

The Trajectory towards Achieving the UN Sustainable Development Goals in the Nigerian Oil and Gas Environment

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Abstract— The concept of Sustainable Development (SD) was first introduced to the global community at the UNCHE (United Nations Conference on Human Environment) where it was established that the concepts of environment and development could be managed in a mutually efficient way. With processes of the progression of the UN conferences and summits transforming SD oriented strategies and initiatives into hard laws in sovereign states, the UNSDGs (United Nations Sustainable Development Goals) is a buildup on these processes and ongoing efforts of sovereign states in achieving sustainable development. Nigeria, being one of the sovereign states adopting the Agenda 21 and domesticating the principle 17(EIA) of the Rio declaration on Environment and development from the UNCED (United Nations Convention on Environment and Development), continues in its movement towards Sustainable Development. This research to find how an oil and gas company through its activity promote or hinder environmental sustainability and achieve the UN Sustainable Development Goals through good oilfield standards as regulated within the Nigerian business environment finds that although the Nigerian has shown commitment to make and implement laws to restrict environmental damage in the oil and gas industry towards achieving the UNSDGs, failure of policy implementation as a result of lack of non-financial reporting, lack of political will, lack of proper policy implementation design and overlapping authorities have relinquished the responsibility of good oilfield standards to the ability of the oil and gas companies to perform voluntary corporate social responsibility in preserving goodwill.

Index Terms— Environmental sustainability, Economic sustainability, Social sustainability, Sustainable Development Goals, Soft laws, Governance

1 INTRODUCTION

Robert Prescott-Allen introduced the term 'sustainable development'. Defined as the development which meets the need of the present without compromising the ability of the future generations to meet their own needs (WCED, 1987), sustainable development is said to rest on political will and is inseparable with Good Governance. With processes of the UN conferences and summits from 1972 as the foundation of international sustainable development laws, the relatively modern concept of the global community's movement towards development without destruction and; 'Sustainability' which dates back in history to the earliest forms of human civilization as the need for a sustainable, just, peaceful and harmonious world defines Sustainable Development as the pathway to Sustainability.

By the United Nations (UN) conferences and summits stimulating the achievement of sustainable development, global regulatory frameworks that have effects in the domestic jurisdiction of countries have become soft laws. These soft laws benchmarked in-

struments have progressively governed issues of the environment and development in Extractive Industry Operations, and because external factors can influence governance (Public and Corporate), they are changing into hard laws policies and other obligatory regulatory practice, binding and enforceable.

Public governance, which is referred to as the system by which authority is distributed and exercised in the administration of a sovereign state, based on a structure piloted by its traditional legislative, executive and judicial arms at various levels (federal, state and local government), has its primary purposes as security/welfare of the people and wellbeing of the state. The UN Permanent Sovereignty of Natural Resources (PSRN), at the co-occurrence of rights and duties, providing that the duties of a state with inalienable rights are that of national development and wellbeing of the citizens with the UNDP set out to supports and networks resource rich countries by enabling their regulatory frameworks develop standards of regulation towards the tilts down to the fact that public governance should be designed to achieve public good in the overall interest of a country.

Because corporate governance plays a vital role, as the process by which a corporation is controlled,

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managed or directed; Good Corporate Governance proves to be very essential regarding transparency, accountability, social responsibility and business ethics. Embodied as standards of business practice as represented by the UNGC (United Nations Global Compact who also confers corporate entities as having roles to play in achieving the 17 United Nations Sustainable Development Goals), Good Corporate Governance is thus regulated by public governance through the predominant law of the CAMA among other industry specific regulations, to ensure that standards of business ethics are achieved, especially regarding transparency, accountability and social responsibility aimed at justice and fairness between a corporate entity and its stakeholders.

In the context of attaining sustainable development in the Nigerian Oil and Gas business, Oil Exploration and Mining Lease Licenses are granted solely by the Federal Ministry of Petroleum Resources to Nigerian incorporated companies and so as part of efforts to bridge the gap deficits in an industry characterized by intensive capitals and high technical knowledge, MNOCs enter into corporate partnerships with the country's National Oil Company (NNPC) and Nigerian incorporated companies leading to Nigeria gaining the majority of her oil revenues from fiscal policies and thus being a rentier state with its oil resources developed by multinational oil companies (MNOCs). The Petroleum Act vesting ownership and control of Petroleum on the Federal Government of Nigeria with NNPC administering its affairs consequently results in the national oil company serving as both a regulator and an active participant of the Nigerian Oil and Gas Industry (Aye, Alakija, Duntoye, & Odigili, 2019).

Scope: The question of how oil and gas companies in the process of their operations hinder or promote the UN SDGs as regulated by the sovereign state of Nigeria to achieve good oil field standards would thus be answered under the following premises below which would form the scope of this paper: (1) Nigerian Oil and Gas Industry regulatory framework and regulations supporting the achievement of the UN SDGs and their implementation and; (2) the role played by Corporate Social Responsibility of the Oil and Gas Companies in Nigeria supporting the achievement of the UN SDGs.

2 LITERATURE REVIEW

The UN SDGs below recognize that the problems of economic development in developing countries can be solved through strategies that aim to achieve environmental and social goals. Economic development, measured by two determining factors which are the ability to utilize economic resources to its full potential value and, the ability to invest financial resources in the development of lives and society, thus has to be done with the aim of sustainability. Resource rich countries are in most need for sustainable development (Erhun, 2015) and it is the duty of the resource industry to ensure that exploited resources are cheap and contribute to the development of the human and economic stakeholders.

In boosting good business standards in the oil and gas industrial sector of the Nigerian state and attaining the United Nation's Sustainable Development Goals (UN SDGs) in the Nigerian environment, Nigeria has gone through several industry reforms, formed several partnerships and signed several treaties with international development bodies and adopted numerous benchmarked international laws enacted which shows the nation's willingness towards curtailing environmental degradation.

Oilfield activity regulatory framework for oil and gas companies in Nigeria supporting the achievement of the UN SDGs

2.1. The Petroleum (Drilling and Production) Regulations, 1969

Provides that Oil licensees and lessees provide training for Nigerians (FGN, 1969) in accordance to the UNSDGs 4 Figure 1.

2.2. The Department of Petroleum Resources (DPR) as its Institutional Frameworks

The DPR as the technical arm of the Ministry of petroleum resources regulates, inspects and provides guidelines for standard oil field practice for all oil and gas activities in the Nigeria. The DPR's EGASPIN stipulates environmental safety guidelines in accordance to the UNSDGs 3, 6, 14, & 15 Figure 1.

2.3. The Environmental Impact Assessment Act (Decree No. 86 of 1992)

Requires that no project be undertaken without a proper analysis of the environmental impact in pursuant to the United Nations 3, 6, & 15 Figure 1.

2.4. Oil in Navigable waters Act(1968)

Provides for laws prohibiting contamination of sea area by crude oil, fuel and lubricating oil and heavy diesel oil (FGN, 1968) and in implementation meets the UNSDGs 6 and 14 Figure 1.

2.5. Associated Gas Re-injection Act

Prohibits unauthorized flaring of associated gas and beneficial in achieving the UNSDGs 13 Figure 1.

2.6. Harmful Waste (Special Criminal Provision, Etc.) Act

Provides against unauthorized disposal of harmful waste with failure in adherence considered a criminal offence.

Other Nigerian internationally benchmarked environmental laws and treaties include the United Nations Framework Convention on Climate Change (UNFCCC) and Global Gas Flaring Reduction (GGFR).

2.7. Nuclear Safety and Radiation Protection Act 1995 instituting the Nigerian Nuclear Regulatory Authority (NNRA)

Charged with the responsibility of nuclear safety and radiological protection regulates Naturally Occurring Radioactive Material (NORM) as occurring in oil and gas operations and is pursuant to achieving the UNSDGs 3, 8, 12 and 13 as seen in Figure 1.

Non-Oilfield activity regulatory framework for oil and gas companies in Nigeria supporting the achievement of the UN SDGs

2.8. Nigeria Extractive Industries Transparency Initiative (NEITI Act, 2007)

The NEITI Act provides for transparency and accountability in payments and revenue receipts by extractive industries to the federal government as well as application of resources from payments by the FG (FRN, 2007). The NNPC as a national oil company and agent of the FG is thus mandated to comply with the NEITI Act by publishing financial reports of revenue received and their application. This is in line with the UNSDGs 16 Figure 1.

2.9. The 1999 Constitution of the Federal Republic of Nigeria (CFRN)

Section 162 of the CFRN provides that all revenue including that from the country's national oil company should be paid into 'the federation account' as a distributable pool account for revenue mobilization allocation to states (FRN, 1999). If complied with revenue from the oil and gas industry is used in various states to achieve UNSDGs 1, 2, 3, 4 and 11 Fig-

ure 1.

2.10. The Petroleum Act, 1969 (Cap 350 Cap P10 LFN 1990)

The Petroleum Profits Tax Act (PPTA 1959, [Cap 354 LFN 1990 [Cap P13 LFN 2004]) and The Companies and Allied Matters Act, 1990

With the provision of The Petroleum Act's section 2(2), licenses are issued to only companies incorporated under the CAMA (FGN, 1969). The PPTA enumerates fiscal provisions and rates for oil companies and the CAMA provides guidelines for reports and audits, enabling revenue being recouped via fiscal policies and requiring transparency and accountability through publishing of audits and reports (FGN, 1990) of oil and gas companies in achieving the UNSDGs 1 and 16 Figure 1.

2.11. The Niger-Delta Development Commission (NDDC) (Establishment) Act

Provides that oil and gas companies pay 3% of their annual budget to the NDDC for the development of the Niger Delta Region (Federation of Nigeria, 2000). UNSDGs 1, 3, 9 and 11 Figure 1 are met by fulfillment of this act.

2.12. The Nigerian Oil and Gas Industry Content Development Act (NOGICDA)

The NCDMB established by the NOGICD Act has been working tremendously to ensure that the oil and gas industry operates by on in-value creation basis whereby capital flights are minimized, jobs are created and Nigerian oil and gas allied industries are revived through indigenous participation as opposed to the fiscal basis of revenue it had operated on.

Implementation of the Nigerian oil and gas regulatory framework by regulatory bodies and Oil and Gas Companies

Lack of non-financial reporting in the Nigerian oil and gas industry proves to be a major cause of failure to the implementation of sustainable development laws. Non-financial reporting, sustainable development reporting or triple bottom-line reports refers to reports that comprise of environmental, health and safety, social and economic impacts arising from the operations and products of an oil and gas company and the major challenge regarding this form of reporting is the question of how to measure, define and select appropriate indicators (Uwaoma & Ordu, 2016) which lies within the ambits of the regu-

latory bodies to provide (Asaolu, Aggboola, Ayoola, & Salawu, 2011) in ensuring transparency and accountability in performing sustainable development laws. Sustainability reporting as a Global Reporting Initiative creates a common language for organizations and stake holders to enable setting of goals and measuring or achievements towards sustainable development (Uwem, 2018)..

Overlap of Authorities of regulators resulting in duplication of policy functions and lack of clarity in authority and delineation of responsibilities (Elenwo & Akankali, 2014) results in enforcement challenges for sustainable development laws leading to the creation of an overwhelming system that encourages evasion and corruption and thus working against itself.

Lack of political will results in jeopardy of the economic, social and political prosperity of a county and retarded sustainable development as Political Will is the required for reform agency performance and administrative management towards sustainable development (Ugoani, 2017)

Policy failure can be described as the failure to transform policies into implemented reality. Reasons for failure of sustainable development include lack of policy planning and design which should include state and local/rural level implementation plan (Ajulor, 2018)

3 METHODOLOGY

This paper employs the empirical research methodology in answering the problem questions postulated by the subject matter of this paper which is to determine and enumerate good oilfield practices by oil and gas companies contributing to or hindering the UN SDGs in view of the Nigerian oil and gas industry regulatory framework under the premises stated in the scope of this paper.

Using previous academic research works as background for an ongoing industry discussion, a study is carried out vis-a- vis enacted laws, industry standards and company reports in line with achievement of sustainable development in the Nigerian oil and gas industry to analyze oil and gas companies' compliance or non-compliance, stating the efforts made so far as well as challenges to achieving regulations' required compliance goals directly and indirectly aimed at achieving the UN SDGs.

4 DISCUSSION OF RESULTS

The Nigerian oil and gas industry regulatory framework although having failed mostly in implementation and enforcement remains mostly incoherent (Kingston & Okere, 2019) and inadequate for offshore waste management (Ofuani, 2011).

4.1. Oilfield activities hindering UNSDGs in Nigeria

Poor equipment maintenance operations: The NOSDRA oil spill monitoring portal below categorized causes of oil spills under four categories of sabotage corrosion, equipment failure, operational error and sabotage (NOSDRA, 2020) affecting wet lands, swamps, water bodies/shorelines and vegetation hampering life on land and life under water against responsible production standards, adversely affecting agricultural means of livelihood, good health and wellbeing of the locals and clean water and sanitation and thus hindering the achievements of UNSDGs 1, 2, 3, 6, 8, 12, 14 & 15 Figure 1.

Non-compliance with production waste materials disposal guidelines: with the Nigerian oil and gas industry regulatory framework characterized by poor policy enforcement and implementation, dumping of hazardous production waste materials into the sea and on land in line with the material industry guidelines is often not met as in the case of Clough Creek, Bayelsa state where produced water exceeded limits to be discharged directly into the creek (Olawuyi & Tubodenyefa, 2018).

4.2. Corporate Social Responsibility of the Oil and Gas Companies in Nigeria supporting the achievement of the UN SDGs.

Corporate Social Responsibility (CSR) is defined as the moral obligation to promote societal values towards a peaceful atmosphere (Mordi, Iroye, Mordi, & Ojo, 2012) Ahmed et al espouses that the role of CSR is resolving the paradox of the twin reality of resource endowment and acute inequalities originated by difficulty in governance in attaining sustainable development goals (Ahmed & Yahaya, 2013). Although there are no clear laws in Nigeria mandating organizations to perform CSR as applicable in various jurisdictions, CSR performed either as a business strategy or towards maintenance of goodwill, helps organizations in complying with regulations and also has social, environmental and economic benefits consistent with the triple bottom

line of sustainability.

NLNG Sustainable Development report in partnership with UNGC

Nigeria Liquefied Natural Gas Ltd (NLNG) is a signatory to the United Nations Global Compact (UNGC) which is the world's largest voluntary corporate responsibility initiative. In supporting the UNGC and its principles, the NLNG makes its principles on human rights, labor, environment and anti-corruption (Nigeria Liquefied Natural Gas Ltd, 2018) an integral part of its business operations towards achieving sustainable development. The UNGC in making the submission of an annual communication of progress which NLNG complies with in stating progress reports, promotes transparency and accountability and thus achieves a majority of the UNSDGs Figure 1.

Shell Sustainability policy

Shell (Derefaka, 2014) in its sustainability report documented its policy towards Naturally Occurring Radioactive Materials with Low Specific Activity (NORM/LSA) as proper monitoring and management of contaminated objects, control of Norm waste and workers protection and training in line with the UNSDGs 3, 8, 12, and 13 Figure 1. Because the agency responsible for the monitoring of NORM/LSA NNRA also depicts attributes of a failed policy implementation body characterized by lack of published investigation and audit reports, these NORM/LSA management policies and reports by Shell thus falls under its Corporate social responsibility activities. Other CSR activities by Shell include its recycling initiatives and other waste management activities in line with the UNSDGs 11 and 12.

5 CONCLUSION

The oil and gas industry regulatory framework in Nigeria would better promote the achievement of the UNSDGs if the government provides an enabling environment for regulatory bodies to carry out proper policy enforcement and implementation through enactment of laws to further clarify agency responsibilities as well as contradicting legislatures to further regulate the oversight activities of oil and gas companies.

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Figure 1: The UNSDGs (UNITED NATIONS)

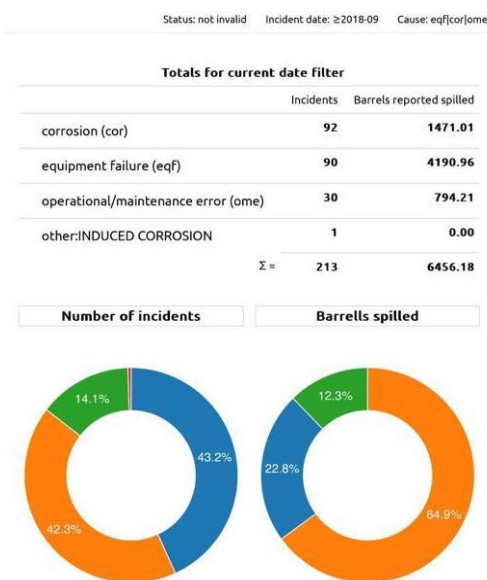


Figure 2: Oil spills in Nigeria Sep 2018 to Sep 2020 (NOSDRA, 2020)

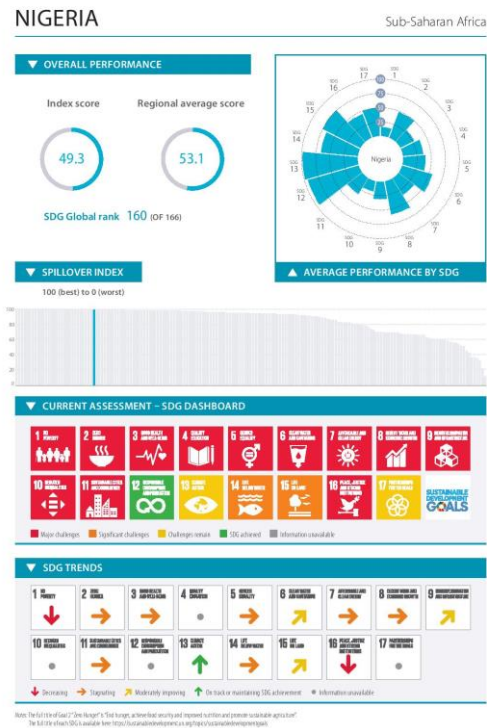


Figure 3: Nigeria UNSDGs Report 1 (Sustainable Development Report)



Figure 4: Nigeria UNSDGs Report 2 (Sustainable Development Report)

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