



# **REVIEW OF THE PETROLEUM INDUSTRY ACT (PIA), EITI STANDARD 2023, AND NEITI ENERGY TRANSITION FRAMEWORK IN NIGERIA**

*Gaps, Similarities, and Way Forward*



By  
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## ACRONYMS & ABBREVIATIONS

**NUPRC** - Nigerian Upstream Petroleum Regulatory Commission

**NMDPRA** - Nigerian Midstream and Downstream Petroleum Regulatory Authority

**EITI** - Extractive Industries Transparency Initiative

**NEITI** - Nigeria Extractive Industries Transparency Initiative

**MSG** - Multi-Stakeholder Group

**HCDTF** - Host Communities Development Trust Fund

**NNPC Limited** - Nigerian National Petroleum Corporation Limited

**PIA** - Petroleum Industry Act

**NDC** - Nationally Determined Contributions

**ETP** - Nigeria's Energy Transition Plan

**DOC** - Domestic oil companies

**IOC** - International Oil Companies

**GHG** - GreenHouse Gas

**NCCPRS** - Nigeria's National Climate Change Policy and Response Strategy

**NGFCP** - Nigeria Gas Flare Commercialization Programme

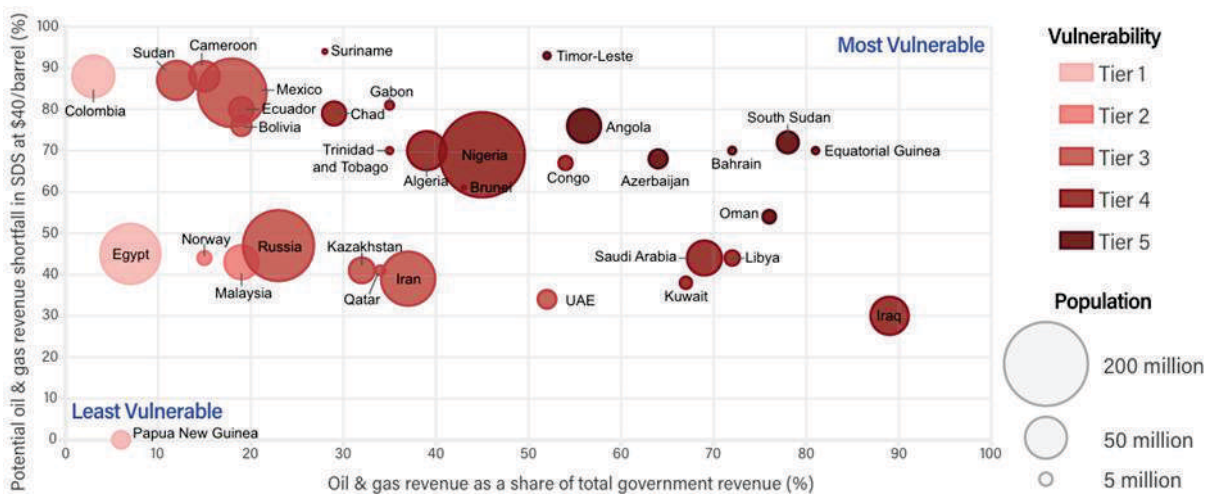
**NCCC** - National Council on Climate Change

# CHAPTER 1

## INTRODUCTION AND BACKGROUND

About 63 years ago, crude oil was found in Nigeria. Nigeria is the first and thirteenth largest producer of crude oil in Africa and the globe, respectively, with an average daily production of 1.5 million and approximately 37.5 billion barrels of oil and 202 trillion cubic feet of natural gas are the nation's proven oil and gas reserves. Both domestic and foreign oil firms are the main drivers of exploration and production in the oil and gas industry. 86% of government revenue comes from the oil and gas sector and also a sector that constitute 6% of the GDP<sup>1</sup>.

However, it contributes more than half of all greenhouse gases, making it an intensive and emitter for the energy sector. Although the energy transition is desperately needed, its success depends on how quickly decarbonization occurs, what kinds of technologies are adopted, how quickly renewable energy is adopted, and how socio-economic fairness is established.<sup>2</sup>



**Figure 1.** Vulnerability of oil and gas-producing countries to declining oil prices

In line with the Paris Agreement's objective of keeping the global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius while also ensuring the growth of a sustainable economy, the Nigerian government is dedicated to taking strong climate action and long-term decarbonization of its economy<sup>3</sup>. In order to achieve this goal, the government has created an ambitious Nationally Determined Contribution (NDC) 03, pledging to achieve a net-zero carbon economy by 2060, as well as its Long-Term Low Emission Development Strategy (LT-LEDS), which describes potential paths and scenarios for reaching this goal.<sup>4</sup> Additionally, the government passed the National Climate Change Act of 2021<sup>5</sup> and created an Energy Transition Plan (ETP)<sup>6</sup> and enacted National Climate Change Act of 2021, which provides a comprehensive regulatory framework for achieving long-term climate goals, including net-zero carbon emissions by 2060 in a just and equitable manner. In addition to the effects of oil and gas operations on climate change, Nigerian oil and gas production is beset by oil spills, gas flaring, and deforestation, all of which have negatively impacted local ecosystems and populations, resulting in health problems and loss of livelihoods.

<sup>1</sup> <https://www.statista.com/topics/6914/oil-industry-in-nigeria/#editorsPicks>

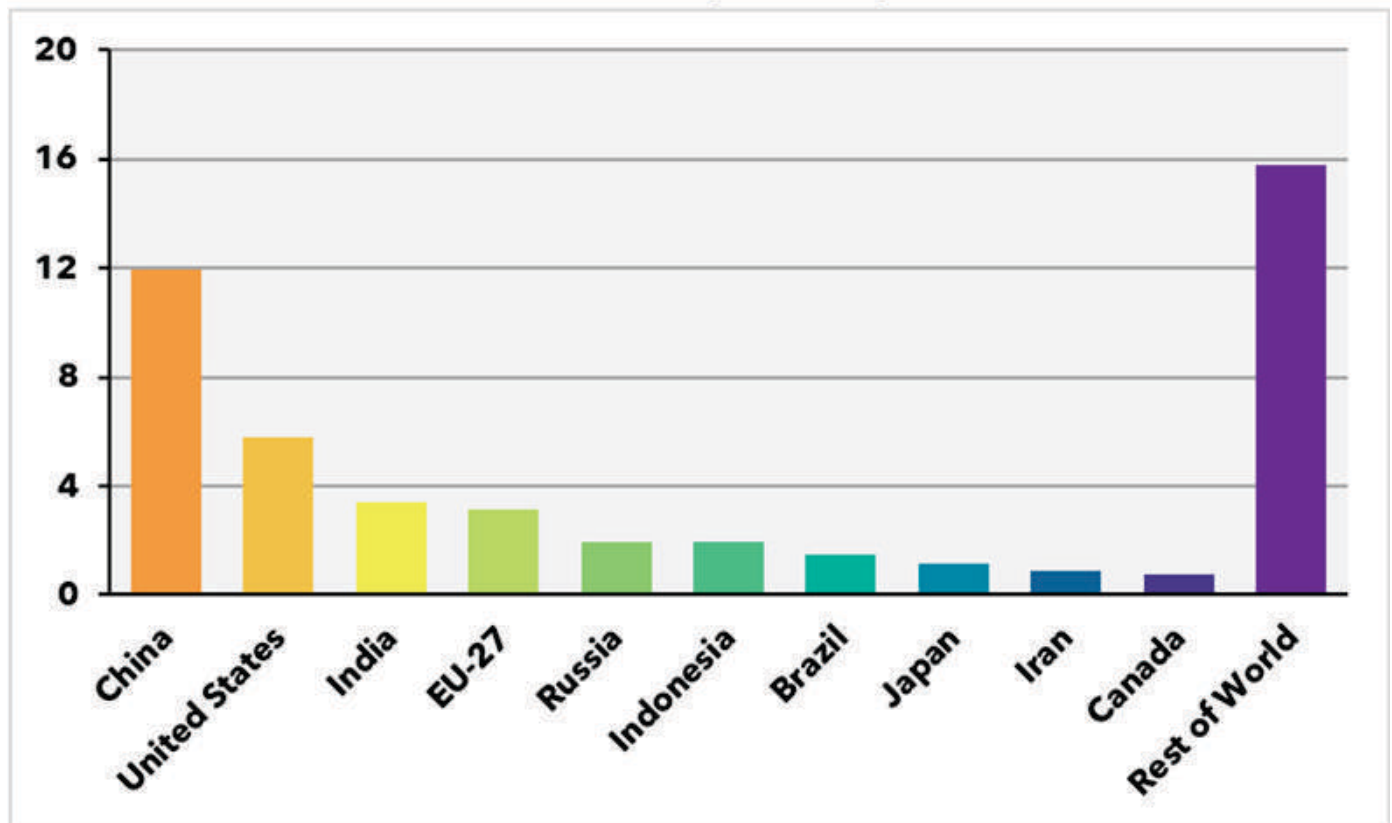
<sup>2</sup> <https://www.epa.gov/ghgemissions/global-greenhouse-gas-overview>

<sup>3</sup> United Nations Framework Convention on Climate Change (UNFCCC), The Paris Agreement, 2015, [unfccc.int/process-and-meetings/the-paris-agreement](http://unfccc.int/process-and-meetings/the-paris-agreement)

<sup>4</sup> 2050 LONG TERM VISION FOR NIGERIA (LTV-2050) <https://climatechange.gov.ng/resource/2050-long-term-vision-for-nigeria-ltv-2050/> <https://unfccc.int/documents/386681>

<sup>5</sup> <https://ossapcfe.org/wp-content/uploads/2025/03/Climate-Change-Act-2021-Gazette-Version.pdf>

## Greenhouse Gas Emissions by Country in 2021 (Gt)



Source: Data from Climate Watch; Climate Watch Historical GHG Emissions (1990-2020). 2023. Washington, DC: World Resources Institute. [https://www.climatewatchdata.org/ghg-emissions?chartType=area&end\\_year=2020&source=Climate%20Watch&start\\_year=1990](https://www.climatewatchdata.org/ghg-emissions?chartType=area&end_year=2020&source=Climate%20Watch&start_year=1990)

Figure 2

### 1.1 THE NIGERIA EXTRACTIVE INDUSTRY

Nigeria is richly endowed with oil, gas and mineral resources. The Government estimates that it has about 38 billion barrels of crude oil reserves, 160 Trillion cubic meters of gas reserves while each of the 36 states and the FCT has at least one form of mineral deposit in commercial quantities. It also holds the largest natural gas reserves on the continent. The oil and gas sector play a significant role in the economy, contributing about 65% of government revenue and over 85% of total exports. Nigeria also has a largely underdeveloped mining sector, which makes up less than 1% of the country's GDP.

Nigeria's critical minerals include lithium, cobalt, nickel, rare earth elements (REEs), manganese, tin, zinc, and beryllium. Nigerian Minerals and Mining act (2007)<sup>7</sup> Nigerian Minerals and Metals policy (2008)<sup>89</sup> like other minerals is the policy and legislative framework in the mining sector.

However, the extractive sector has had a limited impact on socio-economic development in the past, in part due to weak governance and corruption. In this context, Extractive Industry Transparency Initiatives (EITI)<sup>10</sup> implementation has helped to improve transparency of the sector's management and highlight areas in need

<sup>7</sup> <https://msmd.gov.ng/wp-content/uploads/2022/10/Nigerian-Minerals-Mining-Act-2007.pdf>

<sup>8</sup> [https://www.miningcadastre.gov.ng/img/publications/Minerals\\_Mines\\_Regulations\\_2011.pdf](https://www.miningcadastre.gov.ng/img/publications/Minerals_Mines_Regulations_2011.pdf)

<sup>9</sup> <https://www.scribd.com/document/44752145/National-Policy-on-Minerals-Metal>

<sup>10</sup> <https://eiti.org/>

of reform. In August 2021, Nigeria enacted the Petroleum Industry Act (PIA),<sup>11</sup> thereby introducing new arrangements for the governance, administration and management of the sector, including stronger oversight of host communities.

## 1.2 UNDERSTANDING THE NIGERIA POLITICAL ECONOMY

Although petroleum is strategically important to Nigeria, it is threatened by various factors, including declining investments, theft, energy transition and unstable energy market. In addition, the high cost of petroleum subsidies impacts Nigeria's financial health. The passage of the Petroleum Industry Act (2021) will help address several concerns; however, it depends on the ability to secure the political capital required to implement the provisions. The Extractive sector still contributes significantly to Nigeria's gross revenues. However, Nigeria has struggled to produce more than 1.8 million barrels per day (mbpd) in the last three years, with significant losses from oil theft. In addition, the sector has seen a significant decline in investments, with an active rig count of just 8 in 2021. Furthermore, the high cost of petroleum subsidies negatively impacts investments in petroleum refining and the profitability of the Nigeria National Petroleum Company (NNPC Limited). Global concerns about climate change have reduced funding for the extractive sector. Nigeria aims to use natural gas to transition its economy to cleaner energy. Liquefied Natural Gas exports contribute significantly to the country's revenues. However, although the electricity sector relies on gas for close to 60 percent of its installed capacity, gas utilization is still low. Furthermore, increasing prices of gas for domestic consumption could impact utilization. These challenges made the passage of the Petroleum Industry Act imperative.

The key driver for the extractives industry reform is improving oil, gas and mining contributions to the economy and addressing the revenue challenges. The country lost several billions of dollars due to the delayed passage, and the investment outlook was flat for almost 15 years but is showing signs of improvement. Several international oil companies have divested oil assets in the shallow Oil spills and several forms of environmental degradation have continued unaddressed.

Nigeria faces the issue of climate change vulnerability in addition to its heavy reliance on extractive and fossil fuel economies. Nigeria requires assistance in transitioning from fossil fuels to renewable energy sources like solar and wind power, as well as in providing clean, reasonably priced, and dependable to the country's approximately 90 million unemployed citizens. In certain instances, the energy transition helps nations accomplish the following goals:

- a) assist governments in cutting back on power sector expenditures;
- b) provide citizens with more affordable and dependable electricity;
- c) develop a more varied and secure domestic energy mix;
- d) alleviate at least some energy poverty if nations have access to reasonably priced technology;
- e) challenge laws and practices that enable insiders in the fossil fuel industry to profit at the expense of the general public; and government
- f) assist in removing inadequate electricity supply as hindrance to economic growth and Lower the environmental and social costs of fossil fuels, including pollution and its health effects (Aaron Sayne, 2020)<sup>12</sup>.

<sup>11</sup> <https://lawnigeria.com/2021/08/16/petroleum-industry-act-2021/>

<sup>12</sup> [https://development.resourcegovernance.org/sites/default/files/documents/supporting\\_the\\_energy\\_transition\\_in\\_oil-and\\_mineral-rich\\_countries.pdf](https://development.resourcegovernance.org/sites/default/files/documents/supporting_the_energy_transition_in_oil-and_mineral-rich_countries.pdf)

Furthermore, attaining sustainable energy through the energy transition will contribute to the SDG (target 7), which has a significant influence on all other sustainable goals from goals 1 through 17 (Oludamilare 2020)<sup>13</sup>. This was aptly captured in the Nigerian 2050 LONG TERM VISION FOR NIGERIA (LTV-2050).

New energy regulations, technological advancements, changing energy economics and the demand for clean energy availability and optimization are all contributing factors to the transformation of energy systems in many nations worldwide. With new regulations aimed at lowering greenhouse gas (GHG) emissions and other energy related pollution, many nations are spearheading the shift from fossil fuels to renewable energy. In order to make a fair transition to a low-carbon future, it would be necessary to address ethical and political challenges as well as the interconnected problems of justice and equality. Vasudha (2022)

Nigeria has created a number of frameworks and policies to deal with climate change and direct its response to the difficulties it poses. Nigeria's National Climate Change Policy and Response Strategy (NCCPRS)<sup>14</sup> includes the following important climate change policies: The Nationally Determined Contributions (NDCs)<sup>15</sup> are intended to reduce greenhouse gas emissions and incorporate climate change into sectoral plans and activities. The Nigerian Renewable Energy Policy, which was submitted under the Paris Agreement, but has been updated aims to show mitigated targets and reduce greenhouse emissions by 20% and 45% through international support in 2030. The goal is to generate 30% of the nation's electricity from renewable sources by 2030. Nigeria's National Climate Change Policy for 2021-2030 pledges to increase the production of renewable energy and boost energy efficiency (Nigerian DCC 2021).

### 1.3 CONTEXT

The following provides the key context for Nigeria Energy Transition:

- The Nigerian economy is heavily reliant on oil and gas, with oil accounting for 86% of the country's foreign exchange earnings.
- Nigeria is also home to some critical minerals like lithium and some rare minerals that are essential for energy transition and production of energy EV batteries
- A major section of the Nigerian population and communities depend largely on ecosystems and natural resources that are susceptible to climate change for their livelihood.
- Nigeria live in the global world so are susceptible to a dynamic and changing world.
- Oil and Gas companies face global pressure and are investing less in exploration and more on renewables.
- Divestments and stranded assets are all over the Niger Delta, Nigeria.
- Nigeria has an average carbon emission of 2.79 tCO<sub>2</sub>e/cap (well below the world average of 6.73tCO<sub>2</sub>e/cap). However, coming behind South Africa, Egypt and Algeria, Nigeria has Africa's fourth highest GHG emission.
- Widespread underlying poverty makes it challenging for the nation to respond effectively to climate change.

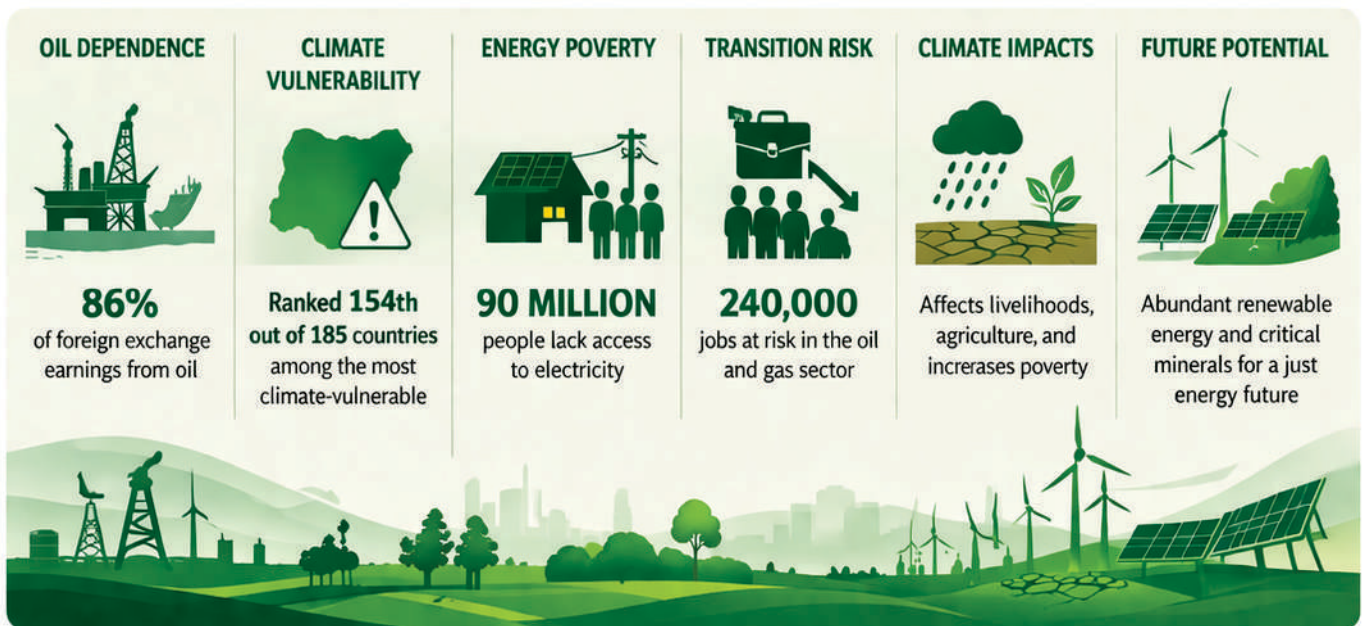
<sup>13</sup>[https://www.researchgate.net/publication/340849303\\_Challenges\\_and\\_prospects\\_of\\_Nigeria's\\_sustainable\\_energy\\_transition\\_with\\_lessons\\_from\\_other\\_countries\\_experiences/citation/download?tp=eyJjb250ZXh0Ijp7ImZpcnN0UGFnZSI6InB1YmxpY2F0aW9uIiwicGFnZSI6InB1YmxpY2F0aW9uIn19](https://www.researchgate.net/publication/340849303_Challenges_and_prospects_of_Nigeria's_sustainable_energy_transition_with_lessons_from_other_countries_experiences/citation/download?tp=eyJjb250ZXh0Ijp7ImZpcnN0UGFnZSI6InB1YmxpY2F0aW9uIiwicGFnZSI6InB1YmxpY2F0aW9uIn19)

<sup>14</sup>[https://climate-laws.org/document/national-policy-on-climate-change-and-climate-change-policy-response-and-strategy\\_95ff](https://climate-laws.org/document/national-policy-on-climate-change-and-climate-change-policy-response-and-strategy_95ff)

<sup>15</sup><https://unfccc.int/process-and-meetings/the-paris-agreement/nationally-determined-contributions-ndcs>

- Nigeria's mono-economy is extremely susceptible to disruptions from the global goal of transitioning away from fossil fuels in energy systems in order to reach the global net-zero target by the middle of the century.
- A large percentage of Nigerian women and marginalized groups are directly affected and exposed to climate shocks and in turn energy transition.
- In addition, an estimated 50,000 employees in the oil and gas industry would experience more stress at work, and the national and international energy transition is expected to result in the loss of 240,000 direct and indirect jobs.
- Nigeria is committed to long-term decarbonization, as envisioned in its Long-Term Low Emission Development Strategy (LT-LEDS) and Deep Decarbonization Projects (DDP).
- Nigeria has abundant renewable resources, including renewable energy sources that can be exploited and used to improve the country's economy, boost employment opportunities, and build resilience to climate change.
- Despite abundant renewable and non-renewable sources, about 90 million of Nigeria's 200 million population remain unconnected to the grid, making Nigeria the country with the largest un-electrified population globally.
- Economic diversification is highlighted in several national climate and economic policies as a key priority for the government of Nigeria, notably to alleviate high unemployment, especially for youth in rural areas.

## Nigeria's Energy Context at a Glance



# CHAPTER TWO

## SITUATIONAL ANALYSIS AND STAKEHOLDERS MAPPING

2.1 Table 1. Situational analysis of the oil and gas sector of Nigeria

Where are we	What are we responding to	Long-Range Outcomes	Risks
Presence of Critical minerals in Nigeria	Energy transition	Use of and manufacturing of EV batteries and Solar panel	Smuggling, Small scale informal mining, Environmental pollution and lead poisoning
Divestment and stranded assets oil producing areas.	<ul style="list-style-type: none"> <li>• Energy transition.</li> <li>• Environmental pollution.</li> <li>• Human health and livelihood violations</li> </ul>	Local ownership, Renewable adoptions	<ul style="list-style-type: none"> <li>• Stranded Assets.</li> <li>• Improper decommissioning.</li> <li>• Unethical Divestment</li> <li>• Environmental pollution</li> </ul>
(i) ~1.8 mbpd crude oil output (targeting 1.2) (ii) 37–38bn barrels of crude; 200+ Tcf gas (iii) Oil theft and underinvestment	(i) Energy transition pressure. (ii) global ESG standards (iii) Need for increased local refining (iv) Low investor confidence	(i) Optimised oil production within environmental limits (ii) Fully monetised gas reserves	1. Oil theft, sabotage 2. Regulatory uncertainty 3. Investment diversion to renewables
(i) Incomplete pipelines (e.g., AKK) (ii) Dangote Refinery operational (iii) Ageing state-owned refineries. (iv) Obsolete IOCs facilities and pipelines	(i) Domestic fuel supply crisis (ii) Gas flaring and pipeline losses (iii) Inadequate gas utilisation	(i) Operational refineries meeting national demand (ii) Gas-powered industrial base (iii) Cross-border gas pipelines	1. Delays, corruption in project execution 2. Pipeline vandalism 3. Funding shortfalls 4. Pipeline sabotage conspiracy by IOCs employees
(i) Subsidy removed (2023), leading to inflation (ii) Deregulated price system, but inefficient distribution	(i) Public backlash over the pump price (ii) Need to expand clean cooking fuels (iii) Persistent fuel import reliance	(i) Competitive and self-sustaining downstream market (ii) CNG and LPG widely adopted (iii) Cost-reflective pricing	1. Inflation and unrest 2. Price gouging 3. Fuel scarcity 4. Threat of monopoly in refining

(iii) Limited LPG/CNG access			
(i) Continued flaring, spills in Niger Delta (ii) PIA's Host Community Trust funds sufficiency and slow implementation	(i) Global net-zero goals. (ii) Local community agitations. (iii) Need to decarbonise the value chain.	(i) Significantly reduced flaring and spills. (ii) Active host communities engaged in governance (iii) ESG-compliant oil sector	(i) Environmental degradation (ii) PIL Lawsuits from communities (iii) ESG backlash from financiers
(i) Petroleum Industry Act passed (2021) (ii) National Oil Corporation Privatised. commercial (NNPC Ltd) (iii) Overlapping regulator roles being harmonised	(i) Need for full PIA implementation (ii) Attracting private sector investment (iii) Aligning oil law with global practices	(i) Transparent, investor-friendly sector governance (ii) Strong regulatory institutions (iii) Clear revenue-sharing systems	(i) Political interference (ii) Institutional overlap (iii) Corruption and weak enforcement

## 2.2 STAKEHOLDERS ANALYSIS

Thus, to identify and evaluate the many stakeholders, including government agencies, a multi-stakeholder approach is engaged, OR persons and interests directly and indirectly affected by the energy transition. There will be several steps in the stakeholder mapping process. Finding all possible stakeholders in the oil and gas industry and other sectors that are equally part of and affected by the energy transition and divestment, including the public and commercial sectors, local communities, trade unions, and business associations.

The different stakeholders, that is government agencies, energy companies, labour unions, local communities, environmental organizations, and marginalized groups will be mapped in all the categories from the multilateral organizations, Nigerian government ( Executive, Legislative and Judiciary ), International oil and gas companies, domestic oil and gas companies, Nigeria citizens, the host communities and their different interests, the government at the subnational levels, religious and community base organizations, Women and youth base organizations, and the vulnerable groups in the society.

The Stakeholders in the energy transition and the extractive sector include the oil majors (Shell, Total, Mobil, NAOC, Chevron, other multinational oil companies and the local oil companies in Nigeria), the international and multilateral organizations that deal with issues of poverty, energy, labour and climate change, Nigeria government from the Presidency, Ministries of Petroleum Resource, Power, Environment, Finance and Niger Delta, National Electricity Commission, and other agencies like NUPRIC, NNPC Limited, Climate Change Commission, Niger Delta Development Commission, to the Parliament, National and State

Houses of Assembly, the subnational stakeholders such as the 36 State Governors including the FCT Minister, 778 local government areas, Oil Host Communities and other communities across the country. Youth leaders, community leaders, Civil society organizations, the labour unions (NLC, TUC, PENGASSAN, NUPENG) and the marginalized and vulnerable members of the society.

The organizational structure of most communities is as follows: (i) Village Head (Paramount Ruler); (ii) Village Council (Chiefs); (iii) Quarter/Ward Chiefs (Baale); (iv) President/Chairman (Community Development Committee); (v) Compound Heads (Baale) (vi) influential Leaders, and (vii) Members of the Community (the people), (Wahab B. et al, 2021). These are the people directly affected by energy transition and unpopular divestment.

Stakeholders affected and Levels of Effects. Stakeholders experience varying impacts, with marginalized populations in the Niger Delta bearing the brunt. Below is a summary table:

Table 2 Stakeholders

Stakeholders	Key Effects	Level of Effect (Low/Medium/High)
IOCs (e.g. ENI, Shell, ExxonMobil)	Avoid high costs and liabilities; retain partnerships with and influence on DOCs; and face PIL action but benefit from exits without accountability.	High (opportunities offset risks)
DOCs/Indigenous Firms	Gain assets and market share (e.g., 30% crude production); struggle with debt, operations, and standards; and incapable of meeting financial implications of liability legacies of divesting IOCs.	High (growth potential vs. capacity gaps)
Federal/State Government	Revenue loss and increased human and environmental liabilities; push for increased FDI in oil and gas but exposed to stranded assets threat.	High (economic dependence on oil)
Banks and Financiers	High exposure to DOC debt (\$12.7 billion); and potential insolvency risks.	Medium-High (financial vulnerabilities)
Host Communities	Worsened pollution, lost/abandoned CSR, conflicts; HCDTFs but insufficient and misapplied for clean-ups misrepresented as sabotage.	High (direct livelihood impacts)
Marginalized Populations (e.g., rural/riverine women, youth, impoverished in Niger Delta)	Extreme poverty, health issues from pollution; loss of aquatics/farmlands; exclusion in decision-making; and reduced justice options post-IOCs.	Very High (vulnerable to environmental injustice, unemployment, social strife), Marginalized groups, dependency on ecosystems for livelihoods, face the

		highest effects, including debilitating poverty, displacement, and limited compensation, perpetuating cycles of exclusion and conflict.
Civil Society/Activists	Harder to enforce accountability; amplify voices for remediation.	Medium (advocacy challenges)
Local Elites/Chiefs	Benefits from bribes/patronage but community divisions and strife.	Low-Medium (mixed gains/losses)

## 2.3. Other issues on Energy Transition in Nigeria

### 2.3.1 HOST COMMUNITIES DEVELOPMENT TRUST FUND

A crucial component of Chapter 3 (Section 235) of Nigeria's Petroleum Industry Act (PIA) 2021 is the Host Communities Development Trust (HCDDTF), which requires upstream oil and gas operators (also known as "settlers") to donate 3% of their yearly operating expenses to incorporated trusts for the sustainable development of host communities, mainly in the Niger Delta. The implementation of HCDDTF is overseen by the Nigerian Upstream Petroleum Regulatory Commission (NUPRC), which has incorporated over 155 trusts, funded over 79 of them, and oversaw hundreds of ongoing projects focused on infrastructure, education, healthcare, and livelihoods. As of late 2025, the fund had grown to approximately N373 billion. The PIA–NUPRC–HCDDTF linkage seeks to enhance long-term socio-economic advantages while operators adjust to global low-carbon needs, guarantee that divestitures and portfolio changes during the energy transition do not leave communities behind, but promote peaceful cohabitation.<sup>16</sup>

### 2.3.2 JUST TRANSITION

In Nigeria, "just transition" refers to a fair, inclusive, and equitable transition from a fossil fuel-dependent economy to a low-carbon, climate-resilient future that safeguards vulnerable groups, workers, and communities (particularly in the Niger Delta) while generating new economic possibilities. The Petroleum Industry Act (PIA) 2021 links this change to community benefits through the Host Communities Development Trust Fund (HCDDTF), where operators contribute 3% of operating expenditure for local development projects in infrastructure, education, health, and livelihoods. Nigeria's Energy Transition Plan (ETP) positions natural gas as a transitional fuel, aims for net-zero emissions by 2060, and emphasizes reducing gas flaring, methane emissions, and promoting renewable energy.

<sup>16</sup> <file:///C:/Users/HP/Documents/GIVING-HOST-COMMUNITIES-THEIR-DUE%20PIA.pdf>

# Just Transition:

Towards a Sustainable Future



Figure 3 Just Transition diagram

# CHAPTER 3

## ANALYSIS OF THE FRAMEWORKS AND IDENTIFIABLE GAPS

### 3.1 THE PETROLEUM INDUSTRY ACT (2021)

The Petroleum Industry Act (PIA), was enacted in August 2021 with the goal to completely restructure the governance, operations, policies, and legal frameworks of Nigeria's oil and gas industry. By enhancing governance, effective financial management, and the industry's social impact in the host communities of oil and gas companies. The PIA seeks to increase transparency. The Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) and the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) are two new regulatory bodies that were created by the PIA. In their respective subsectors, both organisations guarantee improved regulatory scrutiny and compliance.

The Nigerian National Petroleum Corporation (NNPC) was converted by the PIA into a business that operates as a commercial organisation under the jurisdiction of pertinent government ministries independent from government funding. Increased investment in oil and gas exploration in Nigeria is required by the commercialisation of NNPC Ltd, which could jeopardise the international commitment to energy transformation. Nonetheless, the Nigerian government is eager to expand the country's economy into renewable energy, technology, and agriculture. This done by aggressively following up on the climate commitments and energy transition. Additionally, the government is proposing a number of initiatives to position the gas industry as a transition fuel that will assist Nigeria's transition goals and aid in the country's decarbonization.

To lessen the negative social effects that oil and gas corporations have on the host communities, the PIA established a Host Community Development Trust Fund. The HCDDTF also seeks to lessen disputes between oil and gas firms and host communities and promote the economic development of the host communities. Despite the PIA's good intentions, obstacles (such as a lack of trust, weak enforcement mechanisms, insufficient regulatory capacity and political interference) may lead to disagreements and inconsistent applications of the act.

The Petroleum Industry Act 2021 (PIA) promotes natural gas as a transition fuel, highlights environmental effects of fossil fuels, encourages sustainable practices, and funds infrastructure for gas utilisation, among other provisions that support the energy transition.

The PIA Act and certain guidelines that support decarbonization technologies like carbon capture align with Nigeria's energy transition goals by emphasising emission reductions, environmental remediation, and a shift toward domestic gas consumption and utilisation to replace more polluting practices like gas flaring, venting, and other oil and gas harmful environmental effects. Some of the provisions emphasising these are:

- The PIA acknowledges natural gas as a crucial resource for Nigeria's energy mix, utilizing the nation's enormous reserves to promote a move toward cleaner energy sources, among other provisions that assist the Energy Transition.
- The PIA's Sections 104–108 and 259(c) support the energy transition by prohibiting routine gas flaring and venting except in emergencies, for safety, or with exemptions, not the best of provisions; imposing non-tax deductible penalties; and allocating proceeds to funds for infrastructure and remediation.
- The Nigeria Energy Transition Plan and the EITI requirements are supported by the Act's Environmental Protection and Remediation. This also enforces strict implementation of environmental policies through regulatory bodies like the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) and the Nigerian Midstream and Downstream Petroleum Regulatory

Authority (NMDPRA), with powers to revoke licenses for non-compliance (Sections 6(d), 6(i), 7(c), 31(c), 31(k), 32(bb), 120(1)(h))

- Decommissioning, Abandonment, and Site Restoration band divestments: Incorporates environmental and social impact assessments for sustainable development and mandates decommissioning and abandonment plans with funding for returning sites to their original state (Sections 232, 233) emphasizes reusing facilities and taking the environment into account while decommissioning techniques (Section 232(10)).
- Host Community Development and Sustainability establishes Host Communities Development Trusts Fund, funded by 3% of annual operating expenses, focusing on environmental protection, sustainable prosperity, and long-term community needs like remediation and economic empowerment (Chapter 3, Sections 234–257, 240, 241, 251, 252). Integrates sustainability into needs assessments and development plans, with allocations for capital projects, reserves, and administration to ensure enduring benefits (Sections 244(b), 247).

### 3.1.2 DIVESTMENTS AND DECOMMISSIONING

In Nigeria's oil and gas industry, International Oil Companies (IOCs) like Shell, ExxonMobil, Total Energies, ENI and Equinor are selling off their onshore and shallow water assets, mostly in the Niger Delta, to Domestic Oil Companies (DOCs) or local businesses. This is known as divestment, driven by a mix of operational, environmental, and global issues. This trend has accelerated since 2010 and includes approximately \$21 billion in divested assets.<sup>17</sup> This is purported to among other things, help to support local ownership and support the objectives of the energy transition. In spite of their acclaimed enormous success, they have fundamental drawbacks, such as social injustice, economic effects, lack of technical capacity and financial profile, and unremedied environmental harm due to decades of pollution and low capacity of the DOC taking over operations. Divestitures are still ongoing as of 2026 despite legal action and regulatory obstacles. The landscape is shifting a bit with increasing local players and few new international companies coming onboard.

From the beginning of production in the 1950s, the IOCs controlled the industry. However, over the past 30 years, DOC participation has expanded due to three major waves of investments. The first concerned sole risk contracts for offshore Oil Mining Licenses (OMLs) and occurred in the 1990s. The sale of marginal fields in 2001 marked the beginning of the second wave, which allowed DOCs to become more involved in onshore operations. This involves 24 small fields that were never regarded to have had considerable resources being taken over by individuals with political connections and other local entrepreneurs. The divestiture of significant onshore licenses by IOCs, which is still going, constituted the third wave. Many were listed in the middle of the 2000s, but sales did not begin until the 2010. By the end of 2015, 24 major divestments were finalized. All of the OMLs were acquired by DOCs, apart from one by China's Sinopec. Some of the several reasons for latest divestments include:

1. Security and Operational Risks:
2. Environmental and Social liabilities
3. Economic and financial demands
4. Community and clean-up demands
5. Investment demand in the offshore exploitation
6. Global pressure.

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<sup>17</sup> SDN, "As International oil companies are leaving onshore oil fields, what are the consequences for Nigeria and the Niger Delta?", no date, [www.stakeholderdemocracy.org/ioc-divestment](http://www.stakeholderdemocracy.org/ioc-divestment)

These are happening also because most of the oil majors are divesting due to the increase pressures by their shareholders to energy transition. These divestments leave in its trail environmental issues that are related to energy transition and climate change.

## 3.2 EITI 2023 STANDARD.

### Energy Transition and EITI Standard 2023

Energy transition is here to stay. By incorporating it as a cross-cutting issue that impacts the oil and gas industry as well as other cross-cutting issues in the extractive industry, such as critical minerals, public expenditure, allocation, and resource optimization, the 2023 EITI Standard clearly supports the energy transition. The EITI standard 2023<sup>18</sup> goals are to improve transparency, inform policymaking, and encourage public discussion on the effects of shifting away from fossil fuels toward low-carbon technologies and net zero. In addition to the aforementioned issues, it also entails tackling problems like revenue sustainability, corruption vulnerabilities, governance, and accountability of all the EITI-covered industries and multi-stakeholders involved. The EITI Standard places a strong emphasis on disclosures that assist various stakeholders in comprehending how fiscal regimes, industry practices, and governmental policies align with global climate goals. Enabling better management of economic, environmental, and social implications of Energy Transition.

### EITI members commitments and key provisions.

Members commit to accomplishing the climate goals that are in line with EITI and support the Energy Transition. To encourage accountability and data-driven decision-making in the multi-stakeholder group and organization, the 2023 EITI Standard added the following new requirements:

- Resource-rich nations have both possibilities and challenges as the energy revolution transforms the extractive sectors.
- Investment choices and the economic benefits of the extractive industry are being impacted by changes in the demand for minerals and fossil fuels.
- The long-term sustainability of projects and possible drops in government revenue are concerns for nations that produce coal, gas, and oil.
- Although there are opportunities for new investments and income streams for mineral-rich nations especial critical minerals and transition minerals, market instability may also present financial difficulties.
- In addition to having an impact on governmental finances, energy transition raises concerns for corruption, local residents' quality of life, and the environmental effects of the extractive industry.

The speed and scope of change brought about by the energy transition are unprecedented, even if many of these opportunities and difficulties are not new. In order to ensure that the world can accomplish its decarbonization goals while benefiting resource-rich nations and their inhabitants, it is imperative that governance be strengthened.

To do this, data is needed for public discourse, policy responses, and forward-looking analysis. Stakeholder requests for information on the energy transition, including national policies, subsidies, reserves, revenue

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<sup>18</sup> <https://eiti.org/sites/default/files/2023-06/2023%20EITI%20Standard.pdf>

projections, social expenditures, and environmental effects, including greenhouse gas emissions, are met by the 2023 EITI Standard.

In addition to giving policymakers evidence to manage risks and take advantage of opportunities, such data can give governments and citizens a clearer understanding of how the energy transition may affect their businesses and communities in the upcoming decades. Although data is crucial, it is not enough to guarantee that residents would profit from the energy transition. Increasingly, Just transition is becoming an important issue on the table. By encouraging communication between governments, businesses, and civil society, the EITI can help resource-rich nations handle the economic, social, and environmental effects of the energy transition. When used properly, the EITI provides a forum for interested parties to participate in determining the direction of the extractive industry and guarantee accountability and openness in transition processes.

Advantages of data and communication in the energy transition for governments may ensure long-term public interests are served by policy decisions affecting the extractive sectors and use of data and multi-stakeholder interaction.

### **For the government**

Governments are able to:

- Align national policies on energy, extractives, and climate change to increase decision-making coherence and government institution coordination. While reducing the risks to public finances brought on by changing market conditions and demand trends in order to improve long-term economic planning.
- Involve communities in transition plans and the potential effect of mitigation in fostering trust and improve decision-making participation and inclusivity.

### **For Citizens and communities**

- Citizens and communities can be empowered to actively participate in decisions that affect their lives through data and multi-stakeholder dialogue.
- Ensure local interests and needs are taken into account when making decisions by using data and discussion to educate on impacts of energy transition on communities.
- Reduce the likelihood of human rights violations and environmental damages by identifying and fixing vulnerabilities in order to mitigate corruption and guarantee that citizens benefit from the sector.
- Protect the public interest by requiring that decisions about spending and investments ultimately benefit citizens.
- Managing the energy transition: Information and communication to improve governance in the extractive industry.

### **For businesses and Companies**

This can develop trust with investors, communities, governments, and other stakeholders in their approach to managing risks and opportunities by using data and multi-stakeholder conversation. Businesses are able to:

- Increase a company's social license to operate by fostering meaningful and inclusive conversations on local, environmental, social, and economic impacts.
- Companies emissions and financial risk management are transparent in order to align investment decisions with climate goals.
- Address corruption concerns by putting in place strong anti-corruption policies and due diligence procedures to increase confidence in a company's sustainability and integrity.

**Table 3 EITI Standard 2023 and Energy Transition**

Requirement	Description	Purpose
1.4 (MSG Governance)	MSGs must include energy transition in their terms of reference and consider it in oversight activities, alongside issues like anti-corruption and gender equity. eiti.org	Ensures energy transition is a core topic in national dialogues and MSG mandates.
1.5 (Work Plans)	Work plans must reflect national priorities, including energy transition, with measurable activities, timelines, and budgets developed through stakeholder consultations. eiti.org	Prioritizes energy transition in implementation, allowing MSGs to tailor activities to local contexts.
2.1 (Legal Framework and Fiscal Regime)	Governments must disclose national energy transition commitments, policies, and plans relevant to extractives (e.g., Nationally Determined Contributions under the Paris Agreement, fossil fuel phase-out strategies, or mining reforms for critical minerals). Encouraged disclosures include carbon pricing mechanisms (e.g., taxes or emissions trading), public subsidies (producer, pre-tax, and post-tax consumer subsidies), and ongoing reforms. eiti.org +1	Increases understanding of policy impacts on the sector, fiscal incentives/disincentives, and preparedness for transition.
2.2 (Contract and License Allocations)	For fast-tracked licenses (e.g., for critical minerals), document the rationale, process details, and safeguards, including consultations and free, prior, and informed consent where applicable (Host communities) eiti.org	Addresses governance risks in the rush for energy transition minerals, ensuring transparency and community protections.
3.1 (Exploration Data) and 3.4 (GHG Emissions)	Encourages disclosure of proven oil, gas, and mineral reserves (including those for low-carbon tech) and greenhouse gas (GHG) emissions data	Supports analysis of economic impacts, potential carbon emissions, and sector viability amid transition.

	aligned with leading standards (e.g., disaggregated by project or scope). eiti.org +1	
4.10 (Project Costs)	Encourages disclosure of project-level costs (operating, capital, and cumulative since commencement). eiti.org	Helps assess how climate risks affect specific projects and local economies.
5.3 (Revenue Management)	Governments must disclose revenue forecasts, including assumptions on production, costs, and prices, with explanations of how energy transition and climate risks are factored in. Companies are encouraged to share projected production and cost recovery timelines. eiti.org +1	Anticipates public finance risks and ensures revenue stability.
6.2 (Quasi-Fiscal Expenditures)	State-owned enterprises (SOEs) encouraged to disclose investments in extractives, including alignment with energy transition goals. resourcegovernance.org +1	Identifies fiscal risks from SOE activities.
7.1 (Public Debate)	MSGs encouraged to use EITI data for broader disclosures and debates on energy transition impacts, including thematic reports. eiti.org	Enhances stakeholder engagement and accountability.

### 3.3 NIGERIA'S ENERGY TRANSITION PLAN (ETP)

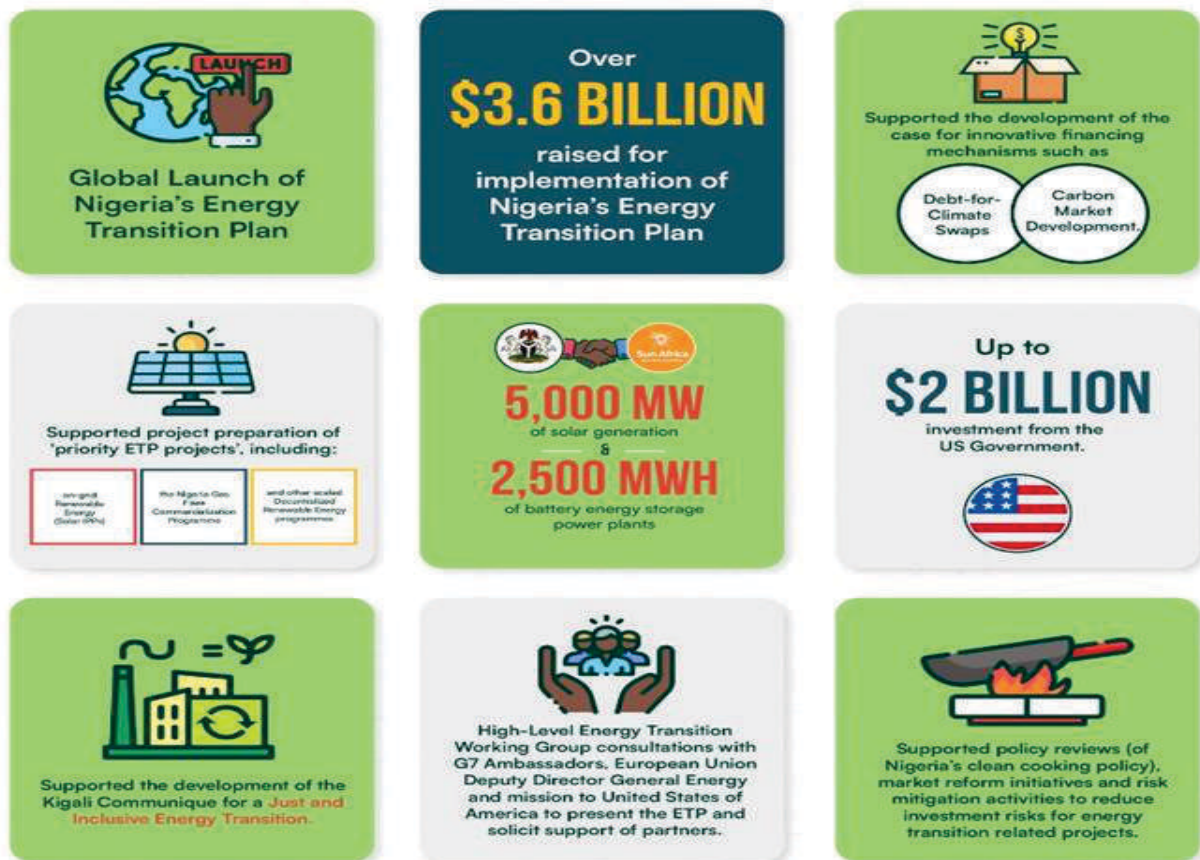
Nigeria's official data-driven plan to achieve net-zero emissions in the energy sector by 2060 (extended from an initial 2050 target due to finances, social, and technological realities) and guarantee universal access to modern energy by 2030 is the Nigeria Energy Transition Plan (NETP/ETP, launched 2022). It specifically aims to reduce emissions in five major areas, which together account for around 65% of Nigeria's greenhouse gas emissions: power, transportation, oil and gas, cooking, and industry. Other framework driven from these include alignment with the Climate Change Act 2021, the Petroleum Industry Act (PIA) 2021, and enforcement by regulators like the Nigerian Upstream Petroleum Regulatory Commission (NUPRC). Key mechanisms include the Nigeria Gas Flare Commercialization Programme (NGFCP),<sup>19</sup> the Upstream Petroleum Decarbonization Template (UPDT)<sup>20</sup> (mandatory low-carbon plans, methane management, and renewables components for new licenses since 2025), and integration with the “Decade of Gas” initiative.

<sup>19</sup> <https://ngfcp.nuprc.gov.ng/>

<sup>20</sup> <https://www.nuprc.gov.ng/wp-content/uploads/2024/12/POLICY-RELEASE-Introduction-of-Regulatory-Decarbonisation-Template-for-Upstream-Oil-Gas-Oper>

# SOME 2022 HIGHLIGHTS

## of Nigeria's Energy Transition Plan!



[energytransition.gov.ng](http://energytransition.gov.ng)

Figure 4: Highlights of the Energy transition Plan

The NETP is supported by regulatory hooks in the PIA and NUPRC, the NETP offers a reliable, sector-specific framework for decarbonizing Nigeria's oil and gas extractive core, especially through flaring eradication and gas optimization. Ambition, data rigor, and job/revenue balancing are its strong points. However, delivery could be jeopardized by significant gaps in just-transition depth, financing, limited mining involvement, and complexity, along with implementation issues. While ongoing initiatives like NGFCP and UPDT demonstrate progress, success by 2060 will depend on improved coordination, domestic funding sources, critical-minerals policy, and community-inclusive oversight.

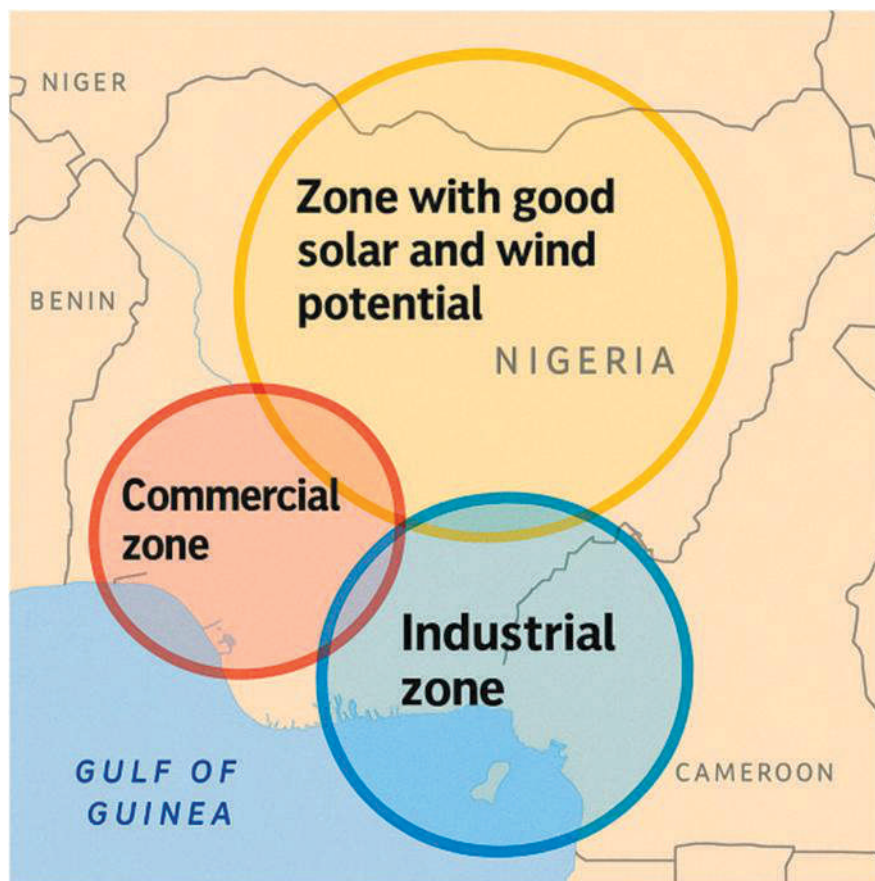


Figure 5: Renewable potential of the country

### 3.4 NEITI ENERGY TRANSITION FRAMEWORK: OBJECTIVES, TRANSPARENCY ROLE, ALIGNMENT WITH NIGERIA'S NET-ZERO TARGET

Nigeria Extractive Industry Transparency Initiatives (NEITI) views its role as anchoring accountability while supporting the country's just transition. These pillars include using data to guide decision-making, inclusive policy-making that elevates the voices of host communities and vulnerable populations, and implementing reforms that include divestment and decommissioning protocols. The NEITI Energy Transition Framework<sup>21</sup> also proposed legal safeguards for community benefit and environmental responsibility, as well as incentives for local beneficiation and extractive-driven industrialization of Nigeria's solid minerals endowment.

In addition to transparency, accessibility and inclusiveness for monitoring climate related financial risks, divestment by IOC, greenhouse gas emission and the, implementation of HCDTF. NEITI is designed to be big on data, it is expected to equally leverages on that to ensure evidence-based decision making. It ensures stakeholders' collective engagement and also made provisions for solid minerals i.e. integrating baseline GHC tracking for large scale mining operations, include community impact disclosures and energy trends and also monitor corporate climate action plans in lie with global standards.

The strategic pillars of the framework include:

- a. Emission tracking and Climate risk disclosure;
- b. Just transition Planning;

<sup>21</sup> <https://neiti.gov.ng/cms/wp-content/uploads/2025/09/POLICY-PAPER-ON-NEITI-ENERGY-TRANSITION-AND-CLIMATE-ACCOUNTABILITY-FRAMEWORK.pdf>

- c. Transparent monitoring of divestments;
- d. Host community Development oversights; and
- e. Digital transparency tools and open data systems.

### 3.5. Comparative Analysis of the identifiable Gaps

Table 4 (comparative Analysis)

Dimension	PIA 2021	EITI 2023 Standard	Nigeria ETP
Climate Focus	Petroleum-centric gas as transition fuel	Explicit sustainability & emissions reporting	Net-zero by 2060, renewable energy targets
Transparency	Revenue-focused	Environmental, social, and climate disclosures	Requires data on emissions & financing
Stakeholder Engagement	Limited civil society role	Strong multi-stakeholder dialogue	Community inclusion in transition pathways
Renewable Energy Integration	Minimal	Encouraged via sustainability reporting	Central to transition plan
GAPs	<p>The PIA does not embed sustainability metrics, emissions reporting, or renewable energy governance, leaving Nigeria’s climate commitments outside its core framework.</p> <p>Gaps and Provisions: The PIA lacks explicit mandates for renewable energy integration, funding, or incentives, such as tax breaks for solar, wind, or biomass projects. It prioritizes fossil fuel exploration (e.g., via the Frontier Exploration Fund under Section 64(c), which allocates 30% of NNPC Ltd.’s profits to new oil/gas basins) without redirecting resources to renewables.</p>	<p>While EITI sets strong sustainability standards, Nigeria’s PIA does not fully align with these requirements, creating a disconnect between national law and international transparency obligations.</p>	<p>Strong on vision but weak on integration with PIA’s petroleum governance framework. Implementation depends on aligning fiscal and regulatory structures with climate goals.</p>

Alignment Gap	Weak climate integration	Strong sustainability standards	Ambitious but not embedded in PIA
	Ambiguous	Incomplete disclosures, limited oversight, anti-corruption shortfalls Undermined accountability, fiscal emergencies	Funding/infrastructure deficits, skills gaps, fossil dependence Delayed renewables, energy poverty persistence
	Needs enforcements to materialize	Voluntary in enforcement but is assessed in their validations	Aspirational and not mainstream in policy
	Definitions is weak in some definition especially Energy transition	Definition is strong but didn't extend much to renewable but only the causes of climate change like methane emission.	
	regional tensions due to the dichotomy	National and international in outlook	National
	Impact Litigation from the host communities, investor hesitation, environmental harm	Provision for multi-stakeholder governance	
Fiscal mismatch	<p>PIA Spending vs. Transition Financing Requirements: A Fiscal Mismatch</p> <p>The Frontier Exploration Fund receives 30% of NNPC Limited's oil and gas profits from the PIA, which is often seen as favouring northern frontier basins with few proved reserves. In the meantime, the nation needs \$20 billion a year for the development of gas infrastructure over the next ten years, but there are no specific financing sources for the growth of renewable energy..</p> <p>An Executive Order signed in 2026 attempted to address this by requiring direct remittances to the Federation Account, but this creates</p>	Revenue leakage makes the disparity worse. According to NEITI reports, different deductions and levies included in the PIA framework remove more than two-thirds of gross government entitlements from petroleum activities before they reach the Federation Account	The PIA's fiscal framework and Nigeria's energy transformation financing needs are fundamentally at odds.

	unintended consequences for community development and environmental remediation funding		
NEITI strategic Framework Gaps	<ul style="list-style-type: none"> <li>• Key gaps include its narrow mandate limited to oil, gas, and solid minerals (unlike the economy-wide scope of the ETP covering power, transport, and agriculture)</li> <li>• Implementation and Enforcement Lag.</li> <li>• It is also good in Depth of Inclusivity and Just Transition Safeguards</li> <li>• Limited in Financing and Resource Mobilization</li> </ul>		

### 3.5. COMPARATIVE ANALYSIS:

In making a comparative analysis of the four frameworks, the PIA, EITI standard 2023 and the ETP and the stillbirth NEITI framework on energy transition, all these frameworks see the dynamic and evolving nature of the sector. They represent critical frameworks for governance, transparency, and sustainability in the energy sector. However, gaps in implementation, funding, and engagement are glaring and may affect the progress of the energy transition agenda. These frameworks diverge significantly in how they integrate climate and sustainability. The PIA remains petroleum-centred, the EITI 2023 reflects some aspects of sustainability and climate accountability, while the ETP provides Nigeria’s roadmap to net-zero by 2060 as contained in the framework and reflected in the country's NDC 2 and 3.

According to the World Economic Forum, a country’s energy transition readiness is measured by six factors: the availability of investment and capital; effective regulation and political commitment; stable institutions and governance; supportive infrastructure and innovative business environment; highly skilled human capital and consumer participation; and robust energy systems structure. Whereas the PIA and the EITI standard and ETP have some of these provisions, there are also some noticeable lapses.

The PIA is seen as progress in governance and community benefits, but lacks provisions for aligning with global energy transition commitments (e.g., Nigeria's NDCs under the Paris Agreement or its 2060 net-zero target). Nigeria's broader energy transition efforts (e.g., the Energy Transition Plan, Climate Change Act 2021) reference the PIA indirectly but treat it as part of the fossil fuel framework rather than a transition tool. It is weak in just concept, but has some elements of inclusion in the HCDTF that also reflect in “Just transitions”. As noted earlier in the Economic forum, conditionalities do not establish mechanisms like a

dedicated future energy/renewables fund or address workforce implications of declining fossil fuel demand. It also makes no direct reference to energy transition: The PIA does not mention energy transition, nor does it reflect climate change mitigation, net-zero goals, worker retraining, job losses in fossil fuels, renewable energy integration, or safeguards for a fair shift from oil/gas dependency. It emphasises maximising oil and gas value, attracting investment, expanding exploration (including frontier basins), and using gas as a key resource.

In another vein, the EITI Standard focuses on enhancing transparency around energy transition policies, economic impacts, reserves, emissions reporting, fast-tracked licensing for critical minerals, subsidies utilisation, carbon pricing, and related governance risks to support informed public debate and preparedness. These key elements suggest a partial recognition of climate issues and sustainability. Key relevant elements in the 2023 Standard include: requirements for disclosing national energy transition commitments, policies, and plans impacting the extractive sector. It also encourages disclosures on carbon taxes/pricing, public subsidies, proven reserves, GHG emissions, production/cost data, and revenue forecasts under different scenarios.

Just like the Nigeria Energy Transition Plan and the EITI requirements are supported by the Petroleum Industry Act, Environmental Protection and Remediation, it also enforces strict implementation of environmental policies through regulatory bodies like the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) and the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA), with powers to revoke licenses for non-compliance (Sections 6(d), 6(i), 7(c), 31(c), 31(k), 32(bb), 120(1)(h)). These environmental functions help in methane emission curbing, management, gas flaring, venting and some other elements that support Nigeria climate goals.



## 4. RECOMMENDATIONS.

### 4.1 General Recommendation

- A) Enhance Cross-Agency Coordination: Develop formal coordination mechanisms between NEITI, NUPRC, NMDPRA, NCCC, and Ministries of Petroleum Resources and Environment to align transparency efforts with transition goals.
- B) Establish a National Just Transition Commission: Create a multi-stakeholder body with representation from government, industry, civil society, and host communities to coordinate transition planning and ensure inclusive governance.
- C) Establish a Just Transition Fund for Fiscal Reform and Revenue Management: Nigeria should create a specific Just Transition Fund that is funded by a portion of petroleum revenues, including the Frontier Exploration Fund allocation. This fund would finance community development, renewable energy infrastructure, and retraining programs in oil-dependent regions.
- D) The government should include tax reforms with VAT exemptions on renewable energy components, tax credits for clean energy investments, and accelerated depreciation allowances for green technologies.
- E) Extend Vocational Training: To prepare workers in the fossil fuel industry for transition employment prospects, extend vocational training programs for green jobs to employed and unemployed citizens.
- F) Redirect Fossil fuel subsidies to support off-grid renewable energy solutions and clean cooking projects.
- G) Protect Host Community and Environmental Funding: The Executive Order's revenue centralization should be modified to include ring-fencing mechanisms that guarantee HCDDT contributions and environmental penalties, and statutory triggers should ensure timely and predictable funding flows.
- H) Policy Reform: Amend PIA to integrate renewable energy governance and climate accountability.
- I) Stakeholder Engagement: Institutionalize multi-stakeholder dialogue platforms across PIA, NEITI, EITI and Energy Transition Framework.
- J) Institutional Coordination: Establish a joint monitoring framework linking PIA regulators, NEITI, and EITI Standard.
- K) Enhance environmental accountability by increasing funding for remediation, imposing stricter penalties, and mandating community consultations,
- L) Nigeria should amend the PIA to embed climate accountability, renewable energy governance, and emissions reporting, thereby aligning national law with EITI 2023 standards and operationalizing the ETP's net-zero vision.
- M) Oversight and Stakeholder Engagement: Weak multi-stakeholder group (MSG) oversight, limited civil society accountability due to regulatory constraints, and insufficient follow-up on audit recommendations.

### 5.2 For marginalized groups:

- i. Demand quotas for participation in decision-making bodies, skills programmers, and financing schemes;
- ii. Leverage cooperatives and associations to access clean energy markets, climate finance, and entrepreneurship opportunities; and
- iii. Partner with government and civil society to design tailored programmes addressing unique barriers faced by women, rural poor, informal workers, and persons with disabilities.

### 5.3 Communities:

- Participate in consultations and co-design of transition plans to ensure livelihoods, culture, and needs are respected.
- Collaborate in preserving indigenous rights and equitable distribution of benefits and burdens from the transition.
- Develop mechanisms for stakeholder engagement, consultation, and decision-making;
- Multi-stakeholder dialogue platforms established to bring government, private sector, civil society, and community representatives into meaningful conversations on priorities and actions for communities and Just Transition.
- Use of a two-step consultation approach — initial prioritisation of issues followed by detailed discussions on those areas.
- Establishment of Tripartite Commissions for social dialogue among government, employers, and worker organisations to ensure representation and collaboration.
- Inclusion of international development agencies (UNDP, ILO, UNIDO) in workshops and strategy development, providing technical and financial support.
- Emphasis on transparency, accountability, and anti-corruption measures in managing Just Transition funds and programs.
- Regular monitoring, reporting, and verification frameworks centred on gender inclusiveness and social equity.
- Implementation of mechanisms for continuous feedback, performance tracking, and periodic review of transition outcomes to adapt strategies accordingly.

## 5. CONCLUSION

A look at the frameworks under scrutiny shows a lot of similarities and differences in addressing the global energy transition. As shown in this analysis, while the PIA, just like intended, is petroleum-centred and only sees gas as a transition fuel, it also recognizes the changing and dynamic world. It attempts to separate from maximizing oil and gas sector value chain, address some of the issues affecting the sector through the HCDF and other initiatives and guidelines set by the governance agencies set up by the PIA. The EITI standards 2023 handle the issue of energy transition in a different way, probably because of the role of EITI as a body set up to ensure transparency and accountability in the extractive ecosystem and other issues that affect the sector. Nigeria's implementation of the EITI Standard 2023, overseen by the Nigeria Extractive Industries Transparency Initiative (NEITI), emphasizes anti-corruption, energy transition, gender equity, and data openness. The ETP on his part sees energy transition beyond oil and gas, but also other aspects of the economy affected by climate change and sustainability, which are directly related.

Nigeria's Petroleum Industry Act, the EITI Standard 2023, the Energy Transition Plan, and NEITI's strategic framework seek to ensure sustainability and maximization of the benefits of the energy sector. The PIA offers the fundamental legislative framework for petroleum governance, but in order to comply with transition imperatives, its implementation flaws, economic injustices, and fossil fuel bias must be addressed. Nigeria has not yet fully met all the EITI Standard 2023's requirement that transparency results in reform. Although, funding institutional coordination, and social safeguards are not firm enough to achieve this, the Energy Transition Plan anticipates a sustainable future but appears ambitious in terms of targets and funding. NEITI provides the data infrastructure and accountability emphasis to support these initiatives, its success depends on multi-stakeholder engagement and enforcement authority, which is currently limited.

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## ABOUT HEDA


Human and Environmental Development Agenda (HEDA Resource Centre) was founded in November 2001 and incorporated in 2004 as a Non-Governmental Organization under Part C of the Companies and Allied Matters Act, 1990. The core mandate of HEDA is to partner global stakeholders towards entrenching – (a) Good Governance and Human Rights (b) Environmental Justice and Sustainable Development. The Centre deploys research, policy advocacy, training, as well as citizens' awareness and mobilization on critical human development issues, including agriculture, food security, climate change, human rights, public sector accountability and electoral reform processes. In partnership with local, international and multilateral institutions HEDA promotes transparency, accountability, inclusion and responsiveness in governance, whilst striving to shape the content and context of public policies and programs. HEDA works with others to advocate for fair economic and climate deals for Africa; in particular for small scale farmers and other vulnerable sectors. HEDA has observer status with the UN ECOSOC, UNFCCC as well as the Green Climate Fund. HEDA is keen on deploying new media as an advocacy and change tool and also maintains strong partnership with the broadcast and print media for informed views on policies/programs on good governance, food security and sustainable development. HEDA is a leading anti-corruption platform working with agencies and institutions within and outside Nigeria. In recognition of efforts, HEDA was given an observer status with the National Committee on the Monitoring of Trials of Financial Crimes and Corruption Cases across the country and also a member of the Monitoring and Evaluation Committee of the country's implementation of National Anti-Corruption Strate

### Vision

To be a leading catalyst for development; ensuring that all persons; regardless of location and situation are treated with dignity with unhindered access to good governance in a sustainable environment.

### Mission

To serve as a platform for promoting human rights, good governance and sustainable environment through research, training, advocacy and policy engagement.

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