

The Impact of the Provisions of the Petroleum Industry Act on Host Communities and Frontier Basin in Nigeria

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Abstract

Crude oil is the mainstay of Nigeria's economy, with over 90% of its foreign exchange earnings from the sector, yet it remains difficult for the country to regulate its production, transportation and sales, despite series of legislation. There are allegations of the connivance of multinational oil companies with government officials in the sector, to truncate the efforts of the Federal Government, to exterminate gas flaring in compliance with the International Conventions for Sustainability of the Ecosystem. The oil industry is faced with lack of transparency, accountability, political issues, and lack of adherence to international standard. The need to address these obstacles has, brought about the enactment of the 2021 Petroleum Industry Act. Yet, some of these problems still linger within the oil and gas industry because of the way the latest Act was couched. The finding on this article is that, the Petroleum Industry Act, 2021 aimed at addressing the challenges in the Nigerian oil and gas industry, which includes lack of transparency and accountability. However, the imprecision of the wordings in the provisions of the Act and ambiguity, touching on vital issues relevant to the objective of the Act such as, definition of who are host communities, frontier basin exploration, not covered under the Act creates another challenge on its implementation. It is therefore recommended that meaning of host community and the frontier basin be incorporated in the outcome of the activity of the technical review committee set up by the present regime. The research method adopted, is the doctrinal method.

Key Words: Oil and gas, Industry, Host Communities, Frontier Basin Exploration, Act

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1. INTRODUCTION

The oil and gas sector remains central to the Nigerian economy and accounts for its major export earning, yet the Nigerian community where discovery of oil was made, is still facing serious challenges, ranging from lack of good health and safe environment, that culminates in poor relationship between oil and gas companies and host communities. The new regime addresses this problem, by creating the Host Community Development Trust Fund, whose purpose, among others, is to foster sustainable prosperity, provide direct social and economic benefits from petroleum to host communities, enhance peaceful and harmonious coexistence between the companies and the host communities. The sector also faces corruption, which were related to lack of accountability and transparency in issuance of contract and issuance of license in the sector. The Federal government in trying to sanitize the sector, on the 16th of August 2021 signed the Bill into an Act, having objectives of commercializing the Nigerian National Petroleum Corporation (NNPC), adhering to international standard, streamlining the laws, improving transparency and accountability, having interest in the host community and frontier Basin exploration amongst others. The Act has drawn controversies from various quarters, most especially from stake holders and investors, in the oil and gas industry. Some argued that, the Act does not encourage more incentive, like the existing laws, while others, argued that, the effect of this regime will take a longer time, before it takes a longer effect on Nigeria economy. (I think this highlighted portion needs to rephrased)

At this juncture, this Article considers not just the prospects of newly enacted Act but also examines the controversies of the new Act in relation to the host communities and the frontier basin and suggests some measures to help in mitigating the challenges, in the petroleum sector. The Act repeals the following Acts: Thus, the Petroleum Act repeals:

- i. Associated Gas –Reinjection 1979 Act ¹
- ii. Hydrocarbon Oil Refineries Act² No 17 1965

¹ Cap A25 Laws of Federation of Nigeria (LFN), 2004.

² , Cap H5.LFN 2004

- iii. Motor Spirit (Returns) Act³
- iv. Nigerian National Petroleum Corporation (project) Act⁴
- v. Nigerian National Petroleum Corporation Act (NNPC) 1977⁵
- vi. Petroleum Product Pricing Regulatory Agency (Establishment) Act 2003⁶
- vii. Petroleum Equalization Fund (management Board etc.) Act ⁷
- viii. Petroleum Profit Tax Act 1975⁸
- ix. Deep Offshore and Inland Basin Production Sharing Contract Act 1993⁹

However, the provisions of certain law are preserved until termination or expiration of the relevant oil prospecting license and mining list, which includes the Deep Offshore and Inland Basin Production Sharing Contract Act.

The Petroleum Industry Act 2021 provides the legal framework for the legal governance, regulatory and fiscal matters of the Nigerian petroleum industry, as well as provisions for the development of the host community. It has a total of 5 chapters having 319 sections and 8 schedules. This article is to reviews the provisions of this newly enacted Petroleum Industry Act with specific interest on its impact on host Communities and the Frontier Basin Exploration.

2. *Innovations under the Regime of the Petroleum Industrial Act, 2021:* Earlier last year , Nigerian President¹⁰ , signed the Petroleum Industry Act (PIA) 2021, bringing close, a 20-year effort to reform Nigeria’s oil and gas sector, with the aim of creating an environment more conducive for growth of the sector and addressing legitimate grievances of communities most impacted by extractive

³ Cap M20. LFN2004

⁴ Cap N124.LFN2004

⁵ Cap N 123.

⁶ PPPRA 2003.LFN 2004

⁷ Cap P11, LFN ,2004

⁸ Cap P13.LFN,2004

⁹ Cap D3. LFN2004

¹⁰ President Muhammadu Buhari

industries.¹¹ A lot has changed in the sector domestically and globally, since the reform efforts began. **The number of indigenous oil and gas firms has grown, but so as the number of oil-producing countries in the region. Militancy in oil-rich communities, while remaining, has diminished.** (I don't understand this highlighted portion)

The Act¹² represents an effort by Africa's leading oil-producing country to respond to this changing environment. **In 2019, the oil and gas sector accounted for about 5.8 percent of Nigeria's real GDP and was responsible for 95 percent of Nigeria's foreign exchange earnings and 80 percent of its budget revenues** (No source for these data?). In addition, because the law is far-reaching in its remit, it is complex and not easy to summarize.¹³ If properly and vigorously implemented, the PIA can represent the gold standard of natural resource management, with clear and separate roles for the subsectors of the industry; the existence of a commercially-oriented and profit-driven National Petroleum Company; the codification of transparency, good governance, and accountability in the administration of the petroleum resources of Nigeria; the economic and social development of host communities; environmental remediation; and a business environment conducive for oil and gas operations to thrive in the country. Nevertheless, the following innovations are identified as the achievements of the new regime of Petroleum Industry Act, 2021.

2.1 A New Era for Host Communities' Development: The relationship between oil and gas companies and the host communities in Nigeria has historically been very poor. A persistent concern for host communities is the continued degradation of their environment and habitat from gas flaring associated with oil drilling.

¹¹ Nwuke K, (2021) Nigeria's Petroleum Industry Act: Addressing Old Problem, Creating New Ones, [google.com/amp/s/www.brookings.edu/blog/Africa-in-focus/2021/11/24/nigeria-petroleum-industry-act](https://www.brookings.edu/blog/Africa-in-focus/2021/11/24/nigeria-petroleum-industry-act). See also, [addressing-old-problem-creating-new-words/amp/](https://www.brookings.edu/blog/Africa-in-focus/2021/11/24/nigeria-petroleum-industry-act) pp. 1-20 accessed on 9 March, 2022 at 1:53pm.

¹² PIA 2021

¹³ Nwuke k Ibid

Akelegbe¹⁴ noted that, from the various studies from the activities of oil companies in Niger Delta and Ogoni land, environmental degradation and oil spill in the area are causing damage to the forest, farm land, and underground water, thereby bringing economic hardship on the indigenes. Nigeria has passed several laws to stop this with little effect. The PIA aims to address this problem by creating the Host Community Development Trust Fund (HCDTF)¹⁵ whose purpose will be to, among others, foster sustainable prosperity, provide direct social and economic benefits from petroleum to host communities, and enhance peaceful and harmonious co-existence, between licensees or leasees and host communities. Specifically, the law stipulates that existing host community projects must be transferred to the HCDTF, and each settlor (or oil license holder) must make an annual contribution of an amount equal to 3 percent of its operating expenditure for the relevant operations from the previous year.¹⁶The **constitution** of each Host Communities Development Trust should have one or more accounts to be funded¹⁷, contribution is to be made annually¹⁸and can receive donations, gifts, grants, or honoraria¹⁹. Kayode Fayemi²⁰,reiterated the state governors’ concern about the 30 % allocation for frontier exploration and the 3% for the Host communities as contained in the (PIA),he criticized the federal Government handling of repatriated loots, saying the exclusive preserve of the federal government since the money ought to be part of the federation account originally²¹He further states that the entire forum has concluded that the percentage as frontier funds, whether it is 3% or not, it is a depletion of Federation Account, which will be

¹⁴ Akelegbe A. (2005), *The Economy of Conflict in the Oil rich Niger Delta Region of Nigeria*" *Nomadic Journal of African Studies* 14(2)208-234. ,accessed on the 14th dy of July 2020,at 10;00am

¹⁵ Chapter 3

¹⁶ *Ibid* s 235

¹⁷ *ibid* s 240(1)

¹⁸ *Ibid* s 240(2)

¹⁹ *Ibid* s 240(3)

²⁰ Kinsley Emmanuel Addeh,NGF;30% Frontier Exploration, Host Communities’3%Deplete Federation Account(2021)<http://www.thisdaylive.com/amp/s>,accessed on the 29th day of September 2022,at 8;00pm

²¹ *ibid*

spread across the few areas described as volunteer basis, rather than to the entire federation, he finally says, as a matter of fact we have commended these major developments in our country ,because it is something that has been on the cards for us ,so kudos to the president for finally working with the, National Assembly to get the PIA in place²²

The management committee of the trust must include one member of the host community. In addition, the Act stipulates a penalty for failure to comply with host community obligations, including revocation of license. Interestingly, the PIA also imposes the duty and responsibility to protect, oil and gas assets on host communities. Any payment made by a settlor under section 240(20) of this Act shall be deductible for hydrocarbon tax and Companies Income Tax²³. More specifically, clause 257 stipulates that any host community that fails to protect oil assets in its community from vandalism will be held accountable for the repairs.

The PIA penalizes companies for gas flaring and provides that the revenues from the penalties will be used for environmental remediation and relief of the impacted host communities. However, the penalty must be steep enough to achieve its intended purpose. If it is not, then the oil companies will continue to flare gas, that is if doing so, minimizes their cost more than the penalty adds to it.²⁴

2.2 Annual Operating Expenditure: Topmost on the list is the 3% to the Host Communities, according to UN- definition a host community, is an area that fall within 50-km radius at a project site. The law provides for Host Communities Development Trust Fund, to foster sustainability, enhance peace, cordial relationship between licensees, leases and the communities is the chapter for the host community, packed in Section it concludes aims and objectives of the drafters and it benefit to the communities. Also, Section 240(2) states that, operators are to provide annual contribution of 3% of its annual operating expenditure, to Host communities, The most focal

²² ibid

²³ Ibid s 251(1)

²⁴ I Adebayo, C. SPDC 'S Exit From Nigeria: Should We Be Glad? (2021) <<https://www.nairametrics.com/>, accessed on the 8th day of February 2022 at 9:52pm.

of the contentions attracting review is the 3% settlor's annual operating expenditure fund. The fund commences within 12 months after the commencement date, for the new or existing mining leases. Nigerian communities, producing oil and gas asked the National Assembly, to explain where the law making organ, got it description of Host Communities, which was implanted in the Act by the law makers,²⁵ because before and after the passage of the Bill, there were controversy over the classification of communities. Nowhere in the petroleum industry Act host community is defined; that may not only lead to ambiguity, but also a big challenge that need to be addressed in Nigeria.

3. FRONTIER BASIN EXPLORATION DEVELOPMENT

This is provided under Section 9 (1) to (5)²⁶ that profit oil and profit gas be transferred, to the frontier exploration and fund escrow account. Section 9(5)²⁷ is to promote exploration, develop exploration strategies and identify opportunities, with information about the petroleum resources, in the frontier basins in Nigeria. The 36 Governors in Nigeria regard the 30% to frontier basin and the 3% to the host community, has the potential to drain the federation Account which is a common coffer for all the three tiers of government, a technical committee was set up to review the Act.²⁸ The minister of Industry, Trade and Investment ²⁹ set up a committee to review the newly passed Petroleum Industry Act on it implications on the statutory responsibilities of the ministry.

On the issue of the space for change (provided in Section 4(C))³⁰ It is argued that, the National assembly should consider amendment of some Sections, of the petroleum industry Act, mentioning Sections 104(1), 109(4), 240(2) and 9(4) and (5)³¹ among

²⁵ Amaize .E.(2021)Host Coquetries NASS on definition of host communities ,www.vanguardng.com. Accessed on the 7th September 2021,8;00pm

²⁶ Ibid

²⁷ Ibid

²⁸ James E(2021) Minister inaugurates Technical Committee on PIA Review, ThisDay live.com,www.google .com, accessed on the 23rd day of April 2022, at 10;00am

²⁹ Adeniyi A

³⁰ PIA

³¹ Ibid

others, talking of government showing bias for frontier basin, despite lack of evidence on the availability and commercial profitability of the venture. The space for change were wrong in passing that judgment, because in an interview with the Group Managing Director NNPC³². He said the percentage given to Host community is huge and stuffiest as it could be bigger than the current share allocated to the Niger Delta Development Commission (NDDC) and also higher than the 30 percent oil and gas profit to the frontier basin. The Niger Delta should not have an issue to complain of the 30 % allocation to frontier basin, moreover the benefit is for all Nigerians, and not to the frontier basins. He asserted that \$16billion was recorded as the total operating expenditure, in the previous year, and 3% percent of such bout \$500 million, while the profit oil and the profit gas is about \$400 million³³. The annual operating expenditure is certain, there must be expenditure, unlike the profit in oil and gas, which may or may not come. The constitution is the principal law governing, the oil and gas industry in general and the relationship between the oil industry and host community in particular, it provides the general policy framework to guide the development of specific regulatory regime, on issues of public interest³⁴, which includes the issue of host communities and the frontier basin exploration, as provided for under the Act. The constitution also provides the general policy framework for environmental management³⁵ Provides that ,the state shall protect and improve the environment, and safeguard the waters, air and land: forest ,wild life of the country.³⁶To this end the constitution articulates the responsibility of the Nigerian government to protect the environment

³² Haleem ,Olatunji. Mele Kyari;30%to host communities higher than 30%of profit oil and gas for frontier exploration, (2021)the cable ,<http://www.the-cable.ng/pia-3-al>,accessed of the 29th day of October 2022,at 8:00pm.

³³ Thomas, D., (2021), What You are to Know About Nigerian Petroleum Industry Bill, West Africa Energy and Resourced, African Business <http://www.>, p.37, accessed on the 1st September 2022 at 4:00pm.

³⁴ Zuru,S A,The Nigerian Upstream Oil and Environmental Government, the Niger Delta and Multinational Oil Industry(Zaria,Nigeria:Faith Printers International,20098,)p195.

³⁵ S 20 CFRN 1999(As Amended)

³⁶ S 20CFRNAP 62 Ifn 2004

and conserve its biodiversity, as contained under Chapter 11 of the constitution.

3.1 *Shell Development Company's Exit from Nigeria:* Royal Dutch Shell announced of the divestment of its Nigerian subsidiary, shell petroleum development company Nigeria limited (SPDC) the company stated various reasons for the divestment mainly environmental concern and its needs to meet the environmental social and governance glamour of the investors³⁷SPDC as also spoken about a desire to work toward net-zero goal and the increasing security challenges in Niger Delta .In some areas they are speculations that the uncertain Nigerian petroleum industry regulatory frame work and the general doing business difficulties in the country may have played a role in the shell decision to diverse ,needless to say that Nigerian economy is highly reliant on oil .According to a report by the Nigerian Extractive Industries Transparency Initiation (NEITI)³⁸.

Nigerian's oil journey has shell with it from ground zero and as such a divestment of shell major upspring subsidiaries in Nigeria will no doubt lead to significant blow. yet the divestment was not unexpected. Earlier in 2021 the company has signaled that it intended to leave Nigeria due to it clean energy transition strategy and pressure, from investors in May 2021 a resolution by the company's investors for it recently unveiled climate strategy had 88.74%by shared holders³⁹. With Nigeria being one of its largest fossil fuel markets, it was more than likely that it would opt to divest. The sale of the combined interest of 3 major international oil companies (IOC's) in Oil Mining Lease (OML) this year, with shell holding largest interest, was also a pointer to this departure. thus, is equally the trend in other oil producing company.⁴⁰ The NNPC Group Managing Director state that absence of a stable fiscal environment, is making international investors lose interest in the oil

³⁷ Adebayo, C. (2021), *op-cit* p 6

³⁸ 2007.

³⁹ Adebayo C. (2021), *op-cit* p6

⁴⁰ *Op-cit* p 6

and gas industry.⁴¹ He also tasked the law makers to act fast and arrest the situation and the only way is for us to get the petroleum industry bill (PIB) to work so that countries and investors can work⁴² with the above prediction on the petroleum industry Act, yet Shell Development Company is leaving the country recently, eight months after the enactment of the PIE, stating uncertainty of the Nigerian petroleum industry regulatory framework and the general doing business difficulties in the country as what may have played a role in the shell decision to diversify. The situation above can directly have effect on the contribution to be made to the host communities and the frontier basin exploration and Nigeria at large.

4. CHALLENGES OF THE PETROLEUM INDUSTRY ACT

Under the latest regime of Petroleum Industry Act, 2021 the following challenges arise in the Nigerian oil and gas industry:

4.1 *Ambiguous and Imprecise Language:* The most important challenge is the challenge of interpretation and imprecisions in the law. For example, it is unclear whether host community development trust obligations are additional to existing community levies (such as the Niger Delta development levy) or will be an aggregation of those levies. Similarly, the law is silent on the definition of “frontier basin” and host community, instead deferring to the Nigerian Upstream Regulatory Commission on the definition of frontier basin and to settlers or license holders on the definition of “host community.” These definitions are not neutral to revenue; they have revenue implications. This lack of clarity creates uncertainty and even possible disputes, especially if relevant parties define them differently.⁴³

4.2 *Politics and Differences in Geopolitical Interest:* The bill that became the PIA was originally proposed by the executive (largely

⁴¹ Mary Ugbo-daga, Khari; foreign investors are losing confidence in Nigeria’s oil and gas sector, (2020) The Cable news, <http://www.thecable.ng>, accessed on the 28th day of October 2022 at 4:00pm

⁴² ibid

⁴³ Op-cit p 6

supported in the North) and passed largely along regional (North/South) lines. In short, lawmakers and leading politicians from the oil-rich Niger Delta states opposed it, and many lawmakers from the South believe the bill advances Northern interests to the detriment of the South.⁴⁴ In fact, although enacted, the PIA continues to generate anger in the Niger Delta region. For example, critics of the PIA claim the 3 percent contribution to HCDTF is insufficient and the 30 percent profit to the NNPC Ltd for the Frontier Basin Development Fund unfair. Suspicions in the South that the Frontiers Basin Fund is a means of transferring resources to the North have been given credence by public statements by some Northern leaders. For example, the Group Managing Director of NNPC⁴⁵, stated that, the North will benefit more from the law because “new crude oil deposits are being discovered in the region and the funds derivable from exploration would propel more discoveries in the North.” He also continues to state that, is not only the north but the whole country will benefit from it⁴⁶Such statements hurt efforts to arrive at a national consensus on oil and gas policy that is region neutral in its interpretation and that is in the interest of the country. There is, thus, a very serious challenge of building a national consensus for the law without which some of the objectives of the law may not be achieved.

4.3 *Tensions over Revenue Sharing:* The law has serious implications for the public finances of the federation and its constituent states and local government areas. First, the reduction in taxes and royalties will result in considerable reduction in revenues to the three tiers of government at a time they cannot afford it. Second, Nigeria’s revenue law requires that entities or enterprises owned by the federation remit their profits to a pool, the Federation Account, for sharing among the three tiers of government. Revenue from the Federation Account accounts for more than 80 percent of

⁴⁴ Ibid.

⁴⁵ Chukwuemeka A North will benefit more from PIA; NNPC,GMD Kyari,Pg people gazette, (2021) [https://.www.gazetteng.com](https://www.gazetteng.com),accessed on the 23rd day of October 2022,at 1;00pm

⁴⁶ ibid

the revenues of many states and local governments. Therefore, the stipulation that 30 percent of NNPC Ltd.'s profits made from the oil gas, must be set aside for frontier exploration could cause a significant decrease in its contribution to the Federation Account. In the short term, revenues shared among the three tiers of government from the Federation Account will fall. Many states and local governments, especially those with very weak internal revenue-generation capacity will be unable to discharge their duties of providing essential social services to their citizens. Then again, such a change could lead to innovations at the state and local government levels to increase internal revenue-generating capacity and fiscal efficiency, such that the long-term effect of this policy could be positive.⁴⁷

Host communities remain unhappy with the PIA's provision that oil companies must allocate 3 percent of their annual operating expenditure in the immediately preceding calendar year to the HCDTF; they had asked for 10 percent.⁴⁸ Furthermore, now that most onshore oil wells are owned by indigenous oil companies, host communities are uncertain whether this contribution will be even made. The previous owners of the oil wells were foreign companies, meaning that there were two sets of laws, Nigerian and those of the home country to apply pressure for legal compliance. Now, with domestic ownership of most onshore oil wells, the risk of noncompliance with host community contributions is high, especially since, in Nigeria, the risk of political and regulatory capture of the new industry governance institutions is high, the judiciary is weak, and court decisions are seldom enforced. The domination of onshore oil activities by indigenous companies raises legitimate fears that no contributions will be made to the HCDTF, which means that host communities will remain underdeveloped. Related, a particularly sticky provision of the law is the stipulation of punishment for host communities for acts of vandalism of oil assets committed in their domain. This provision imposes collective punishment on host

⁴⁷ Adebayo C 2021 op-cit p 6

⁴⁸ Op-cit p 6

communities for acts of vandalism that they may not have committed and could raise constitutional and legal problems for the PIA.⁴⁹

4.5 *Differences between Oil Producers and Multinational Corporation:* The PIA also comes with a challenge of equity between indigenous oil producers and multinational corporations. International producers such as Shell have largely disengaged from onshore oil exploration and production activities, concentrating instead on deep offshore. As stated earlier, deep offshore is exempted from taxation. By divesting themselves of onshore assets, international multinationals are “technically” exempted from the 3 percent contribution to the HCDF. These provisions confer cost advantages to oil multinationals, making it difficult for indigenous companies to compete and grow. One solution might be to amend the Act to require all oil companies operating in Nigeria to contribute to the HCDF.⁵⁰

4.6 *Politics:* Under the PIA, the president has the power to appoint members of the boards of the various institutions established by the Act. Appointments to the boards of oil companies are watched keenly and could be a source of discontent among constituent parts of the country. To manage this discontent, it has become the norm (but is not the law) to have at least six positions in the board of federally owned companies and parastatals, reflecting the six geopolitical zones of the country. Unfortunately, the PIA does not create enough board positions for this condition to be met. Not increasing the number of board positions to manage out possible accusations of marginalization could be politically risky. Then again, expansion of board positions could raise the overhead of the boards and slow decision making.⁵¹

5 CONCLUSION

In conclusion, it is suffice to state that, the relationship between the oil industry and the host communities, is always in

⁴⁹ Op-cit p 6

⁵⁰ Op-cit p 6

⁵¹ Op-cit p 6

conflict and do not adequately addresses the core issues of equitable distribution of the benefits of the oil industry .⁵² In line with the upper mentioned challenges in the sector, the PIA has come to stay ,with provisions made to the host communities(in a whole chapter (chapter three) and also other sections, of the Act, and the frontier basin exploration The Act got it backing from the supreme law of the land ,which is the constitution as the principal law governing, the oil and gas industry in general and the relationship between the oil industry and host communities , in particular. Where it provides the general policy framework to guide the development of specific regulatory regime, on issues of public interest⁵³,which includes the issue of host communities and the frontier basin exploration, as provided for under the Act.

6 RECOMMENDATIONS

The Petroleum Industry Act, 2021 has succeeded in addressing some issues but ambiguity and imprecision of the wordings in the provisions are still the major challenges, which was part of the issue that led to the repeal of the Petroleum Act. The host community definition and the frontier basin exploration, is not covered under the PIA, notwithstanding that a whole chapter (chapter three) is dedicated to the host community under the Act, and is an aspect touching on transparency. The challenges in the Act, made the President to seek its amendment shortly after it passage, he requested the amendment of many Sections, which provides the administrative provisions, on the same vein the Minister of Industry, Trade and Investment, set up a committee to review the Act, on its implications on the statutory responsibilities on the ministry. The recommendation is to add all other issues needed to be review, under the Act, including the issue of who are host communities and the frontier basin explorations, so as to understand, who are entitled to the 3% and the 30% so as to clear the ambiguity. The Government

⁵² Florence ,Masajuwa , (2018) ,Legal Frame Work Governing Relationship Between Oil Industry And Host Communities In Nigeria, Faculty Of Law ,Edo University Iyamho Legal_framework_ <https://www.google.co> ,accessed on the 1st day of November 2022,at 4:00pm

⁵³ Zuru,S A,OP-CIT P 7

need to put hands on deck, to have effective enforcement of the provisions of the Petroleum Industry Act, because is one thing having the law and is another thing implementing it in Nigeria.

The reason why this research avoided implementation in the topic, is because, is better to talk on the provisions of the petroleum Act, and not it implementation, the implementation may not have good result as it is always I with the Nigerian laws enacted. So we look at the good intention of the law and not implementation, on the implementation we make suggestion on that.