



Briefing

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MAIN POINTS

Decades of oil pollution, impoverishment, community under-development, youth unemployment and inadequate access to energy intersect with poor state regulation and enforcement to encourage artisanal oil refineries.

A significant proportion of the youth in Niger Delta communities, engage in illegal artisanal refining of crude oil and contribute significantly to meeting the demand for consumer fuels in Nigeria.

Security agencies exacerbate pollution by burning many artisanal refinery sites, while the refiners move deeper into the creeks where they operate at night.

ARTISANAL REFINERIES AND ENVIRONMENTAL DEGRADATION

Addressing the Environmental Consequences of Artisanal Refineries in Omadino Community, Delta State, Nigeria



Introduction

Since 2014, Social Action has published reports that highlight cases of illegal artisanal refineries in the Niger Delta¹, which complicates historical pollution by transnational oil companies and crude oil theft in Nigeria. Based on research findings and engagements with community actors, public officials and security agencies, Social Action proposed policy options for addressing artisanal crude oil refineries and pollution². The proposed policy options include the need for effective policing to be accompanied by concrete action to address widespread impoverishment in the communities and rampant youth unemployment, and the necessity to improve communities' energy access - including access to consumer fuels. As artisanal refineries have continued to operate, with attendant environmental and social hazards, Social Action examined the practice in and around Omadino community in Warri-South Local Government Area of Delta State, and sheds light on the environmental consequences, amid government's inadequate responses.

¹ <https://saction.org/crude-business-oil-theft-communities-and-poverty-in-nigeria/>

² <https://saction.org/nigeria-and-eus-economic-partnership-agreement-epa-economic-cooperation-or-economic-slavery-2/>

Artisanal refineries are local crude processing facilities often operated by some youth in the Niger Delta. The refineries became prominent in the post-Amnesty period, following the return of several ex-militants to their various communities. Today, there are hundreds of artisanal refineries that litter the landscape of the entire Niger Delta and the Nigerian state seems not to have a viable solution to the illicit practice. As has been documented by Social Action in previous reports³, those who engage in this dangerous vocation tap crude oil from existing pipelines, wellheads and other oil infrastructures and transport same to the site – which is mostly, the creeks - where the process of refining the crude takes place.

Omadino community has some of the highest petroleum deposits in the region. Hence, it is considered one of the most important sites for oil and gas extraction in the Niger Delta. Crude oil-related activities carried out by multi-national oil companies and local operators of artisanal refineries within and around the community, have led to an unprecedented level of oil pollution in the area. The groundwater in Omadino community is highly polluted as a result of the crude oil spillage which has ravished the community for decades. Hydrochemical studies⁴ conducted on water and soil samples in Omadino revealed the presence of high metal ion concentrations, an indication of the acute environmental devastation witnessed in the community.

Some of the prominent multinational oil and gas corporations that operate in the community, include Chevron Nigeria Limited (which operates in two major oil fields), Neconde Energy, Conoil Producing, Heritage Oil Plc, Nest Oil limited, Nigerian Gas Company and Nigerian Petroleum Development Company Limited (NPDC). As has been the practice with many oil multinationals in the Niger Delta, Omadino community has a working Global Memorandum of Understanding (GMOU) with Chevron Nigeria Limited, Heritage Oil Plc and Conoil Producing, respectively.

The GMOUs are non-binding agreements signed with communities with the obligation to provide social services that are generally lacking in those

communities. These agreements are renewable every four years. However, despite having these GMOUs signed and renewed every four years, Omadino community still lacks basic amenities promised by the oil companies. It is worthy of note that most of these GMOUs sadly do not address the loss of livelihood of community members as a result of oil extraction, nor do they address the rampant pollution and environmental degradation resulting from the extractive practices of the multinational corporations' operating in Omadino and other Niger Delta communities. The situation is now more complicated for the community with the participation of a large number of its youth population in the building of artisanal refineries.

Shift to Artisanal Refineries

Omadino community has one of the highest unemployment rates amongst communities in the Niger Delta region. Social Action's team of researchers interviewed some youths in Omadino who expressed their frustration at not being able to secure employment. Those who depend on other livelihood practices such as fishing, are not able to do so in a sustainable manner because the level of pollution of the river has increased as a result of the activities of artisanal refiners. One of the youth interviewed, who opted to speak anonymously, informed Social Action that, "unemployment rate is so high, and it is almost impossible to get a good job in these oil and gas companies. Jobs that these companies provide to the community are casual jobs such as cleaners, caterers, manual labour. These jobs come with no benefits and are always on a short-time basis with a very poor remuneration".

Aside from oil infrastructures, the few noticeable infrastructures in the community are in a deplorable state. The community which boasts of only one tarred road, has a dilapidated health facility which is in a glaring state of disrepair. The small health centre, donated by Shell Petroleum Development Company of Nigeria, lacks adequately trained medical personnel, as well as medical equipment. Hence, community members who spoke to Social Action, lamented their inability to access their healthcare needs at the hospital.

³ <https://saction.org/crude-business-oil-theft-communities-and-poverty-in-nigeria/>

⁴ https://www.researchgate.net/publication/241688347_Integrating_geographic_information_system_GIS_and_hydrochemistry_for_heavy_metal_pollution_studies_The_case_of_Ubeji_and_Omadino_areas_of_Delta_State_Southern_Nigeria



Figures 1 and 2: Pictures show the signpost of Omadino Cottage Hospital (left) and the abandoned hospital structure (right)



Figure 3: Picture shows the only tarred road infrastructure in the entire oil-rich Omadino community



Figure 4: Picture shows uninhabitable structures where people live, in a totally undeveloped area of Omadino community, completely cut off from civilisation, and only accessible through a river.

There was clear evidence of the total neglect of Omadino community by the oil corporations and the Nigerian state. There is a general feeling of deprivation in the community, as several community dwellers informed Social Action that they are being denied certain benefits accruable from crude oil exploration in the community, by the state and the corporations. As was stated by a community member who pleaded anonymity: "it is very evident that our community has suffered so much neglect by both government and the multinational companies. We believe we are being cheated by government at all levels. The corporations are not better too because even with the GMOU, they do not do anything for us. The last time any oil company employed a (University) graduate from this community was four years ago, and they were employed as contract staff with no benefits. There are many graduates doing nothing in our community".

Many community folks interviewed, were of the view that the total neglect of the community by the state and oil operators, has driven several of the youth into participating in the artisanal oil refining business. With no jobs and no sustainable means of livelihood in the polluted environment, some youth in their desperation, have taken to the illicit oil bunkering and refining business. Sadly, many youth and other community members now wrongly believe artisanal refineries offer livelihood opportunities for them and their communities. Those interviewed told us how they are now able to make "some good money from the business to support their families". Several indigenes of Omadino community, who in the past, engaged in activities such as fishing, hunting, wood selling, farming, bricklaying and welding, have abandoned those skills, just as many young folks have become

reluctant to learn skills and handwork or go into trade. The processing of crude oil through artisanal refineries has become the most attractive source of livelihood for the people, especially the youth. This shift in the traditional lifestyle and livelihood of the inhabitants of Omadino community, has resulted in unintended consequences for the environment and the community. The level of environmental pollution, as Social Action's team observed, has increased exponentially.

There is a large market for artisanal refineries

The constant demand and ready market for refined petroleum products such as diesel, fuel and kerosene, is a factor that drives production at the illegal artisanal refineries. Artisanal refineries struggle to meet the demand for consumer fuels in Nigeria. Artisanally-refined products are usually in very high demand, mainly because they are often sold at a lower cost than the official market price rates and are more easily accessible to many retailers and end users of the products. Moreso, they are believed to be of better or the same quality as the imported refined petroleum products. When the illegally-refined products arrive at river banks, wholesalers buy and transport these products in sacks and polythene bags to other communities and cities.



Figures 5 and 6: Pictures of artisanally-refined petroleum products packed in sacks (bottom-left) and polythene bags (right), for onward transfer to buyers at designated places considered 'safe' for the illicit trade

“ They sell to supermarkets, offices, cottage industries, churches, petrol tankers, heavy-duty truck operators, construction companies and businesses.”



In times past, artisanally-refined diesel was transported in plastic gallons, from jetties to other communities and cities. But that has largely changed due to the need to move more quantities of diesel at a time, without drawing the attention of the security operatives within and around Omadino community. Currently, refined products are being transported mainly in sacks and transparent polythene bags. This method limits the use of gallons and heavy-duty trucks in transporting the products, and makes it convenient to use privately-owned cars, taxis and buses which usually ply the roads regularly.

The Unintended Consequences of Artisanal refineries on Livelihood and the Environment

For many years, oil production carried out within Niger Delta communities have led to numerous incidents of massive oil spillage which have wreaked enormous havoc on the environment, making the region one of the most polluted in the world.⁵ As a result, livelihood practices of very many inhabitants of those communities have been affected. Farmers lament the damaged soil



Figure 7: Picture shows the acute environmental devastation with portions of blackened soil resulting from oil spillage

which has become unfit for crop planting and food production, while the fishermen bemoan the negative effects of the oil spillage on the aquatic habitation, as the rivers have become severely polluted with crude oil. Hence, the life-threatening effects on the health and livelihoods of people, are the more devastating impacts of the numerous oil spills witnessed in the region, many of which Social Action⁶ and other environmental rights advocacy groups have drawn public attention to, through public campaigns, protests, advocacy reports and other publications. While the environmental devastation caused by oil corporations continues unabated, many communities are confronted daily with environmental pollution resulting from the activities of artisanal refineries. Operators

5 https://en.wikipedia.org/wiki/Environmental_issues_in_the_Niger_Delta

6 <https://saction.org/still-polluted-monitoring-government-and-shells-response-to-unepps-environmental-assessment-of-ogoniland/>

of artisanal refineries use crude methods⁷ in the refining process, which often leads to massive oil spillage and pollution of land, water and air.

Social Action's team of researchers observed massive discolouration of the creeks, swamps, rivers and forests, while on a site visit to Omadino. When artisanal refiners 'cook' their oil for refining, the waste products are emptied into the creeks and rivers, which is highly devastating to aquatic life. Environmental degradation has become the most visible and direct impact of illegal refineries

in Omadino community. Thick crude litters the mangroves in the creeks.

Many community members informed Social Action that they now suffer some of the devastating consequences of this practice because mangrove swamp vegetation has significantly been affected by pollution and crude oil, and refined diesel now saturates the swamps and can be seen on the surface of the water.

There are health consequences of artisanal refineries too as many community members told us. Social Action's team observed that many community members do attribute their falling sick to the 'unhealthy' activities being performed routinely, both at the artisanal refineries and MNC

7 <https://saction.org/crude-business-oil-theft-communities-and-poverty-in-nigeria/>

oil extraction. For example, many reported to us how breathing has been difficult for some of their family members, owing to the air quality in the area. This is because when the oil is being cooked, the smoke emits direct carbon into the atmosphere. Omadino community is continuously exposed to inhalation of poisonous gases and soot from these artisanal refineries. Some reported having too frequently, commonly treated illnesses such as cough, nasal congestion and breathing difficulties. This was corroborated by a few health personnel seen in the community by Social Action's team. Many community members also told our team how the 'black' soot has become a common sight not only on the streets and rooftops of buildings, but also within their homes and on surfaces such as tables, chairs, pots, beds and floors, especially in the morning hours following the usually nocturnal artisanal refinery operations. While many community members do find jobs in the artisanal refineries, they also would like to return to their livelihood practices of fishing, farming, welding, and other trades, if something is done to clean up their environment, especially the creeks, rivers and forest which, for many years prior to the environmental devastation, provided viable sources of livelihood for them.

Government's response so far

Security agencies have been deployed by the Nigerian government to prevent operators of artisanal refineries from carrying out their illegal activities. Officers of the Nigerian Army have tried to reduce the operations of artisanal refineries with constant raids, destruction of camps, boats and products.⁸ Security operatives have impounded and burnt down vehicles and equipment used by operators of the illegal refineries, which were found at the various sites of the refineries. Some of these artisans have also been arrested by security operatives for engaging in the illegal refining of crude. Though the security agencies have succeeded in destroying some artisanal refineries, this has not discouraged the illicit practice as artisanal refineries are still thriving, despite the heavy presence of the Nigerian armed forces within and around Omadino community. The artisanal refiners have moved deeper into the creeks and now refine products mostly at night.

The operators have also adjusted their methods of product transportation and distribution. Before, artisanally-refined products were offloaded openly from wooden boats at river banks and jetties in Omadino and other communities and the transportation of these products to end-users was done with vehicles that could be easily identified and in plastic gallons. Now, offloading operations are no more done at jetties or river banks. Instead, the products are moved to a different location away from the community. Vehicles are not easily identified by state security operatives anymore because the artisans now use regular, private cars to transport these products in polythene bags. It was gathered that whenever security operatives were approaching the sites during an ongoing operation at an artisanal refinery, the artisanal refinery operators usually receive early warning signals to alert them about the arrival of security operatives. This enables them to vacate the sites early enough, to avoid being arrested by the security agents. The only access road leading to Omadino Community passes through four communities. It is a narrow road which usually experiences high human and vehicular traffic that restricts free movement and causes delays in the pace of vehicular movements across the road. Hence, a trip from Jeddo Community which is the first community on the road, to Omadino Community could take over 30 minutes. This gives ample time to the illegal refinery operators at Omadino Community to clear their sites of persons and materials before the security officers arrive. The artisans usually pay to the communities, various sums of money, in exchange for such information alerting them about the arrival of security agents. Also, when the illegally-refined products are being conveyed to intended buyers through the access road linking the four communities, the driver of the vehicle pays the sum of 1,000 Naira per trip, to each of the four communities, and in return, these communities provide feedback in terms of security personnel movement in different locations within their communities.

What is to be done?

While it may seem difficult to dissuade every participant in the artisanal refinery business from perpetrating the illegal trade, the current approach of deploying the Nigerian military to the creeks to locate and destroy the artisanal refineries, is not a

⁸ <https://guardian.ng/news/military-destroys-80-illegal-refineries-in-niger-delta/>

viable solution, as it has led to the further pollution of the environment .

To address the systemic environmental devastation as a result of the activities of artisanal refineries, the following recommendations have become necessary:

1. Government at all levels must take the plight of Omadino and other communities seriously, by investing in infrastructures such as schools, hospitals, roads, etc.
2. Government must ensure the provision of legitimate jobs for the people of Omadino, by galvanising the creation of massive employment opportunities in the public and private sectors
3. Government should encourage the oil corporations operating in the region to invest resources in creating an enabling environment for the sustenance of small and medium – scale enterprises (SMEs), in order to dissuade indigenes of the community from the continued operation of illegal refineries which is hazardous to them and their communities.
4. Government must facilitate environmental remediation in Omadino community and its environs, by ensuring a total and thorough clean-up of the environment.
5. Beyond the security approach, the government should call a meeting of all stakeholders to facilitate a way forward that could engender mutual understanding between the government and the people, with a view towards ensuring that oil pipelines are safeguarded and not vandalised by saboteurs for illicit gains.



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