3.00	0(0.0)	0(0.0)	2(100)	0(0.0)	0(0.0)	2(100)
IOC	Nigerian	2.50	2.25	2(25)	2(25)	4(50)	0(0.0)	0(0.0)	8(100)
	São Toméan	3.00	2.80	0(0.0)	1(20)	4(80)	0(0.0)	0(0.0)	5(100)
NGO	Nigerian	2.00	2.30	1(10)	5(50)	4(40)	0(0.0)	0(0.0)	10(100)
	São Toméan	2.00	2.40	0(0.0)	3(60)	2(40)	0(0.0)	0(0.0)	5(100)
GO	Nigerian	3.00	2.80	0(0.0)	3(30)	6(60)	1(10)	0(0.0)	10(100)
	São Toméan	3.00	2.57	1(14.3)	2(28.6)	3(42.9)	0(0.0)	0(0.0)	7(100)
PAR	Nigerian	3.00	2.92	0(0.0)	1(8.3)	11(91.7)	0(0.0)	0(0.0)	12(100)
	São Toméan	2.50	2.50	0(0.0)	2(50)	2(50)	0(0.0)	0(0.0)	4(100)
SUB-TOTAL	Nigerian	3.00	2.90	3(3.9)	11(14.3)	33(42.8)	25(32.5)	5(6.5)	77(100)
	São Toméan	3.00	3.28	1(2.5)	8(20)	14(35)	13(32.5)	4(10)	40(100)
TOTAL		3.00	3.26	4(3.42)	19(16.24)	47(40.17)	38(32.48)	9(7.69)	117(100)

Table 66: Mann-Whitney tests relating to the statement: The JDA recruitment practices are fair to São Toméans

	JDA	MOC	IOC	NGO	GO	PAR
JDA		0.000	0.000	0.000	0.000	0.000
MOC	0.000		0.003	0.000	0.022	0.007
IOC	0.000	0.003				
NGO	0.000	0.000				0.018
GO	0.000	0.022				
PAR	0.000	0.007		0.018		

Note: This table shows only significant differences with P-value $\leq 5\%$.

Table 67: Total number of differences occurring between the stakeholder groups

Groups	JDA	MOC	IOC	NGO	GO	PAR	Total
JDA		12	13	18	13	10	66
MOC	12		7	18	6	9	52
IOC	13	7		15	13	10	58
NGO	18	18	15		14	15	80
GO	13	6	13	14		7	53
PAR	10	9	10	15	7		51

Note: This table shows only significant differences with P-value $\leq 5\%$.