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## **An analysis of the Petroleum Industry Act of 2021: opportunities, difficulties, and future directions**

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### **ABSTRACT**

The investigation examines the deficiencies in the provisions of the Petroleum Industry Act (PIA) that may impede the effective application of the Act in achieving its objectives. The repealed Petroleum Act of 1969 has become obsolete and largely incapable of meeting emerging global best practices in the industry due to inadequate sanctions and a failure to address the aspirations of the people in oil-bearing states, among other factors. Therefore, the necessity arose for the PIA of 2021 to revamp the industry to meet global standards, despite the existence of some controversial provisions that pose challenges to its proper implementation. The study scrutinises the PIA to identify its prospects, challenges, and the way forward. The methodology employed in the study is doctrinal research, utilising reports from existing literature and tertiary data sources such as newspapers, the Internet, and websites. The data collected from these sources was theoretically analysed and juxtaposed with current literature on the subject. The findings indicate that the PIA does not make adequate provisions for the energy transition in line with Nigeria's Nationally Determined Contributions (NDC) under the Paris Agreement. Additionally, the PIA establishes weak institutions, leading to weak implementation and enforcement of the law, thereby widening the gap between the law and reality. In conclusion, the study asserts that while the Act has provided much-needed stability in the petroleum industry in Nigeria, there is a pressing need for an overhaul to further safeguard the interests of host communities and facilitate the co-ownership of petroleum resources by state governments.

**Keywords:** Petroleum Industry, Oil and gas, Petroleum Industry Act, Prospects, Challenges.

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### **INTRODUCTION**

Nigeria is endowed with a myriad of extractive resources, including crude oil, natural gas, gold, limestone, granite, and coal, among others. Hydrocarbon resources, being highly sought after globally, contribute significantly to Nigeria's status as the second-largest crude oil producer and one of the world's leading gas producers (Olawuyi,

2018). The nation holds one of Africa's largest gas reserves, positioning it to capitalise on global demand for gas amid the ongoing conflict between Russia and Ukraine. This geopolitical situation is expected to create opportunities for Nigeria to fill gaps in global gas demands and supply chains, necessitating a comprehensive overhaul of existing laws.

This study critically examines the Petroleum Industry Act (PIA) to discern its potential, challenges, and the necessary course of action. The outdated Petroleum Act of 1969 has become obsolete and inadequate for meeting evolving global industry standards. Its shortcomings include insufficient sanctions, a failure to address the socioeconomic and environmental challenges faced by the people in oil-bearing states, and a lack of measures to mitigate the adverse effects of oil and gas exploration activities.

Despite Nigeria's heavy reliance on hydrocarbon resources for its economy, the global shift towards low-carbon energy sources requires the nation to reevaluate its energy strategy. President Muhammadu Buhari's signing of the Petroleum Industry Bill into law on August 16, 2021, marked a significant milestone in regulating Nigeria's oil and gas industry. However, inherent flaws in the act, such as unresolved issues related to gas flaring and the imperative for an energy transition, underscore the need for ongoing reforms.

The study aims to address key research questions:

1. What remedies exist for identified gaps in the provisions of Nigeria's PIA that may hinder its effective application?
2. What potential does the new Nigeria's PIA 2021 have for addressing challenges within the country's petroleum industry compared to international best practices?
3. Which key policies from oil and gas frameworks in Qatar, Kuwait, and Norway can be adopted in the Nigerian context?

This research is intended to benefit the Federal Government of Nigeria, policymakers in the oil and gas sector, energy practitioners, as well as researchers and scholars involved in policy formulation. By offering guidelines for legislators, the study aims to facilitate the drafting of a sustainable oil and gas legal framework that promotes transparency, energy diversification, and active citizen participation in low-carbon energy technologies.

The study comprises five sections, beginning with the introduction and statement of the problem. Section two presents the literature review, incorporating resource ownership theory and utilitarian theory. Section three outlines the methodology, while Section four delves into the results, analysing challenges within Nigeria's PIA 2021 and examining oil and gas legal regimes in Qatar, Kuwait, and Norway. Section five contains the discussion, conclusions, and recommendations.

## **STATEMENT OF THE PROBLEM**

Before the discovery and production of crude oil in Nigeria, there was no comprehensive legislation governing the fiscal, regulatory, and administrative aspects of the petroleum sector. Subsequent laws aimed at regulating the sector were deemed inefficient, lacking transparency, accountability, and compatibility with international best practices. The legal framework preceding Nigeria's PIA was outdated and ineffective, prompting the enactment of the 2021 PIA to address flaws in the repealed Petroleum Act of 1969 and challenges in the petroleum industry (Aniede, 2022).

Despite being seen as a solution to sector challenges, Nigeria's PIA of 2021 continues to grapple with corruption, poor governance, and inadequate management, as evidenced by the state of refineries in Nigeria. This inefficiency contributes to the importation of petroleum products with subsidy payments, fostering endemic corruption. Challenges such as crude oil theft, ineffective metering, and lax regulatory enforcement by relevant agencies further impact petroleum production and national revenues,

resulting in substantial financial losses, notably over \$2.1 billion due to oil theft (Borha & Olujobi, 2023).

## **LITERATURE REVIEW**

According to Umenweke and Chukwuma, the primary objective of Nigeria's Petroleum Industry Act (PIA) is to aid the government in achieving 40 billion barrels of reserves and a daily production level of four million barrels (Okumagba & Odinde, 2023). However, the authors fall short of providing explicit details on how the PIA can effectively contribute to this goal. Additionally, the curtailment of the Minister's powers in approving or revoking oil licences is vaguely mentioned without specifying the nature of the curtailment or the relevant sections of the act. This study aims to address such gaps in the existing literature through rigorous enforcement of the act's provisions by regulatory authorities, backed by the executive arm's strong political will.

Umenweke and Chukwuma observe a perceived lack of commitment to climate change and energy transition in the PIA (Gasu, et al., 2022). Despite this assertion, the act contains provisions regarding the utilisation of the country's natural gas potential. Section 52(1) establishes the Midstream and Downstream Gas Infrastructure Fund, financed by a 1% levy on the wholesale price of petroleum and natural gas (Idiong, 2022). The fund aims to make equity investments in infrastructure to enhance domestic natural gas consumption and curb gas flaring, as indicated in Section 52(10) of Nigeria's PIA 2021. However, Afinotan (2022) counters that the PIA's provisions may not be sufficient to address climate change concerns, given the adverse effects of gas production on global warming.

## **THEORETICAL FRAMEWORK**

The domanial ownership theory asserts that the sovereign has complete ownership of petroleum and other natural resources, granting the state control and permanent sovereignty over these resources. While this theory is widely accepted in Nigeria and numerous other countries, the United States stands out as a notable exception. Section 1 of Nigeria's PIA reinforces this theory, conferring complete ownership and control of petroleum on the state and allowing for direct resource exploration or third-party rights.

The resource curse theory highlights the challenges associated with mismanagement of natural resources, leading to underdevelopment, social unrest, and a lack of public accountability (Henri, 2019). In Nigeria, the resource curse is pervasive and remains a significant obstacle to socioeconomic development. The literature underscores the need for effective governance and accountability to overcome the paradox of plenty, where abundant resources coexist with underdevelopment.

Utilitarianism, a moral and ethical philosophy, influences Nigerian policies, particularly in the context of oil and gas management (Ayotunde, 2018). The challenges faced by Niger Delta communities are analyzed through the lens of utilitarian dictates, impacting host communities negatively and contributing to slow development in the Niger Delta region.

## **CRITIQUES OF NIGERIA'S PIA LAW**

Critics, including the Pan-Niger Delta Forum (PANDEF), decry the meagre 3% allocation to host communities, contrasting with the 10% demanded by the communities. This allocation, along with the allocation of 30% of Nigerian National Petroleum Corporation Limited (NNPC Ltd.) profit for the Frontier Oil Exploration Fund, has faced condemnation from activists, civil society organisations, and host communities for insufficiently addressing their needs. The study supports the call for amendments to align the PIA with other legislation. Similarly, Bielu criticises the disproportionate 3% contribution for host communities compared to the 30% allocated for the Frontier Basin,

deeming it unfair (Dhali, 2023). The study aligns with the view that amendments to the PIA could bring it into conformity with other legislative frameworks.

Blythe and Todd examine fiscal changes in the PIA, highlighting the replacement of petroleum profits tax with hydrocarbon tax (HCT) and companies' income tax (CIT) (Borha & Olujobi, 2023). However, the study identifies a gap in the literature as the tax rate for CIT is not explicitly stated, and this study aims to address this omission. Mekwunye's examination of transparency in the petroleum industry underscores the pervasive lack of transparency and accountability in Nigeria (Roelofs, 2023). The study agrees with the need for increased transparency to accurately account for crude oil production, exports, and sales proceeds.

## **METHODS**

The doctrinal research methodology will be employed in this study. The research, conducted in a library-based manner, will utilise primary and secondary legal sources, along with pertinent existing literature, acquired through internet searches and physical library inquiries on the 'Petroleum Industry Act 2021' or 'PIA.' Primary legal sources such as case law, judicial precedents, and domestic and international legislation, including the Constitution of the Federal Republic of Nigeria 1999 (as amended 2011), Nigeria's PIA 2021, the repealed Petroleum Act 1969, the repealed Petroleum Profits Tax Act, and other relevant statutes, will be examined. Insights will also be drawn from international legislation, including Law No. 10 of 1974 on the establishment of Qatar's petroleum, Law No. 6 of 1980 on the establishment of Kuwait's petroleum, and Norway's Petroleum Act of 1996, among others. These countries are chosen as models due to their adherence to international best practices in regulating the petroleum industry, providing a basis for comparison with Nigeria's petroleum laws.

## **RESULTS**

### **Prospects for Nigeria's PIA 2021:**

Nigeria's PIA introduces a new regulatory and governance structure, new licence types, commercialization of NNPC Ltd., and a revised fiscal framework (Okeke, et al., 2023). The challenges of Nigeria's PIA, including the allocation of 30% to the frontier basins fund and a mere 3% to host communities, the use of ambiguous and complex language, and the absence of whistle-blowing provisions, will be thoroughly analyzed. The act repeals approximately 10 existing petroleum laws, addressing socio-economic and environmental challenges in host communities caused by oil and gas exploration. NNPC Ltd. assumes profit-oriented legal entity status, potentially benefiting from the capital market through public listing. The act's unbundling of the industry establishes a well-organised governance structure, assigning dynamic roles and overhauling the fiscal and tax regime to attract domestic and foreign investments.

### **Challenges of Nigeria's PIA 2021**

Despite introducing regulations for good governance, transparency, and accountability, Nigeria's PIA is not without contentious provisions. Section 1, dealing with petroleum ownership by the Federal Government, lacks inclusivity by not incorporating the state, local governments, and host communities as owners, potentially fueling agitation and oil-related crimes. The legislation inadvertently creates divisions between the northern and southern legislatures in the National Assembly, causing dissatisfaction and suspicions, particularly regarding benefits to the north. Issues of double taxation, ambiguous wording, and imprecise language pose challenges, leading to controversy, possible litigation, and hindrances to investment. Tensions arise over oil revenue sharing, impacting the revenue of federal, state, and local governments, with potential adverse effects on social services. Host communities' discontent with the 3% allocation from

petroleum corporations and uncertainties regarding its implementation further complicate matters.

The strained relationship between host communities and petroleum corporations, marked by theft, pipeline destruction, and conflicts, has persisted despite government interventions such as the Derivation Fund, the Niger Delta Development Commission, and the Ministry of Niger Delta Affairs. Nigeria's PIA mandates the creation of a Host Community Development Trust Fund (HCDTF) to address this, but host communities remain dissatisfied with the 3% allocation. Indigenous oil firms dominating onshore oil wells raise concerns about compliance, leaving host communities potentially underdeveloped. The legislation, despite its intent, continues to evoke hostility in the Niger Delta.

### **Lacunae in the HCDT Provisions**

Several omissions have been identified in the Host Community Development Trust (HCDT) provisions within Nigeria's Petroleum Industry Act (PIA). Notable among these are:

- i. Nigeria's PIA does not address the required contribution of midstream operators to the HCDT.
- ii. There is an absence of a procedure for resolving disputes between host communities and operators under Nigeria's PIA.
- iii. The legislation lacks a clear framework for cooperation among operators covering the same host community, aiming to prevent project duplication and foster synergy.

### **Corruption:**

Widespread corruption has been a persistent issue in Nigeria since gaining independence in 1960 (Ebegbulem, 2012). Affecting every sector of the country's economy, corruption hinders transparency, deprives citizens of resource benefits, lowers living standards, and promotes mass poverty. To address this, a rigorous overhaul and enforcement of the Nigerian Extractive Industry Transparency Initiative 2007 provisions are essential for promoting transparency and accountability in the industry. Corruption remains a significant challenge in the petroleum industry, impacting exploration, drilling, refining, and distribution. In a nation heavily reliant on petroleum, corruption in this industry has far-reaching consequences for the entire economy and other sectors.

While Nigeria's PIA is designed to attract investment and enhance production, its success depends on stakeholders prioritising national interests over political considerations. The law aims to improve transparency, reduce revenue losses due to corrupt practices, and enhance accountability. Corruption has led to a decrease in the government's petroleum revenues, with allegations implicating government officials in bribery and misuse of oil revenues.

## **ANALYSES OF THE OIL AND GAS LEGAL REGIME IN QATAR, KUWAIT, AND NORWAY**

### **Qatar in Perspective:**

The cornerstone of Qatar's economy is petroleum, with significant natural gas and oil reserves. Dominating the global energy market, Qatar is a leader in the gas-to-liquids and liquefied natural gas sectors. While efforts to diversify the economy are underway, petroleum resources contribute over 70% of the country's total revenue. Qatar Energy, similar to NNPC Ltd. in Nigeria, holds exclusive rights to explore, produce, and develop hydrocarbons (Usman, 2017). Qatar has enacted laws regulating natural resources,

including those establishing Qatar Petroleum (now Qatar Energy) and governing petroleum operations and resource exploitation.

Exploration and Production Sharing Agreements (EPSAs) and Development and Production Sharing Agreements (DPSAs) in Qatar involve joint management committees for decision-making (Olawuyi & Olawuyi, 2018). Decommissioning requirements are outlined in licence and concession agreements, subject to Qatar Energy's authorization. The Qatari government's initiatives for economic diversification include climate change-focused projects.

Qatar's exploration and production contracts have shifted from traditional agreements to contractual joint ventures. In contrast, Nigeria, despite being heavily reliant on oil and gas, has not taken significant steps to diversify its economy, promoting energy diversification and technology development.

In summary, the Qatari legal regime demonstrates comprehensive regulations, joint ventures, and economic diversification initiatives, offering valuable insights for Nigeria's petroleum industry governance.

### **Kuwait in Perspective:**

Kuwait, a significant petroleum supplier and member of OPEC, relies heavily on petroleum for its economic sustenance. Approximately half of Kuwait's GDP, 95% of exports, and about 90% of government export revenue are derived from petroleum. With a production capability exceeding 3.15 million barrels per day and holding around 7% of global oil reserves, Kuwait's petroleum industry is overseen by the state-owned Kuwait Petroleum Corporation (KPC). Operating under KPC are various corporations collectively known as the "K companies," with entities such as Kuwait Oil Company (KOC) handling upstream operations and KPC managing downstream petroleum operations (Auzer & Auzer, 2017).

KOC, responsible for petroleum production, aims to increase its oil production capacity to 4.75 million barrels per day by 2040. The corporation has also set plans to enhance natural gas output to 4 billion cubic feet per day by 2030. Noteworthy is Kuwait's commitment to reducing gas flaring, with significant progress achieved in recent years, leading to a 40% decrease in residual gas flaring between 2014 and 2018 (WangE. This reduction is attributed to various factors, including a strong corporate commitment to flare reduction, substantial financial investments in cutting-edge facilities, collaborative efforts among KOC departments, downstream companies, and customers, as well as effective collaboration with other organisations.

In contrast to Nigeria, Kuwait's proactive measures against gas flaring demonstrate a commitment to environmental sustainability and reduced carbon emissions. Gas flaring, a concern globally, has economic implications, making Kuwait's efforts noteworthy.

The technological initiatives undertaken by Kuwait, particularly in the digitization of oil fields, exemplify a forward-looking approach to optimising operational processes and mitigating risks associated with fluctuating oil prices. This strategic use of technology, aligning with Kuwait's economic dependence on oil, showcases a commitment to efficiency and adaptability.

### **Norway in Perspective:**

Despite the considerable potential presented by the Nigeria Petroleum Industry Act (PIA) of 2021, this study has brought to light several shortcomings that deviate from international best practices, potentially hindering the effectiveness of the PIA. The identified gaps include:

1. Gas Flaring and Energy Transition: The Nigerian PIA remains silent on the critical subject of energy transition, despite the government's intentions to increase production.

2. Federal Control of the Petroleum Industry: The establishment of NNPC Ltd. as a corporation, according to Section 53 of the act, suggests sole shareholder status for the federal government. This exclusionary arrangement denies state governments any role in the administration or distribution of dividends, potentially conflicting with constitutional provisions.
3. Constitutional Undermining: There is a perceived conflict with Section 162 of the Constitution, which dictates the deposition of federal revenues into a Federation account for distribution among different tiers of government. The provision allowing NNPC Ltd. to retain 30% of specific contracts for frontier basin exploration contradicts this constitutional mandate.
4. NNPC Ltd. Unbundling: While the study suggests that NNPC would benefit from full unbundling to enhance its viability, the current setup reinforces NNPC Ltd.'s lack of accountability, contrasting with practices observed in case study countries.
5. Host Community Development Trust: The PIA neglects to address midstream operators' contributions to the Host Community Development Trust (HCDDT), leaving the determination of these contributions to regulations issued by the Nigerian Midstream and Downstream Petroleum Regulatory Authority.
6. Impact on Fiscal Framework: The PIA's pivotal impact on the existing fiscal framework includes royalty reductions and the introduction of a new Hydrocarbon Tax (HCT), potentially affecting future alterations to the fiscal system.
7. Petroleum Investment Decline: Despite the anticipated benefits of the PIA, such as making Nigeria more competitive in the petroleum industry, there has been a decline in petroleum investments. Nigeria received only a small fraction of the investments in Africa's oil and gas sector between 2015 and 2019, signalling a drop in industry investment.
8. Responsibility Shifting to Host Communities: The PIA attempts to shift responsibility for securing facilities to host communities, allowing them to repair damage due to vandalism or sabotage using entitlements. This introduces a system where communities are encouraged to self-police, reducing reliance on upper-level government action.
9. Levies on Petroleum Products: The PIA imposes a one percent charge on the wholesale price of petroleum products and threatens sanctions for misrepresentation of financial standing by petroleum corporations. The legislation replaces ten prior laws, introducing measures to disburse revenues for capital projects within a fund established within 12 months.

These identified gaps and issues highlight areas where the Nigerian PIA may benefit from refinement and alignment with international best practices.

## **KEY LESSONS ON PETROLEUM POLICIES IDENTIFIED UNDER THE QATAR, KUWAIT, AND NORWAY REGIMES**

Investors, particularly those within the petroleum industry, will observe that Qatar's policies are notably undemanding. The state maintains ownership over all oil and gas reserves, aligning with the consensus that all natural resources are under state jurisdiction. Domestic production caters to the majority of Qatar's hydrocarbon needs, with Qatar Energy holding exclusive rights for exploration, production, investment, and development of hydrocarbons, necessitating a licence or permit from Qatar Energy for any entity seeking operation in Qatar's petroleum industry. Subsequently, leases, licences, and concessions for hydrocarbon exploitation are issued following decisions by Qatar Energy and the State of Qatar. Companies are required to furnish Qatar Energy with detailed overviews of planned petroleum activities, encompassing plans, locations, production capacity, operating modes, engineering data, cost estimates, and relevant documents.

In Kuwait, the state-owned Kuwait Petroleum Corporation (KPC) manages oil production. Digitalizing oil fields is a strategic goal for KOC, with successful pilot projects implemented to monitor and operate oil fields remotely (Ponton, 2019). Kuwait allocates a significant budget to technological initiatives aiming to lower costs and enhance operational efficiency, given the importance of oil as the country's primary natural resource.

Norway exemplifies an advanced and well-managed hydrocarbon economy, with petroleum resources belonging to the Norwegian people. Statoil, the state-backed commercial arm, engages in various industry sectors, emphasising exploration, production, natural gas supply, pipelines, decommissioning, and research and development. Unlike Nigeria, Norway's gas pipelines are managed by Gassco, fostering increased productivity and reducing biases. The Norwegian Petroleum Act establishes joint and multiple liabilities for polluters, emphasising compensation for environmental damage victims. Statoil operates transparently, functioning like other for-profit petroleum corporations without special statutory conglomerate status.

The Norwegian Petroleum Act mandates licensees or lessees to submit decommissioning plans, including environmental impact assessments, when licences expire, are relinquished, or facility use is permanently discontinued. Norway prioritises domestic supply security through state engagement in retail goods sales, ensuring sales to citizens over those to other countries.

Contrasting with these nations, the Nigeria Petroleum Industry Act (PIA) of 2021 lacks several advantages. Notably, there is no state ownership of crude oil, leading to regulation by multiple agencies, unlike Qatar's streamlined approach. Nigeria falls short of implementing effective hydrocarbon economy management, akin to Norway. Nigerian-owned corporations are not extensively involved in oil exploration and production, and natural gas is often flared, contributing to environmental concerns.

Additionally, the PIA does not mirror the compensation provisions and transparency observed in Norway's regulatory framework. Statoil in Norway operates as a profit corporation paying corporate taxes, with the government assuming a supervisory role. The PIA overlooks the prioritisation of retail goods sales to citizens for supply security, a practice seen in Norway.

Kuwait's policies in technological efforts for cost reduction and operational improvement are absent in the Nigerian PIA. The study underscores that incorporating these advantageous provisions from Qatar, Kuwait, and Norway into the PIA would enhance its utility, aligning it with global best practices. The Nigerian government's utilitarian-influenced oil and gas management, primarily driven by utilitarianism, is criticised for neglecting the sustainability and human rights of the Niger Delta's host communities.

The study concludes that the sovereign or domanial ownership theory offers the best theoretical framework for positive applications of the Nigerian PIA. However, it emphasises the need for a decentralised approach where the federal government does not wield absolute control but shares authority over natural resources, including petroleum, with state governments—a departure from the current practice in Nigeria.

## **CONCLUSIONS**

The Nigeria Petroleum Industry Act (PIA) stands as a foundational framework with potential for further progress. Recognising the inherent imperfections in legislation, Nigeria should consider initiating measures to enhance various aspects of the PIA. It is imperative to rectify the disproportionate burden placed on the Niger Delta, a region responsible for the majority of the country's oil output. This incongruity becomes apparent when juxtaposed with the fact that 30% of NNPC Ltd.'s revenues are allocated for frontier exploration.

Despite the myriad flaws in the Nigerian PIA, it has laid a robust foundation for the industry, representing a positive step forward. This study contributes to the existing



knowledge by pinpointing gaps in the PIA and petroleum operations in Nigeria. Serving as a guide, the study recommends consistent measures, policy adoption, necessary modifications, and references to best practices in other jurisdictions. Lawmakers can utilise these insights to amend legislation, regulations, and policies, particularly when aligning with Nigeria's nationally determined contributions.

Given the crucial integration of Nigeria's international climate change obligations into domestic legislation, especially the PIA, regulators must be well-equipped to enforce existing laws, rules, and policies. In light of these findings and with the intention of achieving the objectives of Nigeria's PIA 2021, the study proposes the following amendments:

- a. Petroleum corporations should be obligated to install appropriate gas recapturing and/or re-injection facilities, mirroring practices in developed countries. Gas flaring must be categorically prohibited, with a stipulated timeline for the phased elimination of existing gas flaring infrastructure.
- b. To achieve the intended objectives of Nigeria's PIA, the administration of Host Community Development Trust (HCDDT) resources needs explicit provisions. The PIA should specify the appropriation of petroleum receipt quotas for host communities and regulate HCDDT activities. The current 3% operator contribution to the HCDDTF is deemed inadequate, and a minimum of ten percent is suggested, considering the irreversible environmental impact of upstream petroleum activities. An amendment should ensure representation and collaboration among various operators in host communities to prevent duplicative efforts and cost maximisation.
- c. The mandate in Nigeria's PIA requiring 30% of profits from petroleum receipts to be invested in the exploration and development of frontier basins raises concerns. The study recommends modifying or eliminating this provision, considering its apparent ambiguity and potential unnecessary nature.
- d. The allocation of 30% from production sharing contracts, profit sharing, and risk service contracts for frontier basin exploration, as stipulated in Nigeria's PIA, could negatively impact oil revenue. The study suggests reviewing this allocation, as it may impede monthly disbursements to various government entities, especially state governments, responsible for their day-to-day statutory obligations. The 30% allocation from NNPC LTD's profit for exploration is considered excessive in comparison to case study countries embracing clean energy sources.
- e. Addressing the issue of holding host communities responsible for acts of sabotage on corporate facilities within the community, the study recommends amending Nigeria's PIA to incorporate provisions that absolve the host community from such responsibility. Given the potential involvement of strangers in collusion with operational staff in acts of sabotage, clarifying legal responsibilities becomes imperative.
- f. Nigeria's PIA should establish a robust dispute resolution system between host communities and corporations. Such a mechanism is essential for ensuring equitable consideration of the interests of both operators and host communities, fostering a fair and efficient resolution process.

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