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ABSTRACT

Several attempts have been made by the Nigerian government to reform the oil and gas industry. In March 2007, the first attempt to introduce the Corporate Social Responsibility (CSR) Bill was initiated by the late Senator Uche Chwukwumerije but it failed to pass the second reading. Further attempts to reform the industry in 2009, 2012 and 2018 also failed until the National Assembly passed the 2021 Petroleum Industry Bill now known as the Petroleum Industry Act 2021(PIA). Chapter 3 Section 240 (2) of the PIA by making CSR contribution a mandatory levy on corporations, has changed the voluntary and self-regulatory element of CSR to hard law legislation. We are of the view, that a multi-stakeholder approach and multi-stakeholder framework comprising host communities, oil and gas companies as well as government, is essential to achieving the broad requirements of CSR in the Nigerian oil and gas industry. In this paper, we analyse this approach in line with the role and challenges of CSR as provided for under the new Petroleum Industry Act.

Keywords: Corporate Social Responsibility, Multi-stakeholder Partnership, and Petroleum Industry Act.

1. Introduction

This paper is particularly concerned with examining whether the Petroleum Industry Act 2021 (PIA) advances the role of multi-stakeholder partnership for Corporate Social Responsibility (CSR), which we suggest is crucial for progress in the industry. This paper investigates the Nigerian environment and examines contemporary regimes in China and India to establish the potential CSR issues. The United Nations Environmental Programme (UNEP) recommendations and international guidelines advocate that the core element of CSR is its voluntariness, that is, that it is best achieved by self-regulation. What then does it mean for Nigeria with its legislative approach to CSR under the PIA? This paper highlights some of the vulnerabilities of the previous and existing regimes and the challenges of implementing CSR under the PIA. We proffer recommendations based on our examination of contemporaneous regimes and analyses of the potential for effective implementation of environmental sustainability as a CSR objective under a framework for multi-stakeholder participation and transparency.

In section 2, the paper attempts to link environmental sustainability within the oil and gas sector to CSR. It argues that without a cultural shift the paradox of environmental sustainability would not be lifted by CSR. It also examines the new PIA and undertakes a short comparative analysis of relevant provisions of the PIA against the backdrop of CSR in other regions –China and India, also emerging economies for oil and gas. Here, the paper also examines whether CSR, as a hard law, can improve the goals of environmental sustainability. It does this by addressing the likely challenges for CSR under the PIA. Section 3 expands on the proposed multi-stakeholder strategy, outlining roles for identified stakeholders. With a focus on the PIA, it argues that coordination and collaboration between stakeholders in line with internal guidelines would enhance the goals of environmental sustainability in Nigeria. The paper concludes in Section 4.

2. The Nigerian Environment: Environmental Sustainability, CSR and the PIA

Nigeria is Africa's largest oil producer. It has the continent's biggest natural gas reserves and was the world's fifth-largest exporter of liquefied natural gas (LNG) in 2018 (bp global, 2021). The Nigerian government still relies significantly on revenues from crude oil and gas; its non-oil revenues only account for 3.4% of GDP, one of the lowest in the world (IMF 2019). In April 2020, Nigeria's commitment to cut crude oil output under the Organization of the Petroleum Exporting Countries (OPEC) agreement was reinstated, limiting crude oil production to 1.41 million barrels per day (b/d) (Wingfield et al 2020). In 2019, Nigeria produced about 2.0 million b/d of petroleum and other liquids, of which 1.65 million b/d was crude oil; by January 2020, it produced 1,776. Nearly majority of the country's main deposits are located near the Niger River delta, although offshore rigs are also visible in the well-endowed coastline region. Thus, Nigeria is one of the few big oil-producing countries that can still increase its oil output (Mordorintelligence 2020). In addition to the USD 14 billion previously invested on its existing oil and gas activities in the West African country, the China National Offshore Oil Corporation mobilized a USD 3 billion investment to establish new oil and gas facilities. A substantial portion of this money is invested in Nigeria's activities. The most ambitious ultra-deep offshore project Egina oil field which is currently developed and producing, is situated at sea depths ranging from 1,400 to 1,700 metres (Arscott 2003).

With such a trend comes grave consequences as recognized by the United Nations Environmental Programme (UNEP). Petroleum exploration, seismic surveys, drilling, transportation, and production operations, and storage and decommissioning of facilities contribute to environmental consequences (BP 2021). The UNEP discusses the role of government in enacting laws and the influence of such rules on the environment. More innovation and better environmental management might occur because of a movement toward performance-based outcomes instead of traditional command and control. Communications from the UNEP Director and Chairman of the Exploration & Production (E & P) Forum environmental quality committee went to great lengths to emphasize the importance of working with local communities and other legitimate stakeholders as an essential part of sound environmental management (UNDP, IFC and IPIECA 2017).

The desire to broaden the options available to Nigerians and improve their quality of life is one of the driving forces behind the government's efforts to reform the petroleum sector by enacting the Petroleum Industry Act 2021 for the following purpose: a) establish efficient and effective governing institutions with distinct roles for the petroleum industry; b) create a framework for

the establishment of a commercially oriented and profit-driven national petroleum company; c) promote transparency, good governance, and accountability in the administration of Nigeria's petroleum resources; and d) foster a business environment conducive to investment, e) deepen local content practice in Nigeria oil and gas industry(Arscott 2003).

Concerns have been expressed about the depletion and decline of oil and gas resources, while this downward trend is apparent, it is indeed many years away ((UNDP, IFC and IPIECA 2017). During this transitional phase, the oil and gas industry can play a significant role in safely managing its operations and reducing emissions, discharges, and its negative impact on the environment (Shell 2021). The impact of oil and gas exploration, transportation, and usage is not limited to the air, land and sea alone. Sometimes the pollution further travels between countries which makes it a global problem. The ability for pollution to travel from one region to another is known as transboundary pollution (Arscott 2003). Oil and gas activities not only devastates the area of exploration, production and usage but further devastates and jeopardises the survival of the host communities (O'Rourke,Connolly 2003). The controversial aspect of oil and gas producers and the host communities often lead to both resources and infrastructure crises. The four types of conflict identified, these conflict include; (a) dispute with Indigenous peoples over oil development; (b) civil or war tackling oil disruption; (c) geopolitical superpower (e.g. ownership over petroleum deposits in the Middle East); d) Terrorism aimed at oil-related installations.

They are very common both in developing and developed regions of the world (Klare et al 2014). According to BP's 2018 report (BP 2018), the oil and gas industry produces about 53% of global energy demands. However, supply and demand have been disrupted in current times because of the COVID-19 pandemic response. Nevertheless, the EIA predicts increased drilling will increase crude oil production by 0.4 million barrels per day in 2022 (UNEP and E&P Forum 1997). Should this be the case, the oil and gas industry would have a crucial role in climate change and global warming (bp global, 2021).

In the oil and gas industry the term *environmental sustainability* and *sustainable development* does not mean the ability to continue production infinitely. Rather it advocates dealing with the global energy demand responsibly, at a reasonable cost while protecting the environment until an eco-friendly product becomes commonly accessible (Arscott 2021). In Hydrocarbon processing it is defined as the process of managing available resources, investments, and technologies in order to maintain and optimize operations to improve safety, reliability,

efficiency, and environmental and social awareness (UNEP and E&P Forum). Multinationals (MNCs) in the industry also define it the same way. Shell PLC for instance refers to sustainability as the ability to provide clean and more cleaner energy solutions in a responsible manner – that is, in a way that checks short- and long-term interests and incorporates economic, environmental, and social implications(Shell.com, 2021). Sinopec, Royal Dutch, Shell, PetroChina, BP Plc, and ExxonMobil must importantly embrace the core elements (society, shareholders, academia, and policies) in their commitment to achieving environmental sustainability (UN 2021). Based on what the concept of environmental sustainability means within the oil and gas industry, *we define environmental sustainability within the oil and gas industry as the responsible use of oil and gas resources to reduce their negative impact on the environment and host communities and to preserve the environment for future generations.*

2.1 CSR for Environmental Sustainability

CSR refers to the moral duty of businesses conducting legitimate activities in a particular community to promote sustainable social ideals in order to create a peaceful environment within that society (Helg 2007). Communities often expect that the advent of businesses means development and social progress, from jobs to better transport, communications, health care provisions, and a generally higher standard of living. What they do not expect is that the environment they live in will be made poorer or even unusable for other primary community needs such as farming, fishing, hunting, etc. This is the case in the Niger delta of Nigeria, where land has been degraded due to the existing activities of oil and gas companies. The community expects the business to protect the environment and make the neighbourhood a better place to live and work. Indeed, the businesses will engage in charity initiatives as well (Hurst 2004).

CSR is primarily voluntary, and typically, no formal regulations control it. Therefore, companies self-regulate and are encouraged to do so, by establishing their own social and environmental standards. This they do in line with other global guiding principles and reporting standards which require corporations to publish statements about their involvement in environmental and social welfare activities (Lin 2020). It is important however to point out that without the legislative and binding liability on corporations as to the extent and veracity of their reporting statements, it is pretty much as we noted earlier, self-regulation. The use of legislation to govern CSR is only an emerging norm and is not without resistance(proposed English Corporate Responsibility Act 2002) although a number of Nigerian organisations

appear to have submitted to the notion of CSR even before the PIA(Amaeshi et el 2006). However, in recent times, CSR is now hard law, to a limited extent, in Nigeria, India, France, Denmark, South Africa and China(Bag 2021). The Idea of CSR as a hard law varies by country, the idea of this legislative approach is to force corporations to devote a specific percentage of their earnings to approved CSR projects such as school construction and homeless shelters, while in some countries, such as France, China and South Africa and Denmark, the amount spent on CSR activities must be reported on a regular basis (Bag 2021).

The culture that is applied in the execution of CSR is what makes the difference. Essentially, organizational culture may be described as an organization's personality, but because CSR involves a broader range of participants, it may be referred to as "shared motives, values, beliefs, identities, and interpretations or meaning of significant events that result from common experiences of members of collectives that are transmitted across generations" as defined by the research project GLOBE (House et al 2004). It is not difficult to see how certain local initiatives focused on mitigating the negative consequences of extraction activities can be considered 'shared values' as in the GLOBE research study. The provision of pipe-borne water, hospitals, and schools provided by corporations in communities where they operate are certainly shared interests by the local community. Unfortunately, these provisions are sporadic and do not always last, not for generations, as alluded to by the same GLOBE research. 85% of respondents in the researched areas stated that there is knowledge of CSR in Nigeria, but no major activities; 7.7% said there is practically no awareness but significant actions; while 7.7% said there is almost no awareness but significant actions (House 2004).

This is not to say that Nigeria has not had environmental sustainability as a CSR objective in its legislations prior to the PIA 2021; there have been a number of legislative provisions for this purpose Examples includes and not limited to Federal Environmental Protection Agency (FEPA)1988, Environmental Impact Assessment Decree No. 86 (1992), Harmful Waste (Special Criminal Provisions etc.) Act 1988, National Oil Spill, Detection and Response Agency Act 2006 (NOSDRA), The Water Resources Act, 1993, Oil in Navigable Waters Act 1968 (2013) . Nevertheless, it cannot be denied that the pace of improvement remains slow, hampered by inefficient enforcement (Olokesusi 1992) and bureaucratic and institutional barriers (Echefu and Akpofure 2002). A change of culture for CSR application would involve clear allocation of responsibility and improving the level of public involvement to gain legitimacy.

2.1.1 A brief overview of CSR in India and China

Hard law has been used in only few CSR regulatory regimes. Section 135 of the 2013 Indian Firms Act 2013 (Indians company act 2013) which requires among other things, the formation of a CSR Committee on the board of directors of qualifying Indian companies, is a direct indicator of CSR hard law legislation. Yet, although India adopts CSR as a hard law principle, the Indian administration allows for self-regulation, leaving businesses to form a CSR Committee from their Board of Directors (India company act 2013). For non-businesses, the Indian system develops an internal regulatory regulator (CSR Committee) (India company act 2013). Furthermore, the government has no participation in the approval and implementation of CSR initiatives (India company act 2013).

The idea of CSR was incorporated into Chinese company legislation in 2006, the mandate for CSR expressly states: a company shall abide by laws and administrative regulations, observe social morals and commercial ethics, persist in honesty and good faith, accept supervision by the government and the public, and assume social responsibility (Companies Law of the People's Republic of China 2006)." The government has engaged several CSR measures in addition to its 2006 mandate, including: publishing rules for publicizing CSR performance as contained in the Shenzhen Stock Exchange Social Responsibility Instructions to Listed Companies 2006, linking access to banking loans to CSR performance through its Green Credit Guidelines (Roadmap for China 2016), sanctioning high polluters by placing them on a blacklist, publishing CSR rankings as well as granting awards. These measures are intended to reward businesses with excellent CSR records while penalizing enterprises with poor CSR records. Recently, the Chinese government imposed tougher penalties for firms that fail to satisfy environmental, social, and governance (ESG), requirements, including considerably greater fines and prison terms for key executives (People's daily 2018).

2.2 Environmental Sustainability under the PIA: Challenges and Prospects

Previous attempts having failed, on the 16th of August, the Nigeria President, General Mohammad Buhari, finally signed the Petroleum Industry Bill ('PIB') into the Petroleum Industry Act ('PIA'). CSR initiatives have the capacity to make a significant contribution to meeting the needs of disadvantaged populations in developing nations, but it can also do harm politically, socially, and economically, whether by accident or intentionally (The PRC Criminal Law 1997). For one, what may be socially responsible to a corporation might not be socially

responsible to individuals in the community. For example, there is a penalty for damages by way of sanctions on host communities under section 257(2) of the PIA (Armstrong and Green 2013). Will specific individuals who cause damage to be identified and punished, or is the host community now burdened with the social responsibility of ensuring that all individuals do not breach the PIA provisions? Is the local community to act as local police? How will the sanctions be managed so that communities are not deprived of government allocations as punishment?

The sanctions in section 238 of the PIA mandates corporations to comply or face the ultimate consequence of losing their license. While there are as yet no case law or litigations on these provisions, we wonder as to the effectiveness of this provision – will it suffer the fate of enforceability as other similar provisions such as that for gas flaring? (PIA 2021) According to Wang et al, on the obligatory financial contributions for CSR, this may encourage the allocation of CSR resources to personal initiatives with little societal benefit (Olujobi 2020). It may also actually lead to less creativity on the part of oil and gas companies who may not subscribe to the idea of being told how to manage their internal affairs and will thus unilaterally force these companies to reduce their stakeholder engagement (Wang et al 2016).

The key concern for us here is whether the new Act advances CSR and its further objective of environmental sustainability? We have set out in tabular form below our analysis of provisions of Chapter III of the Act relevant to our concerns:

Table 1: Potential Challenges under the PIA

PIA PROVISION	THE PIA PROVISIONAL INTERPRETATION.	POTENTIAL CHALLENGES
Section 257 (2)	The community shall forfeit its entitlement, should vandalism, sabotage or other civil unrest occur	Potential harm to community Loss of Legitimacy
Section 240 (2)	The settlor would make annual contribution of 3% into the host communities trust fund	cover for graft and corruption
Section 252 (a,g)	The settlors developments are subject to review by the commission rather than host communities inclusive	Reduce corporate and community engagement /dialogue

Section 243 (a)	The board of trustee solely determines criteria, process and proportion allotted to projects with provided matrix from the settlor	
Section 251(4)	The Settlor's host community development plan is subject to approval from the commission	Bottle neck bureaucracy
235 (6)	The commission is an administrator and manages the utilisation of funds	
242(3)	The Settlor has to determine process, procedure for meetings, financial regulation as well as administrative procedure	
247 (1) (2)	Sets up a management committee with executive and non-executive members None of the executive members are from host community, with same administrative functions	
248 (b)	The award for project is subject to board approval after being verified by the management committee	
249, 250	Sets up the host community advisory team with similar duties to the management committee.	

The PIA is new law and at this time, one cannot state categorically that the law is or is not subject to the corrupt practices and the maladministration that has dogged the Nigerian oil and gas industry. However, we can see the vulnerabilities in the PIA as in the table above. Perhaps the PIA and its administration will be a test case for the current anti-corruption initiatives under the restructuring of the Nigerian Extractive Industry Transparency International (NEITI), the Economic and Financial Crimes Commission (EFCC) (Reid and Toffel 2009), and the

Independent Corrupt Practices and other Related Offences Commission (ICPC) (efccnigeria.org2021)

3. A Multi-Stakeholder Partnership of Host Communities, Companies and Government: A Strategy Proposal

The PIA identifies a number of interest groups. These include a "settlor" that is, a holder of an interest in a petroleum prospecting licence or petroleum mining lease or a holder of an interest in a licence for midstream petroleum operations, whose area of operations is located in or appurtenant to any community or communities under S 318 of the PIA; an external government regulatory agency (Corrupt Practices and other Related Offences Act 2000), known as the Nigerian Upstream Petroleum Regulatory Commission which will oversee the assessment needs, audit expenditures and approves the membership for the board of trustees; (PIA 2021) the Board of Trustees which include persons of high integrity and professional standing who shall now come from the host communities under S 242 (2) (PIA 2021). The Host Community is covered in Chapter III of the PIA. It covers the objectives envisioned in implementing this segment of the PIA, techniques and processes required for the execution of the PIA's purposes, and how to deliver the advantages envisaged to the affected communities hosting the petroleum assets and activities. This section also includes the establishment of trust funds, financing sources, and any other particular features that may be required.

We are not persuaded that this *default faulty command and control template* for the Nigerian oil and gas industry where the government assumes all control over resource maximisation directly or indirectly, is best suited for the CSR objectives under the PIA. Government must not control and command everything for things to work in a developing society. This is anachronistic and a hindrance to creativity, objectivity and maximisation of resources and potential in society not least in the oil and gas industry. We propose that an enabling environment is imperative to achieving environmental sustainability while at the same time ensuring that the host communities and the corporations work synergistically for the greater benefit of the country.

An enabling environment for CSR, according to *Fox, Ward, and Howard*, is a policy environment that supports and offers incentives for corporate activities that minimise environmental and social costs while maximising economic advantages. As a result, it is believed that the presence or absence of an enabling environment has a substantial impact on

the likelihood that a CSR effort will have the best effect. CSR operations are not carried out in a vacuum (Idemudia 2010). The enabling environment framework considers both corporate responsibility and stakeholder engagement to optimize the impact of CSR for environmental sustainability in oil and gas producing areas. A major problem for the CSR-development discussion is determining the right balance between the responsibilities of various players and then determining how they may best be integrated to optimise its impact throughout all levels of society (Idemudia 2010). In our view a synergy between the host communities, oil and gas companies and the government can best develop CSR policy documents that guarantee environmental sustainability as we represent in the figure below:

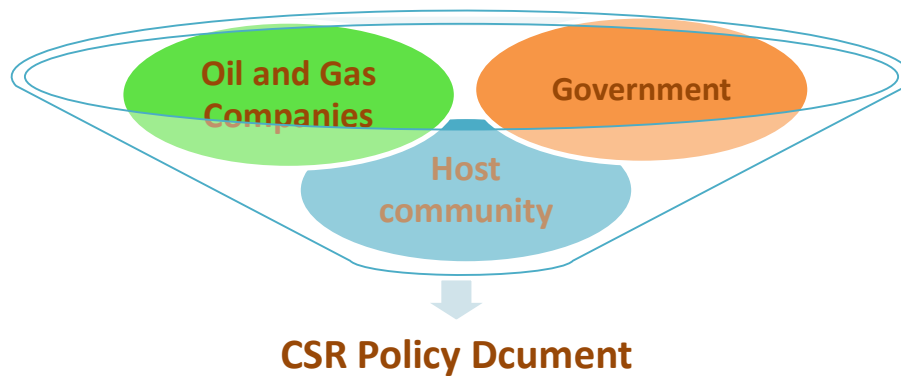


Figure 1: Multi-stakeholder strategy for environmental sustainability

3.1 Role and Guidelines: Government

Several researches (World Bank 2004) have been done to clarify the role of government in enhancing CSR, however this paper focuses on the four public sector roles (mandating, facilitating, partnering and endorsing) proposed by Fox, Ward and Howard (Goodstein and Wicks 2007). The Nigeria government in its mandatory role has made CSR a mandatory regulation with penalties and reward and makes CSR vulnerable to the pitfalls of mandatory regulation in Nigeria. The PIA is deeply embedded in what we earlier referred to as the default faulty command and control approach. S 251 (4) on the establishment of a trust provides that based on the findings of the host community needs assessment, the settlor shall develop a host community development plan and submit it to the Commission or Authority, as the case may be, in order for the Commission or Authority to undertake its oversight function prior to the establishment of the trust.

This oversight role does not end here; it further extends to the approval of the Board of trustees in section 241(1). In Section 235(6) the Commission also has the duty to make regulations on administration, guide and safeguard the utilization of the trust fund. This process is excessive bureaucracy and spells doom for the effective functioning of the Commission if past experience matters. Take for instance, the setting up and establishment of the Hydrocarbon Pollution Remediation Project (HYPREP). Since the UNEP feedback recommendation in 2011 it was only in 2013 that it reinstated its commitment to full the mandate of UNEP recommendations (UNEP 201). Some NGO and Ogoni community members requested that the government agency be closed because it was not functional (Amnesty International 2014). By the end of July 2014, the only reported activities of the HYPREP was *to raise awareness* (Amnesty International 2014) and the NGO's still upheld no knowledge of meaningful activities (Amnesty International 2014). 10 years post UNEP recommendations, HYPREP has published a bid for remediation of simple and complex sites, excellence center, and integrated contaminated soil management center. It is yet to complete the process (Ezeani 2017). This is not to say that progress has not been made but as identified by Prof. Shekwolo in his address to host communities' stakeholders 'HYPREP was not going about the health impact study the way UNEP recommended in the report (Hyprep 2021).

For the CSR objective to work, the government cannot rest on mandating alone; it must embark on a facilitating role. The Nigerian government can provide enabling legislation and funding support, an example of enabling legislation is incentivizing CSR performance, this is a very strong strategy the Chinese government use. Operating solely as a rentier economy has not been and is not sustainable for the country with its limited scope for the development of local technologies, skills, and allegations of wide-spread corruption (Hyprep 2021). According to an action-research case study of Nigeria's extractive sectors, corporations paid the NDDC \$359 million in 2018), payments which have attracted charges of financial impropriety but have still not yet been transparently determined (Idemudia 2008 and PWYP news 2021).

In its partnership role, the Nigerian government can with other stakeholders embark on stakeholder engagement, combined funding and dialogue without politicising the processes. Both former (Punch 2017) and current MD's of the NDDC for instance, have cited politics as a crippling factor in exercising the mandate of the commission (idemudia 2008, Business day 2021). It would be advisable that the PIA is not similarly hindered.

In its endorsement role, the government can publicly endorse or shame companies on the basis of the latter's CSR practice. We are aware that this has not been the practice in Nigeria. The reason for this has been linked to a legitimacy crisis where one party generally blames the other for their inefficiency (Idemudia 2007). In our observations, the rent economy of the Nigerian State is also to blame for this potential incapacity to praise or blame any company. Most companies in the sector are MNCs. The Nigerian government is an oil-dependent economy. There is little local know-how in the industry. The technology and skills operational in the industry are foreign. The government has a limited agency for these reasons.

Yet the government is not entirely impotent. It can ensure full transparency in company reports on CSR (UNEP 2015). For example, the Extractive Industries Transparency Initiative (EITI) should align its standard with international guidelines on frequent reporting on the core standards of EITI (EITI 2019). The content of the report includes but not limited to: Social and environmental expenditures by extractive companies, Quasi-fiscal expenditures, The contribution of the extractive sector to the economy, Environmental impact of extractive activities. It is based on this reports incentives and award should be given to the best participants. It can remove chokeholds on media reports and that of civil society who raise queries on company CSR. It can endorse litigation at the courts for breaches of environmental protection and related legislation. It can query defaulting officials over their accountability and allegations of corruption rather than turn the other way or be selective about who is queried.

3.2 Role and Guidelines: Host Communities (UNEP recommendations)

Host communities are usually excited at corporate presence as we mentioned earlier, in anticipation of social provisions lacking in these communities such as good roads, schools and health care (Idemudia 2009). For oil and gas industry host communities, what they perhaps do not bargain for is the environmental degradation and annihilation of their basic lifestyles which results from welcoming corporations or the lack of any real development in the community. The situation in Nigeria's Niger Delta for instance is vastly different to what obtains in other parts of the world such as in the UK (North Sea region, Scotland) and Norway (Stavanger region) where host communities have seen significant development after some years of operation by oil and gas companies. This is even after direct engagement between host communities and corporations. It is not too difficult to pinpoint the reasons why: there is limited interest and intervention by the Nigerian government at national and State level to pursue a policy of regional development in these communities; there is significant poverty and lack of education in these communities; these host communities lack real agency with the government

under the Land Use Act; the unilateral approach to the Nigerian government on social development issues mean the peculiar needs and interests of the host communities are hardly central in policy making. To this end, we propose that the host communities adopt the guidelines identified by the UNEP assessment in 2011 (UNEP 2014):

a) avoid protracted negotiation to avoid delays in environmental response feedback, protracted negotiation could cause further environmental damages.

b) The host communities are also advised to take full leverage of the employment, skill development, and prospects that will be provided by the clean-up operation, which is intended at improving their living circumstances and livelihoods. HYPREP has recorded the participation of the youths in their training programmes for alternative livelihood, environmental management and remediation techniques ahead (HYPREP 2021).

We have to comment on a third guideline under the UNEP on which we have reservations. UNEP proposes that individuals or organisations that participate in illicit operations such as bunkering and artisanal refining should be prosecuted aggressively by the community. Granted, this buttresses the argument that the provisions for 257(2) of the PIA is rather harsh for people who have done no wrong to be punished for no wrongdoing of their own. There is however a problem for social cohesion here: are communities to turn against each other? Will this not generate internal strife? In our view, it is the security and law enforcement officials of the government that are best placed to carry out this role of prosecuting illegal operatives, not the host community itself.

In our view, the main hindrance to host communities is awareness and agency on what can be done and the know-how on how to achieve the objective of environmental sustainability. Awareness here is both in terms of information on law, policy or negotiations, and education. In the past, the town crier system meant locals could be informed in real time of any important news (Etebu 2015). Today, host communities need greater access and knowledge in this connection.

3.3 Role and Guidelines: Oil and Gas corporations

The popular opinion is that most businesses have great CSR policies but struggle to achieve their CSR goals in practice (Frynas 2010). Since 2005, the worldwide oil and gas industry establishment for environmental and social concerns IPIECA (PIECA 2021), Global reporting initiative (GRI), Extractive industries transparency initiative (EITI) and the International Association of Oil and Gas Producers (IOGP) (IOGP) have jointly and separately provided

guidelines on environmental sustainability reporting to the oil and gas sector. The varied reporting systems, standards, and programmes that have arisen in recent years are however obstacles (D'Aquila 2018) allowing corporations to pick and choose reporting systems that are most favourable to them at the risk of transparency. However, The Global Sustainability Standards Board (GSSB) adopted the GRI Sector 8 Program in February 2019 to promote clarity and uniformity in sustainability reporting (GSSB 2020). The Sector guidelines draft is specifically for the oil and gas sector. In the table below, adapting the GSSB reporting draft, we highlight the key indicators for the oil and gas sector for CSR performance and consequently CSR reporting, for Nigeria.

Table 1: CSR Report Indicators

Advancing CSR Indicators in reporting			
Recommendations	Explanation	International Guidance Standard	Application To Nigeria Oil And Gas Sector for Transparency and Legitimacy
Descriptive reporting	This descriptive method highlights some business features and behaviours and illustrates how managers manage company interests.	GRI 101: Using the standard, IOGP	Applicable at all level especially in appointing Board of trustee, Settlor, and host committee representative and consultative. All consultation process should be descriptive
Disclose Key Drivers	CSR Reporting transparency communication offers investors and stakeholders with a clear knowledge of a company's approach, goals, and results that are most relevant to their business.	IOGP, GRI, UNEP CSR Sustainability reporting in the mining sector (2020)	Must aggressively interact with reporting firms to improve the quality of information and make it more relevant to their outcome. Focus on third party verification

Stakeholder influence on reporting	Matters that are of interest to stakeholders should be reported	IOGP, GRI,	Adopt the GRI information principle guidelines: accuracy, dependability, comparability, clarity, balance, and timeliness.
Communication for stakeholder understanding	The reports should be accessible and comprehensible to the rural community	Section 3.2 GRI universal standard	Bottom to top communication
Adopt established Criteria	This would include what really matters: economy, environment and people	GRI 103: Material topics	Document the processes involved to achieve legitimacy
Summarize data	The reports are usually lengthy. Companies need to provide over view or summaries to facilitate easy reading	GRI 101: Using the GRI standard section 5.2	The Summary should follow the GRI recommendations

Companies can better respond to the demands of diverse stakeholders by providing alternative means to obtain data where possible. Some businesses publish data on their websites, with the opportunity to download the information in a report format, therefore satisfying the demands of many stakeholders (UNEP 2015). Some companies also provide summary versions with pictures, charts and tables to further break down this information. Perhaps, using the local broadcasting mechanism recommended for host communities can help get information as would allowing access requests from schools, researchers, media and academics.

4 Conclusion

The implantation of CSR as a hard law has been used in a few regimes; however, the mandatory nature of CSR under the PIA remains to be tested. This paper has argued that the mandatory role of government can be expanded to include facilitating, partnering and endorsing as it engages with other stakeholders.

We maintain that an enabling environment is essential for attaining environmental sustainability while also ensuring that host communities and enterprises collaborate for the nation's greater good. Ultimately, the 'facilitating' role of government can see our proposal for a multi-stakeholder approach function effectively. This is best done as has been proposed here, in partnership with the host communities, and oil and gas corporations. In advancing CSR with environmental sustainability as an objective in Nigeria, such partnership between stakeholders

needs to have the right balance for an enabling environment. The proposed roles and guidelines in the multi-stakeholder strategy for government, host communities, and oil and gas companies, respectively, offer an opportunity for Nigeria to make the most of the codification of CSR for environmental sustainability under the PIA, an achievable objective.

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