

HOST COMMUNITY DEVELOPMENT

CHAPTER THREE (3) OF
**PIA 2021 &
POLICY
BRIEF**



BACKGROUND

The United Nations Guiding Principles on Business and Human Rights (UNGPs) is a framework on how governments and businesses are expected to respect and protect the human rights of people. It provides mechanisms to prevent violations and redress them where they occur. The United Nations Working Group on Business and Human Rights strongly encourages countries to develop a national action plan on business and human rights. Civil societies in Nigeria have contributed immensely by continuously calling for the development of a National Action Plan (NAP) on Business and Human Rights.

The Nigerian petroleum industry is riddled severely with a lack of transparency and accountability which has left the sector vulnerable to mismanagement and a lot of bad dealings. This lack of transparency, compounded with weak governance, regulatory frameworks and rule of law allows oil and gas companies, as well as other key stakeholders in the sector, to operate in an unsanctioned manner, abuse human rights, partake in illicit financial flows and exploit the fragility of many oil producing communities. Host communities are indispensable to the success of the petroleum industry in Nigeria, the cordiality

of relationship between oil companies and host companies is important to profit making in an extremely capital-intensive industry. In reality, the relationship has not been cordial, with distrust and restiveness affecting operations. This is evident in the magnitude of loss experienced in the Nigerian oil industry with the NNPC not declaring profit in so many years and the government failing to meet its OPEC crude oil production quota of about 1.8 million barrels per day, with production falling to 1.3 to 1.4 million barrels per day. The government has made several attempts at resolving the hostile relationship in the industry by setting up different initiatives like; the 13% derivation fund for oil-producing states, the creation of the Niger Delta Development Commission, the amnesty programme and creating the Ministry of Niger Delta with a total budget allocation of N584.6 billion between 2008 and Q1 of 2022. All these initiatives, at their root, amount to the government throwing money at a problem.

These problems in the industry, of which the communities were often at the receiving end, were worsened by external institutional factors. The mixture of weak institutions, weak laws and a general lack of accountability has made the

extractive industry to be one of the most notorious industries with gross human rights and environmental violations. The repealed Petroleum Act of 1969 failed in many regards, it could not keep up with the dynamic environment of the industry and failed to encourage industry best practices.

The Petroleum Industry Act 2021 was passed to remedy the failure of the Petroleum Act, it commercialized the NNPC and established new regulatory agencies. It also aimed to solve the age-old problem of oil-bearing communities being devastated by the activities of oil companies through the establishment of the Host Communities Development Trust (HCDDT). The host community development provisions in the Petroleum Industry Act 2021 (PIA) is a well-known topic amongst stakeholders in the Nigerian oil and gas industry. The reason for this is not far fetched as before the PIA, there were no laws imposing host community development obligations on oil and gas companies but chapter 3 of the PIA in S.235 mandates the incorporation of the HCDDT which will be a corporate body able to sue and be sued aimed at fostering sustainable prosperity in host communities and encouraging peaceful coexistence between licensees and host communities. It goes on to mandate the contribution of three percent of the total annual expenditure of the 'settlor' to the trust. The HCDDT is to be established, specifically, to address the developmental needs of the oil-bearing and impacted communities in the region, and while it is commendable, it creates certain challenges. Below are some of the gains and perceived challenges that can arise from the act.





CHAPTER 3 OF THE PIA 2021: HOST COMMUNITY DEVELOPMENT TRUST

234 - (1) The objectives of this chapter are to –

- Foster sustainable prosperity within host communities;
- Provide direct social and economic benefits from petroleum operations to host communities;
- Enhance peaceful and harmonious co-existence between licensees or lessees and host communities; and
- Create a framework to support the development of host communities.

(2) The Commission and Authority may take regulation with respect to this Chapter on areas within their competence and jurisdiction as specified in this Act.

(3) The regulations under subsection (2) shall include a grievance mechanism to resolve disputes between settlors and host communities.

(4) The regulations under subsection (2) shall include the ability of the settlor to make the following adjustments to reduce expenditures where the available funds for administration under section 244 (c) of this Act are insufficient to fund the ongoing operations–

- reduce the number of members of the Board of Trustees and frequency of meetings;
- not fund the reserve fund under section 244 (b) and not hire the respective fund manager under section 246;
- reduce the number of members of the management committee under section 247 and the frequency of meetings; and

(d) reduce the frequency of meetings of the host communities' advisory committee under section 249.

235.– (1) The settlor shall incorporate host communities' development trust (in this Act referred to as "the trust") for the benefit of the host communities for which the settlor is responsible.

(2) Where there is a collectivity of settlors operating under a joint operating agreement with respect to upstream petroleum operations, the operator appointed under the agreement shall be responsible for complaint with this chapter of the settlors.

(3) For settlors operating in shallow water and deep offshore, the littoral communities and any other community determined by the settlors shall be host communities for the purposes of this Act.

(4) The settlor shall for the purpose of setting up the trust, in consultation with the host communities, appoint and authorise a board of trustees ("the Board of Trustees"), which shall apply to be registered by the Corporate Affairs Commission as a corporate body under the Companies and Allied Matters Act in the manner provided under this Chapter.

(5) The name of the corporate body to be registered by the Board of Trustees shall contain the phrase "host communities development trust".

(6) The Commission or Authority, as the case may be, shall—

Make registration on the administration, guide and safeguard the utilisation of the trust fund; and
Have the oversight responsibility for ensuring that the projects proposed by the Board of Trustees are implemented.

(7) The settlor shall undertake a needs assessment that will metamorphose into the community development plan for the purpose of determining the projects to be undertaken by the host communities' development trust.

236. The host communities development trust shall be incorporated—

Within 12 months from the effective date for existing oil mining leases;

Within 12 months from the effective date for existing designated facilities;

Within 12 months from the effective date for new designated facilities under construction on the effective date;

Prior to the application for a field development plan for existing oil prospecting licences;

Prior to the application for any field development plan under a petroleum mining lease granted under this Act; and

Prior to commencement of commercial operations for licences of designated facilities granted under this Act.

237. (1) Subject to the provisions of this Act, where the whole or part of an interest in a licence or lease governed by this Act is assigned, novated, or otherwise transferred to another party, the legal and equitable interest, rights, and obligations of the transferor in relation to any associated host communities development plan and host communities development trust, shall be deemed to attach to the property to be transferred to the transferee, the legal and equitable interests, rights and obligations of the transferor shall be deemed to become the interests, rights, and obligations of the transferee.

(2) Where the whole or part of a licence or lease governed by this Act is surrendered under this Act, the holder or holder nominee will continue to discharge its surviving obligations, notwith-

standing that the area that is surrendered may be granted to a new lessee or licensee and where the surviving obligations have complied with the holder shall have no further obligations relating to the part that was surrendered or the whole of the licence or lease where the entire licence or lease was surrendered.

(3) Where any licence or lease governed by this Act is revoked, terminated, or expired, the holder will continue to discharge its surviving obligations, notwithstanding that the area revoked, terminated, or expired may be granted to a new lessee or licensee and where the surviving obligations have been complied with, the holder shall have no further obligations.

238. Unless as otherwise provided for in this Act, failure by any holder of a licence or lease governed by this Act to comply with its obligations under this Chapter, after having been informed of such failure in writing by the Commission or Authority as the case may be, may be grounds for revocation of the applicable licence or lease.

239.—(1) The constitution of the host communities development trust shall allow the host communities development trust to manage and supervise the administration of the annual contribution of the settlor contemplated under this chapter and any other sources of funding.

(2) The objectives of the host communities' development trust shall be specified in the constitution as set out in subsection (3) (a) to (e).

(3) The objectives of the host communities development trust shall include, to—
Finance and execute projects for the benefit and sustainable development of the host communities.
Undertake infrastructural development of the host communities within the scope of funds available to the Board of Trustees for such purposes;
Facilitate economic empowerment opportunities in the host communities;
Advance and propagate educational development for the benefit of members of the host communities;
Support healthcare development for the host communities;
Support local initiatives within the host communi-



ties, which seek to enhance the protection of the environment;
Support local initiatives within the host communities which seek to enhance security;
Invest part of available funds for and on behalf of the host communities and;
Assist in any other development purpose deemed beneficial to the host communities as may be determined by the Board Of Trustees.

(4) notwithstanding the provisions of this Act relating to funding of the trust fund, nothing shall preclude the host communities from their entitlements under any other law.

240.-- (1) The constitution of each host communities development trust shall establish a fund comprising one or more accounts ("host communities development trust fund") to be funded under this section.

(2) Each settlor, where applicable through the operator, shall make an annual contribution to the applicable host communities development trust fund of an amount equal to 3% of its actual annual operating expenses of the preceding financial year in the upstream petroleum operations affecting the host communities for which the applicable communities development trust fund was established.

(3) Each host community's development may receive donations, gifts, grants, or honoraria that are provided to such host communities' development trust for the attainment of its objectives.

(4) profits and interest accruing to the reserve fund of host communities development trust shall also be contributed to the applicable host communities development trust fund.

241. The constitution of each of the host communities' development trust fund shall provide that the applicable host communities' development trust fund be used exclusively for the implementation of the applicable host community's development plan.

242. (1) The constitution of the host community development trust shall contain provisions requiring the Board of Trustees to be set up by the settlor, who shall determine its membership and criteria for their appointment provided that the membership of the Board of Trustees of the host communities development trust shall be subject to the approval of the Commission or Authority as the case may be.

(2) The settlor shall, in consultation with the host communities, determine the membership of the Board of Trustees to include persons of high integrity and [professional standing, who shall come from the host communities, and the members of the Board of Trustees shall elect a chairman from amongst themselves.

(3) The settlor shall determine—
The selection process, the procedure for the meeting, financial regulations, and administrative procedures of the Board of Trustees;
The remuneration, discipline, qualifications, disqualification, suspension, and removal of members of the Board of Trustees; and
Other matters other than the above relate to the operation and activities of the Board of Trustees.

(4) Each member of the Board of Trustees shall serve a term of four years in the first instance and may be reappointed for another term of four years and no more.

(5) Board of Trustees shall have a secretary, who shall be appointed by the settlor to keep the books of the Board.

243. The Board of Trustees shall be responsible for the general management of the host communities development trust and shall be responsible for—
Determining the criteria, process and proportion of the host communities development trust fund to be allotted to specific development programs;
Approving the projects for which the host communities development trust fund shall be utilised;



Providing general oversight of the projects for which the host communities development trust fund shall be utilised;

Approving the appointment of fund managers for purposes of managing the reserve fund;

Set up the management committee of the host communities based development trust and appoint its members; and

Determining the allocation of funds to host communities based on the matrix provided by the settlor.

244. The Board of Trustees shall in each year and under section 240 of this Act allocate from the host communities development trust fund a sum equivalent to—

75% to the capital fund out of which the Board of Trustees shall make disbursements for projects in each of the host communities as may be determined by the management committee in furtherance of the objectives set out in section 234 of this Act, provided that any sums not utilised in a given financial year shall be rolled over and utilised in subsequent year;

20% to the reserve fund, which sums shall be invested for the utilisation of the host communities development trust whenever there is a cessation in the contribution payable by the settlor; and

An amount not exceeding 5% to be utilised solely for the administrative cost of running the trust and special projects, which shall be entrusted by the Board of Trustees to the settlor, provided that at the end of each financial year, the settlor shall render a full account of the utilisation of the fund to the Board of Trustees and where any portion of the fund is not utilised in a given year, it shall be returned to the capital fund.

245. (1) The settlor shall provide to the Board of Trustees a matrix for distribution of the trust fund to the host communities

(2) The Board of Trustees shall utilise the matrix provided under subsection (1) for distribution of the funds in the host community development trust fund to each of its host communities.

246. (1) The Board of Trustees shall engage a fund manager to invest and reserve funds as the fund accrues.

(2) The Board of Trustees shall manage the interest and profits accruable from the investment of the reserve fund and allocate gain in accordance with section 244 of this Act.

247. (1) The constitution of the host communities development trust shall contain provisions requiring the Board of Trustees to set up a management committee for the host development trust.

(2) the membership of the management committee shall comprise—

One representative of each host community, who shall be nominated by the host community as a non executive member; and

Executive members, selected by the Board of Trustees shall be Nigerians of high integrity and professional standing, may not necessarily be members of the host communities.

(3) A person appointed under subsection (2) (a) and (b) shall serve a term of four years in the first instance and may be reappointed for another term of four years and no more.

(4) The Board of Trustees shall in accordance with the host communities development trust determine—

The selection process, procedure for meetings, financial regulations and administrative procedure for the management committee;

The remuneration, discipline, qualification, disqualification and removal of members of the management committee; and

Any other matter relating to the operations and activities of the management committee.

(5) The management committee shall have a secretary, who shall be appointed by the Board of Trustees to keep the books of the communities.



248. The management committee shall be responsible for the general administration of the host communities development trust on an ad hoc basis and be responsible for the—

Preparation of the budget of the host community development trust and submit to the Board of Trustees for approval;

Development and management of the contracting process for the project award on behalf of the host community development trust subject to approval of the Board of Trustees.

Determination of project award winners and contractors to execute projects on behalf of the host communities development trust through a transparent process subject to approval of the Board of Trustees.

Supervision of projects execution;

Nomination of fund managers for appointment by Board of Trustees for approval, to manage the reserve fund;

Reporting on activities of the management committee, contractors and other service providers to the Board of Trustees; and

Undertaking of any other function and duty may be assigned to it by the Board of Trustees to enhance the performance of the host communities development trust.

249. (1) the constitution of the host communities development trust shall contain provisions mandating the management committee to set up an advisory committee (“host communities advisory committee”), which shall contain at least one member of each host community.

(2) The management committee shall in accordance with the constitution of the host communities development determine—

The selection process, procedure for meetings, financial regulations and administrative procedures of the host community advisory committee;

The remuneration, discipline, qualification, disqualification suspension and removal of any members of the host communities advisory committee; and

Any other matter relating to the operations and

activities of the host communities advisory committee.

(3) Decisions of the management committee with respect to subsection (2) shall be subject to the approval of the Board of Trustees.

250. The host communities advisory committee shall perform the following functions: Nominate member to represent host communities on the management committee; Articulate community development projects to be transmitted to the management committee; Monitor and report progress of projects being executed in the community to the management committee; and Advise the management committee on activities that may lead to improvement of security of infrastructure and enhancement of peace building within the communities and entire area of operation.

251. (1) The settlor shall after the grant of any licence or lease issued under this Act, conduct a needs assessment (“host communities needs assessment”) in accordance with this Act and regulations made under this Act.

(2) Each host communities needs assessment shall, 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.

(3) Each host communities needs assessment shall show that the settlor has—

Engaged with each affected host communities to understand the issues and needs assessment of such host communities;

Consulted with and considered the reasonable concerns of women, youth and community leaders; and

Engaged with each affected host community in



developing a strategy to address the needs and effects identified in the applicable host communities needs assessment.

(4) The settlor shall develop a host communities development trust and all submit to the Commission or Authority, as the case may be, based on the findings of the host communities needs assessment, in order to undertake its oversight function preparatory to the establishment of the trust.

252. The host community development plan shall be based on the matrix provided in the section 245 and such single plan shall—
Specify the community development initiatives required to respond to the findings and strategy identified in the host communities needs assessment;
Determine and specify the projects and implement the specified initiatives;
Provide a detailed timeline for projects;
Determine and prepare the budget of the host communities development plan;
Set out the reasons and objectives of each project as supported by the host communities needs assessment;
Conform with the Nigerian content requirements provided in the Oil and Gas Industry Content Development Act; and
Provide for on going review and reporting to the commission.

253. The financial year of the host communities development trust shall commence 1st January and end on 31st December of each year or any other date set for this purpose by the Board of Trustees.

254. The constitution of the host communities development trust shall contain provisions requiring the Board of Trustees to—
Keep account of the financial activities of the host communities development trust; and
Appoint auditors to audit the accounts of the host communities development trust annually.

255. The constitution of the host communities development trust shall contain provisions requiring the—
Management committee to submit a mid year report of its activities to the Board of Trustees not later than 31st August of the particular year;
Management committee to submit an annual report accompanied by its audit account to the Board of Trustees not later than 28th February of the succeeding year;
Board of Trustees to submit annual report for activities of the host communities development trust accompanied by audited account to the settlor not more than 31st March of the particular year; and
Settlor to submit annual report of the activities to the host communities development trust accompanied by its audited account to the Commission or Authority, as the case may be, not later than 31st May of the particular year.

256. The funds of the host communities development trust created under this Act shall be exempted from taxation.

257. (1) Any payment made by the settlor under section 240 (2) of this Act, shall be deductible for the purposes of hydrocarbon tax and companies income tax as applicable.

(2) Where in any year, an act of vandalism, sabotage or other civil unrest occurs that causes damages to petroleum and designated facilities or disrupts production activities within the host communities, the community shall forfeit its entitlement to the extent of the costs of repairs of the damage that resulted from the activity with respect to the provisions of this Act within that financial year: Provided the interruption is not caused by technical or natural cause.

(3) The basis for computation of the trust fund in any year shall always exclude the cost of repairs of damaged facilities attributable to any Act of vandalism, sabotage or other civil unrest.



GAINS

The Petroleum Industry Act by providing for the establishment of the Host Community Development Trust has shown an intention for sustainable community development. It has shown the commitment of the government to the infrastructural development and economic empowerment of host communities. In designating host communities, the PIA permits settlers (oil companies) to exercise discretion to expand the coverage of the HCDDT to include other communities which may indirectly impact its successful operation even if these other communities are not 'appurtenant' to the area of operation of the operator. The concept of the HCDDT is not novel to the petroleum industry in Nigeria, the Global Memorandums of Understanding (GMOU) which International Oil Companies (IOC) use to execute projects to meet up with their Corporate Social Responsibilities(CSR) in host communities is a similar initiative. The PIA has however standardized and mandated this CSR initiative.

The incorporation of the HCDDT was placed as a responsibility of the settlor and it was mandated to incorporate the HCDDT within 12 months of the effective date of the PIA. For other operators, incorporated before the application for a field development plan for OPL/PPL and PML holders, and prior to commencement of commercial operations for licensees of designated facilities granted under the PIA. It is also provided that the settlor is to consult with the host community on the appointment of the Board of Trustees, they are also required to appoint at least one member of the community to that board.

One particularly appealing provision of Chapter 3 is that the operations of the HCDDT are to be governed by the provisions of the PIA, the Companies and Allied Matters Act, regulations issued by the regula-

tors and the constitution of the HCDDT. It further stipulates in S.238 the punishment for failure to comply with the provisions of chapter 3 as a revocation of the petroleum license or lease held. This will serve as a deterrent to rogue companies if the regulation is enforced accordingly. In S.235(7) the PIA mandates that the oil companies conduct a needs assessment to determine the projects to be undertaken by the trust.

According to S.237 of the Petroleum Industry Act, where the interest in a license or lease is assigned or transferred to another company, the interest and obligation of the transferor will shift and become part of the interest of the transferee. Here, the obligations to the community are transferred along with the license, this promotes continuity and sustainability of projects. Per The provisions of S.237, even where a part or the whole license and lease is forfeited or revoked, the company is still bound to its obligations, and this obligation will be extinguished when the outstanding obligations to the project are completed. Also, the act made an extensive effort at defining exactly how the funds are to be partitioned and spent, to the extent that it could. Apart from mandating 3% of actual annual operating expenditure which will secure a regular stream of income for the trust, it made provisions for some form of partnerships and other fundraising opportunities to be explored. It then went on in S.244 to mandate that the Board of Trustees should allocate 75% of the trust fund to the capital fund which will be used on developmental projects, 20% to the reserve fund as rainy day savings and an amount not more than 5% to fund administrative costs. Lastly, it is commendable that in S.241, the act mandates that the host community development trust fund be used exclusively to fund developmental projects within the applicable communities.



CHALLENGES

Firstly, the language is ambiguous and not very precise. It is not very clear whether the settlor's obligations to the host community development trust are in addition to the existing community levies or instead of them. Perhaps the biggest ambiguity of chapter 3 is the definition of 'host community', the act leaves most of the definition of the host community up to the oil companies. This could be problematic because the oil companies can easily manipulate the scope of the trust's geographical impact. It is up to the trust to determine which communities fall under the purview of the term 'host community'. This lack of specificity creates uncertainty and could cause disputes to arise if other stakeholders define it differently. The Petroleum Industry Act elaborately provides for the establishment and management of the Host Communities Development Trust as a way to encourage development in host communities and then exclusively vests the powers of incorporation on the oil companies. It also gives them powers to determine who sits on the board and the conditions for their termination, this could create a benefactor-beneficiary or

employer-employee relationship of sorts between the oil companies and the executives of the trust. The Act reduces the consideration for communities while emphasizing the role of oil companies in this process. To put it plainly, the oil companies have all the cards while the communities are left with little control over the process, this is predicated on the fact that the PIA gives the companies power to nominate who sits on the board of trustees with only a minor obligation to 'consult' the community. Furthermore, the positions on the trustee, management and advisory board have very few local content considerations. The act expressly states that the members appointed to the management board need not be members of the community but upstanding Nigerians. This is particularly problematic because these members of the management team who are presumably highly skilled may lack the motivation to act in the interest of the community as against personal or other interests.

Secondly, the PIA through the host community development trust which purports to encourage

the development of oil-bearing communities appears to promote development but in the same breath creates hurdles to this development. In S. 257(2) the PIA transfers the responsibility of petroleum infrastructural security to the community by stating that anywhere an act of vandalism, sabotage or civil unrest occurs that causes damage to petroleum facilities or affects production activities within the host community, then the community shall forfeit its entitlements under Chapter 3 to the extent of the repairs. Under this provision, the communities essentially bear the cost of repair for damage to facilities within their communities regardless of their role in that damaging activity, notwithstanding the fact that pipeline vandalism for oil bunkering is often carried out by armed groups sometimes in collaboration with workers of the oil companies and rogue security agents. The unarmed communities, by this provision, are expected to keep armed groups in check to protect the structural integrity of facilities within their communities.

The PIA in chapter 3 failed to provide for the direct resolution of conflict and management of grievances on a day-to-day basis among the critical players in the HCDDT like the settlers and the host communities. It assigns this task to the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) while staying silent on the role of state governments as the custodians of security in their states where petroleum operations take place. It also vests oversight functions on the commission and this is concerning because of the strength of regulatory institutions in Nigeria which are sometimes notorious for their approach to responsibility. Many onshore oil wells are indigenously owned, in cases of foreign-owned oil companies, there were two sets of laws governing their activities; the Nigerian laws and the laws of their home country, for extra pressure on legal compliance. This is evident in cases like the Malabu oil scandal and the more recent P&ID case where Nigerian regulators failed to rein in the excesses of companies and individuals in the industry, only to be held accountable by the international community. With domestic companies, there exists the risk of noncompliance with host community contributions, as government institutions are weak and court decisions are rarely enforced. This however presents an opportunity for civil society organizations to fill in the potential regulatory gaps that may exist, by serving as watchdogs for community development.





THE PIA AND NATIONAL ACTION PLAN

The United Nations Guiding Principles as earlier stated, provide for the ethical treatment of people in the process of carrying out a business activity. Businesses are expected to respect the human rights of those who are directly or indirectly affected by their activities. Oil companies within Nigeria in the past have treated host communities badly, they fail to fund clean-up efforts after oil spills which diminishes the livelihood and aquatic lifestyle of mostly riverine communities. The disregard for the human and environmental rights of communities has persisted but the PIA makes an attempt to change that, it tries to be in line with the National Action Plan on Business and Human Rights. Host communities have been ecologically destroyed by petroleum activities, and the quality and span of life for community dwellers have also been diminished over time. It is high

time action was taken to curtail this trend because billions of naira are realized from these communities' resources annually and it seldom translates to economic prosperity for the community, the reverse is usually the case.

It is the humane and fair thing for these communities to realize some benefit from the exploitation of their resources and for their individual as well as collective rights to be respected. The UNGP provides a framework for companies to report on their human rights record while chapter 3 of the PIA mandates it. The PIA by its provisions is complementary to the principles of the UNGP and although the development and implementation of the National Action Plan have been slow, the passage of the PIA and its eventual implementation will go a long way in influencing human rights records within the industry.



RECOMMENDATIONS

- The Petroleum Industry Act mandated the settlor to carry out a needs assessment on the community to know what areas are lacking in development for projects to be carried out. It is important to create a standardized needs assessment tool to be adopted by community members. This will help in ensuring that the needs assessment is done holistically and with contributions from all stakeholders in the community. A standardized needs assessment tool will also prevent the duplication of projects within a community and go a long way in reducing the incident of abandoned projects as projects embarked upon will be the ones that most benefit the community.
- The PIA mandated the incorporation of HCDT within 12 months of the effective date of the act. This means that the deadline for incorporation of HCDTs is fast approaching and there will be a scramble to meet up with the mandate. After incorporation of the HCDT is the appointment of its Board of Trustees. We recommend that there be a compendium containing the publication of all HCDT board members and managerial team members. This will make it easier to identify decision makers in the community development project process and know where to address any queries or inquiries, as well as who to hold responsible where mismanagement and financial impropriety are alleged.



CONCLUSION

- The Petroleum Industry Act is a commendable initiative which is set to foster development and a cordial relationship between the government, oil companies and the communities where they operate. The PIA spent a very long time in the lawmaking process and upon its passage, there were mixed reactions to its provisions but there is a consensus on the fact that it is poised to positively impact the industry, regardless of its challenges.
- The impact of the HCDT on host community restiveness will become apparent in the future but with indications from the use of Global

Memorandums of Understanding (GMOU) by some International Oil Companies, it is clear that throwing money at a problem is not a sustainable solution, particularly where the funds are mismanaged. With the HCDT, we hope that the funds are better managed and will encourage civil society organizations to take up the mantle of ensuring transparency and accountability in all processes.

OUR COMMITMENT TO GRASSROOTS

▶ OUR VISION

We envision a world where all people – even in the most remote areas of the globe – can hold their government accountable

▶ OUR MISSION

To empower marginalized communities

▶ OUR OBJECTIVES

- Increase people's access to information through whatever technological means they choose.
- Increase and share innovative approaches to information exchange through experimentation, research, and technology.
- Develop innovative platforms for coverage of social, environmental and governance issues.
- Increase the adoption and implementation of international development laws and policies.

From activist to trainers, trainers to mobilizers, mobilizers to community builders. We see the need to make governments accountable, and we do it by engaging them with verifiable facts.



HQ Office: 3rd floor, D-Wing, 10th Street,
Bassan Plaza , Central Area,
Abuja Nigeria.

FTM Country Chapters:

Nigeria, Liberia, The Gambia, Kenya,
Cameroon, Zimbabwe, Malawi, Cape Verde
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