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Finima Resettlement for the Nigeria LNG Project

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Introduction

- To create space for Nigeria's premier LNG plant complex, Finima people in Bonny LGA were relocated from 'Old Finima Community' to 'New Finima Community'
- The relocation (i.e., displacement & resettlement) of Finima people was based on Nigeria's Land Use Act (LUA)
- This paper examines if the relocation process complied with benchmarked international standards & practices on resettlement

Methodology

- We may methodologically examine the displacement & resettlement of Finima people from the following backgrounds:
- That the IFC Performance Standards on Environmental & Social Sustainability, 2012, are benchmarked international standards
- That NLNG is a world-class LNG company & CSR leader among multinational oil & gas companies (MNOCs) operating in Bonny Kingdom

Finima Relocation Process

- In 1978, Nigeria's Federal Govt (FGN), via the Nigerian National Petroleum Corporation (NNPC), communicated its decision to Finima people that they would be relocated to create space for the NLNG project
- The FG enticed the people by explaining that the decision was for their good
- That New Finima Community, which they would be relocated to, would be an Eldorado: a paradise on Earth

Finima Relocation Process

- In 1991, the NNPC employed military task force, to arbitrarily displace the people from 'Old Finima Community' & resettled them in 'New Finima Community'
- At the time, 'New Finima Community' was mainly a reclaimed mangrove swamp area
- New Finima Community's FG-NNPC directed housing facility was inadequate & thus fraught with challenges

Finima Relocation Process

- There was barely any means of livelihood for the people
- The people's traditional occupations
 - -fishing, hunting, farming, carving & weaving -
- could not be done in such a challenging condition: mainly reclaimed mangrove swamp area

Finima Relocation Process

- Also, the NNPC's promise of lease agreement, compensation for land acquisition & cultivation of friendly relations was not fulfilled
- The people were thus arbitrarily displaced & resettled in a situation of divide & rule politics, crisis & human rights abuse, punctuated by intimidation, trauma & frustration

Finima Relocation Process

- With the incorporation of NLNG in May 1989, & its assumption of operations in February 2000, it inherited the responsibilities of the NNPC arising from the forced relocation of Finima people
- NLNG thus commenced action by setting-up the Finima Legacy Issues Committee (FLIC) in 2007

Finima Relocation Process

- The legacy issues considered include
 - *small scale industry for the community;
 - *management of utilities eg electricity & water supplies;
 - *construction of more houses for community members & other housing issues;
 - *support for education of community children via education trust fund & upgrade of facilities in community schools;

Finima Relocation Process

- * upgrade of the Finima health centre & the engagement of a medical doctor for the health centre;
- * provision of covered bus stops; incinerator;
- * afforestation via tree planting in Finima; &
- compensation for land acquisition, regarding which NLNG stated that it could not honour, due to pending court cases involving Finima & the entire Bonny Kingdom on the same compensation

Finima Relocation Process

- Sections 1, 28, 29 & 35 of Nigeria's LUA provide for compulsory acquisition of land by the State (i.e., FRN) for overriding public purpose, subject to the payment of compensation
- These provisions of the LUA are however distinct from the international standard for compensation embedded in the Hull Rule
- The Hull Rule requires compensation to be full/prompt, adequate & effective

Finima Relocation Process

- Opinions are divided on how NLNG addressed the Finima legacy issues
- NLNG is claiming that, except compensation for land acquisition, it has fully accomplished its obligations to the Finima people
- Finima people are contending that they & their Community are victims of the NLNG project

Finima Relocation Process

- The Community, led by the Buoye-Omuso (Brown) Paramount House, is contending that the NLNG project generated a tale of two cities
- Finima Community is arguing that NLNG should do more, to make its people victors of the NLNG project, in compliance with benchmarked international standards & practices

Finima's Tale of Two Cities

**Finima Health Centre @ New
Finima Community**



**NLNG Medical Centre @ the
NLNG's Residential Area (RA)**



Finima's Tale of Two Cities

**Community School @ New
Finima Community**



**NLNG Model Primary School
@ the NLNG RA**



IFC Performance Standard Five

- IFC Performance Standard Five, part of the IFC's Environmental & Social Sustainability Performance Standards, is captioned 'Land Acquisition & Involuntary Resettlement'
- Its aims may be subdivided into five:
- (a) avoid, and when avoidance is not possible, minimise displacement by exploring alternative project designs;

IFC Performance Standard Five

- (b) avoid forced eviction;
- (c) anticipate & avoid, or where avoidance is not possible, minimise adverse social & economic impacts from land acquisition or restrictions on land use by
 - - (i) providing compensation for loss of assets at 'replacement cost',
 - - (ii) ensure that resettlement activities are implemented by disclosing adequate information to, consulting with & involving those affected in decision-making processes, &

IFC Performance Standard Five

- - (iii) accord those so affected the right of access to administrative & judicial justice, to enforce their right of access to information & participation in decision making in the circumstances;
- (d) improve or restore the livelihoods & living standards of displaced persons; &
- (e) improve living conditions among physically displaced persons through the provision of adequate housing with 'security of tenure' at resettlement sites

IFC Performance Standard Five

- The IFC Performance Standard Five envisages certain risk factors which include issues of *livelihood, *employment, *mortality, *housing, *health, *effects of stress, *education, *communal resources, *vulnerable population's landlessness, *land quality, *loss of access to traditional resources, & *inflation of prices of staple commodities
- It provides that forced evictions, displacements & resettlements should not be done except in accordance with law & its requirements

Concluding Remarks

- Based on the IFC Environmental & Social Sustainability Performance Standards, & other benchmarked international standards & practices eg the UN Global Compact, NLNG may do more for Finima community
- As NLNG distinguishes itself as a world-class LNG company & being the leader of CSR among MNOCs operating in Bonny Kingdom, it should & can in fact do more to improve the wellbeing of Finima people

Concluding Remarks

- NLNG, which is currently the mainstay of Nigeria's political-economy, may design an **Integrated Displacement & Resettlement Action Plan** for the Environment, Socio-Economic Conditions & Livelihoods Restoration for Finima Community
- NLNG can do so to make Finima people become equitable beneficiaries & victors of the NLNG project rather than victims of the project

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you!