



OIL AND GAS EXPLOITATION AND ENERGY SECURITY RIGHTS OF HOST COMMUNITIES OF NIGERIA

*Makbere, Osom Jacob**

Abstract

This paper doctrinally examined oil and gas exploitation and the energy security rights of host communities in Nigeria, exposing a trajectory of resource abundance and national wealth, but a paradox of a population in abject want, environmental degradation, economic emasculation and deliberate domestic energy unavailability and unaffordability, resulting in grinding energy poverty. The research doctrinally identified the Petroleum Industry Act, 2021, as to the adequacies of legislation in addressing these multi-faceted challenges and how the layers of governance interpret and translate legally entrenched social-economic obligations into ensuring energy security necessities of the host communities, who are at the sewage end of the resource exploitation activities, but eluded by deliberate institutional inertia. This paper links findings to “ineffective governance” and “deliberate regulatory ambiguities”. It is recommended that the PIA be substantively amended to cure intentional lacunae and inadequacies. Attitudinal institutional re-evolution is highly advocated; refinery infrastructure and household smart rollout gas meter piping infrastructure is recommended. A resilient shock-free and radially multi-macroeconomic resource strategy is vital. The host communities’ interests should be integrated into the JVAs, and Product Sharing Contracts; as gas-flaring compensation distributable to individuals as dis-incentive for the intentionally ungovernable gas-flaring will suffice.

Keywords: *Oil and Gas Exploitation, Energy Security, Human Rights, Host Communities, Nigeria*

Introduction

Nigeria has approximately 183 million people and a land mass of 923,768 km² made up of 910,768 km² of land and 13,000 km² of water, has the Constitution of the Federal Republic of Nigeria 1999 as its most important law for the environmental, economic, and social protection of the citizens in its host communities.¹ It is the leading oil producer in Africa and the sixth largest in the world.²

The term ‘host communities’ refers to communities in the Niger Delta, the oil-producing region of Nigeria, which encompasses nine of Nigeria's 36 states and the federal capital territory: Bayelsa, Delta,

*LL.B (Hons), RSU; LL.M, ARU, Cambridge, Cambridgeshire, UK; PhD Candidate, RSU, Nkpolu-Oroworukwo, Port Harcourt, Rivers State. Email: johnnylawyer@gmail.com . GSM-+2348036750682.

¹ Constitution of the Federal Republic of Nigeria 1999, Cap C23, Laws of the Federation of Nigeria 2004 (CFRN 1999), Chapter II, ss 33 and 34 (As Amended 2023)

² Nigeria National Petroleum Corporation, ‘Oil Production’ <<http://nnpcgroup.com/>> accessed 27 August 2025. This figure seems to be subject to the periodic production vagaries, as previous statistics by Olubayo Oluduro, Oil Exploitation and Human Rights of Nigeria’s Oil Producing Communities (Intersentia Publishing Ltd 2014) p.2 wherein Nigeria was referenced as the eight largest producer in the world. This may however, be determined from time to time by some global dynamics.



Rivers, Abia, Akwa Ibom, Cross River, Edo, Imo, and Ondo.³ The Niger Delta is an oil-rich region comprised primarily of rural communities otherwise referred to as host communities whose primary occupations include farming and fishing, as well as weaving fabrics and building boats.⁴

Despite the significance of the oil wealth and apparent abundance, the case of Nigeria's host communities depicts a true picture of the paradox of energy poverty in the midst of abundance. The Federal Account Allocation Committee (FAAC) is responsible for distributing funds across the three levels of government in Nigeria: federal, state, and local. Currently, the federal government receives 52.68 percent of revenue, states (collectively) receive 26.72 percent, and local governments (collectively) receive 20.60 percent, while 13 percent of derivation money goes to oil-producing states.⁵ This consists of the additional revenue offered to oil-producing communities as members of the Niger Delta area. The majority of the revenue is administered on behalf of the entire nation by the federal government, while the host villages remain underdeveloped. Although the majority of Nigerians enjoy the benefits of oil production, the host communities are directly impacted by the unsustainable methods of oil extraction. Despite the fact that oil extraction generates a substantial amount of revenue for resource-rich nations, it often results in grave abuses of human rights.⁶

Nigeria is an example of a resource-rich nation with a history of human rights abuses against its host communities.⁷ Shell BP discovered substantial quantities of oil in the Ijaw town of Oloibiri, Ogbia Local Government Area, Bayelsa State, in 1956. It was the first time that oil had ever been discovered in this region.⁸ Since then, the Nigerian government and oil companies have continuously engaged in oil production at the expense of the local populace. The discovery and production of oil has moved beyond Bayelsa State to the other states of the Niger Delta. In 2016, oil exports accounted for \$27,788

³ Ibid at p.110. Also, Michael Watts, 'Petro-insurgency or Criminal Standards? Conflict, Violence and Political Disorder in Niger Delta. Niger Delta Economics of Violence Working Paper No.16, 2008, ([www.geographyberkeley.edu/ProjectsResourcesND%20Website Niger Delta/WP/16-Watts.pdf](http://www.geographyberkeley.edu/ProjectsResourcesND%20Website%20Niger%20Delta/WP/16-Watts.pdf)), cited by Olubisi F. Oluduro and Olubayo Oluduro, Ibid.

⁴ E Uyigue and M Agho, 'Coping with Climate Change and Environmental Degradation in the Niger Delta of Southern Nigeria' <http://priceofoil.org/content/uploads/2007/06/07.06.11%20-%20Climate_Niger_Delta.pdf> accessed 27 August 2025.

⁵ R Onuigbo, 'State Governors and Revenue Allocation Formula in Nigeria: A Case of the Fourth Republic' [2015] (2)(7) International Journal of Accounting Research, 14.

⁶ J Eliasson, 'Natural Resource Wealth Fails to Translate into Equivalent Benefits for People, Fueling Conflict, Instability' [2019] (SC/11037) United Nations Security Council; D Fig, 'Natural Resource Extraction and Human Rights-based Abuses in Africa' [2008] (4) Southern Africa Resource Watch, 1.

⁷ K Aaron, 'Human Rights Violation and Environmental Degradation in the Niger Delta' in: Porter, E. and Offord, B., (eds.) Activating Human Rights (Oxford 2006) 193-215; K Aaron, 'Perspective: Big Oil, Rural Poverty, and Environmental Degradation in the Niger Delta Region of Nigeria' [2005] (11)(2) Journal of Agricultural Safety and Health, 127.

⁸ (n 4).



million of Nigeria's \$34,708 million in total exports.⁹ Nigeria obtains 95 percent of its export earnings from the oil industry, and 70 percent of its government revenues.¹⁰

The ongoing combustion of related gas by oil corporations is hazardous to the environment and human health. Experts and inhabitants of the host communities assert that gas flaring creates acid rain and black soot, which jeopardise the lives of people in the region as well as animals and plants. In addition to the noise and pain caused by gas flaring, inefficient combustion frequently results in oil droplets on water, crops, and individuals.¹¹ In spite of the enactment of laws addressing gas flaring in Nigeria, oil corporations continue to engage in this practise on a regular basis.¹² Clearly, the legal penalty for gas flaring has not had the anticipated impact of discouraging oil firms from committing this illegal behaviour, nor has it prompted the Nigerian government to adopt real and effective measures to end the illegal practise.¹³

Historical Background

The oil and gas operations commenced with the petroleum legislation of 1889,¹⁴ ("Petroleum Ordinance"). It was followed by the Mineral Ordinance of 1907, which "rights" were exclusively designed to the preserve of British nationals.¹⁵ A German Bitumen company, started the pioneer activity in and around Okitipupa in the present-day Ondo State, though no discovery of material commercial volume was reported.¹⁶ The eureka of discovery came at the instance of Shell D'Arcy Petroleum Company, operating with a Nigeria-wide Oil Exploration License (OEL) at the historic Oloibiri site in the present-day Bayelsa State with an initial production capacity of 5,100 bpd.¹⁷ The 1914 Ordinance NO.17, was replaced by a set of amendment legislation in 1950 and 1959 with increased inclusivity as against previous oil interests. From 1937, Shell D'Arcy operated as the major concessionaire with the initial allocation of 15,000 km². The Petroleum Act, 1969 was promulgated with a measure of "good oil practices", and remained the principal governing legislation on mining of oil in Nigeria, but the flagrant flaring of gas did not abate.¹⁸ The oil and gas process were under two major headings as the

⁹ Organization of the Petroleum Exporting Countries (OPEC), 'Nigeria' Annual Statistical Bulletin 2017.

¹⁰ Nigeria Ministry of Budget and National Planning, 'Nigeria's Oil Sector Contribution to GDP Lowest in OPEC' [2017] National Planning Commission Information Unit.

¹¹ UNEP, 'Environmental Assessment of Ogoniland Report' [2011] (DEP/1337/GE) UNEP.

¹² Associated Gas Reinjection Act, Cap A25, Laws of the Federal Republic of Nigeria, 2004.

¹³ U Orji, 'An Appraisal of the Legal Frameworks for the Control of Environmental Pollution in Nigeria' [2012] (38)(2) Commonwealth Law Bulletin, 321.

¹⁴ Ikpeze, O. V.C and Ikpeze, N.G, Examination of some Legislations Referencing Acquisition of Rights of Oil Exploration, Prospection and Mining in Nigeria, Journal of Energy, Technology and Policy, vol. 5, No.9,2015, p.1, Available online ISSN 2225-0573

¹⁵ Ibid

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Ibid.



‘upstream’ and ‘downstream’ phases.¹⁹ And, over the years, repeated agitations over ineffective governance, environmental and energy security concerns culminated in the enactment of the Petroleum Industry Act, 2021.

Analysis of Energy Security Legislation in Nigeria

The Petroleum Industry Act, 2021 was enacted as a historic framework to replace the outmoded Petroleum Act of 1969, which did not meet the “global best practices”. Thus, the PIA is a piece of legislation enacted comprehensively for legal, governance, regulatory and fiscal framework for the Nigerian petroleum industry, the development of host communities; and for related matters.²⁰ The legal framework vests the oil and gas sector on some layers of governance, to wit: (A) The Nigerian Upstream Petroleum Regulatory Commission (B) the Nigerian Midstream and Downstream Petroleum Regulatory Authority, and (C) the Nigerian National Petroleum Company Limited.

Energy Security as a discussion is as broad as the word “energy” and its multi-dimensionality is pan-global, regional and jurisdiction specific. There are several conceptualisations on energy security, a handful of which would be considered here. One scholar, whose contributions on energy security assumed the pedestal of thematic reference globally, is Elkind, with his erudite ‘self-named’ “Elkind criteria”,²¹ espoused the baselines of accessibility, availability, affordability, reliability, and environmental sustainability of the product, subject to the normal market forces of demand and supply, which could be attained inter alia, through resources endowment, capital investments, effective legal and regulatory frameworks and the ability of consumers to secure their choice energy in a competitive market with available and affordable resources.²² In energy security strategy-planning, one size does not fit all, perhaps why Elkind made a “call for broader agenda” to allow nations build on their individual peculiarities.

Khatib, in his own view, defined energy security, thus:

The continuous availability of energy in varied forms, in sufficient quantities, and at reasonable prices-has many aspects. It means limited vulnerability to transient or longer disruptions of imported supplies. It also means the availability of local and imported resources to meet, over time and at reasonable prices, the growing demand for energy. Environmental challenges, liberalization and deregulation, and the growing

¹⁹ Overview of the oil and gas exploration and production process-Squarespace, accessed on pdf, <http://static1.Squarespace.com>static>, retrieved on the 19-02-19 @ 18:12 pm

²⁰ Petroleum Industry Act, 2021, [ACT N0.6].

²¹ Jonathan Elkind, ‘Energy Security; Call for A Broader Agenda’ in CPascual and I Elkind, Energy Security, Economics, Politics, Strategies and Implications (Brookings Institution’s Press 2010)121, 128-129, cited by Dike in his highly seminal book, ENERGY SECURITY THE CASE OF NIGERIA AND LESSONS FROM BRAZIL, NORWAY AND THE UK, p.1.

²² Ibid, cited by Dike at p.33.



dominance of market forces all have profound implications for energy security. These forces have introduced new elements into energy security, affecting the traditionally vital role of government.²³

Energy security, could be drawn on to the following pillars:

- The ability, of the state or of participating market players, to draw on foreign energy resources and products that can be freely imported through ports or other transport channels and through cross boundary energy grids, aided by energy charters and investment trade agreements.²⁴
- Adequate national or regional strategic reserves to address any transient interruption, shortages or unpredictably high demand.²⁵
- Technological and financial resources and know-how to develop indigenous renewable energy sources and domestic power generating facilities to meet part of the local energy requirements.²⁶
- Adequate attention to environmental challenges.²⁷
- Diversification of import sources and types of fuels.²⁸

F Alhaji writes, and there is no gainsaying the altruism that energy security has a multifaceted dimension ranging from economic, social, environmental, political, military, and foreign policy.²⁹

Dike writes from the functional point of view espousing infallibly that energy is the engine that propels the wheel of modern developments,³⁰ thus emphasizing the socio-economic engineering of energy security.

Mitchell espoused somewhat differently, to the effect that energy security policy encompasses the political, affordability, environmental sustainability, avoiding constraints on foreign policy.³¹

²³ (n.234)

²⁴ Ibid

²⁵ Ibid

²⁶ Ibid

²⁷ Ibid

²⁸ Ibid

²⁹ See, A.F Alhaji, 'What is Energy Supply?', Economic, Environmental, Social, Foreign Policy, Technical and Security Dimensions' (2008) 6(3) OGEL 1,4,5, cited by S.C Dike, (n-2), p29

³⁰ Samuel C Dike, ENERGY SECURITY THE CASE OF NIGERIA AND LESSONS FROM BRAZIL, NORWAY AND THE UK (PEARL PUBLISHERS) (2015), P.1

³¹ Ibid, J.V Mitchell, 'Analysing Energy Insecurity' (2007) 5(4) OGEL 1-3, cited by S.C Dike.



Savacool perhaps had a picture of the Nigerian situation,³² when he espoused that energy security had several interconnected dimensions, which sub-themes implicates efficiency and stewardship.

Thus, energy security needs even a broader interpretation than previously, and should now be seen as the “uninterrupted supply of crude oil in the required amounts and at reasonable price will continue to be the most important determinant of energy security.”³³

And, yet, the sagely Yergin was apt when he expatiated on the “sufficiency” theme of energy security when he wrote in his article, ‘Thirty Years of Petropolitics’ that:

“...a number of industrial powers have embarked on the self-sufficiency measures in an effort to attain energy security”.³⁴

Energy security for host communities would be guaranteed by this nature of global collaboration,³⁵ to which Ikein’s seminal work on world oil dynamics clearly elaborately lent credence to.³⁶

The search for the Nigerian model of energy security condensed in the words of Savacool, “efficiency and stewardship” the application of the legislative approach, traceable to the PIA, to the effect that the NNPC, in conjunction with the NUPRC and the NMDPRA are the institutions obligated on energy security. Thus, by the Act, the NNPC Ltd as the national oil company is clearly saddled with the statutory obligation to carry out task requested by the Commission or Authority on a fee basis and generally engage in activities that ensure national energy security in an efficient manner, in the overall interest of the Federation;³⁷ and make NNPC Ltd supplier of last resort for security reasons and all associated costs shall be for the account of the Federation.³⁸ It is pertinent to view energy security in effect.

Environmental Energy Security

In Nigeria, a co-nexus of federal and state ministries, enforcement bodies, and specialised agencies tackle matters of environmental insecurity, namely-the Ministry of Environment (FMOE), National

³² Ibid, Benjamin K Savacool, ‘Introduction’ in B Savacool (ed.) Routledge Hand Book of Energy Security (Routledge 2011), cited by S.C Dike.

³³ Ibid

³⁴ Yergin, Daniel, “Thirty Years of Petropolitics The Washington Post (October 17, 2003) 12, cited Ikein, A A, n.237 at p.36 (n-242)

³⁵ n-236

³⁷ Ibid, s.64(k)

³⁸ Ibid, s.64(m)



Environmental Standards and Regulations Enforcement Agency (NESREA), National Oil Spill Detection Response Agency (NOSDRA), Nigeria Security and Civil Defence Corps (NSCDC), National Emergency Management Agency (NEMA), National Biosafety Management Agency (NBMA), State Ministries of Environment (some), and Civil Society and Non-Government Organisation.³⁹ The PIA does contain stringent rules aimed at preserving the environment from the deleterious effects of oil and gas operations,⁴⁰ which can cause damage to public and private property, indigenous communities, and their subsistence.

Under the PIA 2021, the Nigerian Upstream Regulatory Commission (NURC) and the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) regulate the upstream and downstream oil and gas sectors, respectively.⁴¹ For upstream and downstream oil and gas operations, respectively, it is the responsibility of the NUPRC⁴² and the NMDPRA to ensure strict implementation of environmental policies, laws, and regulations.⁴³ In doing so, they will implement both punitive and corrective measures to deepen the compliance of industry with environmental standards. Revocation of licences and leases granted to licensees who disregard applicable requirements is among the disciplinary procedures.

The requirement that an Environmental Management Plan (EMP) be in place between six months and one year after a licence is granted for upstream and midstream oil and gas operations is another condition of particular importance in the PIA 2021.⁴⁴ Additionally, the use of chemicals in upstream operations is prohibited unless authorised by the NUPRC. In addition, operators are forbidden from entering or occupying locations designated for public use or deemed sacrosanct, as well as privately owned or lawfully inhabited territory. Any damage or destruction to any building or property, or to the surface of the ground, will entitle the legal occupant of the land or area to compensation.⁴⁵

The Environmental Remediation Fund is also a commendable aspect of the PIA 2021, as it responds to the growing need of environmentally damaged communities in the Niger Delta for the purification of their polluted land and water supplies.⁴⁶ Prior to the approval of the environmental management

³⁹ Ogonna, M.C, Legal and institutional mechanisms for addressing environmental degradation in Nigeria, *International Journal of Law*, vol.12, Issue 2, 2026, p.140-146. Available online at www.lawjournal.org .Accessed on the 16/07/2026 at 03.45 am

⁴⁰ Ibid, ss 101, 102, 103 and 104; B Kpae-Ue, 'Oil and Gas Regulation and Human Rights' Protection in Nigeria: A Critical Appraisal of the Petroleum Industry Act 2021' [2022] (2)(2) *The Journal of Environmental and Human Rights Law*, 61 – 62.

⁴¹ Ibid, Parts III and IV.

⁴² Ibid, ss 4, 6 and 9.

⁴³ Ibid, ss 29, 31 and 32.

⁴⁴ Ibid, ss 102 and 103.

⁴⁵ A Ibiam and H Faga, 'Indigenous Peoples' Rights over Natural Resources: An Analysis of Host Communities' Rights in Nigeria' [2021] (3)(2) *Lampung Journal of International Law*, 123 – 127.

⁴⁶ (n 34), s 102(3).



plan and as a condition for the issuance of a licence or lease, operators are expected to make the necessary financial contribution for the rehabilitation or management of negative environmental impacts associated with their licence or lease.⁴⁷ The Fund enables regulators to mobilise the necessary resources to clean up contaminated communities, employ disaffected youths, and mitigate any future damage caused to the host community. In addition to drafting environmental plans and establishing a remediation fund, initiatives to improve compliance with good oilfield practises and health, safety, and environmental (HSE) regulations include the development of environmental plans.⁴⁸

Oil and gas companies are expected to submit to the Commission or Authority a programme outlining their decommissioning programme, which conforms to international oil and gas industry best practises and environmental development.⁴⁹ The goal of the decommissioning programme is to restore the abandoned site to as close to its original condition as possible.⁵⁰ The prohibition on flaring and venting natural gas is a welcome addition to the PIA 2021. The Flare Gas (Prevention of Waste and Pollution) Regulations impose a fine on those who violate them. The penalties paid for gas flaring cannot be deducted from taxes.⁵¹ To give regulatory action more bite, the Commission or Authority has the authority to impose sanctions and fines on anyone who violates environmental or other regulations.⁵²

Host Community Development Security

Underdevelopment and the lack of basic amenities in the oil and gas areas of operations, has over the years been cited as one of the areas of neglect and basis for the energy poverty allusions. The PIA 2021 stipulates the establishment of a Host Communities Development Trust by the operators, who are referred to as settlors required to establish a trust for the benefit of the host communities and make an annual contribution to the host Community Development Trust Fund equal to 2.5 percent of their actual operating expenditure.⁵³ This fund will be utilized in consideration of the social, environmental, and economic requirements of the host community.⁵⁴

4.3.1 Energy Resource Fund inequity

The Nigerian constitution vests the ownership of the oil and gas resources on the government of the federation, while the host communities from whose land the resource is mined are left out of the

⁴⁷ Ibid, ss 102(1)(b) and 103 (3)(4)(5).

⁴⁸ A Ibiam, 'An Appraisal of the Rights of the Niger-Delta Peoples over Natural Resources under the African Charter on Human and Peoples' Rights' [2020] (11)(2) African Journal Online <<https://www.ajol.info/index.php/naujilj/article/view/200378>> accessed 27 August 2025.

⁴⁹ (n 33) ss 232 and 233.

⁵⁰ E Goodstein, *Economics and the Environment* (6th edn, John Wiley 2011) 26.

⁵¹ PIA 2021, ss 104 and 105.

⁵² (n 38).

⁵³ Ibid, Chapter 3.

⁵⁴ Ibid, ss 244 and 245.



equation of ownership; but the issue of resource control is still being debated.⁵⁵ Resource control and management are today the most contentious issues in Nigeria, for they pose new fundamental issues such as; the national question? The operation of the federal systems, problems of governance, the issue of corruption, intergroup conflicts and violence and sustainability of democracy and development of the country.⁵⁶ Mitchell's "political" criterion of energy security audibly resonates here.⁵⁷

4.3.2 Nigeria's Energy Security Challenges

4.3.2.1 Regulatory Challenges| Conflict of roles

The Petroleum Industry Act (PIA), was passed creating the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) to deal with the challenges confronting the sector. For the industry to thrive, the PIA envisaged a win-win situation for operators, government and host communities. For that to happen, dealing with issues of theft, kidnapping of oil workers, oil spill, gas flaring, pipeline infrastructure amidst other issues is cogent.⁵⁸ Despite the bold moves by government, it cannot be wholly affirmed that there is absence of theft, sabotage and damage. The Aiteo oil spills of 2021 along the Santa Babara, where more than 400 barrels of crude were discharged into the marine environment, and yet, another incident in 2024 are testaments to this doubt.⁵⁹

4.3.3 Competing Multiplicity of Managers

The PIA aims to address agitations by creating the Host Community Development Trust Fund (HCDTF) whose purpose will be to, among others, foster sustainable prosperity, provide direct social and economic benefits from oil and gas to host communities, and enhance peaceful and harmonious coexistence between licensees or lessees and host communities.⁶⁰ Additionally, the management committee of the trust must include one member of the host community. Interestingly, in consideration of the PIA also imposes the duty and responsibility to protect oil and gas assets on host communities.⁶¹ More specifically, section 257 stipulates that any host community that fails to protect oil assets in its community from vandalism will be held accountable for the repairs. This

⁵⁵. L Adeyemi, 'Other Militant Groups in the Niger Delta are Bound to Feel Envious' <https://guardian.ng/saturday-magazine/other-militant-groups-in-the-niger-delta-are-bound-to-feel-envious/> accessed 13 August 2025.

⁵⁶. *ibid.*

⁵⁷ n.32

⁵⁸. A Agagu, 'The Nigerian State and Development: A Theoretical and Empirical Exploration' in Ed Agagu A & Ola R, Development Agenda of the Nigerian State (Lord Keynes Publishing Company 2011) 4 - 5.

⁵⁹ Akinkuotu, E, Th Africa's Report, Nigeria, Aiteo, NNPC face tiny fine over massive Nembe oil spill. Available online at <https://www.theafricareport.com>. Accessed on the 16/07/26 at 08.30 am.

⁶⁰. A Antai and B Anam, 'Resource Control and Grassroots Development in the Niger Delta Region of Nigeria' [2014] (5)(20) Journal of Economics and Sustainable Development, 5.

⁶¹. *ibid.*, 6.



suggests the activities of multiple managers whose responsibilities interlock without precise delineation and in turn result in agitations in host communities.⁶²

4.3.4 Fiscal Priority over Host Communities Interests

The PIA introduces a new tax regime, replacing the existing oil and gas profits tax with a hydrocarbon tax and introducing a tax on the income of oil companies. Under this new fiscal regime, hydrocarbons including crude oil, condensates, and natural gas liquids produced from associated gas will be subject to taxation.⁶³ Notably, crude oil from deep offshore is excluded from the tax. One of the more controversial stipulations in the PIA is the provision stating that, in the event of supply shortfalls, only companies with active refining licenses or proven track record of international crude oil and oil and gas products trading will be allowed to import such products. This is a controversial provision that has been interpreted as an attempt to confer monopoly powers on a few domestic refiners.⁶⁴

Finally, the fiscal framework provides for penalties for gas flaring arising from midstream operations. Revenues from these penalties will accrue to the Midstream and Downstream Infrastructure Fund and will be used to finance midstream and downstream infrastructure investment instead of the upstream sector through which the host communities are most affected.⁶⁵

4.3.5 Poor Funding Obligations

Host communities remain unhappy with the PIA's provision that oil companies must allocate 3 percent of their annual operating expenditure in the immediately preceding calendar year to the HCDTF; they had asked for 10 percent.⁶⁶ Furthermore, now that most onshore oil wells are owned by indigenous oil companies, host communities are uncertain whether this contribution will be even made. The previous owners of the oil wells were foreign companies, meaning that there were two sets of laws: Nigerian and those of the home country to apply pressure for legal compliance.⁶⁷ Now, with domestic ownership of most onshore oil wells, the risk of noncompliance with host community contributions is high, especially since, in Nigeria, the risk of political and regulatory capture of the

⁶². *ibid.*

⁶³. D Adetoye, T Owioye and M Omilusi, 'Fiscal Federalism and Intergovernmental Economic Relations in Nigeria: A Descent from Derivation to Deprivation' Unpublished research work of 2017.

⁶⁴. (n 56).

⁶⁵. (n 55).

⁶⁶. B Onimode, *Imperialism and Underdevelopment in Nigeria: The Dialectics of Mass Poverty* (Zed Press 2013) 51.

⁶⁷. *ibid.*, 52.



new industry governance institutions is high, the judiciary is weak, and court decisions are seldom enforced.⁶⁸

4.3.6 Issue of Compensation

Legal framework for compensation cannot be said to be adequate considering the energy exploited with which the country became energy abundant vis-à-vis what the institutions are willing to pay to the host communities in atonement for the irremediable environmental degradation occasioned by the operational activities. There had been many criticisms of the current legal framework guiding compensation valuation in Nigeria.⁶⁹ Due to many grey areas in various statutes governing compensation in oil and gas operation in Nigeria, oil multinational giants have found grounds to either avoid fair compensation to the pollution victims or deliberately cause undue delay through faulty Nigeria judicial system. Eventually, the victims most time lose the case on technical grounds and sometimes find payment for legal charges difficult.⁷⁰

The existing framework on compensation for damage seems to push oil victims towards seeking redress in the courts because of the inadequacies inherent in the alternatives. It is contended that policy and legal framework to assess full economic value arising from damage to natural resources to individual species based on economic functions in Nigeria is lacking.⁷¹ The legal framework guiding valuation for compensation purpose of oil pollution damage in Nigerian does not specifically take into cognizance the natural resource damage. The injured only rely on common laws to make recovery for damage to their property because most of the existing statutes and regulations confer no right to private action. With regards to claims for compensation, this is very daunting.⁷²

In close, the PIA is replete with intentional ambiguities, inconsistencies and inadequacies, which appears to be a deliberate decision to continue to allow gas-flaring under the sham excuses of facilities start-up, installation and waivers, with equal nonchalance to the environmental safety and health of the population adjacent to the operations. That being the case, a gas flaring compensation framework for distributable royalty to the population is vehemently advocated.

⁶⁸. E Austin, 'The tragedy of an Unthinking Agitation: The Case of the Niger Delta Militants. Nigeria Village Square' <http://www.nigeriavillagesquare.com/articles/the-tragedy-of-an-unthinking-agitation-the-case-of-the-niger-deltamilitants.html> accessed 15 August 2025.

⁶⁹. T Abii and P Nwosu, 'The effect of oil on the soil of Eleme in Rivers State of the Niger-Delta area of Nigeria' [2009] (3)(3) Research Journal of Environmental Sciences, 316-320.

⁷⁰. C Crag, J Croft and I Samiama, 'International compensation systems for oil spill in relation to reform in Nigeria' [2013] Stakeholder Democracy Network, 67.

⁷¹. A Otegbulu, 'Legal and economic review of natural resources compensation valuation practice in Niger Delta Area of Nigeria' [2009] RICS COBRA Research Conference, University of Cape Town, 1763 – 1777.

⁷². D Schopp and J Pendergrass, 'Natural resource valuation and damage assessment in Nigeria. A Comparative Analysis' [2013] Environmental Law Institute, 17.



4.4 Distributions of Cost from Oil and gas Resources

The PIA also comes with a challenge of distributing of Cost from Oil and gas Resources between indigenous oil producers and multinational corporations.⁷³ International producers such as Shell have largely disengaged from onshore oil exploration and production activities, concentrating instead on deep offshore. Deep offshore is exempt from taxation.⁷⁴ By divesting themselves of onshore assets, international multinationals are technically exempted from the 3 percent contribution to the HCDDT Fund. These provisions confer cost advantages to oil multinationals, making it difficult for indigenous companies to compete and grow which may in turn result in host communities' agitations.⁷⁵

4.4.1 Environmental Restoration

After 60 decades of pollution in the Niger Delta through exploitation and exploration of fossil fuels, International Oil Companies (IOCs) have engaged in a frenzy of divestments from the region, prompting environmental activists, leaders of host communities, traditional leaders, lawyers, youth groups and other stakeholders to conclude that the IOCs were criminally evading responsibility for remediation of the environmental devastations their activities had caused over the years.⁷⁶ It should be a total package for the Nigerian government and the investors to join forces with the communities, civil society and all stakeholders to ensure that the right things are done. If the IOCs must divest, they should restore the environment to the way it was.⁷⁷

4.5 Inequitable Distribution of Benefits from Oil and gas Resources

The benefits accruing from oil and gas resources to host communities in Nigeria are not equitably distributed.⁷⁸ This is unfair to the host communities of the Niger Delta. In this line, the opportunities offered by the Petroleum Industry Act (PIA) as a legal framework for achieving a successful conflict free and sustainable development of oil and gas resources in Nigeria for the mutual benefit of the State and the host communities should be fully utilized.⁷⁹

⁷³. D Babalola, 'The Underdevelopment of Nigeria's Niger Delta Region: Who is to Blame?' [2018] (7)(3) Journal of Sustainable Development, 34 - 35.

⁷⁴. *ibid.*

⁷⁵. *ibid.*, 36.

⁷⁶. E Clark, 'The Politics of Oil in Nigeria: Transparency and Accountability for Sustainable Development in the Niger Delta' [2018] (6)(4) American International Journal of Contemporary Research, 2.

⁷⁷. (n 69).

⁷⁸. O Eghweree, 'Oil Politics' and Development in Nigeria' [2014] (4)(12) Journal of Energy Technologies and Policy, 3.

⁷⁹. *ibid.*



4.6 Host Communities and Environmental Security Challenges

Efforts to improve the standard of living of man through the control of nature and the development of new products have also resulted in the pollution or contamination of the environment.⁸⁰ Most of the world's air, water and land are now partially poisoned by chemical wastes from industrial processes, including those of crude oil and gas.⁸¹ These challenges include land, water, air and noise pollution.

4.6.1 Life and livelihood: By s.33 of the CFRN, 1999 (As Amended), every person has the right to life. This provision is inalienable and inviolable, except upon a court order for crimes committed. But, the oil and gas operations, are sometimes carried out in an unwholesome manner, thus occasioning threats to life and livelihood.

4.6.3 Air Pollution, water, land, noise pollution

Emissions of Sulphur dioxide, Nitrogen dioxide, Carbon dioxide, Hydrogen Sulphide, lead and other noxious gases from power plants that burn high sulphur oil are usually released into the atmosphere.⁸² These together with injected particulate matter (soot, ash and other solids), and unburned hydrocarbons undergo series of chemical reactions in the presence of sunlight, resulting in dense characteristic of smog and cause air pollution. The cost of air pollution is enormous. Sulphur dioxide is cited by the American Lung Association as the third leading cause of lung disease after active and passive smoking.⁸³ Contaminants in the air have been implicated in the rising incidence of asthma, bronchitis, and emphysema; a serious and debilitating disease of the lung sacs. Heat can be unnaturally added to the environment, lakes and streams as a consequence of gas flaring, burning of forest and farmland vegetation as a result of spillage and production activities of oil companies.⁸⁴ This thermal or heat pollution raises atmospheric temperatures (greenhouse effect) and of water bodies which can kill fish or other aquatic life and cause discomfort in habitable human environment.

According to World Health Organization noise is considered to be the third most hazardous type of pollution in communities after air and water pollution.⁸⁵ The sources of sound or noise are domestic as well as industrial. Noise pollution is one of the main problems of communities that has numerous

⁸⁰. U John, 'The Niger Delta Crisis: Issues, Challenges and the Way Forward' <https://naijagists.com/the-niger-delta-crisis-issues-challenges-and-the-wayforward-by-john-uzie/> accessed 12 August 2025.

⁸¹. Ibid.

⁸². F Paki and K Ebienu, 'Militant Oil Agitations in Nigeria's Niger Delta and the Economy' [2011] (1)(5) International Journal of Humanities and Social Science, 4.

⁸³. Ibid, 5.

⁸⁴. Ibid.

⁸⁵. (n 81)6.



hazardous effects on the urban environment and may result in a great deal of costs on the community.⁸⁶

4.7 Inadequate Compensation of Host Communities and Litigation Technicalities

Compensations are for property taken before the commencement of oil exploration and production and compensation for the adverse socio-economic and environmental fall outs of oil and gas activities on communities.⁸⁷ Section 44 of CFRN 1999 provides for payment of compensation where land is acquired in accordance with section 28 of the Land Use Act 1978. Section 28 (1) says it shall be lawful for the Governor to revoke a right of occupancy for overriding public interest. For oil and gas related matters, the Act provided that under sections 28(2)(c) and 28(3)(b) the requirement of the land for mining purposes or oil pipelines or for any purpose connected therewith may be considered as public interest.

The African Charter on Human and Peoples' Rights 1981 specifically makes all rights justiciable before the African Commission on Human and Peoples' Rights (African Commission). Article 45 of the African Charter describes the functions of the African Commission to include ensuring the protection of human and peoples' rights under conditions laid down in the Charter.⁸⁸

On the basis of this provision, a non-governmental organization the Socio-Economic Rights and Accountability Project (SERAP) sued the Federal Government of Nigeria (FGN) in the Economic Community of West African States Court of Justice (ECOWAS Court) on the spates of oil pollutions and environmental problems in the Niger Delta occasioned by the oil industry. In that case, SERAP v Nigeria,⁸⁹ the Court unanimously found the Nigerian government responsible for abuses by oil companies and makes it clear that the government must hold the companies and other perpetrators to account.

But, in most cases proof of these issues are frustrated by technicalities and delays. In the case of Shell Petroleum Development Company of Nigeria Limited v Chief G.B.A. Tiebo & Ors⁹⁰ held that the jurisdiction of state high courts over oil mining, geological surveys and natural gas was limited by section 251 of the Constitution, which is the preserve of the Federal High Court. Premised on the foregoing, in order to avoid jurisdiction becoming a hindrance to justice, host communities' claims

⁸⁶. *ibid.*

⁸⁷. D Kolawole, 'Nigeria: The Struggle for Democratic Consolidation in a Post-Colonial State' in Ed Agugu A & Ola R, Development Agenda of the Nigerian State (Lord Keynes Publishing Company 2011) 55.

⁸⁸. S Ibe, 'Beyond justiciability: Realising the promise of socio-economic rights in Nigeria' [2007] (7)(1) African Human Rights Law Journal, 225-248.

⁸⁹. SERAP v Federal Republic of Nigeria ECW/CCJ/JUD/18/12.

⁹⁰. Shell Petroleum Development Company of Nigeria Limited v Chief G.B.A. Tiebo & Ors (2005) 9 NWLR (Pt.931) 439.



should be purposely filled. Similarly, the issue of jurisdiction was the rationale for disinclining the relief of plaintiffs in the case of Shell Petroleum Development Company (Nigeria) Ltd v Abel Isaiah.⁹¹

Another disturbing trend has been the immunity and shield accorded expatriate IOCs for environment crimes committed in Nigeria for the unreasonable fear that they would not get justice. However, under the Alien Tort Claims Act, the US Second Circuit Court of Appeals dismissed the suit in 2010 on the premise that the ATS did not apply to corporations,⁹² for subject-matter jurisdiction, admitting that whereas the extraterritorial jurisdiction was universal for criminal matters, it was yet to be the case for actions in tort. The rationale for this decision inter alia, the principle of non-interference in the matters of a nation-state for extra-territoriality depends on the nature of rights involved, and the want in establishing the business relationship between the US and Shell for ATCA to apply, although the verdict served to expand the hope of justice in trans-national transactions.⁹³ Accordingly, ATCA cannot be used to sue corporations for violations of international law.⁹⁴

Relentlessly, Ester Kiobel re-commenced the action in the Netherlands on the same facts and on May 1, 2019, a Dutch court inclined to entertain the case against Shell, a victory for the presumption for extra-territoriality on human rights violations by TNCs. It is hoped without pre-emptive intent that justice is at last here. Nevertheless, this is a step further ahead of the earlier cases on the ‘veil-lifting’ of incorporation when a parent company is sued for acts of its subsidiary.⁹⁵

Thus, the energy security rights of host communities of Nigeria suffer both intentional legal framework inadequacy/ambiguities and deliberate institutional misfeasance, which put together resonates the problems associated with lack of effective governance. It is therefore, not one about dearth of legal framework, but deliberate institutional interregnum, and direly needs attitudinal value re-evolution, re-orientation and rebirth through restructuring.

⁹¹ Shell Petroleum Development Company (Nigeria) Ltd v Abel Isaiah (2001) 5 SC (Pt 11) 1.

⁹² Kiobel v Royal Dutch Shell Co., 621 F.3d 111 (2nd Cir. 2010). This suit ended in a 2-1 split verdict (cited by Jonathan Kolieb, available online at [libraryguides.law.pace.edu > c.php](http://libraryguides.law.pace.edu/c.php), accessed on the 08/05/2019 @ 21:38 pm. Also available at <https://www.business-humanrights.org/s...> accessed on the 08/05/19 @ 21:40 pm; Makbere, Osom Jacob, Oil and Gas Business and Human Rights in the Niger Delta: The Search for an Effective Framework (LL.M (Anglia Ruskin University, Cambridge) 2019 Dissertation), p.39

⁹³ Claire Bright, The Implications of the Kiobel v Royal Dutch Petroleum Case for the Exercise of Extraterritorial Jurisdiction, available on PDF at https://www.academia.edu/>The_Implica..., accessed on the 08/05/2019 @ 22:07 pm.

⁹⁴ Business and Human Rights Resource Centre, available online at <https://www.royaldutchshell.org/s...>, accessed on the 08/05/2019 @ 22:29 pm.

⁹⁵ See Lubbe v Cape PLC 2000 All ER 268; Kasky v Nike, Inc. 45, 3. Pd 243 (CAL 2002)

4.8 Effects of the Challenges to Energy Security

1. Debt Rate

High levels of debt have left countries with very limited public finance to invest in energy infrastructure. Debt levels have drastically increased over the last decade; the average debt-to-GDP ratio in sub-Saharan Host Communities nearly doubled between 2013 and 2022, from 30 percent to 60 percent of GDP. Additionally, debt servicing costs have gone up, owing partially to the fact that 40 percent of the continent's debt is denominated in foreign currencies, which means that currency fluctuations can drastically increase repayment costs. In 2023, debt servicing costs were estimated to reach 17 percent of government revenues—the highest in 24 years. This has drastically reduced the public finances available for improvements to the energy sector and other development priorities, including education and health.

Debt challenges are exacerbated by volatile revenue streams for resource-dependent economies. For example, Angola is reliant on oil revenue and has struggled to repay debt—including \$42 billion in Chinese loans that were extended after the civil war in 2002 using future petroleum revenues as a guarantee for repayment. This approach proved effective until the decline in oil prices. In 2016, as oil prices plummeted from \$115 per barrel to below \$50 per barrel, Angola entered a recession, with five straight years of economic decline. Angola narrowly averted debt default amid the compounding challenges of low oil prices and the Covid-19 pandemic. Consequently, Angola has inadequate public finance to invest in energy infrastructure. On average, 43 percent of Angola's urban population and less than 10 percent of its rural population have access to energy.

2. Dilapidated and non-functional Public Refining Infrastructure:

Nigeria's oil and gas infrastructures are both private and public, with a number of modular facilities. Below are some of refineries in Nigeria:

- Dangote Petroleum Refinery: it is situate in Ibeju-Lekki, Lagos State. It is the largest single-train refining infrastructure in the world and largest in Africa and is owned by Nigerian-born Africa's richest business mogul, Aliko Dangote. It has a production capacity of 650,000.00 barrels per day (bpd).⁹⁶
- The Port Harcourt Refining Company (PHRC): Situate in Alesa Eleme, Rivers State. It is a two-way plant with a capacity of 210,000.00 barrels per day (bpd).⁹⁷

⁹⁶ Business News Nigeria, Here is a list of major refineries in Nigeria-. Available online at <https://businessday.ng>. Accessed on the 12/07/2026 at 12.04 pm.

⁹⁷ Africa Check, FACTSHEET: Nigeria's ailing refineries and their perennial repairs. Available online at <https://africacheck.org> Accessed on the 12/07/2026 at 10.53 am.



- Warri Refining and Petrochemical Company (WRPC): it is situated in Warri, Delta State and has a capacity of 125,000.00 barrels per day (bpd).
- Kaduna Refining and Petrochemical Company (KRPC): It is situated in Kaduna and has a capacity of 110,000.00 barrels per day.⁹⁸

Unfortunately, the only functional refinery at the moment with full production capacity, is the private-owned Dangote Refinery. This comes in contrast to the huge resources committed to the facilities upgrade across the public refineries, notwithstanding the weight of assurances given by the incumbent Minister of Petroleum, Sen. Heineken Lokpobiri that the Port Harcourt Refinery would commence full capacity production in December of 2024 to alleviate the palpable energy insecurity, but promises did not match action. The population, are abjectly left at the mercy of some deliberate governance inertia, hence the monopoly enjoyed by the Dangote Group, with no fair market competition in product pricing. In the middle of this, energy resource availability and affordability, particularly as it pertains to the population living contiguous to the exploitation process are vulnerable to all of global, regional and national vicissitudes of the market.

4.8 Domestic Crude Supply Obligations- NNPC Versus private participants' imbroglio

The PIA, 2021 provided for Domestic Crude Supply Obligations (DCSO), which requires upstream players to in Nigeria to allocate a liquidated volume of oil crude to domestic refineries before export market obligations. In spite of the said regulations, domestic supply to the Dangote Refinery, the only private participant is deliberately constrained.

All through the first quarter of 2026, the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) allocated 61.9 million barrels of crude to domestic refineries, but producers eventually delivered only 28.5 million barrels-about 46% of the allocated value.⁹⁹ Three major challenges are identifiable with supply obligations, to wit-Pricing disagreements, declining production & Forward Contracts, and Reliance on Imports.

4.9 Absence of a Proper and Adequate Legal Framework

In some Host Communities, oil and gas management is governed by rules, regulations, and other command-and control mechanisms that stipulate what people can do and what they cannot do. The legal systems, which are either concessionary or contractual, have been developed mostly to address the rights and obligations of host governments and of private investors. Many countries lack or have inadequate policies and legal frameworks for managing oil and gas resources. Other countries have unstable policy frameworks. Quite often, laws do not meet the requirements of international

⁹⁸ *ibid.*

⁹⁹ Anyaogu, S of Reuters of May 5, 2026, Nigeria supplies less than half of allocated crude to refineries in early 2026. Available online on 12/07/26 at 16.41 pm.



organizations in terms of transparency, accountability, and other good governance criteria. There are several of these laws, particularly on gas flaring, penalties for sabotage, theft and vandalism drafted with deliberate ambiguities and oppressive intent. In fact, the governance layers and the legislative texts afford no room for environmental justice and equity. Any serious legislation couched in deliberate ambiguities would hardly give the efficacy expected.

4.10 Price Volatility

One of the effects of oil and gas is high price volatility, which causes energy insecurity to the mass of ordinary Nigerians, most of whom are the host communities, where the resources are exploited from. With the NNPC Ltd not presently meeting its obligation through an available working refinery infrastructure, it means that high oil and gas prices have a dramatic impact on net oil-importing countries (NOICs) in Host Communities. In 2023, the abrupt removal of subsidy had serious economic effects on the masses.¹⁰⁰ Over all, subsidization for petrol or the removal thereof, both serve utilitarian objectives and profit maximization respectively and what matters really is the timing, as certain cushioning effects needed to be put in place to serve as palliatives, so as not occasion harsh consequences on the mass of the ordinary Nigerians, when the radical policy was rather abruptly taken without sufficient consultation. Most countries have opted to either partially or completely pass through the international oil prices, while others have introduced subsidies. All these mechanisms have proved inefficient in coping with high oil prices in Host Communities.

Often times too, there is pricing disagreements, which is a gap between producers and local refiners, thus hindering the conversion of allocated values into actual domestic supply products.¹⁰¹ The NUPRC blamed the shortfall ratio on pricing gaps between producers and local refineries, invariably Dangote. The hardship end of the foregoing development, is normally on the vulnerable population, particularly, those whose habitations are situate precariously adjacent the production facilities, who are condemned through no fault of theirs to bear the brunt of the deleterious effects of the environmental hazards, in addition to having to face price volatility and disagreements between producers and refinery magnates.

4.11 Lack of data, technical, and human capacity

Traditional and new oil-producing countries usually lack adequate infrastructures to manage the oil and gas sector; in addition, the lack of technical and human capacity undermines the ability to maximize the gains from oil resources. Access to information is also a key challenge to sustainable use of oil and gas resources in Host Communities. Most Host Communities lack data on demand

¹⁰⁰ Thisdaylive of 05 August, 2023, Mr President's Fiction on Petrol Subsidy Removal, at <https://www.thisdaylive.com> 29/09/2025 at 13.23 pm

¹⁰¹ Channels Television, DCSO: Crude Delivers To Dangote, Others Drop To 28.5m Barrels Q1 Despite 619m Barrels Allocation. Available online at <https://www.channelstv.com>. Accessed on the 12/07/2026 at 16.54 pm.

and supply by end use, price, cost, inventory movement, investment, and trade flows, on a timely and consistent basis. Effective policy design and analysis require that information should not only be available, but be reasonably accurate and distributed in a timely manner. Lack of information (mainly geological and market data) leads to weak bargaining power in contract and concession negotiations, resulting in suboptimal capture of rents from oil resources. Thus, national strategies for natural resource extraction must involve plans and funding for capacity development and generation of reliable and timely information.

4.12 Effects of Energy Insecurity on Host Communities

The absence of energy security, is energy insecurity, with its implications. And, using the criteria of energy security espoused by Elkind, Sovacool, Dike, Ikein, Mitchell, Khatib, it means situations, where by lack of good governance and inefficient stewardship, no diversification of resources; no resilience, abnormal product market, etc, and there is no energy resource availability, affordability, accessibility, reliability, environmental and geo-political matrices. Could it be safely maintained that the PIA provided for host communities' energy security? And, what are insecurities to host communities vis-à-vis energy resources exploited from their land?

First, the PIA is in itself replete with deliberate textual lacunae and ambiguities. Secondly, the institutions are intentional inept. Below are some of the repercussions:

1. Limited Economic Growth: The high cost of electricity in Host Communities hinders economic growth by making products and services more expensive compared to competition. Additionally, frequent power outages and rations limit industrial and business operations ultimately discouraging foreign investments in Host Communities. Slow economic growth leads to poverty among citizens of Host Communities.
2. Energy product insecurity: This happens when there are deliberate reluctance to provide oil and gas production infrastructure. Failure to diversify the economy can also lead to product price insecurity as the dependency on one resource will cause create an imperfect product market and encourage monopoly, price hike an inevitable consequence.
3. By the provisions of section 64(k) and (m) of the PIA, the NNPC Ltd is saddled with the obligations to ensure energy resource security; and to be the supplier of last resort. But, with the NNPC Ltd being always cited for its failures to meeting the 'cash-call' obligations with the IOCs in the JVAs, in addition to the lack of energy production infrastructure, with no functional refineries and the scandals of corruption, energy resource availability, accessibility, affordability, reliability are threatened and so, energy product insecurity results adversely

against the host communities, especially, where there is rather a resort to energy product importation for a prohibitive price sale to the domestic consumers. Energy resource availability is a far cry from reality, as the host communities from which land oil and gas are exploited for the global and regional markets, as well as in burgeoning national economic growth and development, live with tales of energy poverty.

The NNPC Limited having failed to provide energy resource refinery infrastructure and relies on the Dangote Group and foreign refined products to meet its domestic supply obligations. This has turned the Dangote Group into a monopoly in the sector, thus killing the sectorial competition envisaged under the Petroleum Industry Act, 2021.

It is thus, sad to note that despite the presence of gas transportation infrastructure criss-crossing the habitat of the oil and gas host communities to linking neighbouring countries as far as Morocco, there are no similar pipeline infrastructure with which the host communities and their vulnerable peoples can have access to available and affordable domestic cooking gas. This is not supposed to be a luxury, as there are both the resource and the infrastructure for the movement of gas out of their environment for national income defrayment, but there is neither a concrete governance strategy, nor institutional attitude for host communities' connection to the use of their 'God-given' resource.

The host communities also do not have uninterrupted connection to the national grid, which are at both the mercy of vandals, cable thieves and irresponsible and unresponsive power vendors.

The resort to solar power is not cheap to come for even though, at the behest of the Niger Delta Development Commission (NDDC) the host communities are gradually getting lit up, domestic use of solar, particularly for cooking and thermal uses, still eludes many a local dweller.

There is also a palpable mono-macroeconomic dependence on petroleum crude for national income and for use in the entire sector for transportation, electricity and the like, thus encouraging generator use, as opposed to other renewable and environment-friendly options like solar power, hydro-electricity, biomass, wind, etc. And, because of this lack of energy resource diversification, there is an equal and precipitate lack of resilience to drift in market situation, as there is no alternative resource to cushion the effects of abrupt price hike. The recent Strait of Hormuz blockade in the U.S/Israel and Iran war had unfathomable effect on the ordinary mass of Nigerians, who had to grapple with the prohibitive petroleum price rise, further exacerbated by both a mono-macroeconomic petroleum product dependency and the lack of a functional refinery in place.

Worst still, resort to biomass is also at the mercy of poorly regulated land and forestry preservation institutions. Therefore, energy resource availability and affordability has continued to elude the host communities, despite their land and eco-system being heavily and unconscionably compromised in meeting the objects of the sector.

4. Education: Energy poverty affects educational institutions by limiting their access to lighting, computers, and other energy-dependent learning materials. Students from areas that lack energy access cannot study early in the morning and late in the evenings. Moreover, some school time is spent collecting firewood to help prepare meals and thus students miss classes.
5. Transportation insecurity: Energy is the main source of funds for the maintenance of transport infrastructure and lack of it causes transport development projects to fail. Energy disruptions also affect services such as trains that rely on electricity for their proper functioning. Moreover, without electricity, it is difficult to develop sustainable transportation methods such as the use of electric vehicles.
6. Climate Change and Energy Security: Climate change and energy insecurity form a vicious cycle with energy insecurity leading to the use of fossil fuels which emit greenhouse gases to the environment that result in climate change. Host Community countries like Ethiopia with an installed hydro-capacity of 4074MW and Angola with 3836MW are often affected by the effects of climate action such as prolonged droughts that cause water scarcity. Extreme weather events such as floods can also damage existing energy infrastructure such as transmission networks leading to further energy poverty.
7. Inadequate Host Community Participation: Host Community is not included to participate with other stakeholders in pre-amendment impact appraisal under s.216 of the PIA. The Host Communities ought to be party to deliberations that impacts on their land and peoples.
8. The mirage of energy transition: Nigeria's strategies and readiness towards the global 2030 decarbonisation target remains shrouded in uncertainties and clear lack of a programme of action. Whilst other energy producing nations have strategized towards cleaner alternatives, Nigeria has rather pitched shameful tenth with some climate change non-conformists canvassing for 'just transition'. Therefore, there is neither decarbonisation, nor energy transition strategy with which the host communities could have been integrated along with.

Conclusion

In conclusion, Nigeria's intentions to achieving a national energy security and economic stability is inextricably intertwined with the socio-economic rights and environmental existence of its host communities. Any such ambition without conscious readiness to ensure equal and co-efficient sustainability of the host communities bespeaks of ineffective governance and institutional inertia, and is fraught to a reversal of governance efficacy.