

ENVIRONMENTAL PERFORMANCE INDEX

FACTSHEET ON NIGERIA'S OIL AND GAS INDUSTRY

2020

OVERVIEW

The Environmental Performance Index analyses annual emissions by oil producing companies operating in the Niger Delta, the oil and gas producing region of Nigeria. Specifically, it covers oil spills and gas flares, and compares between companies, states, and countries. In 2020, Nigeria was the world's 10th largest oil producer, and according to this analysis, had the highest emissions to production ratio - by far.

RATIONALE

SDN works to minimise the negative impacts of Nigeria's oil and gas, and in publishing this report, we seek to increase access to key information on the environmental performance of the industry in the Niger Delta. We aim to enable constructive engagement on the policy solutions needed to minimise the negative impact of exploration and production, and ensure its benefits are distributed fairly, and ultimately harnessed, to enable Nigeria's transition to clean energy.

Oil spills

409
oil spills

2.8 MILLION
litres

52% increased volume compared to 2018

EQUIVALENT TO...

17,331
barrels

153
pools

79 tankers

JUST...

38%
cleaned up

according to the regulator's data

96% of all oil spilled attributable to ...

6 companies

Shell 46% Eroton 28% Agip 9% ND Western 9% Aiteo 2% Heritage 2%

SABOTAGE ATTRIBUTED AS THE CAUSE OF ...

71%
of incidents

92%
of spill volume

although the documentation is often disputed by communities

71% spilled in Rivers State

by far the highest in the Niger Delta

30% in just two LGAs - Degema and Okrika

SPILLS ARE HUGEY UNDERDOCUMENTED

NOSDRA
documented

17,331
barrels

NNPC
reported

39,162,836
barrels

Illustrating that the pollution problem is likely significantly worse than reported in the Index

Gas flaring

20% OF CO2 EMISSIONS
in Nigeria from gas flaring

\$ 455 MILLION
worth of gas wasted by flaring

\$ 280 MILLION
due in gas flare fines

7TH highest volume
worldwide

184 individual flare sites
306 billion scf gas flared by
43 oil and gas companies

95% of Nigeria's electricity needs
could have been powered by
the gas that was flared **

**gas flared with power generation potential of 20.5 thousand GWh (gasflaretracker.ng). Nigeria's consumption 24.6 thousand GWh (worlddata.info)

53% OF FLARING
Attributable to NNPC and Chevron

Comparing performance

BETWEEN 2019 AND 2020, TOTAL EMISSION VOLUMES DECREASED FOR NIGERIA'S OIL AND GAS INDUSTRY

52% Less oil spilled

31% Less gas flared

NIGERIA'S INDUSTRY BY FAR THE DIRTIEST WORLDWIDE

The Nigerian oil and gas industry's environmental record compared extremely poorly with other regions worldwide. This highlights how extreme the pollution problem is in the Niger Delta, and implies that increasing production would increase environmental impacts.

Nigeria's emissions as a multiple of other regions

Spill volume Gas flared

Global **7x** **6x**

Africa **3x** **2x**

Europe **12x** **21x**

Middle east **36x** **22x**

Russia & Central Asia **1,603x** **12x**

DOMESTIC COMPANIES WORSE THAN INTERNATIONAL ONES

Emissions ratio (%)

2020 2019 2018

IOCs **4** **5** **5**

DOCs **13** **16** **10**

NOC **20** **44** **44**

MFCs **36** **61** **61**

An emissions ratio shows the level of emissions relative to production (in barrels of oil or equivalent). The average ratio for Domestic Oil Companies (DOCs) is far worse than International Oil Companies (IOCs). Marginal field companies (MFCs) and the national oil company (NOC) were found to be several times worse. These companies are playing a larger role in the sector as IOCs divest, so concerns are mounting regarding a likely rise in pollution in future.

BEST PERFORMERS

Consolidated Oil

Equinor **1** First
2 **3**

WORST PERFORMERS

Shell

NNPC **1**
2 **3**
Chorus Energy

IOCs (and the NOC) tend to perform worse in the Index. This is mostly because DOCs currently produce less oil, so the highest ratio of emissions is for a much lower production volume, creating lower total (absolute) emissions. As such, while IOCs have lower ratio of emissions, their production is currently on a much bigger scale, so their total oil spill and gas flare volumes are a higher multiple, and the IOCs are the largest contributors to overall emissions.

CONTEXT

The Index features case studies that paint a picture of the catastrophic impact emissions have on the local environment, host communities, and global climate. The Niger Delta, which is home to 45 million citizens, is now at risk of being left behind in the global energy transition, and needs investment into cleaning up emissions, restoring the environment, and building a sustainable diversified economy.

DATA SOURCES

Emissions documented by the official government regulator, the National Oil Spill Dection and Response Agency (NOSDRA). Production reported by the Federal Ministry of Petroleum Resources, and audited by the Extractive Industry Transparency Initiative (EITI). Analysis conducted by SDN and full databases published alongside the report. Prior to publication, the report was reviewed by an independent expert, and presented to representatives of oil and gas companies in Nigeria, with feedback and suggestions integrated into the final version.

CALL TO ACTION

Urgent action is needed across the region to mitigate and remediate further pollution. National and international investments are needed as part of a Just Transition away from oil and gas. Companies and the Federal Government need to contribute to these goals, and also improve data, transparency, and accountability.

CHECK THE FULL REPORT FOR MORE DATA ANALYSIS ON NIGERIA'S OIL AND GAS INDUSTRY ENVIRONMENTAL PERFORMANCE

