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# Corporate social responsibility under the Petroleum Industry Act 2021: achieving environmental sustainability through multi-stakeholder partnership.

DEBSKI, J.A. and EZEANI, E.C.

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**ROBERT GORDON  
UNIVERSITY ABERDEEN**

# **“Research Africa Conference & Exhibition (RACE) 2021”**

**Holding: First Virtual International Conference**

# Title

## **Corporate Social Responsibility under the Petroleum Industry Act 2021: Achieving Environmental Sustainability through Multi-stakeholder Partnership**

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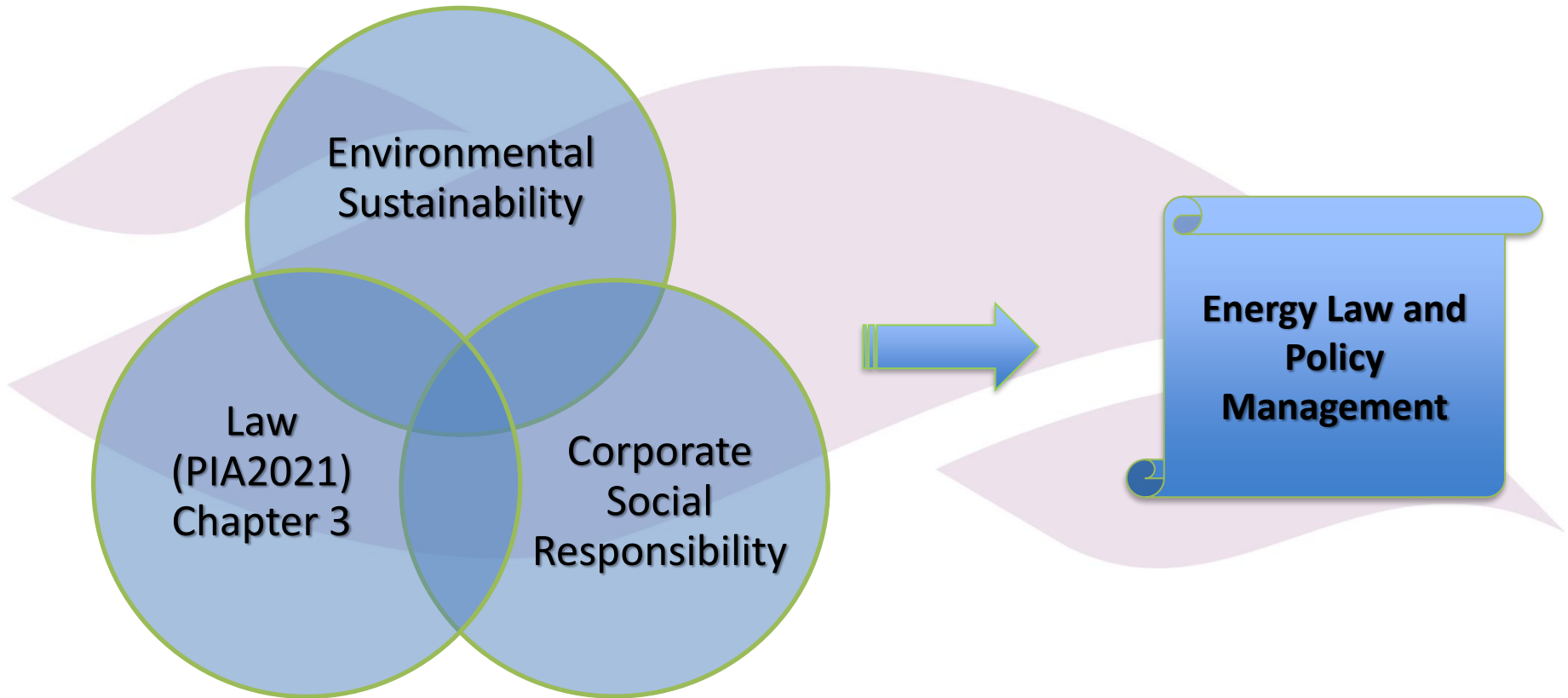


# Outline

- ❑ Introduction
- ❑ Background
- ❑ The Nigerian Environment: Environmental Sustainability, CSR and the PIA
- ❑ Does the PIA undermine the goals for CSR
- ❑ Environmental Sustainability under the PIA: Challenges and Prospect
- ❑ Multi-stakeholder partnership for CSR: A Strategy Proposal
  - ❑ Guidelines for Government
  - ❑ Guidelines for Host Communities adopted from UNEP recommendations
  - ❑ Guidelines for Oil and Gas corporations
- ❑ Conclusion
- ❑ Recommendation

# Introduction

**Nexus between the conference's theme the paper**



# The oil and gas sector, environmental Sustainability and CSR

Environmental Sustainability	Oil and Gas Industry	Corporate Social Responsibility (CSR)
<p>In the oil and gas industry the term ‘environmental sustainability’ and ‘sustainable development’ does not mean the ability to continue production infinitely. It should mean dealing with the global energy demand responsibly, at a reasonable cost while protecting the environment until an eco-friendly product becomes commonly accessible</p>	<p>According to BP’s 2018 report, the oil and gas industry produces about 53% of global energy demands.</p>	<p>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.</p>
	<p>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</p>	

**on the other hand**

community expects the business to protect the environment and make the neighbourhood a better place to live and work by participating in charity initiatives

# Background

The impact of oil and gas exploration, transportation, usage and storage is not limited to the air, land and sea. Sometimes the pollution further travels between countries which makes it a global problem. 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.

**Several attempts have been made by the Nigeria government to reform the oil and gas industry.**

**THE PROBLEM PERSISTS**



# Background .....

**March 2007 the first attempt to introduce the Corporate Social Responsibility (CSR) Bill**

**2011 The Nigeria Government and Shell Invited United Nations Environmental Programme for an independent assessment and recommendation**

**2014 UNEP follow up feedback assessment**

**Further attempts to reform the Petroleum Industry 2009, 2012, 2018 and 2020 also failed**

**Finally 2021 Petroleum Industry Act**





# Question

## **How can CSR improve the goals for environmental sustainability in Nigeria**

This paper primarily examines the attempt to enhance the role of CSR for environmental sustainability in Nigeria through international governance and local policies.

It takes a conceptual approach to analysing the current legislative enactment of the Nigeria Petroleum Industry Act 2021(PIA), and the UNEP recommendations and findings within the Ogoni community. It therefore analyses and questions the role of CSR multi-stakeholder efforts towards environmental sustainability.

# A brief overview of CSR in India and China

## **INDIA** - Indian Firms Act 2013

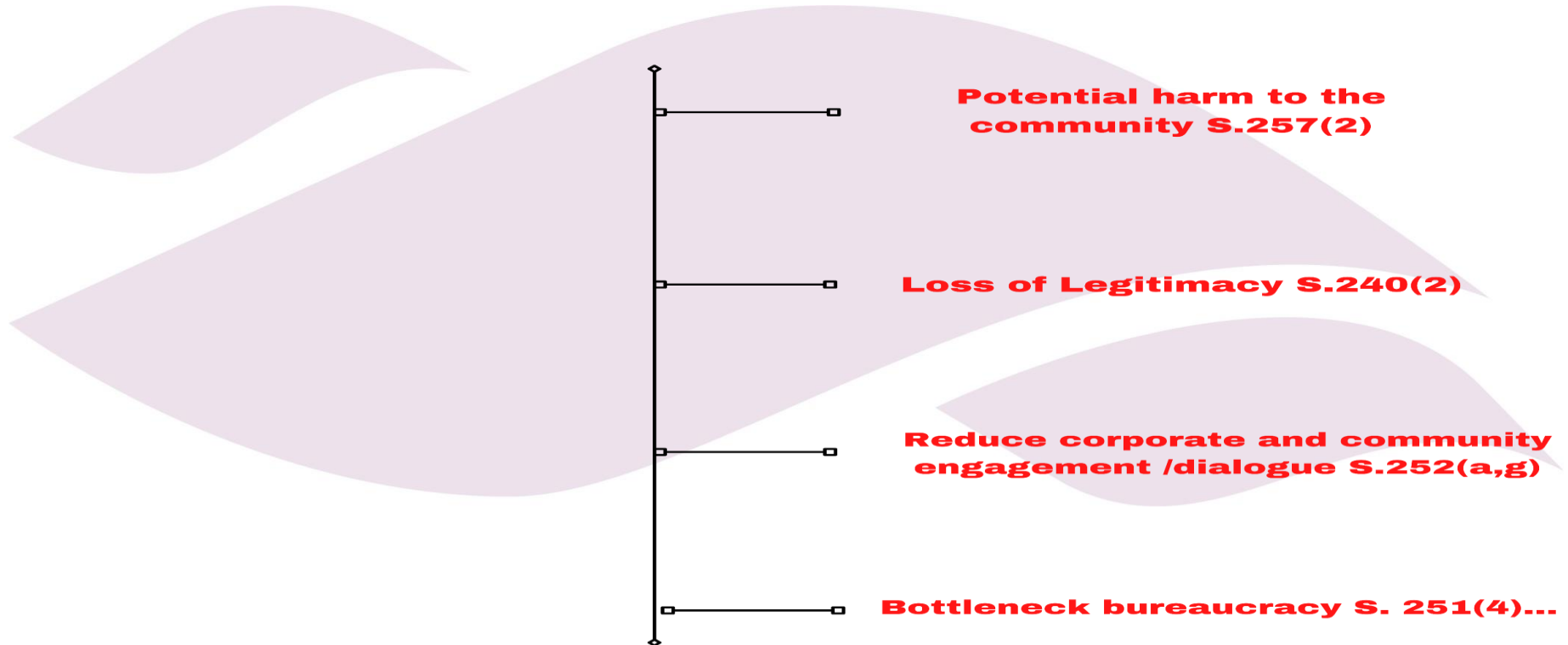
- Formation of CSR committee

## **CHINESE** - Chinese company legislation 2006

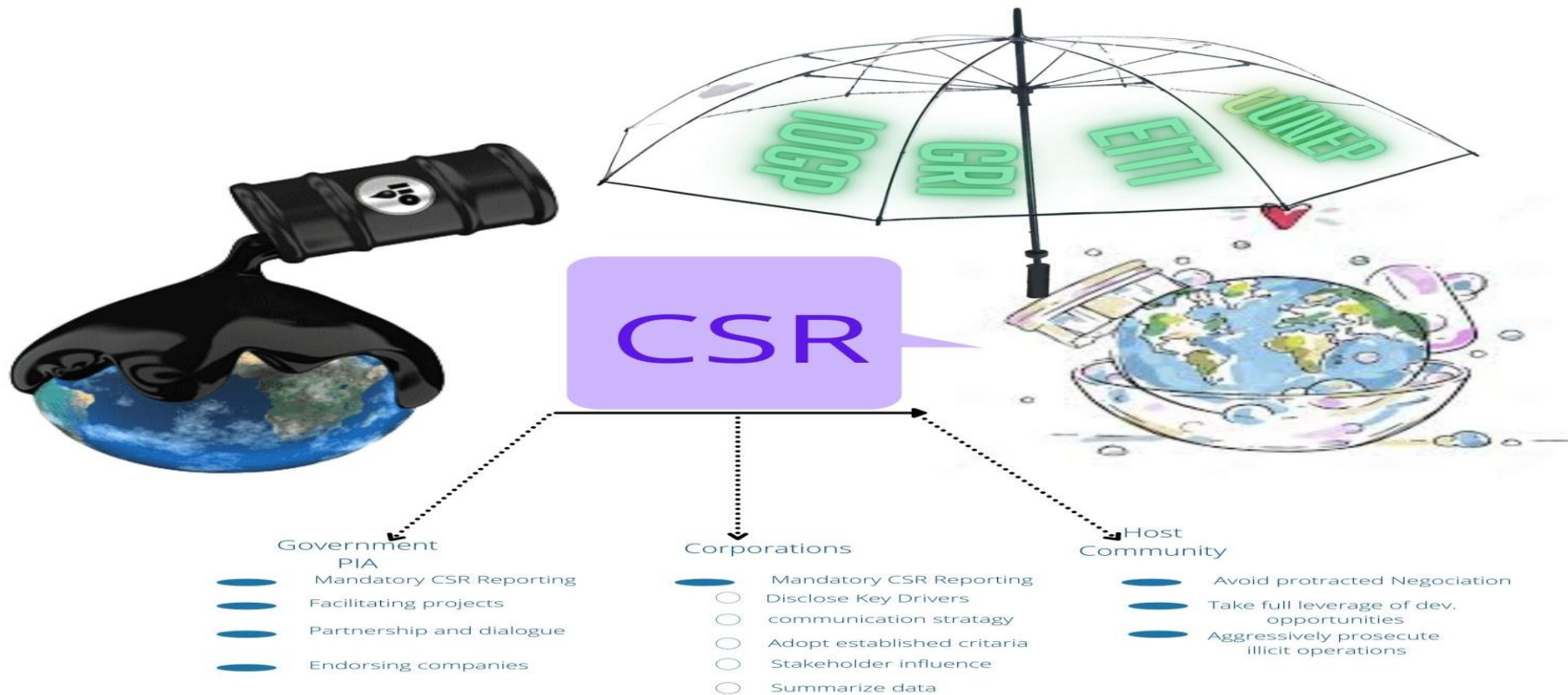
- + publishes rules for publicising CSR performance
- + linking access to banking loans to CSR performance through its Green Credit Guidelines
- + publishing CSR rankings as well as granting awards
- + imposed tougher penalties for firms that fail to satisfy environmental

# Environmental Sustainability under the PIA: Challenges and Prospect

## POTENTIAL CHALLENGES UNDER THE PIA



## Building on the multi-stakeholder partnership for CSR in Nigeria



# Findings

The paper reveals inter alia obstacles that have hindered the success of the country's CSR initiative in Nigeria.

- ❑ Poor multi-stakeholder involvement
- ❑ Inadequate CSR reporting
- ❑ Corruption

# Conclusion

- ❑ It is submitted that CSR being a hard law in Nigeria does not guarantee its full implementation.
- ❑ Law can be a useful tool for advancing the goals of CSR towards environmental sustainability however the role of government should be facilitating, partnering and endorsing.
- ❑ CSR is a mutually agreed-upon procedure that, while voluntary, does not preclude the employment of compulsory tools.

# THANK YOU & Questions



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