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# Renewed Hope Agenda and the Prospects of Economic Development under the Nigerian Petroleum Industry Act

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## ABSTRACT

*The Petroleum Industry Act 2021 (PIA) was signed into law at the eleventh-hour of Nigerian previous administration hence its effective implementation falls on the current administration of President Bola Tinubu. This paper finds that the major objective of the PIA is to drive Nigeria's economic development through facilitating greater investment by local and foreign investors in the petroleum industry and increasing government's revenue from the industry. The general and novel provisions of the PIA as examined in this paper show a restructured petroleum industry with its management based on resource governance principles of transparency and accountability. Under the Renewed Hope Agenda of the ruling party, President Tinubu promised to implement a plan for the petroleum industry based on the principles of transparency and accountability. This paper determines that the plan for the industry under the Renewed Hope Agenda of Tinubu presidency has the necessary legal framework in the provisions of the PIA.*

**Keywords:** *Petroleum Industry Act, Economic development, Renewed Hope Agenda, Petroleum industry, Oil and gas operations, Upstream, midstream, and downstream subsectors.*

## I. INTRODUCTION

Nigerian new leader, President Bola Tinubu, promised to modernize the regulatory, operational, and institutional frameworks of the petroleum industry of the country. Under the Renewed Hope Agenda of the campaign manifestoes of the ruling party, President Tinubu indicated that he would make the industry more efficient, commercially driven, and enable it to engage with the international market from a position of strength<sup>2</sup>. President Tinubu promised to enforce a master plan for the petroleum industry based on transparency and accountability, expand the revenue earnings of Nigeria, promote gas utilization and energy transition to drive economic development of the country.

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<sup>2</sup> All Progressives Congress, (2022). Manifestoes Highlights. Available at: <https://www.allprogressivescongress.org/manifesto/>

As a country with significant revenues from petroleum resources, Nigerians have long expected methods and processes through which to maximize the benefits from the natural resources. Successive Nigerian political leaders had promised transparency and accountability in the management of revenues from the operations of the petroleum industry, develop local content and infrastructure, ensure environmental protection and remediation, promote economic stability and diversification, and foster peace and security in oil-bearing communities.

However, a major constraint against the legitimate expectations of Nigerians and the fulfilment of the promises of successive governments was the functional inadequacy of existing statutory frameworks for the effective management of the petroleum industry<sup>3</sup>. Efforts at enacting legislation with the objective of creating an enabling environment for operational and institutional efficiency of the industry began over two decades prior to 2021.

As noted by one commentator, a lot has changed in the petroleum industry domestically and globally since the reform efforts began because the number of indigenous oil and gas firms has grown, including the number of oil-producing countries in the African region<sup>4</sup>. Militancy in oil-bearing communities in the Niger Delta has subsided in significant measures, and concerns over climate change have fueled aggressive efforts to reduce global consumption of fossil fuels—driving divestment from oil and gas by companies, institutions, and countries<sup>5</sup>.

In August of 2021, the Petroleum Industry Act (the PIA) was enacted to provide legal, governance, regulatory and fiscal framework for the Nigerian petroleum industry, the development of oil-bearing and host communities and other related matters<sup>6</sup>. The PIA ushered in a new era of regulatory framework and has been described as representing the gold standard of natural resource management because it provides for clear and separate roles for the oil and gas sectors; the establishment 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<sup>7</sup>.

Significantly, the PIA makes far-reaching provisions for economic and social development of oil-bearing and host communities, addressing gas flaring and environmental pollution, ensuring

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<sup>3</sup> The Petroleum Act 1969 which was the original and most comprehensive regulatory framework had become outdated. So also subsequent statutes such as the Associated Gas Reinjection Act, the Petroleum Profits Tax Act, the Hydrocarbon Oil Refineries Act, and the Nigerian National Petroleum Corporation Act had become otiose in view of prevailing global realities and exigencies.

<sup>4</sup> Kasirim Nwuke, (2021). Nigeria's Petroleum Industry Act: Addressing old problems, creating new ones. Commentary, November 24. Available at: <https://www.brookings.edu/articles/nigerias-petroleum-industry-act-addressing-old-problems-creating-new-ones/>

<sup>5</sup> *ibid*

<sup>6</sup> See the long title of the Petroleum Industry Act, No. 6 of 2021

<sup>7</sup> Kasirim Nwuke, (2021). Nigeria's Petroleum Industry Act: Addressing old problems, creating new ones, *op.cit*

a conducive business environment for local and foreign investments in oil and gas operations, and a flourishing petroleum industry in Nigeria in the years and decades ahead. However, the prospects of economic development under the PIA would depend on its effective implementation according to the programs and commitment of Nigeria's political leadership.

This paper determines whether the programs for the petroleum industry under the Renewed Hope Agenda of the newly elected presidency of Bola Tinubu are compatible with the provisions of the PIA. It is only if the programs fully align with the PIA that a valid argument can be made in favour of the prospects for economic development under the Renewed Hope Agenda and the PIA.

In subsequent sections of this paper, I briefly examine some of the key and novel provisions of the PIA which offer a strong legal framework for effective resource governance, the efficiency of Nigeria's petroleum industry, and the programs for the economic development of the country under the current political administration.

## **II. STRUCTURE AND PROVISIONS OF THE PIA**

The PIA consists of 319 sections across five chapters, with each chapter making provisions for the different aspects of legal, governance, regulatory and fiscal framework for the petroleum industry and the development of oil-bearing communities. For instance, the first chapter provides for oil and gas governance and institutions.

The second chapter provides for the different administrations of upstream, midstream, and downstream petroleum operations. In the third chapter, provisions are made for the development of communities that are hosts to oil and gas operations. Provisions of the fourth chapter concern the establishment of a petroleum industry fiscal framework, while the fifth chapter includes miscellaneous savings, transitional, and consequential provisions.

### **(A) Governance and Institutions**

The PIA vests the Federal Government of Nigeria with the ownership of petroleum resources within the country and its territorial waters, continental shelf, and exclusive economic zone<sup>8</sup>. The objectives of the governance and institutional frameworks for the petroleum industry under the PIA include the need to create efficient and effective governing institutions, with clear and separate roles for the petroleum industry; and to establish a framework for the creation of a commercially oriented and profit-driven national petroleum company.

The PIA also aims at promoting transparency, good governance, and accountability in the

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<sup>8</sup> Section 1

administration of the petroleum resources of Nigeria, fostering a business environment conducive for local and foreign investments in oil and gas operations, and deepening local content practice in Nigeria's petroleum industry<sup>9</sup>. To achieve these objectives, the PIA empowers the Minister of Petroleum Resources to formulate, monitor and administer government policy in the petroleum industry; and to exercise general supervision over the affairs and operations of the industry.

However, in a radical departure from the old legal regime under which the Minister had exclusive powers to administer the operations of the industry, the PIA establishes two bodies corporate: the Nigerian Upstream Petroleum Regulatory Commission and the Nigerian Midstream and Downstream Petroleum Regulatory Authority. On the one hand, the Upstream Petroleum Regulatory Commission is empowered to regulate upstream petroleum operations, including technical, operational, and commercial activities in the upstream sector.

The Upstream Petroleum Regulatory Commission takes over the functions of the Department of Petroleum Resources (DPR) and the Petroleum Inspectorate which were formerly under the direct control of the Minister. Thus, the Minister no longer has the power to unilaterally grant and revoke interests in Petroleum Prospecting Licences and Petroleum Mining Leases through the DPR. The Minister may now exercise such powers only on the recommendations of the Upstream Petroleum Regulatory Commission.

On the other hand, the Nigerian Midstream and Downstream Petroleum Regulatory Authority is empowered to regulate midstream and downstream petroleum operations, including technical, operational, and commercial activities in the petroleum industry. The PIA vests on the Midstream and Downstream Petroleum Regulatory Authority the powers to grant and revoke all licences, permits and authorizations for midstream and downstream petroleum operations.

This provision is also a departure from the previous legal regime under which such powers were vested in the Minister, exercisable through various agencies such as the Nigerian National Petroleum Corporation, the Pipelines and Product Marketing Company, the Petroleum Products Pricing Regulatory Authority, and the Petroleum Equalization Fund.

Therefore, in terms of governance and institutions in the petroleum industry the PIA has introduced new provisions that unbundle the operations in the petroleum industry into upstream, midstream, and downstream subsectors, including the administration and regulation of the industry among independent and specialized bodies corporate. These new provisions meet the PIA's objective of creating efficient and effective governing institutions, with separate roles in

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<sup>9</sup> See section 2

the different subsectors of the Nigerian petroleum industry.

### **(B) Administration of Upstream, Midstream, and Downstream Subsectors of the Petroleum Industry**

In significant ways, the PIA makes comprehensive provisions for the administration of petroleum resources, such as guidelines on leases and licenses for corporate players in the industry. The provisions include a list of activities requiring licenses, prohibited activities in the industry, method of determining operational tariffs, storage and transportation of gas, treatment of radioactive materials, types of offences, and applicable penalties<sup>10</sup>. The underlying objective of the PIA provisions on the administration of upstream, midstream, and downstream subsectors of the petroleum industry is to promote efficiency in the exploration, production, storage, marketing, and transportation of petroleum products for the benefit of the Nigerian people<sup>11</sup>.

The PIA provisions also aim at promoting the efficient, effective, and sustainable development of the petroleum industry; and promoting the safe and efficient operations of the distribution infrastructure for the petroleum industry. For these purposes, the PIA now requires that a company which intends to engage in the upstream, midstream, and downstream subsectors must register and use a separate corporate entity in each of the subsectors<sup>12</sup>. This is a novel provision because unlike in prior practice under the old legal dispensation, one company could be used in the three streams of operations, without any identifiable line of separation in the activities of such company.

The unbundling of downstream operations by differentiating and introducing the midstream subsector is in line with industry best practice globally, and it supports the PIA's requirement for a separate corporate entity in each of the three subsectors. The old practice where one company could be used to perform different operations across the three subsectors enabled fraudulent corporate accounting to undermine tax, royalties, and other statutory payments which constitute revenues that are due to government from the petroleum industry.

The newly introduced midstream sector covers the construction of refineries and facilities for the production of lubricants and petrochemicals, including the facilities for the transportation and storage of petroleum products. In the general administration of midstream and downstream subsectors, the PIA provides for the requirements for obtaining appropriate licenses or permits for different facilities, the location and size of the area or right of way occupied by the facilities,

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<sup>10</sup> See Chapter 2 generally

<sup>11</sup> Section 66(1)

<sup>12</sup> See section 212(1)

health, safety and environmental standards, and the efficient and economic use of such facilities. Among the notable areas in which the PIA makes provisions for the administration of upstream, midstream, and downstream subsectors are with respect to classes of licenses, the guiding principles in designing a pricing framework for transportation, distribution and processing petroleum tariffs, and the methodologies for setting such tariffs. The principles and methodologies are aimed at encouraging and facilitating both local and foreign investments in the petroleum industry and developing competitive markets for the sale and distribution of petroleum and petroleum products.

Accordingly, as a guiding principle the PIA requires that tariffs shall be on a cost-reflective basis; shall permit a reasonable return for licensees on their investments; shall not discriminate between customers; and shall be determined in US Dollars or other foreign currency as applicable<sup>13</sup>. The tariff methodologies must also allow an operator in the industry to recover reasonable costs incurred and reasonable returns on the capital invested in the business. And in the case of distribution licences, the methodologies must ensure efficient charges relating to petroleum products or natural gas supply covering metering and other services.

The three categories of licences under the PIA are: a. the Petroleum Exploration Licence which gives the corporate licensee the right to exploration on a non-exclusive basis; b. the Petroleum Prospecting Licence which gives the corporate licensees the non-exclusive right to carry out petroleum exploration for onshore and shallow water acreages, including deep offshore and frontier acreages for different stated periods; and c. the Petroleum Mining Lease, granted to eligible corporate entities to dispose of crude oil, condensates and natural gas for stated period of years<sup>14</sup>. The administration of the different licenses, such as approval and revocation, is the responsibility of the Upstream Petroleum Regulatory Commission, and no longer of the Minister.

### **(C) Development of Oil-bearing and Host Communities**

In novel ways, the PIA makes provisions for the development of oil-bearing communities that are hosts to petroleum exploration and production activities. The provisions of the PIA are aimed at creating a framework to support the development of host communities; providing social and economic benefits from petroleum operations to such communities; and enhancing peaceful and harmonious coexistence between corporate licensees or lessees of petroleum

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<sup>13</sup> See sections 122 and 123

<sup>14</sup> See the Seventh Schedule to the PIA

operations and host communities<sup>15</sup>. For example, the PIA provides for the creation and management of a development trust fund for host communities, with peculiar attention to the support of local initiatives concerning security and protection of the natural environment of the communities.

The development of host communities under the PIA is anchored on the creation of host communities' trust fund and the creation of environmental remediation fund. The company carrying out petroleum operations in a host community is required by the PIA to undertake needs assessment that will transform into the community's development plan for the purpose of determining the projects to be undertaken by the Host Community's Development Trust<sup>16</sup>. Each host communities needs assessment must, from a social, environmental, and economic perspective, determine the specific needs of each affected host communities; ascertain the effect that the proposed petroleum operations might have on the host communities; and provide a strategy for addressing the needs and effects identified<sup>17</sup>.

Every operating company must make an annual contribution to the applicable Host Communities' Development Trust Fund of an amount equal to 3% of its actual annual operating expenditure of the preceding financial year in the upstream petroleum operations affecting the host communities for which the applicable host community's development trust fund was established<sup>18</sup>. The development of host communities according to their needs and the trust fund established for that purpose is in addition to any other social and economic benefits to which such communities are entitled under any law, such as the Niger Delta Development Commission (Establishment) Act 2000, as amended.

Besides the provisions for the social and economic development of host communities, the PIA imposes obligation and liability on host communities to protect the facilities and infrastructure for the exploration, drilling, refining, storage, and transportation of petroleum and petroleum products. According to the PIA, where in any year, an act of vandalism, sabotage or other civil unrest occurs that causes damage to petroleum and designated facilities or disrupts production activities within the host communities, the community shall forfeit its entitlement under the provisions of the PIA to the extent of the costs of repairs of the damage that resulted from the activity within that financial year<sup>19</sup>. For the first time, oil-bearing communities are conferred with benefits and as well as attached with obligations under the PIA.

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<sup>15</sup> See generally section 234

<sup>16</sup> Section 237(7)

<sup>17</sup> Section 251(2)

<sup>18</sup> Section 240(2)

<sup>19</sup> Section 257(2)



**(D) Establishment of Petroleum Industry Fiscal Framework**

The petroleum industry is driven largely by foreign direct investments because most of the major corporate players in the industry are multinational companies and foreign owned or registered entities. There is equivalent importance of promoting domestic investments, developing local content, and building the capacity of Nigerian companies to be active players in the country's petroleum industry. Mindful of these imperatives, the PIA introduced a new petroleum industry fiscal framework to encourage local and foreign investments in the Nigerian petroleum industry, expand the revenue base of the government, and simplify the administration of petroleum tax.

The new fiscal framework includes the creation of hydrocarbon tax and related deductions; identification of persons and companies that are chargeable; procedure for appeals to the tax tribunal; application of companies' income tax to petroleum operations; and offences and applicable penalties. The objectives of the new fiscal regime include the need to establish a progressive fiscal framework that encourages investment in the Nigerian petroleum industry, provides a regime that is based on the principles of transparency and accountability, simplifies the administration of petroleum tax; and promotes equitable participation in the petroleum industry fiscal regime<sup>20</sup>.

The new tax regime for the petroleum industry under the PIA replaces the Petroleum Profits Tax with the National Hydrocarbon Tax which is charged in addition to the Companies Income Tax. Except for frontier acreage, the hydrocarbon tax applies to crude oil as well as field condensates and natural gas liquids derived from associated gas and produced from upstream operations. The chargeable tax for any accounting period of an operating company shall be a percentage of the chargeable profit for that period aggregated and it shall be 30% of the profit from crude oil for petroleum mining leases with respect to onshore and shallow water areas; and 15% of profit from crude oil for onshore and shallow water and for petroleum prospecting licences<sup>21</sup>.

In effect, the PIA reduces the tax rate for companies in the deep offshore areas such that the headline tax rates are lower than they were under the repealed Petroleum Profit Tax Act. The PIA also reduces royalties that are due from companies operating for natural gas in onshore areas, shallow waters, deep offshore, and frontier basins. The new royalty rates are based on production and price, and the applicable rates on chargeable volume in the different areas

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<sup>20</sup> Section 258(1)

<sup>21</sup> See the Seventh Schedule to the PIA

include 15% in onshore areas, 12.5% in shallow water, 7.5% in deep offshore that is greater than 200m water depth, and 7.5% in frontier basins<sup>22</sup>. The PIA introduced penalties for non-payment of royalties and empowers the Upstream Petroleum Regulatory Commission to revoke the lease or licence of the defaulting company and may seize and sell any petroleum products, or machineries, for the payment of any arrears of fees, rent or royalty.

### **(E) Savings, Transitional, and Consequential Provisions**

The fifth chapter of the PIA contains miscellaneous provisions that include transfer of employees and existing host communities' development projects and schemes; the interpretation of key and relevant terms such as associated gas, chargeable oil, appraisal well, chargeable volume, deep offshore, frontier basin, frontier acreages, host communities, decommissioning and 'abandonment, amongst others<sup>23</sup>. The contextual meanings of these terms are key to giving full expression and effect to the overall intent and purpose of the PIA.

Thus, the PIA contains savings, transitional and consequential provisions with respect to pre-existing legislations that related to the subject matter of the PIA, such as the Petroleum Act, Petroleum Profit Tax Act, Hydrocarbon Oil Refineries Act, Petroleum Products Pricing Regulatory Agency (Establishment) Act, Associated Gas Reinjection Act, Nigerian National Petroleum Corporation Act, amongst others<sup>24</sup>. While most of these pre-existing legislations have been repealed by the PIA, a few are saved in so far their provisions are not inconsistent with the provisions of the PIA.

In other cases, an act done pursuant to the provisions of pre-existing legislations, such as the Petroleum Act, the Petroleum Profit Tax Act, and the Deep Offshore and Inland Basin Production Sharing Contract Act, is deemed for all purposes to have effect as if it were done under the corresponding provisions of the PIA. The purpose of this final chapter of the PIA is to clarify the status of pre-existing legislations that applied to the petroleum industry and how such legislations should be regarded in relationship to the PIA.

#### **a. Novel Provisions of the PIA**

The PIA responded to decades of yearnings for a modern legal framework that reflects the developments in the petroleum industry, such as regulatory and administrative distinction between midstream and downstream petroleum operations, development of oil-bearing and host communities, transparent fiscal regime that encourages foreign and local investments in the

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<sup>22</sup> Section 10 of the Seventh Schedule to the PIA

<sup>23</sup> See generally section 319

<sup>24</sup> See generally sections 309-311

industry, and which includes methodologies for fair pricing and tariffs, local content development, environmental, social and governance, amongst others.

In general terms, the PIA contains provisions throughout its five structural chapters that aim at transforming the Nigerian petroleum industry into one that exhibits global best practices of the 21st century and drive economic development of the country. Highlighted below are some of the novel provisions of the PIA in that they were introduced to apply to the Nigerian petroleum industry for the first time since petroleum operations started in the country about half of a century ago.

- Administrative and regulatory powers of the Minister of Petroleum Resources now bifurcated and devolved on the Nigerian Upstream Regulatory Commission and the Nigerian Midstream and Downstream Regulatory Authority.
- The PIA deregulated the upstream, midstream, and downstream subsectors of the Nigerian petroleum industry, thereby allowing prices, including the pump price of petroleum products, to be determined by market forces, e.g, the removal of fuel subsidy.
- The PIA requires that companies operating in upstream, midstream, and downstream subsectors to register and use separate corporate entities in the different stream of operations.
- Requirement for the establishment of a Trust Fund by operating companies toward the development of oil-bearing and host communities in order to ensure peaceful and harmonious co-existence between operating companies and host communities.
- Provisions that impose legal obligation and liability on host communities for the protection of petroleum facilities and infrastructures of government and the operating companies.
- Provisions on the assessment, collection, and enforcement of hydrocarbon tax, and methodologies for determining fair pricing, tariffs, and royalties for petroleum and petroleum products.
- Provisions on incentives for investment in natural gas operations such as tax holidays of up to 10 years, including in midstream gas operations, and incentives for investment in energy transition.
- Provisions on the establishment of a Frontier Exploration Fund which is required to be maintained for the purpose of exploration of unassigned frontier acreages.

- Introduction of the National Strategic Stock which requires the designation of locations across the country where petroleum products can be stocked, including the requirement of operating companies to maintain an amount of stock at all times.
- Provisions on decommissioning and abandonment of oil and gas exploration, drilling, and refining structures and other petroleum infrastructures, and the requirement for the setting up of a decommissioning and abandonment fund by operating companies.
- Requirement for operating companies to make financial contributions to an environmental remediation fund toward the rehabilitation and management of environmental impact of petroleum operations.

#### **b. Resource Governance under the PIA**

The Renewed Hope Agenda of President Tinubu's ruling party offered a blueprint to revolutionize the petroleum industry based essentially on the principles of transparency and accountability, which are the twin-pillar of the concept of resource governance. Acosta defined resource governance as a set of strategies designed to improve transparency and accountability in the management of natural resources and includes initiatives in the areas of licensing, exploration, contracting, and extraction in natural resource revenue generation and allocation<sup>25</sup>.

The challenge which resource governance seeks to address is how to devise institutional mechanisms that would make governments transparent and accountable in the extraction of natural resources, and the use and allocation of revenues accruing from such natural resources. Therefore, the concept of resource governance is to promote greater transparency and accountability of government with respect to natural resource management and administration. The PIA contains provisions that promote transparency and accountability in the administration and management of Nigeria's petroleum resources.

In effect, the PIA takes cognizance of resource governance which can drive economic development of Nigeria and contribute to better development outcomes, such as a more egalitarian distribution of Nigeria's oil wealth. Improved governance processes within the rubrics of resource governance reflects the principles of transparency and accountability which are linked to favourable development outcomes. But as Kolstad and Wiig noted, a recurrent factor associated with improved governance of the extractive industries sector is the relevant country's commitment and actions towards increased transparency and accountability<sup>26</sup>.

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<sup>25</sup> Andrés Mejía Acosta (2013). The Impact and Effectiveness of Accountability and Transparency Initiatives: The Governance of Natural Resources. *Development Policy Review*, 31(1): 89-105

<sup>26</sup> Kolstad, I. and Wiig, A. (2009) 'Is Transparency the Key to Reducing Corruption in Resource-Rich Countries?'

The Renewed Hope Agenda of Tinubu presidency expresses the principles of transparency and accountability in the management of Nigeria's natural resources and reducing corruption and the perceptions of corruption in the country's petroleum industry. President Tinubu's agenda for Nigeria's petroleum industry aligns with the postulations of development experts on the concept of resource governance as providing the mechanisms through which corruption can be reduced in the management and administration of natural resources<sup>27</sup>. Significantly, the programs for the petroleum industry under the Renewed Hope Agenda find statutory backing and support within the provisions of the PIA.

### III. CONCLUSION

A major objective of the PIA is to drive Nigeria's economic development through facilitating greater investment by local and foreign investors in the petroleum industry and expanding government's revenue from the industry. Investments for sustainable economic growth and development is possible only where there is a comprehensive legal framework such as the PIA that is consistent with global industry best practices in the institutional management of natural resources, including a national political leadership that is willing and ready to implement its provisions.

The general and novel provisions of the PIA as examined in this paper show a restructured petroleum industry with its administration based on transparency and accountability which are core principles of resource governance. President Tinubu promised to implement a master plan for the petroleum industry based on the principles of transparency and accountability. The President's plan for the industry under the Renewed Hope Agenda is consistent with the concept of resource governance which promotes transparency and accountability in the allocation, exploration, and use of petroleum resources.

The PIA was signed into law at the eleventh-hour of the previous administration hence its implementation falls on the current administration of President Tinubu. In an immediate implementation of the provisions of the PIA, President Tinubu had declared in his inaugural speech an end to fuel subsidy in Nigeria, and to re-channel the subsidy funds into better investment in public infrastructure, education, health care and jobs that will materially improve

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World Development 37(3): 521-32

<sup>27</sup> For an in-depth discuss on the nexus between resource governance and economic development, see Williams, A. (2011) 'Shining a Light on the Resource Curse: An empirical analysis of the relationship between natural resources, transparency, and economic growth,' *World Development* 39(4): 490-505; Darby, S. (2010) *The Transparency and Accountability Initiative – Natural Resource Governance Strategic Summary*. S.E.B. Strategy Report. London: Open Society Foundation; Arellano Yanguas, J. (2009) *Pilot Programme to Improve the Transparency of the Extractive Sector at the Sub-national Level in Ghana, Indonesia, Nigeria and Peru: Baselines overview and M&E report*. New York: Revenue Watch Institute

the lives of millions<sup>28</sup>.

Eventually, the effective removal of fuel subsidy has increased headline inflation in the short term. But it is expected that in the long term the savings from the subsidy can be used to build and improve social and economic infrastructures, increase Nigeria's foreign reserve, and strengthen the value of the Naira, the country's local currency. In conclusion, the provisions of the PIA adequately favour the prospects of economic development under the Renewed Hope Agenda of President's Tinubu administration.

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<sup>28</sup> See The Cable, (2023). Tinubu's Inaugural Speech as President. Monday, May 29. Available at: <https://www.thecable.ng/full-text-tinubus-inaugural-speech-as-president-of-nigeria/>