



**THE PETROLEUM INDUSTRY ACT (PIA):  
AN IMPLEMENTATION REPORT WITHIN  
HOST COMMUNITIES**  
**A Closer Look at Our Women**

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## An Introduction

This is a study about the progress of the implementation of the Petroleum Industry Act (PIA), as well as its impact on women's inclusion, in Nigeria's host extractive communities. It specifically analyses the implementation of the PIA by oil companies in the Niger Delta region, the gender equity component of the PIA implementation by oil companies, the effect of the PIA implementation activities on women in oil-producing communities, the level of women inclusion in decision-making within the oil companies themselves, oil-producing community organisations, and the consequences of women's inclusion, or lack of, in decision-making, in the proposed transformation of the Nigerian oil and gas industry.

## Literature Review

Literature was reviewed in salient thematic areas, on the state of the oil sector in Nigeria since its inception, challenges in Nigeria's oil sector, such as low crude oil production, oil spillage and pollution, insecurity, corruption and oil theft, lack of transparency, aging infrastructure, lack of investment, and lack of political will.

Other issues addressed include the benefits of oil-producing communities, gender equity, PIA structures, such as the Host Communities Development Trust (HCDDT), expectations of the host communities from the downstream industry, midstream and upstream sectors of the industry, and ways to promote inclusion in the oil and gas industry.

The study adopted the mixed methods design, involving a survey, critical ethnography and case studies of selected communities and organisations. For the survey, 1,200 respondents were canvassed. They were selected through a multi-stage sampling procedure. The procedure involved the purposive selection of three states (Akwa Ibom, Rivers and Delta) from amongst the nine existing oil-producing states, based on their relatively higher volume of oil production, then a random

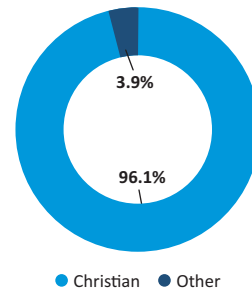
selection of six oil-producing communities, two per state (Rivers: Buan and Kwawa, Delta: Oleh and Uborodo, and Akwa Ibom: Ekpene and Mkpatak) in the second stage, and finally a random selection of 200 respondents per community. Six sessions of Focus Group Discussions (FGDs) (one each with men and women groups in each state) were held. 22 Key Informant Interviews (KIIs) were conducted among community members (men, women and youth), government officials, legal experts, civil society groups and organisations and traditional leaders in oil-producing communities. Quantitative data were analysed using the Statistical Package for the Social Sciences at the uni-variate and multi-variate levels of analysis, while the qualitative data were thematically analysed.

## Demography of Respondents

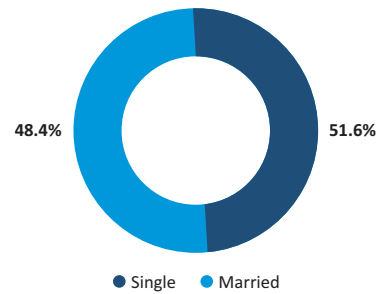
The socio-demographic characteristics of the respondents showed a predetermined categorisation based on their age distribution, so that the respondents were distributed as indicated in the graphs below. Aside from the challenges of tribalism, favouritism and corruption that influenced employment in the states, women were the most affected as they were often not eligible for the available low-pay job opportunities such as night guards/security services in the communities.

A large proportion (76.4%) were indigenous residents of the community.

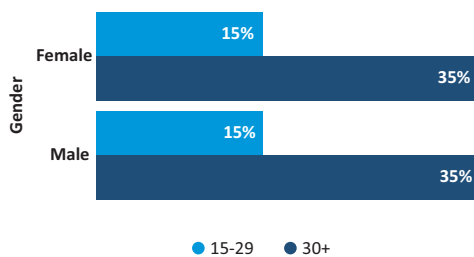
Religious Affiliation



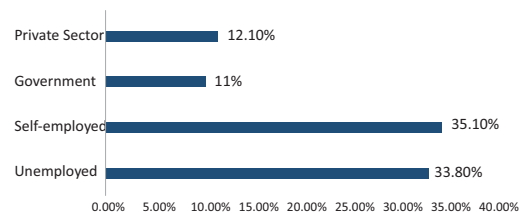
Marital Status



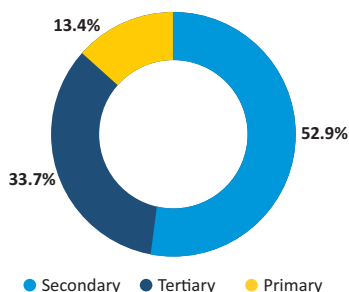
Gender and Age Distribution



Employment Status



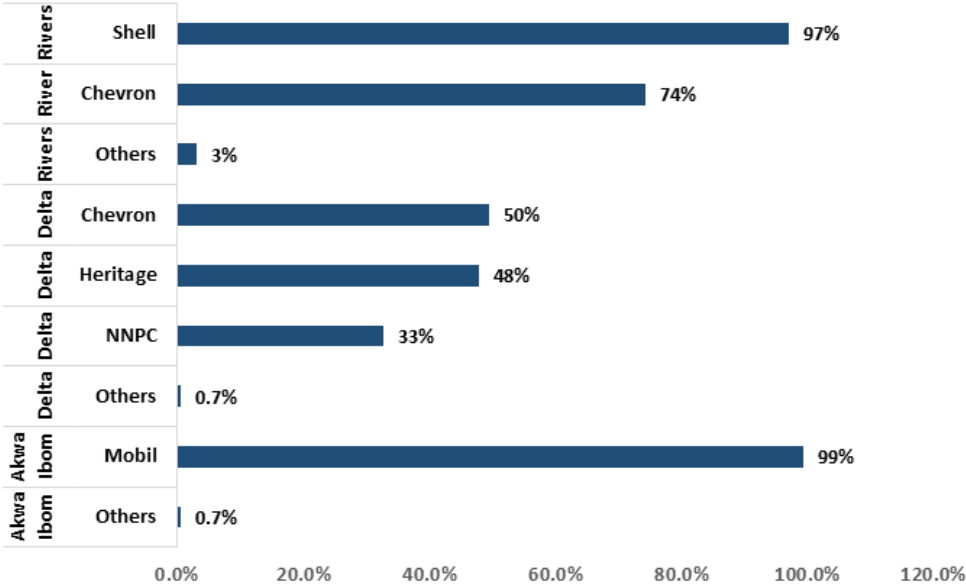
Educational Level



### Dominant Oil Company Players

The dominant oil companies in Rivers State were Shell (96.8%), Chevron (74.3%), and Mobil. In Akwa Ibom, Mobil (99.3%) is more dominant, while in Delta, Heritage (48.0%), NNPC (32.8%) and Chevron (49.5%) are dominant. Other oil companies appear to have minimal presence in the communities selected in the study.

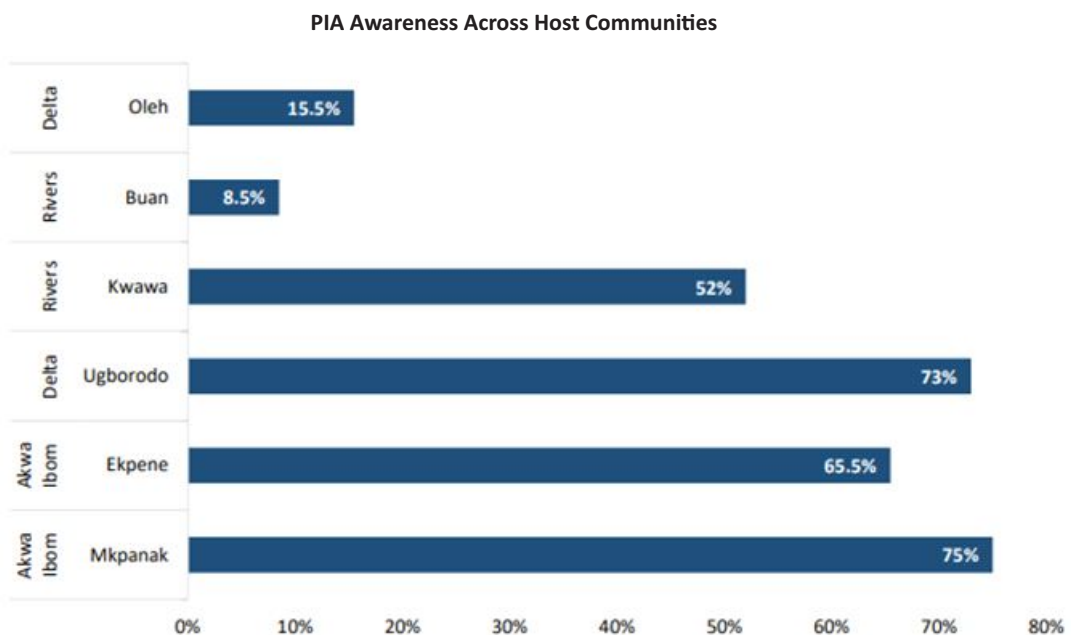
Dominant Oil Companies



## Research Findings

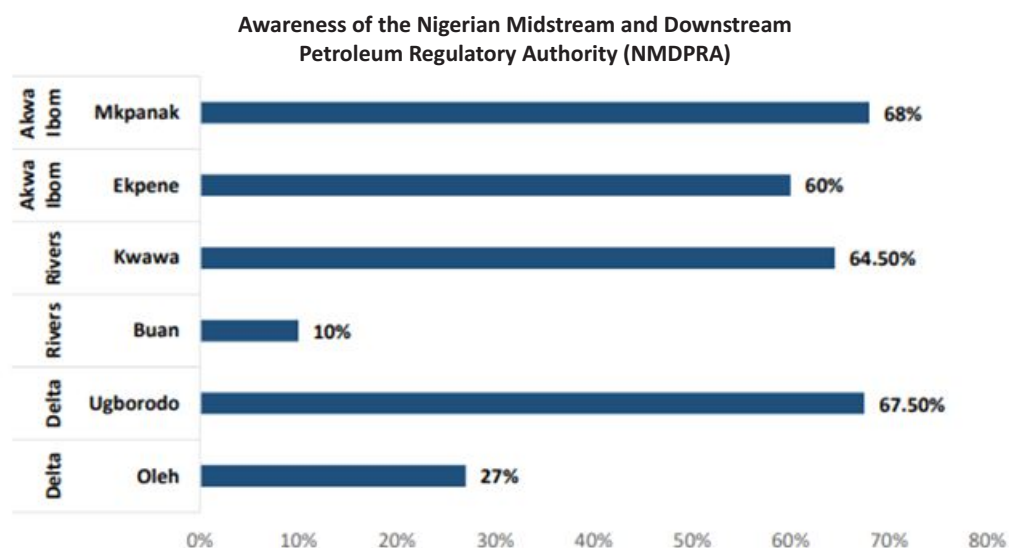
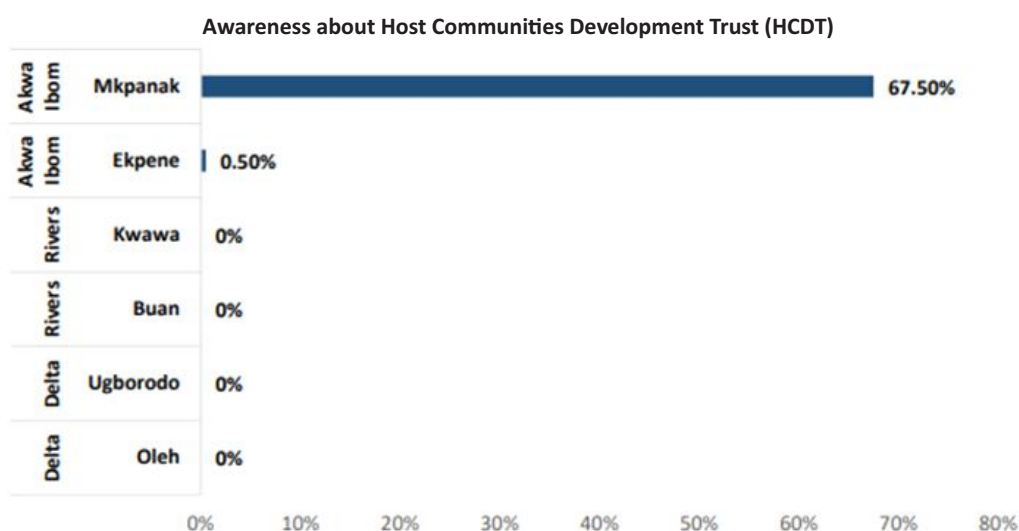
There exists a disparity in the level of awareness of the PIA across communities in the selected states. The variation is such that while it was high in one community and low in another within the same state, Akwa Ibom was the exception as it was high across the selected communities within the state. The awareness level about the Petroleum Industry Act is considerably high in communities in Mkpanak (75%) and Ekpene (65.5%) in Akwa Ibom, as well as in Ugborodo (73%) in Delta, moderately high in Kwawa (52%), in Rivers, but low (8.5%) in Buan in Rivers

and Oleh (15.5%) in Delta. While there seemed to be an appreciable level of awareness of the Act in some communities, community respondents indicate that needs assessments were not done by oil communities before programme implementation in some of these communities. Needs assessments would have assured the relevance of the interventions and in turn facilitated related PIA implementation activities, which have hardly taken off across states as at the time of this research. This has had adverse implications for the implementation process.

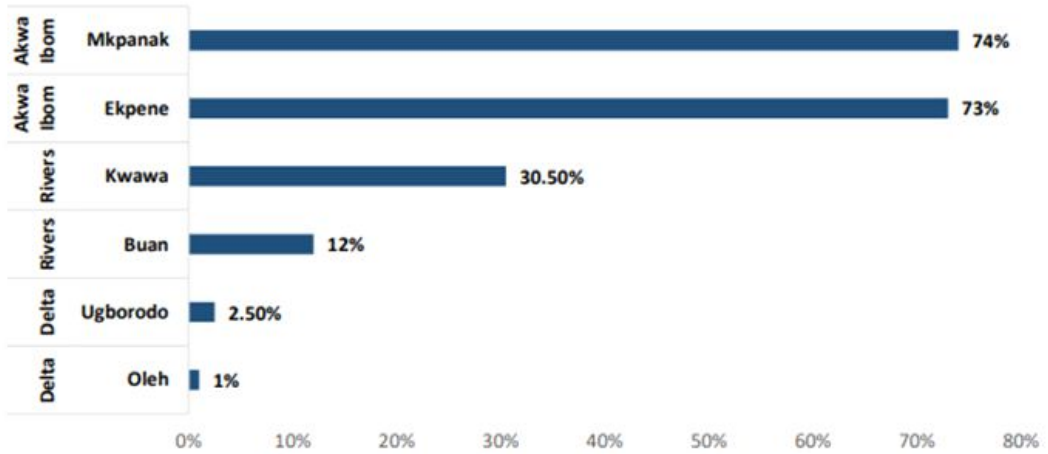


Findings also revealed low levels of awareness about the HCDDT across five communities, except in Ugborodo. There exists considerable awareness of the Upstream Petroleum Regulatory Commission (NUPRC) among the respondents in only two communities, Oleh (55%) and Ugborodo (71.5%) in Delta State and a high level of awareness about the Upstream Environmental Remediation Fund in both communities (74% and 73%, respectively). There is low level of

awareness of the key MDAs such as NUPRC and Environmental Remediation Fund in Rivers and Akwa Ibom. Lastly, there is above average awareness about the activities of Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) across the selected host communities with the exception of Buan (10%) and Oleh (27%). This indicates the need to strengthen awareness levels across board.



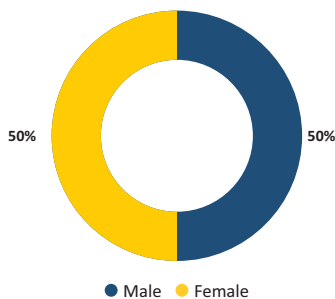
Awareness of the Upstream Environmental Remediation Fund



Generally, the level of awareness about the PIA among respondents, both male and female, is low; about 21.8%. Lack of cordial relationships and trust for several years between host communities and oil companies, resulting from many factors has affected the power of the host communities to revoke the license or lease of oil companies who fail to earn the hosts' trust.

The PIA, as enacted in 2021, stipulates that a trust fund be created and managed by an established board of trustees of oil-producing communities for the purpose of implementing programmes that will be beneficial to the host communities. The implementation of the PIA has hardly taken off, except in Delta State. The communities in Delta State claimed to have received drilled boreholes, scholarships, start-up kits for trainees, royalties, exercise books and stationeries for children, contribution to vigilante groups to enhance security, provision of bursaries for students, and provision of support in the cleaning of polluted farmlands. Very little or no programme was implemented by oil companies existing in the selected communities in Rivers and Akwa Ibom states, except for the instance of some form of receipt of royalties by a few respondents in Mkpanak in Akwa Ibom. The claim of poor level of implementation in all the states were complemented by those garnered from the qualitative data.

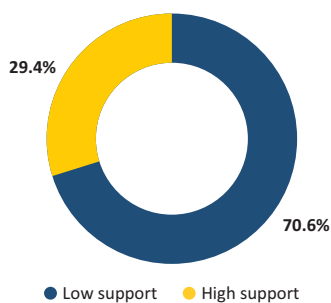
Gender Awareness of the PIA



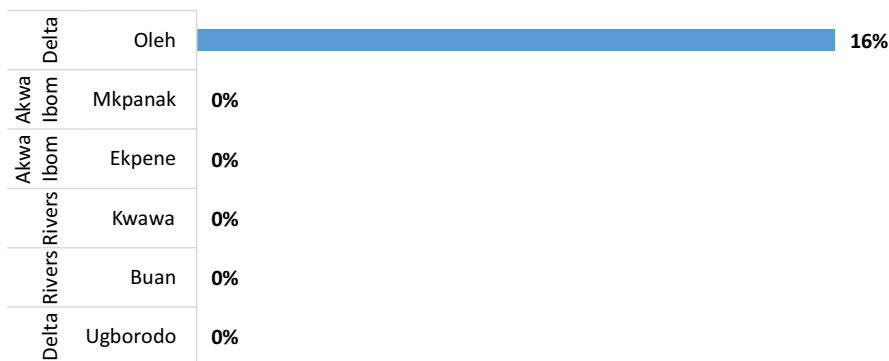
Majority of the respondents (70.6%) reported low support from oil companies in

the six selected host communities in the three states regardless of gender. However, in Oleh, Delta State, four out of 25 listed programmes benefitted females more. The perceived number of implemented programmes was generally low, buttressing the notion that oil companies are far from adhering to the provisions of the PIA in performing any Corporate Social Responsibility within their host communities.

**Support from Oil Companies Across Host Communities**



**Number of Programmes Benefitting More Females**



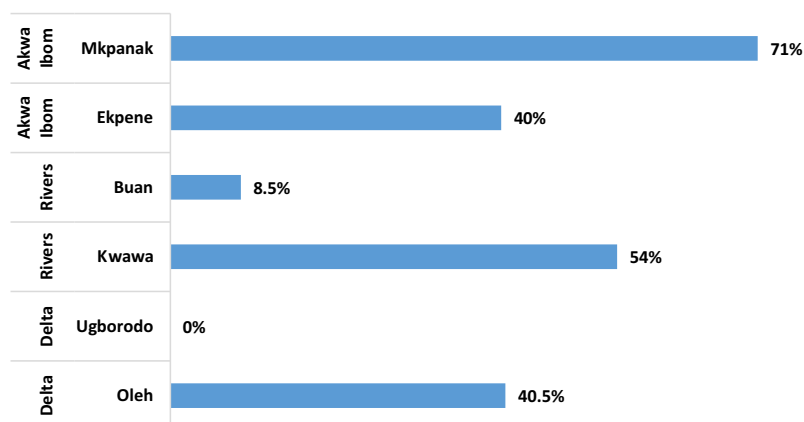
## PIA Structure?

The establishment of the implementation structures for the PIA were yet to be completed. Previous experience has informed expectations that the PIA may not make a significant impact on the communities and on the lives of women in the host communities. At the community level, structures for the HCDT have not been put in place after two years in the states. While board of trusteeships have been set up, management and other committees are yet to take form in most of the communities. In some situations, it is caused by controversies and contestations over the process for selection. Thus, the assessment of the likely effect of the PIA was based on the experiences with

previous community development initiatives. Indeed, the PIA has not been sufficiently implemented in the communities for their effects to become visible or determinable.

Thus, to determine whether women were included in PIA committees was impossible. Although the Act is silent on gender sensitivity in the implementation of the PIA, the expectation was that when constituting the boards and committees for the HCDT, women inclusion would be ensured. Be that as it may, some committees were set up in Rivers and Akwa Ibom states and one community in Delta State (Oleh).

**Awareness About HCDT Advisory Committees**



Community members displayed insufficient knowledge about the structure of the HCDT and the process of establishing them, as well as other related activities around the PIA's implementation. Qualitative findings show that gender diversity and women inclusion in the decision-making process is inadequate.

The level of inclusion of women in development activities of the oil companies varied across the communities. Information sharing on the activities of the oil companies, selection of scholarship awardees (Ugborodo), employment of community members, compensation on oil spillage on land (Kwawa) and decision-making on the activities of the oil companies, were barely above average. Women inclusion in strategic leadership positions was, definitely, observed to be generally low.

Leadership positions in oil companies are generally dominated by males. With regard to women participation in the streams of the oil sector, it is not in all cases that women were marginalised. There has been major progress for women in the operations of the oil companies, in logistics departments, for instance. But this is not the case in the production and IT sections of the industry. Women's presence is limited by lack of the required skills and training to take up senior and technical positions. In this wise, the training of women in large numbers in the relevant skill areas might help in rapidly changing the situation in future.

The data shows that oil companies' initiatives in the communities did not consider the need for women participation

in decision-making and that it has had some impact on their chances of benefitting from such interventions. A positive significant relationship was also established between women's participation in decision-making and the effect of oil companies' activities on their socio-economic wellbeing in communities, and negative in the cases of limited awareness of activities by women and of disregard for a needs assessment approach and other structural constraints by companies.

### **Some Solutions and Way Forward for Women Inclusion**

The exclusion of women in community bodies is obvious, and this can primarily be attributed to the fact that their spouse or partner advised against females taking headship positions. In addition, leadership positions are not defined as positions for the female to occupy. Shyness and lack of interest on the part of the female and objection of the members for a female to head when it was suggested have also been important deterrent factors. Findings from the qualitative study corroborated the views that employment processes have not been gender-sensitive enough across board, except for Rivers State. Another major reason is the fact that decisions on women inclusion, or otherwise, are determined by the operators.

The stakeholders at various levels would have to work together to positively change the situation. The government would need to review the PIA to make it more gender-sensitive, to account for the specific concerns of women, for it to benefit the women. The PIA would also need to be clearly communicated to the citizens, in

order to increase levels of awareness and enlightenment about it. PIA community development initiatives should be appropriately implemented and the implementation of the PIA in oil-producing states should be clearly monitored and evaluated periodically.

The government could also promote women's participation by appointing more women into important positions in the regulatory agencies at the downstream, midstream and upstream sectors, for women in such positions of authority have demonstrated commitment to excellence in the industry, such as Senator Margery Chuba-Okadigbo of the NNPC, amongst others, modelling leadership in the private sector.

Women in prominent positions in the industry and women organisations would need to work together, and, with men towards increasing participation of women in the industry; to support their growth and build capacity of and capability for women. They would need to identify opportunities, mentor and coach young women for participation in the oil and gas industry.

So far, oil companies have made significant contributions towards addressing the situation in the host communities and improve their social license before the entrance of the PIA. However, these efforts have not always emphasised the concerns of women. Now that such interventions have been institutionalised and made

mandatory through the HCDDT, interventions should be tailored to address women inclusion. Some of these interventions should be aimed at empowering women to participate in the new structures at the community level to protect and promote women's concerns.

Companies need to actively promote and support gender diversity and inclusion initiatives. These could include implementing diversity targets and metrics, providing training and education on unconscious bias, and creating mentorship and sponsorship programmes to support female career advancement. The companies should also work to address the barriers and biases that prevent women from entering and advancing in certain roles and departments through inclusive hiring practices, such as blind hiring or diverse interview panels, and providing training and development opportunities for women in underrepresented areas.

Women organisations within the industry are presented with an opportunity to monitor opportunities in the industry, publicise them when they open, encourage women to seize such opportunities, and call for quotas for women, where applicable. They could also carry out programmes to empower women with the skills and knowledge to be more competitive for such openings and provide intentional mentorship.

**For the full Report, email  
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