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"LEGAL ANALYSIS OF STATUTORY AND ANTI-CORRUPTION ENFORCEMENT REGIMES IN THE PETROLEUM AND ELECTRICTY SECTORS OF NIGERIA"

LEGAL ANALYSIS OF STATUTORY AND ANTI-CORRUPTION ENFORCEMENT REGIMES IN THE PETROLEUM AND ELECTRICTY SECTORS OF NIGERIA

Afamefuna E. Mmagu[12*] and Peter C. Obutte[3]

ABSTRACT

Nigeria's petroleum and electricity sectors constitute the foundation of the country's economy and are supported by an extensive framework of constitutional, statutory, regulatory, and anti-corruption laws intended to promote transparency, accountability, environmental sustainability, and prudent resource governance. Notwithstanding this elaborate legal blueprint, the sectors continue to experience pervasive corruption, weak institutional coordination, regulatory fragmentation, revenue leakages, environmental degradation, tariff and billing irregularities, and inadequate public accountability. The persistence of these governance failures raises fundamental concerns regarding the effectiveness of existing enforcement mechanisms. Against this background, this article interrogates why have Nigeria's comprehensive statutory and anti-corruption enforcement regimes failed to achieve effective governance, transparency, and accountability within the petroleum and electricity sectors despite the existence of robust legal frameworks? This paper argues that Nigeria's principal governance challenge is not legislative insufficiency but rather deficient enforcement characterized by overlapping institutional mandates, political interference, weak inter-agency collaboration, and selective prosecution. The article adopts a doctrinal legal research methodology, complemented by comparative approaches examining the Constitution, the Petroleum Industry Act, 2021, Electricity Act, 2023, NEITI Act, 2007, NOGICDA, 2010, Climate Change Act, 2021, FOIA, 2011, Official Secrets Act, 1962, CAMA, 2020, the EFCC Act, ICPC Act, NFIU Act and relevant judicial authorities. The article concludes that the effectiveness of Nigeria's energy governance depends less on enacting additional legislation than on strengthening institutional credibility, enforcement capacity, prosecutorial independence, and oversight. It recommends the enactment of a Unified Energy Sector Enforcement and Accountability Act and statutory amendments introducing automatic sanctions, stronger audit enforcement and institutional reforms.

Keywords: Petroleum Governance, Electricity Regulation, Anti-Corruption Enforcement, Regulatory Accountability, Institutional Effectiveness, Energy Governance.

INTRODUCTION: FRAMING THE LEGAL ABUNDANCE AND GOVERNANCE FAILURE CONTRADICTION IN NIGERIA'S ENERGY SECTOR

The Resource Wealth-Governance Paradox in Nigeria

Nigeria is not just a resource-rich nation, but can be described as a jurisdiction where legal abundance coexists with enforcement weaknesses. Nigeria has been prescribed as one of the

[1] **BL, LL.M., Ph.D., Centre for Petroleum, Energy Economics and Law University of Ibadan, Nigeria.**

[*] **Corresponding Author: Afamefuna E. Mmagu ***

[3] **BL, LL.D., Professor of Law and Development, Department of Jurisprudence and International Law, Faculty of Law University of Ibadan; Deputy Director, Centre for Petroleum, Energy Economics and Law University of Ibadan, Nigeria.**

many African countries struggling with the resource curse occurrence where the government of Nigeria has failed to determine the strategies where natural resource governance is managed, executed, and distributed for the equitable benefit of the nation. Recent literature confirms that Nigeria's revenues derived from oil and gas projects coexists with institutional weaknesses, political concentration, and fragile accountability measures most especially at domestic levels.[4]

For clarity, the resource curse theory refers to the concept in which nations with vast natural resources exhibit a decline in economic growth, weaker institutions, and increased levels of corruption than nations with less natural resources. In Nigeria's case study, crude oil controls all revenues, imports and exports, there are no monitoring mechanisms for tax collections on crude oil activities from oil companies to enhance accountability, and most public payments are made through Nigeria's federation account.[5] These issues align with economic findings in which resource surplus in oil and gas projects, which essentially ought to be made for the equitable benefit of the public, decreases incentives for transparency and accountability and only adds to governance debts.[6]

From Adequate Laws to Enforcement Deficit

Nigeria is not lacking in laws and policies, but suffers from enforcement fragility. Nigeria possess a Constitution which provides for transparency and accountability, sector-specific laws including the NEITI Act, Petroleum Industry Act, 2021, and the Electricity Act, 2023, and anti-corruption enforcement authorities including the Independent Corrupt Practices and Other Related Offences Commission (ICPC), Economic and Financial Crimes Commission (EFCC), and the Nigerian Financial Intelligence Unit (NFIU). Despite the various laws and anti-corruption enforcement agencies, governance outcomes remain weak. Recent studies on Nigeria's extractive sector highlights that transparency measure are often described as inauthentic surface-level actions where compliance is witnessed; however, genuine accountability is limited.[7] By comparative analysis, think of the challenges as a law-practice gap whereby, laws exist on documents, but certain institutional incentives inhibit effective enforcement.

Transparency Without Accountability: The NEITI Paradox

[4] Samuel, S.E., and Kouhy, R. 2025. Paradox of oil revenue allocation and utilisation in resource-rich countries: The case of Nigeria. *Resources Policy 3.* 105782. Retrieved Apr. 5, 2026, from https://www.sciencedirect.com/science/article/pii/S0301420725003241

[5] Where there are inefficiencies and ineffectiveness in the way natural resources should be governed, it becomes apparent that transparency becomes weak due to neglect in improved standards of living where there is equitable resource wealth and positive change in Nigeria. NNPCL continues to demonstrate itself in the "transition phase" and struggles to fully detach from sovereign protection. Subsidy-related costs makes government intervention inevitable and contradicts its goal to becoming a purely commercial entity. NNPCL is on massive debt and relies on government bailouts each time; thus, the reason for President Tinubu's Executive Order to Safeguard Federation Oil and Gas Revenues and Provide Regulatory Clarity, 2026.

[6] Anser, M.K., Nazir, M., Nassani, A.A., Al-Aiban, K.M., Zaman, K., and Haffar, M. 2025. Rethinking Economic Policies: Diversification and Governance Strategies to Address the Resource Curse in Mineral-Rich Economies. *Natural Resource Modeling 38.* 1-17. Retrieved Apr. 5, 2026, from https://onlinelibrary.wiley.com/doi/epdf/10.1111/nrm.70011 Pgs. 2-4.

[7] Hamad, W., Moerman, L., and Pupovac, S. 2026. Extractive Industries Transparency Initiative (NEITI) and the spectacle of Nigeria's extractive industry. *The Extractive Industries and Society 26.* 101859. Retrieved Apr. 5, 2026, from https://www.sciencedirect.com/science/article/pii/S2214790X26000109

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The Nigerian Extractive Industries Transparency Initiative (NEITI) illustrates a large scope of challenges where despite the production of detailed audit reports and enhancement of data visibility, NEITI consistently fails to initiate the enforcement of sanctions against most oil companies for lack of transparency in oil and gas activities. Recent scholarship has labeled this major issue as transparency theatrics, where audit reporting creates the performative display of responsibility without changing underlying politicized structures or revenue leakages.[8] It is important to note that transparency alone is insufficient unless it is connected to enforceable punishments backed by institutional independence and prosecutorial action.

Government Mismanagement, Discord, and Social Injustice

The failures of government extend beyond just unproductivity, they often create poor economic and security outcomes. Recent studies have shown that poor natural resource governance contributes to environmental disasters and discord especially in the Niger Delta region:

> Conflict in the Niger Delta has been driven by multiple factors, but the mismanagement of natural resources plays a central role. The region's oil industry has spurred both economic growth and environmental degradation, creating a paradox. While oil wealth has generated substantial revenue for the Nigerian government and multinational corporations, it has simultaneously caused devastating environmental damage particularly because of the non-adherence to the global best practices policy Polluter Pays Principle that compels a Polluter or degrader to restore the environment to its original state or near original state. Oil spills, gas flaring, and deforestation have left many communities in the region suffering from health problems and loss of livelihood. The Nigerian government and oil companies have struggled to address these issues, leading to prolonged unrest and conflict in the region (Udo, 2024). In addition to environmental concerns, the failure of the government to equitably distribute oil revenues has bred frustration and resentment among local populations, further exacerbating tensions.[9]

In light of the above, the immense discord in the Niger Delta region stems from the mishandling of natural resources where oil wealth ironically fuels environmental devastation and local suffering due to a failure to implement Polluter Pays Principle. This environmental disaster, coupled with unfair revenue distributions, invokes persistent regional unrest and civil war. Local communities within the region remain omitted from resource advantages despite bearing environmental consequences:

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[8] Ibid. Pgs. 1-3.

[9] Mbelegberi, K. R., and Hart, A.O. Ph.D. 2025. Natural Resource Governance and Conflict in the Niger Delta Region, Nigeria. *Journal of Public Administration and Social Welfare Research 10.* 115-132. Retrieved Apr. 6, 2026, from https://www.researchgate.net/profile/Akie-Hart/publication/400983116_Natural_Resources_Governance_and_Conflict_in_the_Niger_Delta_Region_Nigeria/links/69985e8aca66ef6ab9948c49/Natural-Resources-Governance-and-Conflict-in-the-Niger-Delta-Region-Nigeria.pdf?_tp=eyJjb250ZXh0Ijp7ImZpcnN0UGFnZSI6InB1YmxpY2F0aW9uIiwicGFnZSI6InB1YmxpY2F0aW9uIn19 Pg. 116.

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> The Niger Delta region of Nigeria is rich in natural resources, particularly oil, which has been the cornerstone of the country's economy for decades. However, the governance of these resources has been fraught with challenges, leading to significant social, environmental, and economic issues. Despite the enormous wealth generated from oil extraction, local communities in the Niger Delta have not benefitted proportionally. Inadequate governance structures, corruption, and the mismanagement of resources have left the region in a state of underdevelopment and despair.[10]

There is a paradox of wealth in the Niger Delta region. Despite producing a majority of the country's oil revenue, the local communities in the Niger Delta region have not benefited commensurately. Farmers and fishery within the region have been negatively impacted by environmental disasters due to ongoing oil and gas projects. Corruption, poor management, and inadequate infrastructures have meant the profit generated is not used for local community growth. Oil wealth has not translated into improved welfare, reinforcing impoverishment and unfairness:

> Accountability is another significant issue in Nigeria's resource governance structure. Public resources, especially those earned from oil and gas earnings, are often misused or improperly administered. This management has hampered the country's ability to achieve long-term development goals and address pressing socioeconomic issues like infrastructure deficits, healthcare, and education. Various reports have highlighted the persistence of accountability gaps in the oil and gas industries, where billions of dollars in revenue go unaccounted for due to inadequate auditing and monitoring mechanisms. Without stringent checks and balances, resource management becomes subject to political patronage, which further undermines public trust in governance……The oil boom in the 1970s provided Nigeria with the financial resources to foster rapid economic growth; however, the failure to translate oil wealth into long-term prosperity has led to the resource curse, where economic dependence on oil has fostered corruption, inequality, and environmental degradation.[11]

Nigeria's energy resources is afflicted with challenges of accountability especially regarding oil revenue from extraction projects which is often inaccurate and questionable due to fragile auditing processes. This failure to properly manage natural resources have had a negative impact on Nigeria's overall development which has created loopholes in important sectors

[10] Ibid. Pgs. 116-117.

[11] Gbadebo, A.D. 2025. The Political Economy of Resource Management in Nigeria: Governance, Accountability, and Sustainable Development. *Journal of Current Social and Political Issues 3*. 113.121. Retrieved Apr. 6, 2026, from https://ejournal.uinsgd.ac.id/index.php/jcspi/article/view/1346/730 Pgs. 113-114.

including healthcare, education, and infrastructural projects. The situation in Nigeria is a classic illustration of the dreaded "Dutch disease" which arose from the 1970s oil boom where this overdependence of oil has made the country vulnerable to fluctuating global oil prices, and dysfunctional due to political influences in the crude oil and electricity sectors. Weak enforcement of regulatory laws transforms natural resource wealth into a driver of unfairness and economic fragmentation.

Institutional Fracture and Overlapping Mandates

Nigeria's governance blueprint includes regulatory bodies such as the Nigerian Upstream Petroleum Regulatory Commission (NUPRC), the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA), and the Nigerian Electricity Regulatory Commission (NERC). The NEITI is Nigeria's transparency institution to promote transparency, accountability, and prudent management of oil, gas, and mining revenues by ensuring that payments made by oil companies and receipts by government are divulged and properly handled for the equitable benefit of the country. Nigeria's anti-corruption agencies include the Economic and Financial Crimes Commission (EFCC), the Independent Corrupt Practices and Other Related Offences Commission (ICPC), and the Nigerian Financial Intelligence Unit (NFIU). While these regulatory and anti-corruption agencies and have been formally put in place by statutes enacted by the National Assembly, there are challenges with effective implementation due to overlapping mandates which create regulatory incompetence, weak coordination which undermine enforcement, and effective independence due to political interferences. Many scholars have confirmed that natural resource governance in Nigeria is less a technical challenge and more a political battleground shaped by power dynamics and competing institutional interests:

> A growing body of literature emphasizes the role of political institutions and elite behavior in shaping the developmental trajectory of resource-rich states. In many African states such as Nigeria, political elites often leverage identity cleavages; ethnicity and religion to obscure the underlying contestation over access to and control of economic and natural resources. This identity politics is thus used to mobilize support and suppress dissent, which in the long run transforms political competition into existential struggles.[12]

In light of the above, recent literature provide that the way resource-rich nations, such as Nigeria, are structured is primarily determined by the decisions of political elites. Politcial elites use what is known as identity politics including religious and ethnic beliefs to sidetrack from the main struggle which is the competition for control over natural resources. These elites use this distraction to build support, undermine opposition, and transform political schemes into religious and ethnic division inhibiting long-term development.

Fiscal Imbalance and Weak Accountability

[12] Salihu, O. 2026. Natural Resource Governance and Conflict in Nigeria's Extractive Frontiers: A Scoping Review. *Preprints.org*. 1-16. Retrieved Apr. 6, 2026, from https://www.preprints.org/frontend/manuscript/6df768e0a26f979adc9803707b6df1cc/download_pub Pg. 1

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The Nigerian Constitution provides for the authority for natural resource ownership as well as revenue distribution where revenue is pooled through the federation account. There is recent literature which highlights that revenue pooling through the federation account encourages rent-seeking behavior, debilitates local accountability, and significantly reduces long-term development outcomes despite surplus revenues:

> Oil revenues are beneficial to any country's budget. However, when these revenues make up a significant portion of budget revenues, multiple negative consequences are possible. An analysis of scientific literature shows that these negative consequences cab be divided into several main groups: 1) impact on macroeconomic indicators, especially on the exchange rate; 2) dependence on an unstable stream of oil revenues; 3) degradation of the environment; 4) political issues and the problem of corruption…..Oil-rich states are more vulnerable to rent-seeking behavior as oil production and oil revenues increase, which can adversely affect the income distribution gap. On the other hand, oil-dependent states are more likely to be affected by commodity price shocks which can increase income inequality.[13]

While oil revenue increases a country's budget, over-reliance on oil poses a dangerous risk which include exchange rate fluctuations, vulnerability to unstable revenues, environmental disasters, and heightened corruption. Countries that are incessantly dependent on oil are prone to rent-seeking behaviors and income inequality, worsened by fluctuations in global oil prices. When governments rely on rent-seeking behaviors instead of tax payments, citizens have less clout to demand for accountability.

Spillover Effects into the Electricity Sector

It is important to note that the governance failures in the petroleum sector are also duplicated in the electricity sector. The reason being that weak enforcement culture always leads to ineffective regulation of DisCos. A lack of transparency in electricity revenue collections leads to tariff and billing conflicts. End users continue to struggle with the quality of electricity services by the DisCos based on the challenges with the minimum hours of electricity provided in the band levels. Often times, electricity bills do not reflect actual consumption of electricity complained by end users which causes conflict. Institutional overlaps between federal and state regulators lead to coordination failures across the electricity supply chain including grid mismanagement, conflict with tariff orders, unclear ownership of assets, and investment hurdles. Meter fraud and contract irregularities is caused by corruption within the electricity supply industry. The oil sector has a spillover effect into the electricity sector through its systemic institutional weaknesses caused by lack of enforcement. Therefore, this ripple effect does not make the electricity sector an isolated governance problem.

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[13] Okwueze, F.O., Gueh, L., Kaze, V., Krivins, A., and Etalong, T. 2025. Oil Revenue Dependency: Economic and Legal Challenges. *Access to Science, Business, Innovation in Digital Economy 6.* 270-286. Retrieved Apr. 6, 2026, from https://www.researchgate.net/publication/390606296_OIL_REVENUE_DEPENDENCY_ECONOMIC_AND_LEGAL_CHALLENGES# Pg. 272.

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THE CONSTITUTIONAL BASIS FOR OPENNESS AND CREDIBILITY IN CRUDE AND ELECTRICITY ADMINISTRATION

The (1999) Constitution of the Federal Republic of Nigeria (As Amended)

Nigeria's Constitution is the main law of the country and any other law which goes at odds with the mandates set out in the Nigerian grundnorm, such law will be superseded.

The Nigerian Constitution states:

> Whenever another law goes in contrary with the Constitution, the Constitution will supersede and the conflicting part of that other law will be inaccurate (Section 1(3), 1999).[14]

With regards to the above, Nigeria's National Assembly has authoritative powers to make laws for the whole federation, or any provision of it, regarding any issue outlined in the Exclusive Legislative List found in Part 1 of the Constitution's Second Schedule.

The Constitution provides:

> The National Assembly is mandated to create laws and promote peace, order, and good governance for Nigeria or any part of it regarding all issues outlined in the Exclusive Legislative List in Part 1 of the Constitution's Second Schedule (Section 4(3), 1999).[15]

The First Part of Nigeria's Constitution explains how the federal government derives its powers to make laws which is provided for under the Nigerian Constitution's Exclusive Legislative List. This particular section of the Constitution provides the relevant natural endowments to the federal government for legislative control which include oil, minerals, natural gas covering oil production, geological surveys, and oil fields.[16]

In light of the above, the federal government is the owner of all natural endowments in the country which the apex law provides.

The apex law in Nigeria provides:

> Irrespective of what earlier provisions say from the apex law, the ownership and control of all-natural endowments including minerals, crude, and natural gas found on the surface or beneath any land in the country, under the bodies of water surrounding the country including the EEZ belongs to the federal government where these natural endowments are handled in accordance to

[14] Provision 1(3) of Nigeria's Constitution
[15] Provision 4(2) of Nigeria's Constitution.
[16] Item 39, Part 1, Second Schedule of the Exclusive Legislative List of Nigeria's Constitution.

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> the laws established by the National Assembly (Section 44(3), 1999).[17]

From the above, the federal government owns all-natural endowments including oils, minerals, and natural gas found in every land in Nigeria as well as the bodies of water surrounding Nigeria including the EEZ where they are managed in accordance to what the laws provide.

With respect to electricity, apart from the First Part of the Second Schedule of Nigeria's Constitution which explains the authority of the legislature, the Second Part to the Second Schedule of Nigeria's Constitution explains the authority of the legislature concurrently to the extent of the federal government and states on electricity shared by the National Assembly and state assemblies.[18]

Nigeria's apex law also contains the equal distribution of revenue generated by the government after such revenue has been successfully accrued in the government's bank account among municipalities according to a model.[19] Nigeria's Constitution as a forerunner to this concept provides how the wealth is shared.

The apex law in Nigeria states:

> As long as it follows the mandate of the Nigeria's apex law, the federal assembly may pass a law that explains how the government distributes public revenue between the federal and state governments, among the state governments, between the state and their local government areas, and among the LGAs within the states (Section 162(3)(4) and (5), 1999).[20]

This entire process ensures all tiers of Nigeria's government have the requisite mechanisms in fulfilling the constitutional mandates and is key to the establishment of the provision of the Federation Account as the central revenue account before disbursements to other levels of government[21] and the transparency initiative namely NEITI.

The principles of transparency, accountability and business ethics and behaviour have been enshrined within Nigeria's Constitution being the grundnorm whereas other statutes which go in variance with what is explained under Nigeria's Constitution, such other statutes would be rendered ineffective. The apex law states that the government must eliminate any and all forms of deceit, manipulation, dishonesty, and misconduct[22].

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[17] Section 44(3) of Nigeria's Constitution.
[18] Items 13 and 14, Part II, Second Schedule of the Concurrent Legislative List of Nigeria's Constitution.
[19] Tom, J., and Ataide, O.H. 2021. Proceeds Allotment in Nigeria: Concerns, Difficulties and Possibilities. *Journal of Public Administration and Governance 11.* 229-245. Retrieved Oct. 20, 2025, from https://www.researchgate.net/publication/353669461_Revenue_Allocation_in_Nigeria_Issues_Challenges_and_Prospects Pg. 230.
[20] Section 162(3),(4), and (5) of Nigeria's Constitution.
[21] 162 (1) and (2) of Nigeria's Constitution.
[22] Section 15(5) of Nigeria's Constitution..

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The apex law emphasizes Nigeria's commitment to eradicate all forms of corruption whereby government is expected to foster an environment of openness and provide explanations of their conduct or absence to it.

LEGAL FRAMEWORK FOR CRUDE OIL GOVERNANCE IN NIGERIA

Nigeria Extractive Industries Transparency Initiative (NEITI) Act, 2007

This dreaded "resource curse" drew global attention of notable scholars including legislators over the years as Nigeria has recurrently been labeled as a "cursed nation" because of the nation's poor development outcomes especially with regards to the elongated wars experienced within oil wealthy region within the Delta.[23] These crises experienced within the Delta is evidenced by oil and gas reserves which is significantly essential in the international economy. As a result of the need to ensure the prioritization of the public good, the EITI was established for the promotion of openness and credibility for effective exercise of global natural endowments governance.

Has the NEITI Act been effective?

It is apparent that while Nigeria has been blessed with vast deposits of natural resources; however, utilizing the resources in efforts to inculcate maximum returns has been a very serious challenge in Nigeria.[24] Irrespective of the establishment of the NEITI Act the culture of immunity, deceit, manipulation, and dishonesty remain in Nigeria leading to minor improvements in the standard of living among Nigerians.[25] Fundamentally, NEITI is empowered under law to mandate oil companies to carry out remediation of their accounts from extractive activities.

The extractive law in Nigeria provides:

> The extractive industries in Nigeria is mandated to make sure that the independent auditor appointed in accordance to the terms approved by the NSWG reviews all the proceeds received by the federal government from oil extraction companies such as financial documents related to payments, receipts, assets, and liabilities. Following the financial year, all audits must be conducted within six months. After the audit has been done, the independent auditor is mandated to submit its audit report including the commentary from oil extraction companies to NEITI that would publish the reports before the public provided that no part of the audit report is revealed in a manner which

[23] Asgill, S. 2012. NEITI: Mechanism for Dispute Settlement within the Delta Region or Arena of Disputed Politics? *Critical African Studies 4.* 4 – 57. Retrieved June 5, 2024, from https://www.tandfonline.com/doi/pdf/10.1080/21681392.2012.10597798

[24] Meyer, Y. 2019. Evaluating Nigeria's Efforts to Promote Openness and Credibility in the Oil Industry: A Detailed Evaluation of NEITI. *Southern African Public Law 34.* 1-28. Retrieved June 5, 2024, from https://journals.co.za/doi/pdf/10.25159/2522-6800/4761

[25] Ejiogu, A., Ejiogu, C., and Ambituuni, A. 2021. How Corruption Resists Change: Adapting Openness Strategies and the EITI to Nigeria's Complicated Circumstances. *An International Journal of Policy, Administration, and Institutions 34.* 785-802. Retrieved June 5, 2024, from https://onlinelibrary.wiley.com/doi/abs/10.1111/gove.12530

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> devalues the companies' reputation and interests (Section 14, 2007).[26]

In light of the above, there is ambiguity in the phrase, provided that no part of the audit report is revealed in a manner which devalues the companies' reputation and interests. The reason is, this clause could also provide a safeguard towards audit companies in the event there could be under-payments with respect to royalties, taxes, and other payments with no room for asking further questions to address the ambiguity for clarity.[27] Unfortunately, some of the provisions for enforcement procedures enshrined in the NEITI Act is fragile to say the least.

Petroleum Industry Act, 2021

Nigeria's PIA was established with its purpose for transforming the crude and gas industry in Nigeria. Given the happenings within Delta region, the National Assembly was correct to have provided a legal framework for petroleum host communities which introduces revenue transparency in the Petroleum Host Communities Development Fund,[28] the creation of supervisory agencies including the NUPRC and the NMDPRA, reduction of overlaps in governance structures which can be utilized for corrupt practices, a new fiscal regime that explains how revenues are collected and distributed making finances more transparent, regular audits of oil companies and financial reports, sanctions for non-compliance for accountability, and environmental accountability.

Have the regulatory institutions been effective for resource transparency?

The Petroleum Industry Act includes watertight provisions for ensuring compliance measures are aligned with various regulations. However, irrespective of the sections within the law created to secure transparent practices within Nigeria's energy sector, there remains the challenge of consistent implementation and enforcement of monitoring the activities of extractive operators.

Nigeria's PIA states the following:

> The NUPRC's technical supervisory duties include conducing probe, inquiries, examinations, and audits while taking any necessary duties to conduct oversight regarding the activities of licensees, lessees, and holders of permits (Section 7 Para g, 2021).[29]

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[26] Section 14 of the NEITI Law.

[27] Okeke, V.O., and Aniche, E.T. 2013. Assessing How Effectively the NEITI Law 2007 is Executed in Nigeria's Oil and Gas Industry. *British Journal of Arts and Social Sciences 14.* 98-108. Retrieved June 5, 2024, from https://www.researchgate.net/profile/Ernest-Aniche/publication/276059473_A_Critique_of_the_Enforcement_of_Nigeria_Extractive_Industries_Transparency_Initiative_Neiti_Act_2007_in_Nigerian_Oil_and_Gas_Sector/links/554fb78108ae956a5d246936/A-Critique-of-the-Enforcement-of-Nigeria-Extractive-Industries-Transparency-Initiative-Neiti-Act-2007-in-Nigerian-Oil-and-Gas-Sector.pdf?origin=publication_detail&_tp=eyJjb250ZXh0Ijp7ImZpcnN0UGFnZSI6Il9kaXJlY3QiLCJwYWdlIjoicHVibGljYXRpb25Eb3dubG9hZCIsInByZXZpb3VzUGFnZSI6InB1YmxpY2F0aW9uIn19

[28] Chapter 3 of Nigeria's PIA.

[29] Section 7 para. (g) of the Petroleum Industry Act, 2021.

Considering the above provision, the NUPRC is a regulatory body empowered with a duty to investigate all affairs regarding oil extractive businesses as well as ensuring financial reports are commensurate with transactional dealings on exports devoid of any discrepancies. This provision among others provides for the essence of transparency in the sector which, unfortunately, has remained ineffective.

Nigerian Oil and Gas Industry Content Development (NOGICD) Act, 2010

Local content has to do with those economic advantages an extractive work contributes to the surrounding locality, the region, or the entire country. Local content within Nigeria involves creating practicable ideas for purposes of using resources that would enhance the benefits accruing to Nigeria from its natural resources and have a positive impact of the utilization on profitable development for Nigeria and on the welfare of the people.[30]

According to the Content Law it means:

> The combined added value contributed to the country's economy with the purpose of capacity building skills and the intentional reliance of Nigerian laborers, materials, and solutions within the crude and gas sectors (Section 106, 2010);[31]

Regarding the above stated explanation, content is essential for stakeholder engagement including all regulatory agencies, operators, and other stakeholders for the development of Nigeria. Secondly, The NCDMB is responsible for the oversight and ensuring the Act is implemented effectively.

The NOGICDA states the following:

> The Nigerian Content Development and Monitoring Board created under this Law must create procedures to guide, supervise, coordinate, and implement the requirements of the Law (Section 4, 2010).[32]

Countries like Nigeria can actualize local content by providing detailed obligations and goals in its statutes and agreements. On the contrary, fulfilling worthwhile local content in the country can be challenging because the crude and gas sectors are very technical. Therefore, it is very important that local companies utilize openness in procurement processes leaving no room for deceit, manipulation, or dishonesty in the practice.[33]

National Environmental Standards and Regulations Enforcement Agency (Establishment) Act, 2007

[30] Ayodele, O. 2021. *Understanding Petroleum (Oil & Gas) Transactions and the Nigerian Market.* Lagos: CIPLUS Limited. Pg. 274.

[31] Section 106 of the NOGICDA.

[32] Section 4 of the NOGICDA.

[33] Ibid. Pgs. 38 & 39.

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The extant law empowers NESREA to regulate all environmental incidents in communities hit most with the activities of extractive companies. However, a major flaw the Act fails to address is protection regarding the consequences of oil pollution which is not provided within any section of the law.[34] The absence of openness makes it challenging for the public to trust the agency as the energy sector in Nigeria accounts for 70% of environmental pollution in the country.[35] Although the signing of the NOSDRA bill into law which was created to remedy the horrible effects of crude spillage, there is still uncertainty towards compensation for most host communities as a result of oil spillage.[36]

LEGAL FRAMEWORK FOR ELECTRICITY GOVERNANCE IN NIGERIA

Electricity Act, 2023

The Electricity Act, 2023 establishes the NERC as Nigeria's apex power regulator:

> The NERC is created as a corporate body with continuous existence, which is able to sue and be sued in its own name and subject to this Law, obligated to implement duties that a corporate body is legally allowed to do (Section 33(1) Electricity Act, 2023).[37]

In reference to the above, this Act also mandates the engagement with market participants including the DisCos, NISO and TSP, and NBET with essential tools for transparency regarding tariffs, licensing, and public reporting[38] all of which contribute to the mitigation of revenue discrepancies and corruption in the electricity sector.[39] However, the major impact this work would have on the effectiveness of electricity governance is if NERC and other agencies including NEITI, NRS, NUPRC, NMDPRA, and the federal government have the capacity, political independence, inter-agency coordination, and the implementation for enforcement to transform statutory duties into verifiable sanctions. This is precisely the reason for the Act's ineffectiveness.

Consumer Protection Regulations, 2023

The Consumer Protection Regulations, 2023 emphasizes on transparency and accountability regarding billing, meter-reading, and standards for performance monitoring that are verifiable and functional which will reduce arbitrary bills issues to customers.[40] These regulations ensure consumers of electricity the right to accurate billing, metering, connection or disconnection

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[34] Onyeama, A. and Kpea-ue, B.S. 2023. Legal Concerns and Difficulties Affecting the Proper Enforcement and Execution of Nigeria's Environmental Pollution Laws. *AELN Journal of Environment & Natural Resources Law 11*. 140-152. Retrieved June 14, 2024, from https://www.environmentallawyersng.org/wp-content/uploads/2023/11/A10-Onyeama-Anthony.pdf

[35] Ibid. Pg. 142.

[36] Ibid.

[37] Section 33(1) of Nigeria's Electricity Law.

[38] Section 56(3) of Nigeria's Electricity Law.

[39] NERC. Oct. 2025. *NERC Quarterly Report 2025*. Retrieved Oct. 20, 2025, from https://nerc.gov.ng/wp-content/uploads/2025/10/2025_Q2-Report.pdf Pg. 47.

[40] Mondaq. Mar. 2024. *A Summary of the Responsibilities and Legal Rights of Nigerian Electricity Consumers.* Retrieved Oct. 20, 2025, from https://www.mondaq.com/nigeria/oil-gas-electricity/1444240/an-overview-of-the-rights-and-obligations-of-electricity-customers-in-nigeria

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notices, refunds for excessive billing, and pathways for formal complaint issues.[41] The regulations also mandates DisCos to provide for customer complaints platforms and discussions,[42] filing, as well as reports to NERC.[43] Unfortunately, corruption flourishes where officials have unchecked voluntary powers; therefore, meters-reading, billing, connections, disconnection and refund procedures are standardized to mitigate corrupt transaction. It is important for NERC to consistently enforce and publishes performance data.

LEGAL FRAMEWORK FOR ADMINISTRATIVE SECRECY AND ACCESS TO INFORMATION

Official Secrets Act, 1962

Nigeria's Secrecy Law is a legal regime that was created to protect sensitive information from the government to promote national security which includes classified information. The Act constitutes as a "secret" or "classified" and applies to government employees, contractors and other persons who had encountered secret information whereby such persons would be guilty of an offence if disclosed.

The Official Secret Act states the following:

> Except what is permitted under subsection (3) of the Law, anyone who sends classified information to somebody not allowed by the government to receive the information, or copies, obtains, or retains the information without permission from the government will be guilty of an offence (Section 1(1) Official Secret Act, 1962).[44]

Considering the above, the Act protects government information from being divulged without any form of consent. However, a critique to the ambiguous provisions of the law would support the assertion that such laws conflict with the FOIA which discourages any form of opacity. It is yet to be understood what information exactly is described as "classified" to limit the explicit sections regarding the FOIA.

Freedom of Information Act (FOIA), 2011

FOIA was passed on May 24, 2011, that provides accessible and seamless information in respect of government operations within the extractive industries to engender an environment of transparency.

The FOIA Act provides thus:

> This Law allows any person, group, union, or institution to request for and receive information or data from any government

[41] Nigerian Electricity Regulatory Commission. 2025. *To know my consumer rights & obligations.* Retrieved Oct. 20, 2025, from https://nerc.gov.ng/need-help/services/consumer-rights-obligations/

[42] Regulations 43-44 and 47-51 of the Consumer Protection Regulations, 2023

[43] Regulation 53 of the Consumer Protection Regulations, 2023

[44] Section 1(1) of the Official Secrets Law.

body, agency, federal civil service, private organization, or entity functioning in a public capacity (NEPZA, 2025).[45]

Considering the above, transparency is enhanced by making certain information readily available to the public. This Act, being a landmark achievement in addressing issues of transparency and accountability, is met with challenges regarding public trust on the accuracy of published revenues in the extractive industry including data manipulation, lack of oversight, bureaucratic bottlenecks, institutional capacity, and data quality.[46]

LEGAL FRAMEWORK FOR CONSOLIDATED CRUDE OIL AND ELECTRICITY GOVERNANCE IN NIGERIA

Companies and Allied Matters Act (CAMA), 2020

The Companies and Allied Matters Act, 2020 provides for the duties of companies, business names, and incorporated trustees and empowers the CAC to regulate all companies registered in the country. This Law outlines company governance and accountability, duties of the directors in executing their functions with integrity and ensuring that their personal interest do not conflict with their respective duties in accordance with the Act.

Investigation of Illicit Financial Flows

Transparency and accountability in financial flows within domestic oil companies is of paramount importance regarding the enhancement of public trust. While the ICPC is mandated by law to investigate illicit financial flows within companies, unfortunately, the officials of the anti-graft agency are only limited to information provided to them by companies. Persons with significant control of companies must be divulged by law in accordance with the Act which has not been effective. The CAMA 2020 utilizes a new system of surveillance making it challenging for members of companies utilizing shelf companies as a ruse in escaping tax payments and embezzle money.[47]

Climate Change Act, 2021

The Climate Change Act is the legislative regime which created the National Council of Climate Change Secretariat (NCCCS)[48], emissions cap, reporting, verification, requirements on MDAs and entities, a Climate Change Fund, offences, and public engagement that if utilized and implemented would engender inter-agency coordination, and legal duties. This pathway would improve transparency, enhance accountability, and impose inter-agency collaboration on environmental standards; thereby, reducing corrupt opportunities.[49] The functions of the

[45] Nigeria Export Processing Zones Authority (NEPZA). 2024. *Freedom of Information Act.* Retrieved June 6, 2024, from https://nepza.gov.ng/foia/

[46] Ekokoi, S. 2016. Handling Nigeria's Crude Richness in a Sustainable Manner: Legal Problems and Projections for Pathways. *Journal of Sustainable Development Law and Policy (The) 7.* 135 – 170. Retrieved June 6, 2024, from https://www.ajol.info/index.php/jsdlp/article/view/148787

[47] Diverse Law. October 2021. *A Detailed Evaluation of Company Behaviour and Credibility Under CAMA, 2020.* Retrieved June 6, 2024, from https://diverselaw.org.ng/critical-analysis-of-corporate-goverance-and-accountability-under-companies-and-allied-matters-act-2020/

[48] Section 3(1) of the Climate Change Act, 2021.

[49] Olujobi, J.O., and Odogbo, S.I. 2024. A Tactical Review of Nigeria's Climate Law 2021: Overcoming difficulties, creating pathways for success, and shaping future directions. *Social Sciences & Humanities Open*

Council include coordinating sectoral targets, approving and overseeing Nigeria's Climate Plan, administering the Climate Initiative, as well as recommending legislative and policy measures[50] all to encourage oversight and enforcement as well as inter-agency collaboration. The Act also authorizes the Council to request data and to visit the premises of MDAs as well as public and private institutions on monitoring, verifying, and reporting emission profiles.[51] This creates the kinds of data for researchers and regulators needed to identify discrepancies in reports regarding emission, or gas flaring in oil operations and essential for transparent oversight in the two sectors.[52] Importantly, this Law mandates MDAs as well as institutions to input climate provisions in their framework and not just policy which would make NUPRC, NMDPRA, NERC and others to align their licenses and operations with emissions budgets in accordance to the Nigeria's Climate Plan. It would engender legal enforcement when there is non-compliance.[53]

LEGAL REGIME ON ENFORCEMENT FOR CRUDE OIL AND ELECTRICITY GOVERNANCE

Corrupt Practices and Other Related Offences (ICPC) Act, 2000

The ICPC Act is a law that investigates as well as prevents deceitful, manipulative, and dishonest activities in Nigeria which holds accountable those responsible for falsifying information. The discrepancies in the accuracy of published revenue reports fuels corruption in Nigeria and the ICPC is responsible for the prosecution of such offenders.

The ICPC Act states as follows:

> The Law gives legal authority to the Commission to obtain and probe any report where a person has planned, tried to, or carried out a violation under this Law or any other anti-corruption Act and sue persons where need be. The Commission has to also evaluate the activities, systems, and guidelines regarding public entities and if the Commission thinks these guidelines encourage or support deceitful, manipulative, or dishonest practices, mandate the need for investigation and improvement (Section 6 Paras. (a-d), 2000);[54]

Economic and Financial Crimes Commission (Establishment) Act, 2004

10. 1-11. Retrieved Oct. 20, 2025, from https://www.sciencedirect.com/science/article/pii/S2590291124001256 Pgs. 4-5, 8.

[50] Section 4 Para. (a -q) of Nigeria's Climate Law.

[51] Sections 7-9 of Nigeria's Climate Law.

[52] Körner, M., Leinauer, C., Ströher, T., and Strüker, J. 2025. Online Systems for Measuring, Reporting and Confirming Emissions to Encourage Decarbonisation. *Business and Information Systems Development 67.* 753-765. Retrieved Oct. 20, 2025, from https://www.researchgate.net/publication/393096169_Digital_Measuring_Reporting_and_Verification_dMRV_for_Decarbonization#:~:text=2%20Measuring%2C%20Reporting%2C%20and%20Veri%EF%AC%81cation,processes%20in%20more%20detail%20 Pgs. 753-756.

[53] Sections 22-24 of the Climate Change Act, 2021.

[54] Section 6 Paras. (a) – (d) of the ICPC Act.

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The EFCC Act empowers the EFCC, established under the Act, on probing, suing, punishing, as well as warding off financial crimes in Nigeria[55] The Act grants the EFCC with the statutory mandate regarding investigative powers, information-gathering[56], and inter-agency collaboration roles that when used in partnerships with other energy regulators including NUPRC, NMDPRA, and NERC, would enhance the efficacy of openness and credibility for the two sectors severely mitigating corruption.

The EFCC is mandated with the following powers:

> carry out a probe to ascertain whether any person, business, or entity committed a crime under this law or any other Act regarding economic or money crimes; and investigate an individual's properties if the EFCC thinks that an individual's lifestyle and the number of assets they possess is difficult to understand based on the income they receive (Section 7(1) EFCC Act, 2004);[57]

Regarding the above, the Commission is authorized to enforce Nigeria's recent passed Money Laundering Law and other specified laws under the Act.[58] The Act also improves transparency in the oil and electricity sectors by electing the Commission as the anti-money laundering department empowered in retrieving, analyzing, as well as disseminating reports of suspicious transactions which helps expose secret financial transfers from crude sales, subsidy fraud, and meter-tampering and nefarious contract payments occurring within the electricity industry.[59]

Nigerian Financial Intelligence Unit (NFIU) Act, 2018

The NFIU Act creates the NFIU to address financial evasion, terrorism, and suspicious dealings regarding various reports from companies or agencies who finance these transactions.

The NFIU provides as follows:

> The most important purposes of the Law are to create the NFIU; give the legal, organizational, and oversight facilities required for the open, effective, and reliable activities and handling of the department, and set up global recognition for dealing with monetary expertise in the country (Section 1 Paras (a-c), NFIU Law).[60]

[55] EFCC. 2024. *The Establishment Act.* Retrieved June 6, 2024, from https://www.efcc.gov.ng/efcc/about-us-new/the-establishment-act

[56] Nigeria's EFCC found close to $500 million in one year. *Reuters.* March 10, 2025: Retrieved Oct. 21, 2025, from https://www.reuters.com/world/africa/nigerias-anti-graft-agency-recovers-nearly-500-mln-one-year-2025-03-10/

[57] Section 7(1) of the EFCC Law

[58] Section 7(2) of the EFCC Law

[59] Sections 1, 6, and 38 of the EFCC Law

[60] Section 1 paras. (a), (b) & (c) of the NFIU Law.

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CONCLUSION

This analysis reveals a consistent and troubling pattern across Nigeria's petroleum and electricity sectors: the existence of robust statutory frameworks without commensurate enforcement outcomes. First, anti-corruption institutions—including the ICPC, EFCC, NFIU, NEITI, and NESREA—are legally empowered yet operationally constrained by weak independence, selective enforcement, and limited prosecutorial follow-through. Second, statutory and regulatory loopholes—particularly within electricity governance—permit discretion without accountability, thereby enabling tariff manipulation, billing opacity, and weak consumer protection. Third, bureaucratic corruption and institutional fragmentation, reinforced by overlapping mandates and poor inter-agency coordination, continue to undermine regulatory effectiveness. Finally, the entrenched "transparency without accountability" paradigm demonstrates that data disclosure alone—without enforceable sanctions—fails to deter misconduct or recover lost public revenues.

The cost of inaction is severe and compounding. Nigeria's continued failure to enforce its legal frameworks sustains revenue leakages, discourages investment, deepens energy poverty, and exacerbates environmental degradation and social unrest—particularly in the Niger Delta. More critically, it erodes public trust in state institutions and weakens the legitimacy of governance itself.

To reverse this trajectory, two urgent legislative interventions are imperative. First, the National Assembly should enact a Unified Energy Sector Enforcement and Accountability **Act** that mandates inter-agency coordination, establishes joint enforcement task forces, and imposes statutory timelines and penalties for regulatory inaction. This law should also create an independent oversight mechanism with prosecutorial authority to enforce compliance across petroleum and electricity institutions. Second, Nigeria must amend existing statutes—particularly the NEITI Act, Electricity Act, and anti-corruption laws—to **embed automatic sanctioning mechanisms**, including financial penalties, license suspensions, and criminal liability for non-compliance, triggered directly by audit findings and regulatory breaches.

Ultimately, Nigeria's challenge is no longer legislative insufficiency but enforcement credibility. Without decisive reforms that convert legal authority into measurable accountability, the country risks perpetuating a governance model where laws exist in form but fail in function.

Recommendations

To practically achieve strengthened institutional credibility and enforcement capacity, the following should be appropriately addressed:

1. The National Assembly; in collaboration with the NUPRC, NMDPRA, NERC, NEITI, EFCC, ICPC, NFIU, CAC, and NESREA, should enact a **Unified Energy Sector Enforcement and Accountability Act** to harmonize enforcement responsibilities across the petroleum and electricity sectors. The proposed legislation should establish a statutory framework and eliminate overlapping mandates, prescribe statutory

timelines for investigations, create mandatory information-sharing obligations, and establish a Joint Energy Enforcement Task Force with prosecutorial referral powers.

2. The National Assembly, in collaboration with the Federal Ministry of Justice, should introduce automatic statutory sanctions for regulatory non-compliance where existing legislation, particularly the Petroleum Industry Act, Electricity Act, NEITI Act, and Consumer Protection Regulations should be amended to replace discretionary enforcement with mandatory statutory consequences. Audit findings confirming regulatory breaches should automatically trigger predetermined sanctions, including administrative fines, licence suspension or revocation, restitution orders, director disqualification, and criminal prosecution where appropriate.

3. The National Assembly should establish an **Independent Energy Regulatory Inspectorate** through legislation to conduct periodic compliance audits of petroleum and electricity regulators. The Inspectorate should report directly to the National Assembly and possess statutory authority to investigate regulatory failures, evaluate enforcement performance, publish annual compliance scorecards, and recommend disciplinary measures against public officials responsible for persistent regulatory inaction.

4. The appointment, tenure, funding, and removal procedure of regulatory agencies and anti-corruption institutions should be free from political interference. Legislative amendments should provide fixed statutory tenure for chief executives, guaranteed financial autonomy through first-line charges on the Consolidated Revenue Fund where constitutionally permissible**,** transparent appointment processes, and removal only for clearly defined statutory misconduct following due process.

5. The National Assembly; in collaboration with the all institutions mentioned, should mandate a centralized digital compliance platform linking Nigeria Revenue Service, and the Nigeria Customs. The platform should facilitate real-time reporting of royalties, taxes, production volumes, export transactions, electricity generation, metering performance, tariff compliance and suspicious financial transactions.

6. The National Assembly; in collaboration with the Federal Ministry of Justice, NEITI, and NERC, should reform the NEITI Act to extend its transparency mandate beyond extractive industries to include electricity governance. NEITI should possess explicit statutory authority to audit electricity market revenues, tariff collections, subsidy

expenditures, market settlements, and government interventions within the electricity value chain. Audit reports should become legal enforceable documents capable of triggering regulatory investigations and prosecution.

7. The National Assembly; in collaboration with NERC, should amend the Electricity Act to strengthen its enforcement of the Consumer Protection Regulations by introducing mandatory compensation for verified instances of overbilling, unlawful disconnections, delayed meter installations, and service failures. DisCos should publish quarterly performance reports covering billing accuracy, complaint resolution timelines, supply reliability, metering compliance, and customer compensation. Persistent non-compliance should attract escalating financial penalties and license review.

8. The National Assembly; in collaboration with the CAC and NERC, should amend the CAMA, 2020 to strengthen beneficial ownership where corporate transparency should be enhanced through stricter enforcement of disclosure requirements. All petroleum licenses, electricity, concessions, procurement contracts, host community development projects, and major infrastructure awards should be accompanied by publicly accessible beneficial ownership information and conflict-of-interest declarations.

9. The National Assembly; in collaboration with the Federal Ministry of Justice, should amend the Official Secrets Act to narrowly define "classified information" and expressly provide that commercially relevant regulatory information concerning public revenues, environmental compliance, licensing, audits, procurement, and regulatory enforcement cannot be withheld where disclosure serves the public interest under the Freedom of Information Act, 2011. This reform would reduce administrative secrecy and strengthen public oversight.

10. All energy regulators; including the Federal Ministry of Justice and NESREA, should be subjected to statutory Key Performance Indicators (KPIs) linked to measurable enforcement outcomes rather than administrative processes. Annual evaluations should include indicators such as audit implementation rates, enforcement actions completed, revenue recovered, environmental compliance levels, consumer complaint resolution rates, prosecution outcomes, and reductions in regulatory violations. Independent publication of these performance indicators would enhance accountability and public confidence.

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