



PIRATES AND OIL THEFT IN THE NIGER DELTA

An analysis of the connection
between piracy and oil
bunkering



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“Piracy is down, but has not disappeared. The big boys are still out there.”-

Interviewee in Bayelsa, Niger Delta

What’s new?

For several years, the Gulf of Guinea was the world’s number one piracy hotspot with hundreds of (international) seafarers kidnapped every year. However, since April 2021, the region has witnessed a significant downtrend in this pattern with zero (0) kidnappings registered in 2022. Meanwhile, oil bunkering/theft and pipeline vandalism in the Niger Delta is at an all-time high with several indications pointing to the link between the two trends.

Field research in the Niger Delta shows that high-level actors controlling pirate groups were paid/rewarded to stop financing or allowing this criminal activity, while individuals at low level, involved in piracy, found their way into oil bunkering as well. A key factor remains that oil bunkering, when compared to deep offshore piracy, entails less risk and significantly higher reward/profit.

Why is it important?

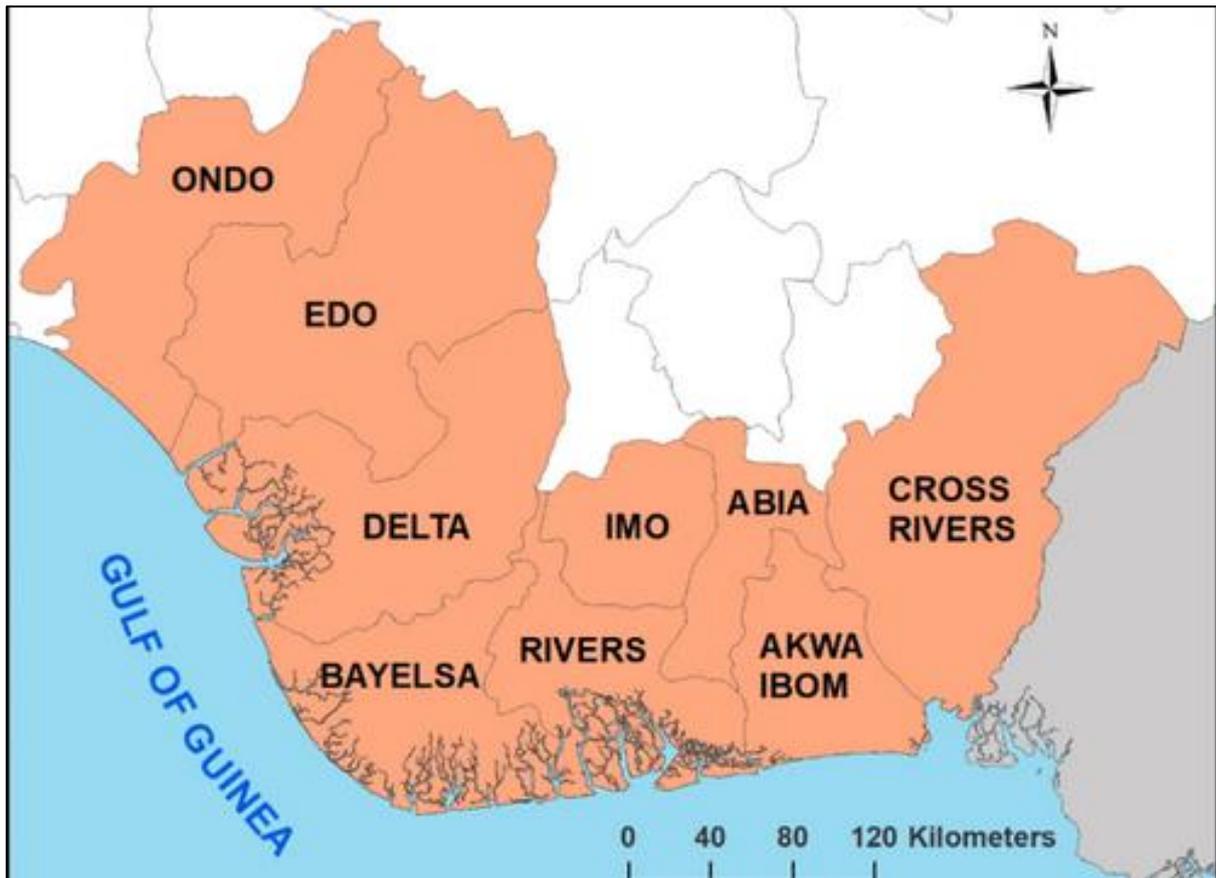
For an effective engagement in the Gulf of Guinea of the coastal states and international partners, there was the need to analyse *why* piracy has dropped, so as to better understand how the trend can be sustained. Such an analysis also illuminates what to pay attention to in terms of *triggers*, so we will be prepared and equipped in the case that piracy returns.

What should be done?

An *at-sea approach* is not enough to counter piracy at sea. It is likewise important to look more closely at the *on-land dynamics* at play. To this end, the on-land response remains a major gap in our collective approach, particularly related to: 1) addressing the root causes of maritime crimes, and 2) employing law enforcement/policing actions on land as well.

Moreover, while the crimes and threats in the region constantly evolve, the conceptualisation of maritime threats and interests in the Gulf of Guinea need a wider lens than piracy alone.

Map of the Niger Delta states



BACKGROUND

Disclaimer - this study was commissioned to help define and assess the EU's engagement in the Gulf of Guinea. As such, the report is primarily intended for internal purposes of the EU programming and policy development. Nevertheless, many of the findings for the report might be relevant for a larger audience as well, reason for which it is shared in this limited format.

Public version of report also to be found on: <https://criticalmaritimeroutes.eu/>

The Gulf of Guinea has been growing as a priority area of interest for regional and international partners alike since the mid 2000's. As a result, the EU's comprehensive engagement to address maritime (in)security in the region has been increasingly growing. In 2014, the EU adopted an EU Strategy for the Gulf of Guinea, in line with the objectives of the 'Yaoundé Process' – the inter-regional commitment between the Economic Community of West African States (ECOWAS), the Economic Community of Central African States (ECCAS) as well as the Gulf of Guinea Commission (GGC) signed at the Yaoundé Heads of State Summit (June 2013) to tackle maritime crime in its widest sense. The EU Action Plan 2015-2020 was consecutively launched to guide the implementation of the EU Strategy for the Gulf of Guinea. It is to be noted that a joint staff working document on elements for an update of the strategy is currently under preparation to reflect the evolution of threats.

As part of the EU's comprehensive approach to West and Central Africa, a set of seven actions focused on capacity building and funded through the Instrument contributing to Stability and Peace (IcSP) and the European Development Fund (EDF) are geared towards implementing the EU Strategy for the Gulf of Guinea and its rolling Action Plan. At the same time, since early 2021, the EU Coordinated Maritime Presences (CMP) has boosted collective engagement by enhancing coordination of the existing EU Member States naval and air assets present in specific areas of interest on a voluntary basis. The goal is to increase the EU's capacity to act as a reliable partner and maritime security provider in the region. In 2021, five (5) EU Member States deployed naval assets to the Gulf of Guinea, namely Denmark, France, Portugal, Italy and Spain.

Nevertheless, despite the large and very substantial engagement of the EU in the Gulf of Guinea, it is evident that on-land activities to address the root causes of maritime crimes (including piracy) have so far been missing in the toolbox.

When it comes to the Niger Delta, the EU has been a longstanding partner in the region with various programmes and projects amounting to nearly 250 EUR million, but these programmes have never had an intervention logic targeting maritime areas. Moreover, most of these projects are coming to an end in 2022. As such, this report was also initiated on the basis to determine a next phase of development programs in the region, including a lens and angle on maritime security. Initially, when the report was first conceived, the focus was on onshore dimensions of the issue of Niger Delta-based piracy. As piracy has dropped to historically low levels during the course of this study, the research purpose had to shift its attention increasingly towards oil crime.

FINDINGS AND KEY MESSAGES

New findings on piracy and oil bunkering

- **Today, pirate action groups are highly likely involved in oil bunkering activities** based on two main explanations that are not mutually exclusive. *Top-down*: high-level actors controlling pirate groups were paid/rewarded to stop financing or allowing this criminal activity. *Bottom-up*: individuals at low level, involved in piracy, found their way into oil bunkering.
- **Riverine piracy remains a major threat in the Niger Delta.** As such, the foundation for (deep offshore) piracy remains intact. **Pirate groups are not standing entities**, but are called together on a case-by-case basis. **Piracy dynamics have changed** with spiritualism and rituals playing an increasing part.
- **There has been significant rise in local oil bunkering in the last two years.** Although the figures are opaque, there has been a proliferation of illegal refining and crude oil theft across the Niger Delta and mainly in Rivers, Bayelsa and Delta State.
- **Militant leaders are still influential and important actors** in the oil bunkering landscape and there are specific areas of influence controlled by specific militant groups in the Niger Delta.
- **Oil bunkering employs a significant number of at-risk youths** who are likely to be recruited for other crimes, such as piracy.

Resurgence of piracy: four potential triggers

- **Oil bunkering**: If oil bunkering returns to “regular levels”, will we see a return of piracy? If the Nigerian Authorities manage to stop oil bunkering the question remains: from what will these people survive if ‘jobs’ in the oil bunkering business are reduced?
- **Agitation**: Strong grievances and agitations underpin the Niger Delta, and the basis for conflict springing up in the region remains. As mentioned by an interviewee: “Piracy will come back. Nothing has changed since MEND and then we will see a new wave of kidnappings.”
- **Changes to the Presidential Amnesty Programme**: the Presidential Amnesty Programme (PAP) has now been running since late 2009, keeping ex-militants quiet by paying them contracts to ‘secure’ oil pipelines. If the programme is terminated, which is an option

proposed by several administrations, what will be the reaction from the militants in the region?

Key messages for policy makers

- The trend of piracy and kidnapping for ransom in the GoG has undoubtedly gone down, but **the threat has not disappeared and its resurgence is probable in the near future**. The results of the elections in Nigeria (February/March 2023) and the following rainy / summer season will be telling variables to consider. As such, the authors of this report are particularly looking at **October 2023** as turning point to observe a possible re-emergence of piracy during the next dry season.
- During this lull period, **the coastal states of the GoG and international partners should get prepared**, particularly on the issues of: **1) addressing the issue of legal finish** between coastal states and international partners; **2) enhancing the operational cooperation and dialogue** between coastal states navies and international naval assets, including the EU CMP, and; **3) developing on-land actions** and activities.
- Analyses of piracy and other maritime crimes must **take into account onshore dynamics**, rather than only analysing the offshore “deterrence” effects of Navy presences. There is an **intelligence gap** when it comes to understanding pirate action groups and other maritime crimes stemming from land. Too often our internal debates focus on statistics and trends at sea, which in reality reveal very little about the criminal actors behind.
- Our conception of maritime crimes need a larger scope than piracy alone, not least in view of these crimes and threats often being interlinked.

SUMMARY OF THE REPORT

After several years during which the Gulf of Guinea had been the world's number one piracy hotspot with hundreds of seafarers kidnapped annually, since April 2021 we have started to see a significant downtrend in the number of attacks. With a strong drop in the numbers of kidnap for ransom piracy attacks over spring 2021, a further decrease was registered during the latter half of the year. And most significantly, thus far we have seen no successful kidnappings of seafarers in the Gulf of Guinea all of 2022. Where attacks happened, the pirates did not succeed in kidnapping crew.

At the same time, industrial-scale oil theft poses an "existential" threat to Nigeria, which slipped behind Angola as Africa's largest oil exporter in July 2022. Nigeria's crude oil production decreased to an average of 937,766 barrels per day (bpd) in September 2022, an unprecedented data considering that even amid the Niger Delta agitations output never fell below 1.4 million bpd.

The aim of this report is not only to highlight the strong link between these two trends (drop in piracy and rise in oil theft), but also to analyse how the composition, dynamics and *raison d'être* of piracy groups have been deeply influenced by several on-land actors and factors. The report is based on interviews with various stakeholders in the Niger Delta, carried out during field visits in Rivers, Bayelsa and Delta states in May-June 2022.

Piracy

New findings

The UNODC report 'Pirates of the Niger Delta' (2021) laid the groundwork and basis for understanding Niger Delta piracy, but new findings concerning deep offshore piracy did emerge during the field work and writing of this report.

It is clear that (deep offshore) piracy cannot be treated as a one-dimensional challenge isolated from several other structures. Rather, piracy is better understood as a multifaceted phenomenon with a number of nuances and linkages to other structures, that are often not taken into consideration at first sight. For example, militancy (and its relationship with oil bunkering) is important in relation to piracy for at least two reasons. First, the fact that militants are involved in "providing security" in the Niger Delta is proof that the weak law enforcement structure does not have an efficient leverage against illegal actors (e.g. pirates), thus ending up relying on militancy for this. Second, and following from that, as an indicator of the fact that different categories of illegal actors cannot be analysed in siloes and no actor can be overlooked when seeking to understand the drop in piracy.

Although deep offshore piracy has decreased, it does not mean it has disappeared. In particular, it is crucial to mention that riverine pirates continue to conduct attacks on locals in the region, maintaining intact the foundation behind deep offshore piracy.

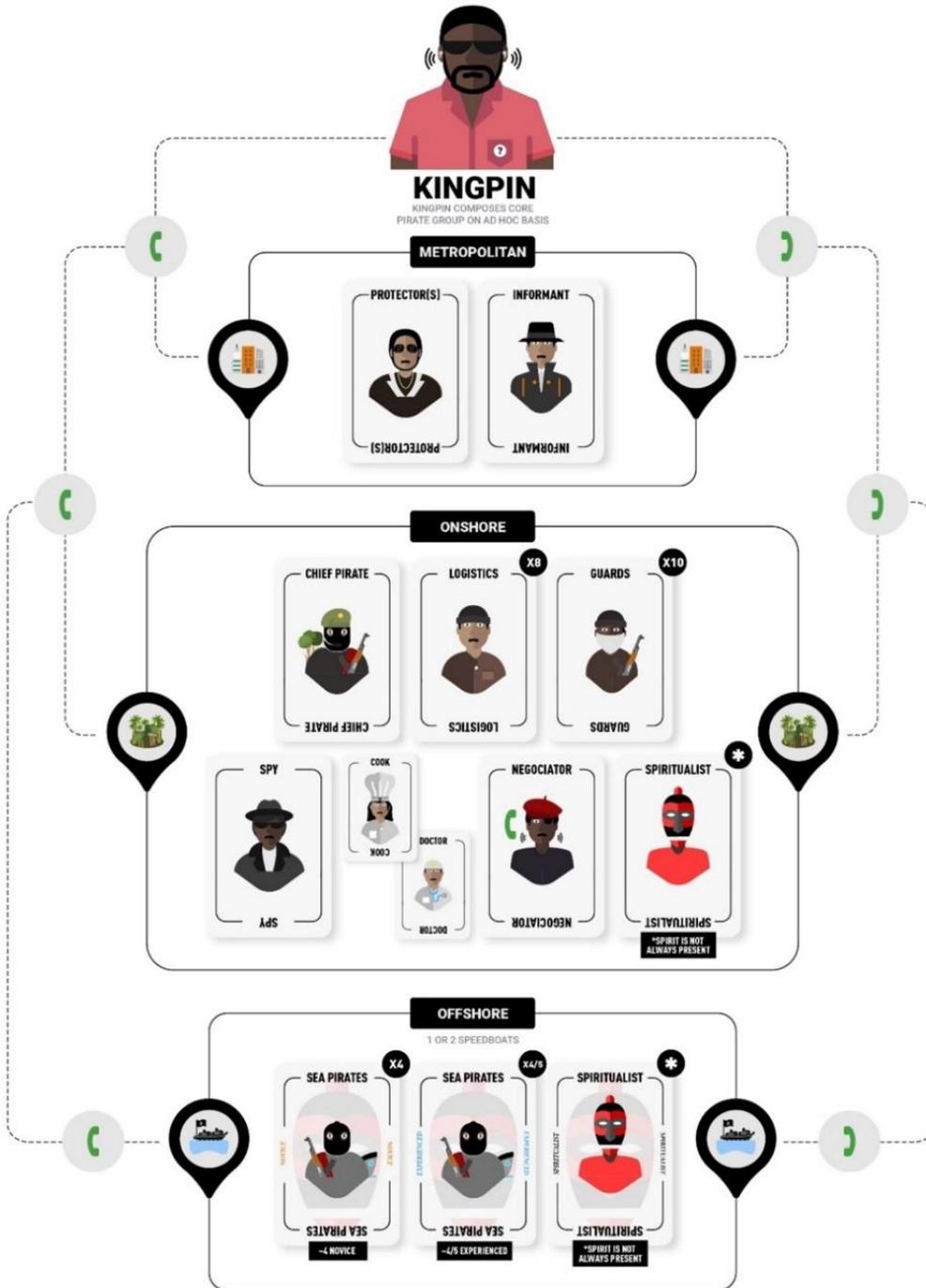
New aspects of the dynamics and factors that influence the actions of pirate groups have been discovered: spiritualism and rituals are important considering that such practices may influence for example the behaviour of pirate groups at different moments, including the timing of their mission and their response in potential encounters with regional or international navies. Besides differentiating different groups, rituals may also have an important internal function: even if gathered on an occasional basis, their “composition” as a group may be “strengthened” by different rituals conducted just before a specific mission, often showcased by similar visual elements (colours, flags, etc.) as well as less visible symbols, including strings tied to the pirates’ weapons.

Deep offshore pirate groups are not ‘standing entities’, but instead they are called together for a specific mission, on a “case-by-case” basis. However, this does not mean that groups are put together randomly as certain skills and figures are always needed: a boat pilot, a group leader, one or two persons who are skilled in how to raise the ladder to board the targeted ship, and someone with knowledge of ships, e.g. to locate the citadel or operate/destroy navigation and other equipment on the boarded vessel.

From the field work interviews, the dynamics of “calling for a mission” were also discussed: the decision to go out and conduct attack may sometimes be instigated by a kingpin giving information to a group leader to conduct a mission. Other times it may be the group leader asking a kingpin for finance to off on a mission. As such, there is a both top-down and a bottom-up way of starting a mission.

In any case, the financing mechanism remains the same. The kingpin often finances and takes a cut from the proceeds from the kidnap ransom, which he often controls together with the negotiator. If a group leader fails on an attack, he is however indebted to the kingpin. In many ways the power dynamics between these layers is very skewed.

STRUCTURE OF A PIRATE GROUP



This ad-hoc character of deep offshore pirate groups is an important factor when seeking to explain and understand how individuals involved may have found their way into other (criminal) ways of living, not as a coherent group, but perhaps more on an individual basis. Namely, in relation to oil bunkering.

Oil bunkering

The illegal oil bunkering business can be broken into two broad categories: 1) the theft of crude oil and then shipping it directly to regional and international markets, and; 2) the theft of crude oil and its refining into various petroleum products supplied to local and regional markets. As such, illegal crude oil and refined products go to the three different levels: local, regional and international.

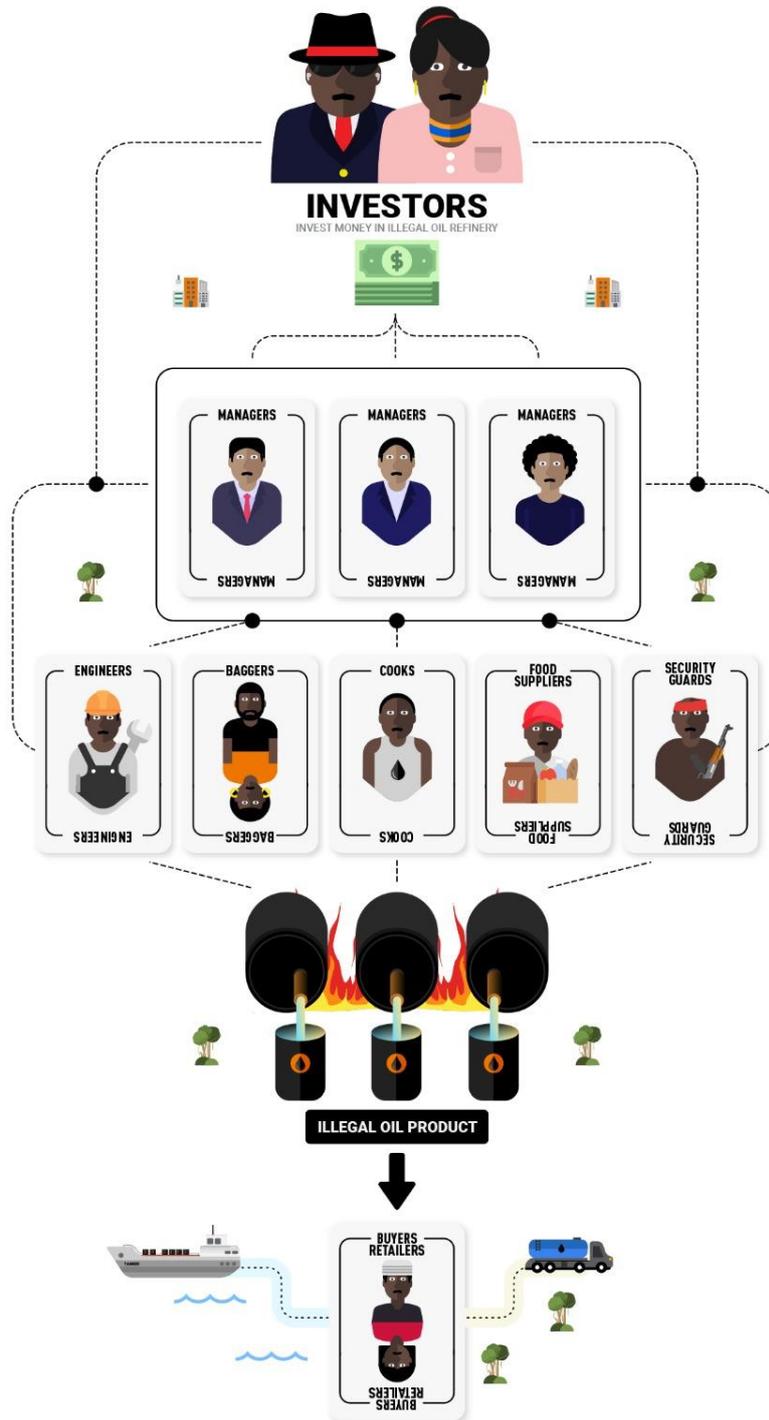
Local oil bunkering mainly focuses on artisanal refining of crude oil. Although there are no clear figures of how much oil Nigeria loses to artisanal refiners daily, the Military Joint Task Force (JTF) indicates that between January 1 to May 2022, the JTF have seized about 27 million litres of automotive gas oil (AGO) from artisanal oil refiners. The JTF admits that due to the limited resources required to set up these refineries, they are often reassembled after destruction by the military. By some estimates it costs between 8 - 9 Million Naira (approximately EUR 19,000) to set up a medium size artisanal refining infrastructure. Such establishments are able to produce AGO and dual purpose kerosene (DPK) worth 5.25 Million Naira (approximately EUR 12,270) per night of 'cooking'.

Regional level oil bunkering involves the supply of artisanal refined crude oil products such as DPK and AGO to neighbouring countries such as Ghana, Togo, Benin and Cameroon. The regional level also receives supply of crude oil from the Niger Delta mainly through two sources: from crude oil stolen from transport pipelines and loaded onto transport barges that are able to supply vessels waiting offshore and crude stolen through semi-official means through a process called 'topping', an act of adding undeclared crude oil to official shipments.

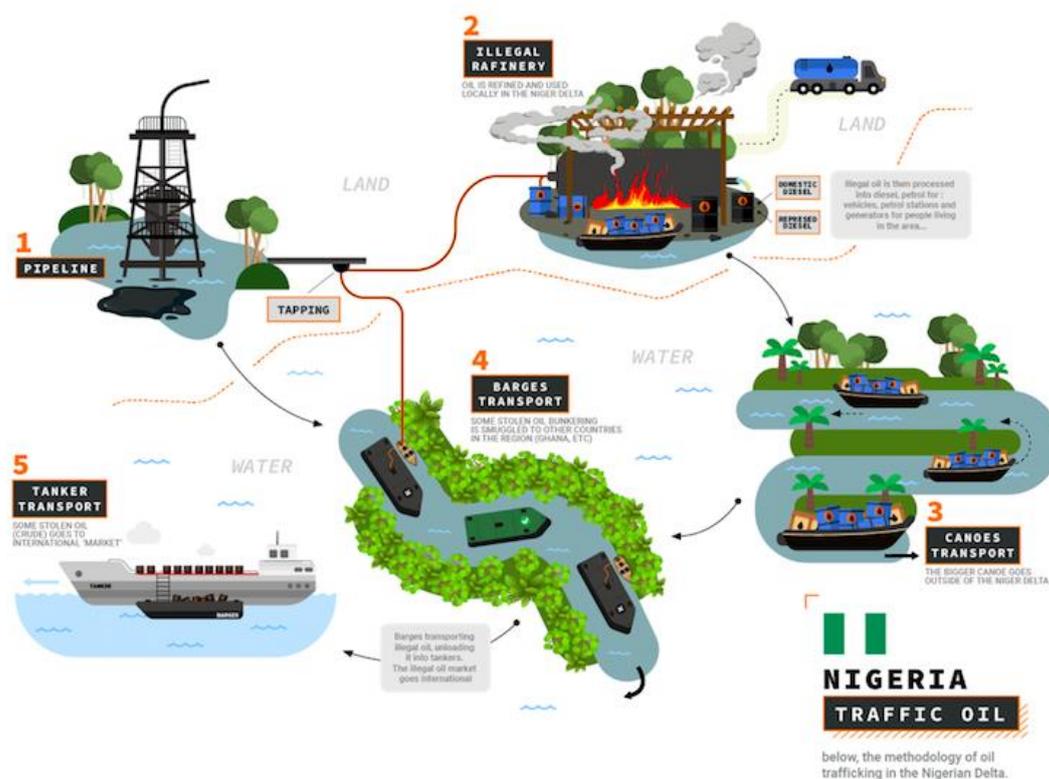
The international dimension of crude oil bunkering in the Niger Delta focuses mainly on crude oil theft and supply to international vessels that operate beyond the Gulf of Guinea. The international dimension of crude oil theft involves militant leaders.

Interviews with local refiners also indicates that beyond militants, artisanal refining attracts a wide range of actors within and beyond the Niger Delta. Respondents identified 'investors', engineers, cooks, baggers, food providers, security guards, and retailers. Investors are those who provide the capital for the set-up of artisanal refining camps. Engineers are hired to fabricate or build the infrastructure for refining. Cooks are responsible for managing the refining process, while baggers are in charge of filling the containers with oil. Security guards, often former militants or cult groups, provide protection against both state military or other armed groups. Food providers are in charge of the distribution of food among people in the refining camps. Retailers buy the product from refiners and sell in local or regional markets.

ORGANIGRAMME OF OIL BUNKERING



Oil theft can be carried out in various ways, but the most common practice in the Niger Delta involves tapping into and vandalising legal pipelines, which are operated by international and domestic oil companies. The transport of the stolen oil can also happen in various ways, but it mainly involves either barges or a system of illegal pipelines.



Interviewees suggested that members of pirate groups are now involved in the value chain of oil bunkering. According to these respondents, this could account for the reason why there has been a significant drop in pirate group activities in the Gulf of Guinea. Some illegal refining camps are set up as militant camps. In one case example, a camp owned by a militant and member of a pirate group, employs 300 'boys' today. Most of these boys are armed and ready to defend the camp. According to the owner of this camp, nothing can stop them from operating their camp unless they are offered an 'amnesty-like package' that will involve a monthly payment from the Federal Government.

Different business, different actors?

Pirates and local criminal gangs are not afraid to attack military or law enforcement personnel. The availability of military range arms in the hands of criminal groups is vast and proves that the government negotiates control over the Niger Delta with these groups. Riverine piracy (non-oil related) leads to the breakdown of local trade and economy as the creeks, essential for trade and transport across communities, cannot be used anymore.

Piracy and oil bunkering have also an international and regional reach, enabled by the vast networks of the criminal organisations standing behind these entities. These extremely wide cult groups in Southern Nigeria not only operate in the whole Western African region but they also reach Europe. One amongst the most infamous today is the Black Axe cult.

It is probable that cult groups and their network in the region enable deep offshore piracy through intelligence sharing back to Nigeria. For instance, a Nigerian cult group member

active in the Port of Cotonou in Benin, might provide information regarding which ships to attack when they enter Nigerian territorial waters. These links might be enabled by kingpins through his piracy networks.

Low piracy, high oil theft: the role of naval presence at sea

A key question for international and regional navies present in the Gulf of Guinea has been whether their presence at sea has indeed had a deterrence effect, leading to a drop in the number of piracy attacks. This is obviously difficult to measure, but it is interesting to note that no interviewees seemed aware that the EU and international navies are actually present in the region.

However, many noted that oil bunkering involves lesser *risk* and more reward. With that in mind, it is evident that even pirates find it risky going out at sea on their missions. In parallel, we have seen a pattern of failed attacks, where it has become increasingly more difficult for pirate groups to kidnap seafarers from the vessels deep offshore, compared to successful attacks perpetrated during 2020 and beginning of 2021. This may influence the kidnap-for-ransom business model as the pirate groups then return not just empty handed, but also indebted to the sponsor who paid for the fuel, bribery money and other expenses encountered even on an unsuccessful mission.

Moreover, several interviewees suggested that one explanation of why piracy is no longer good business, is not because '[we] scared away the pirates', but rather because all the attention from international actors and their presences at sea disturbs the bigger business of oil crime. At the end of the day, illegal oil bunkering is a multi-billion dollar industry, while piracy and kidnap for ransom did not exceed more than an approximately USD 4 million in 2021. With ever-increasing presence of international navies in the waters just off the coast of Nigeria and neighbouring states come an increasing attention to what goes on at sea, not only vis-à-vis piracy, but also relating to other crimes at sea, which often include (mother) vessels involved in oil theft and illegal transfers. In a sense, whilst this increased international navy presence may not directly explain the drop in piracy, it may have had an indirect effect by way of shedding unwanted light on offshore dimensions of large-scale oil crime in these same waters. Considering how widespread and how widely accepted oil bunkering is, it is no surprise that the risk-ratio of piracy versus oil bunkering went down.

It is evident that international navy presence play an important role in disrupting offshore piracy. However, such presence is tackling only one symptoms of a disease that is very well rooted in the history of the Niger Delta agitations and the (in)security culture in the region.

Indeed, it is now well established that to tackle offshore piracy it is necessary to take into consideration on-land factors and address the root causes. It is undoubtful that international navy presence play an important role in disrupting the offshore dimensions of piracy.

However, such presence is tackling only one symptoms of a criminal enterprise which is very deeply rooted both in a history of Niger Delta agitation and marginalisation, and in an environment of (in)security in the Niger Delta region. Accordingly, an individual "hard

security” approach, such as the deployment of navy vessels at sea, cannot be considered a solution to this multifaceted problem of piracy.