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March 6, 2020

Vanessa A. Countryman, Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

CC:

Mr. William Hinman, Director, Division of Corporate Finance
Mr. Barry Summer, Associate Director, Division of Corporation Finance
Ms. Elizabeth Murphy, Associate Director, Division of Corporate Finance
Mr. Elliot Staffin, Special Counsel, Division of Corporation Finance

RE: Dodd-Frank 1504 rule, file #S7-24-19

Dear Secretary Countryman:

My name is Olusegun Elemo, I am the Executive Director at Paradigm Leadership Support Initiative (PLSI) in Nigeria. We are a civic organization working to promote citizens' active participation in Nigerian public audit and to foster public accountability, good governance and development of under-served communities. PLSI employs a variety of technology to increase citizens' interest and active involvement in public audit process and findings through bridging the communication gap between citizens, Office of the Auditor-General for the Federation, Parliament and the Executive for improved service delivery.

We see that you have recently received comments from our colleagues at PolicyAlert! providing you with detail about the extractive governance situation in Nigeria. It will not surprise you that Nigerian civil society has eagerly been following your commission's deliberations in the hopes that you will pass a Dodd-Frank 1504 rule that will help US encourage transparency and good governance in our country. We wish to echo the statements about the need for a strong Dodd-Frank 1504 rule expressed by our colleagues' submission, and to provide you with further examples to show that Nigerians are benefiting from these publicly available disclosures.

With launch of our Resource Benefits project in 2018, PLSI began to use payments-to-governments data to hold Nigerian public officials and government entities accountable for poor management and utilization of extractive revenue, particularly funds collected from international oil companies operating in Nigeria.

Since 2018, PLSI has carried out diverse analytical exercises to review revenue inflows to key government agencies including Niger Delta Development Commission (NDDC), Federal Inland Revenue Service (FIRS), Nigerian National Petroleum Corporation (NNPC), Department of Petroleum Resources (DPR), Central Bank of Nigeria among others. PLSI analyzed the fiscal performance of 46 extractive projects for which payments were made from 2014 to 2017. We identified \$24bn in total payments on these projects, which included 30% in taxes, 6% in royalties, 4% in fees, 59% in production entitlements, and 1% paid for infrastructure improvements.¹

We also reviewed payments to Nigerian government entities from 2014 to 2018.² Findings from this review showed a total of \$33.4 billion paid to 13 entities by 9 international oil companies through 160 payments cases.

We recognize that Nigerian citizens must understand the available data in order for it to be useful in holding our government and companies operating in our country accountable. We have thus initiated several activities to increase citizens use of payments-to-governments data in Nigeria to demand accountability. For example, last month, we launched our Value for Money TV show. We have released five episodes to date.³ The show explains what is revealed by analyzing payments-to-governments data and is aimed at increasing public demand for accountability.

Moreover, we have developed four policy briefs that serve as tools for engaging policy makers and government entities on how to facilitate better management and utilization of extractive revenue. These briefs focus especially on how policymakers can promote the development of extractive-impacted communities in Nigeria.

¹ PLSI, "Fiscal Performance of Extractive Projects in Nigeria (2014-2017)", https://resourcebenefits.ng/wp-content/uploads/2020/03/Fiscal-Performance-of-Extractive-Projects-in-Nigeria-2014-2017-Infographics-Report_compressed.pdf.

² PLSI, "Nigerian Entities' Payments Report (2014-2018)," https://resourcebenefits.ng/wp-content/uploads/2020/03/Nigerian-Entities-Payment-Report-2014-2018_compressed.pdf.

³ PLSI Nigeria YouTube Channel: <https://youtu.be/n2kRjM98F9A>

As part of our Resource Benefits project supported by the European Union through the Rule of Law and Anti-Corruption (RoLAC) program, by the end of March 2020, PLSI will train 100 community-based organizations and citizens from Edo, Delta, Bayelsa and Rivers states, which are the communities most affected by extractive activities in Nigeria. Target beneficiaries will be trained on how to access relevant payments-to-governments data and use them to demand accountability from key government agencies and officials. In April 2020, we will also work with 50 additional civil society organizations to teach them how to use payments-to-governments data in their extractive accountability advocacy activities. Participants in these trainings will interact with relevant project payments including payments provided by Seplat Petroleum for their OMLs 4, 38 and 41 projects, which are located in the Oben, Amukpe, Okporhuru, Ovor, Orogho, Sapele communities of Edo and Delta states. This valuable project-level data is available to us because Seplat Petroleum is listed on the London Stock exchange.

Lack of local disclosure of payments received by Nigerian government entities from international oil companies continue to hinder demand for accountability by citizens. To be specific, despite several letters that PLSI wrote to many of these agencies in 2019, none have acknowledged receipt of payments made from any of the international oil companies that have disclosed their payments through the Canadian and European disclosure mechanisms.

While local entities remain reluctant to disclose payments received from international oil companies, the project-level payments-to-governments data provided by Canadian- and European-listed companies have improved the level of fiscal transparency in Nigerian extractive industry, enhanced civic involvement in the sector, and have quickly deepened accountability demand for how funds received are managed and utilized. However, US companies operating in Nigeria included oil majors ExxonMobil and Chevron. In 2018, their production made up 33 percent of our entire crude oil production for that year. Not having data from one-third of the oil production in our country is a significant and critical gap. We hope that the United States will soon join European and Canadian operators in providing us with the data that we so sorely need to make sure our country's resources benefit our citizens.

Sincerely,

A handwritten signature in black ink, appearing to read 'Olusegun Elemo', with a long horizontal stroke extending to the right.

Olusegun Elemo
Executive Director, PLSI