NEITI Nigeria Extractive Industries Transparency Initiative

ANNUAL PROGRESS REPORT

APRIL 2023

POLICY, PLANNING AND STRATEGY DEPARTMENT, NEITI

JUNE 2023

NEITI Nigeria Extractive Industries Transparency Initiative

THE PRESIDENCY

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FOREWORD

The year 2023 was quite a historic year in the implementation of the global Extractive Industries Transparency Initiative (EITI) by the Nigeria Extractive Industry Transparency Initiative (NEITI) in many respects. First, 2023 marked exactly 20 years or two decades when Nigeria signed up to the international organization as a founding member. Nigeria was among the first countries to sign up to implement EITI from inception in 2003. Second, Nigeria's third EITI Validation kicked off on 1 January 2023. Validation is quality assurance mechanism and universal assessment tool used by the EITI to measure performance, progress, scope of implementation and hold members countries to the same global standard.

Nigeria was among few countries chosen by global EITI as a pilot to test the newly launched Validation Model in 2023. And like other countries, the exercise was Nigeria's first Validation under the newly introduced EITI Validation model. It was a challenging process given that the new model places greater emphasis on a country's ability to meet the broader objectives of the EITI Standard as encapsulated in each of the requirements rather than narrowly focusing on the technical aspects of the requirements as was the case in the past.

Year 2023 was also a general election in year Nigeria general where every attention was focused on politics and virtually every other governance issues took the back seat. And so, the political campaigns and elections into offices of the President, National Assembly, State Governors and legislative Houses at the state level were all held within the first quarter of 2023. Like any other government agencies in Nigeria, the electioneering process and political activities that characterized it had huge impacts on NEITI operations within the period.

Besides, in the middle of that General Election, the Central Bank of Nigeria came up with Naira Currency Redesign Policy. The policy resulted in severe cash shortage, currency hoarding and a free for all black market for selling naira notes which resulted in sudden social dislocations and economic difficulties for public and private sector institutions, Nigerian businesses and individuals who rely heavily on cash. Fourth, the conclusion of the general elections was followed by the end of tenure of President Muhammadu Buhari Administration, and the inauguration and handover of President Bola Ahmed Tinubu's Administration on May 29th 2023.

Fifth, the new Administrations at all levels of government required time to set up structure of governments at all tiers and levels of government, unveil programs and commence work. In developing countries with weak government institutions, poor alignment between politics and governance, the stability of political environment is quite important and fundamental. The political environment arising from the political campaigns, elections and transition to a new Administration in 2023 weighed heavily and negatively on the time and release of resources to implement the NEITI Country Work Plan for that year. It was also a year that witnessed the sudden dissolution of the Board of NEITI and its attendant consequences on the agency's operations.

In addition, it was a year that NEITI commenced work on reconstruction, rehabilitation and renovation of its newly acquired Permanent Office Building in Wuye District of Abuja. NEITI was under immense pressure to relocate its personnel and facilities into the new building for several reasons. However, NEITI successfully completed work on the building and moved into its permanent office on April 12th 2023. The acquisition of a permanent office, renovation and relocation into NEITI House Abuja was a historic milestone stone in efforts to institutionalize EITI implementation in Nigeria and the sub-Saharan Africa. Apart from savings of huge cost of rented accommodation for the organization in the past twenty years, it provided NEITI with the conducive environment to carry its operations.

The 2023 Annual Progress Report therefore presents in a sense key achievements and activities recorded by NEITI during the year working in collaboration and partnership with multi-Stakeholders, including the civil society, the extractive companies, the past and present government. NEITI owes all its stakeholders immense gratitude for your support and valuable contributions.

The Report is in thirteen parts - executive summary; introduction; NEITI 2923 Work plan; general assessment of the year's performance; assessment of performance against targets and activities set out in the work plan; assessment of performance against EITI requirements; overview of the multi-stakeholder group's responses to the recommendations from reconciliation/validation; strengths or weaknesses identified in the EITI process; total costs of implementation; additional comments; report being discussed beyond MSG; and details of MSG members within the period.
The Annual Progress Report is indeed to the NSWG, NEITI Secretariat and Stakeholders a product of resilience, hard-work, dedication and determination to achieve much with less in spite of obstacles and challenges. The contents of the report is quite encouraging, detailed, informative and comprehensive. The Report is also an invitation for more work, higher performance and expectations for better results in 2024. We see windows of opportunity and hope to build on the successes we recorded last year, while aggressively addressing any gaps in our renewed efforts to deepen EITI implementation in Nigeria.

On behalf of the National Stakeholders Working Group (NSWG) which led this process, we are once again grateful to the Civil Society, Extractive Companies and relevant government agencies for their continued participation, partnership and collaboration.

Orji Ogbonnaya Orji, PhD
Executive Secretary / CEO & National Coordinator
Nigeria Extractive Industry Transparency Initiative (NEITI)
NEITI House, Presidency Abuja.
25th June 2024

ACRONYMS AND ABBREVIATIONS

ACRONYM	MEANING
APR	Annual Progress Report
ASM	Artisanal and Small-Scale Mining
BO	Beneficial Ownership
BOT	Board of Trustees
CAC	Corporate Affairs Commission
CAMA	Companies and Allied Matters Act
CDAs	Community Development Agreement
CNG	Compressed Natural Gas
CSOs	Civil Society Organizations
CSSC	Civil Society Steering Community
CTA	Center for Transparency Advocacy
EFCC	Economic and Financial Crimes Commission
EITI	Extractive Industries Transparency Initiative
FAAC	Federal Account Allocation Committee
FASD	Fiscal Allocation and Statutory Disbursement
FIRS	Federal Internal Revenue Service
IATT	Inter-Agency Task Team
ICPC	Independent Corrupt Practices & Other Related Offences Commission
IMITT	Inter-Ministerial Task Team
IOC	International Oil Companies
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
MBCs	Mineral Buying Centers
MCO	Mining Cadastre Office
MID	Mining Inspectorate Department
MMSD	Mines and Solid Mineral Development
MOU	Memorandum of Understanding
MSG	Multi-Stakeholders Group
NAMS	NEITI Audit Management System
NDDC	Niger Delta Development Commission
NEITI	Nigerian Extractive Industries Transparency Initiative
NFIU	Nigerian Financial Intelligence Unit
NGCX	Natural Gas Commodities Exchange
NGEP	National Gas Expansion Program
NGFCP	Nigerian Gas Flare Commercialisation Programme
NGTNC	Nigeria Gas Transportation Network Code
NHRC	National Human Right Commission
NMDPRA	Nigerian Midstream & Downstream Petroleum Regulatory Authority
NMGS	Nigeria Mining and Geosciences Society

NNPC	Nigerian National Corporation
NNPCL	Nigerian National Petroleum Corporation Limited
NRGI	Natural Resource Government Institute
NSWG	National Stakeholders Working Group
NUCOP	Nigerian Upstream Cost Optimisation Program
NUPRC	Nigerian Upstream Petroleum Regulatory Commission
OAGF	Office of the Accountant General of the Federation
OGP	Open Government Partnership
OPL	Oil Prospecting License
OPTS	Oil Producers Trade Section
PENGASSAN	Petroleum and Natural Gas Senior Staff Association of Nigeria
PEPs	Politically Exposed Persons
PIA	Petroleum Industry Act
PPLs	Petroleum Prospecting Licenses
PMLs	Petroleum Mining Leases
PSCs	Persons with Significance Control
PTDF	Petroleum Technology Development Fund
RMAFC	Revenue Mobilization Allocation and Fiscal Commission
SMA	Solid Minerals Audit
SDN	Stakeholders Democracy Network
SERAP	Socio-Economic Rights & Accountability Project (SERAP)
SP	Strategic Plan
TETFUND	Tertiary Education Trust Fund

EXECUTIVE SUMMARY

Nigeria joined the global extractive industries transparency (EITI) in 2003, began implementation in 2004 and supported the process with a law in 2007. Nigeria's membership of EITI is to enthrone transparency and accountability in the management of our country's abundant natural resources. This through public disclosure of revenues paid by extractive industry companies and government receipts of the revenues and the utilization in a process that allows civil society access to the information and data as tools to hold government and companies accountable.

The Nigeria EITI 2023 Annual Progress Report (APR) tracked key activities recorded during the year, the progress recorded by companies, government and civil society under the EITI framework, highlights and celebrates areas of strengths, identifies weaknesses and strategies to improve efficiency in the next year progress report. The Annual Progress Report is mandatory in compliance with requirement (1.5) of the global Extractive Industries Transparency Initiative (EITI) 2023 Standard that guides implementation of the EITI in all member countries.

The report, specifically documented progress, outcomes and impact of EITI implementation in Nigeria, assesses the implementation of Nigeria's Extractive Industries Transparency (NEITI) country work plan in 2023. The report also documents progress recorded by key stakeholders, these include government agencies, companies and civil society organizations whose programs and activities in the course of carrying out their organizational mandates helped in delivering on the EITI objectives and contributed to reforms in Nigeria's oil, gas and mining sectors.

The country work plan, anchored on NEITI's 2022-2026 Strategic Plan, has three strategic objectives, namely:

- To sustain extractive sector reporting and relevance by focusing on national and international priorities;
- To strengthen extractive sector governance and reforms through policy research and strategic stakeholder engagement; and
- To achieve operational excellence in implementing the agency's mandate through professionalism, innovation, use of technology and resource management.

The program and activities in the 2023 work plan were designed and implemented to deliver on the objectives of the strategic plan, sustain the implementation of the EITI principles in Nigeria and meet the country's economic priorities.

One major milestone recorded by NEITI in 2023 was the completion and release of all three - oil, gas and mining sector reports which were delayed by Covid 19 pandemic and NEITI House reconstruction, renovation and relocation projects. Nigeria EITI published its 2021 industry reports in the oil, gas and mining sectors in September 2023. The publications helped to sustain public availability and accessibility of information and data in the sectors. The disclosures triggered positive actions by state and non-state actors. In November 2023, Fiscal

Allocation and Statutory Disbursement (FASD) audit report was also published. The report, which covered the period 2020-2021 tracked and disclosed the disbursement and application of extractive industries revenues to statutory recipients and beneficiaries' agencies.

Also in 2023, Nigeria made moderate score of 72 point out of 100 points in the EITI validation exercise conducted by the global body. The global EITI in arriving at the moderate score of 72 points noted in its validation report that Nigeria upheld robust information disclosures in her extractive industries, which is said has informed extensive public debate on the management of the country's extractive sectors. The global body also stated that Nigeria launched a public beneficial ownership register and that the government has used ownership data to assess oil, gas and mining license applications, and recommended some corrective actions.

Nigeria EITI in 2023 embarked on the establishment of a Data Center to support and lead Nigeria's compliance to EITI Open Data Policy contained in requirements 7.2 of the EITI 2023 Standard. The project was conceived under the policy guidance of the past NSWG and sustained by the new NSWG. Work on the NEITI Data Center project is progressing well. When completed, the Center is expected to serve as a central reservoir for information and data from all NEITI Industry Reports since inception. It is also designed to serve as a warehouse of data on extractive industries issues especially from our covered entities, the government, civil society and the legislature.

The National Stakeholders Working Group (NSWG) reconstituted in July 2021 which oversees the Nigeria Extractive Industries Transparency Initiative (NEITI) was unfortunately affected by the Federal Government Dissolution of all Boards of Government Agencies announced by President Ahmed Bola Tinubu's administration in June 2023. The development was a major setback on general operations and implementation of NEITI 2023 Country Work plan and overall, 5- year NEITI Strategic Plan.

The National Stakeholders Working Group commonly referred to here in Nigeria as the (Board) is actually a multi-stakeholders coalition of extractive industry companies, the civil society and the government that oversea the implementation of the global standards of transparency and accountability in Nigeria's oil, gas and mining sectors. The existence of the multi-stakeholders working group is a mandatory and compulsory requirement for country's membership Nigeria (inclusive) of the 57-member international organization with headquarters in Oslo, Norway.

In response, NEITI with the support of stakeholders especially the civil society made coordinated efforts to exempt the NEITI National Stakeholders Working Group from general Board dissolution to save the country from possible sanctions by the global EITI, but all efforts were unsuccessful. However, NEITI received strong assurances that the Board would be reconstituted. The waiting period had negative impacts on the EITI implementation in Nigeria in the period under review.

The 2023 APR is a product of wide consultations. Stakeholders - civil society, government and companies involved in the EITI implementation in Nigeria, including those not serving on the multi-stakeholder group were consulted, and provided feedback on the review of outcomes and progress on EITI implementation. The progress recorded by key stakeholders whose programs and activities helped delivers EITI objectives and contributed to reforms in Nigeria's extractive sector is reported in the section on general assessment of the year's performance.

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INTRODUCTION

The Nigeria Extractive Industries Transparency Initiative (NEITI) Annual Progress Report (APR) for year 2023 is the second in the implementation of the 2022-2026 Strategic Plan (SP). The plan has three broad strategic objectives, namely:

- To sustain extractive sector reporting and relevance by focusing on national and international priorities;
- To strengthen extractive sector governance and reforms through policy research, and strategic stakeholder engagement; and
- To achieve operational excellence in implementing NEITI's mandate through professionalism, innovation, use of technology and resource management.

The strategic objectives guided the development and implementation of the Nigeria EITI 2023 country work plan, and form the basis for this Annual Progress Report. The program and activities in the 2023 country work plan were designed and implemented to sustain the ongoing reforms in Nigeria's oil, gas and mining sectors, deepen EITI implementation in Nigeria, and to respond appropriately to the country's national priorities and emerging global extractive governance issues.

The focus of the 2023 country work plan includes regular extractive sector reporting, enhancing beneficial ownership disclosure, data mainstreaming, commodity trading, contract transparency, environmental and gender reporting and robust engagement with stakeholders on policy reforms in the country's oil, gas and mining sectors. The annual progress report therefore assesses the performance of Nigeria's country work plan and documents progress, outcomes and impacts of EITI implementation in Nigeria in the year under review. The report also documents key achievements and progress recorded by key stakeholders in the sector.

NIGERIA EITI 2023 WORKPLAN

The 2023 Nigeria EITI Country Work Plan was developed to support the ongoing reforms in the Nigeria extractive sector, and to influence accelerated revenue growth for government and promote sustainable development. The plan is the second in the series of the implementation of our 2022-26 strategic plan.

The implementation of the 2023 work plan was intended to consolidate the gains recorded in the extractive sector through policy reforms; improve citizens' confidence and participation in the transparency and accountability drive of government; support government priority objectives, support government's recovery and growth agenda through effective and timely remediation of industry issues, and meet international obligations. The stakeholder engagement activities in the plan were designed to improve understanding and awareness among citizens on accountable management of mineral resources for the benefit of all.

Key assumptions about implementation of the 2023 workplan

- Stability of the political environment and smooth transition to a new government in 2023
- Financial resource support from government and development partners
- Human capacity support (New Staff)
- Stakeholders' buy-in and support
- Successful deployment of technology

National Priority:

The plan was anchored on government priority objective, tagged "Fiscal Sustainability and Transition", designed to achieve the following strategic objectives of the National Development Plan 2021 – 2025.

- Facilitate macroeconomic stability
- Improve business environment and transport infrastructure
- Ensure energy sufficiency.

International Priorities:

- The International priorities as contained in the plan was to broaden the scope of:
- Contract Transparency
- Commodity Trading Transparency
- Environmental Disclosures
- Opening Extractives
- Gender Reporting
- Energy Transition
- Beneficial Ownership Disclosure.

Work Plan Objectives:

- Increase public enlightenment about the EITI process, and emerging global trends and enhance impact and relevance in Nigeria's extractive sector.
- Broaden & deepen Stakeholder Engagement in the EITI Process.
- Timely disclosure of information and data across the industry value chain
- Conduct Research and Studies to Strengthen Policy Reforms in the E.I Sector
- Facilitate public sector accountability through monitoring and evaluation of governance initiatives, internal control, and data-based coordination.
- Improve reporting on current and emerging issues through comprehensive data sources mapping
- Improve reporting through automation of data gathering process
- Enhance relevance of NEITI's work by focusing on National and international Priorities
- To maintain high quality accounting standards in the presentation of financial statement reporting
- Achieve operational Excellence in Implementation of NEITI mandate

Nigeria's implementation of the EITI in 2023 were guided by the Country's Work Plan, its outlined objectives, expected outcomes and impacts with the underlying assumptions. The 2023 country work plan addressed ten (10) specific objectives which stemmed from the broader objectives of the 2022-2026 Strategic Plan. As with the goals of the strategic plan, the work plan objectives reflected both national and international priorities of the Nigeria EITI. The programs and activities planned and implemented were therefore consistent with these objectives. A summary of activities undertaken, including achievements, outcomes and progress recorded in the implementation of EITI in Nigeria within the period under review are highlighted below.

1. GENERAL ASSESSMENT OF THE YEAR'S PERFORMANCE

The 2023 country work plan addressed ten (10) specific objectives which stemmed from the broader objectives of the 2022-2026 Strategic Plan. As with the goals of the strategic plan, the work plan objectives reflected both national and international priorities of the Nigeria EITI. The programs and activities planned and implemented were therefore consistent with these objectives. A summary of activities undertaken, including achievements, outcomes and progress recorded in the implementation of EITI in Nigeria within the period under review is highlighted below.

Regular Industry Reporting

Nigeria EITI published its 2021 audit reports in the oil, gas and mining sectors in September 2023. The publications helped to sustain public availability and accessibility of information and data in the sectors. In November 2023, Nigeria EITI published its Fiscal Allocation and Statutory Disbursement (FASD). The report, which covered the period 2020-2021 tracked and disclosed the disbursement and application of extractive industries revenues to statutory recipients and beneficiaries' agencies.

Dissemination of Audit Reports

The NEITI Comprehensive Communications Strategy was reviewed with the support of the German Development Agency (GIZ). Under the revised communications document, the dissemination of NEITI industry Reports released during the year was easily driven by sustained media engagements, the civil society and the legislative processes. Apart from the public presentation of the reports held in Abuja on these industry Reports in Abuja, the NEITI secretariat simplified the industry reports and the Fiscal Allocation and Statutory Disbursement (FASD) report in infographics. The simplified reports were published and also presented to the media and the civil society at separate forums. The reports were further disseminated widely on different media platforms (social/digital media, radio and television) and followed up extensive media engagements, in line with the work plan objective of increasing public understanding and access to Nigeria's EITI reports and knowledge products.

Legislative Engagements on the Reports:

Following the release of these Report, the House of Representatives for the first time in history, tabled and debated the Oil and Gas Industry Reports in a nationwide televised session. The Senate also took similar actions to table the 2021 Solid Minerals Reports and debated same at Plenary Session. The two chambers of the National Assembly later set up separate committees to review the report, identify remedial issues as key information data for further legislative actions. The Executive Secretary of NEITI has also appeared before series on public hearings where data and information from the report were requested by the National Assembly for investigative hearings.

Nigeria Scores Moderate 72% Points in EITI implementation.

Nigeria's third EITI Validation kicked off on 1 January 2023. Validation is quality assurance mechanism and EITI international assessment tool used to assess performance, the scope, quality and levels of implementation of the initiative among member countries. It is also one striking assessment process that EITI uses holds all member countries to the same standard. In the 2023 assessment, Nigeria was among the countries chosen by EITI as a pilot of a newly launched Validation Model. Like many other countries, the 2023 exercise was Nigeria's first Validation under the newly introduced EITI Validation model. This new model places greater emphasis on a country's ability to meet the broader objectives of the EITI Standard, as encapsulated in each of the requirements rather than narrowly focusing on the technical aspects of the requirements as was the case in the past. Nigeria was assessed in three main categories as provided for in the new models. These three categories are as follows:

- Transparency,
- Stakeholder Engagement,
- Outcomes and Impact.

Nigeria EITI Secretariat received the draft assessment and report of Nigeria's 2023 EITI Validation on 21 April 2023. The document was shared widely with key stakeholders including all the three constituencies represented in the National Stakeholders Working Group (NSWG) for their review and comments. The NSWG reviewed the draft report, considered inputs from various stakeholders and provided Nigeria's response. The NSWG expressed its views on the draft assessments and highlighted areas where it strongly believed the Nigeria deserved better scores based on evidence that it considered have not been appropriately considered in EITI Validation team's initial draft assessments.

The NSWG in its draft review provided detailed comments on the assessments of all the Requirements but specifically requested that of 26 out of the 34 Requirements should be reviewed by the global EITI. The NSWG claims were guided by broad considerations carefully outlined in the final draft response. It therefore requested for a fairer assessment that took into account the general considerations highlighted to make the required changes to the draft assessments to reflect the overall efforts by Nigeria and the EITI community. However, in spite of NSWG submissions and request for a fairer assessment, the final assessment result released by the global EITI Board put Nigeria's overall score at moderate 72 percent.

NEITI recorded a moderate overall score of 72 percent for its implementation of the EITI Standards in the country's extractive sector, The assessment was based on the three components of validation process, with Nigeria scoring 92 percent in outcomes and impact component; 71.5 percent on transparency component, and 52.5 percent on stakeholder engagement component. The Report noted NEITI's effective implementation of EITI in the country with "visible and tangible impacts on extractive industry governance", particularly in providing incentives for good governance in the oil, gas and mining sectors of the country's economy.

On the score of 90 points in the area of outcomes and impacts, the international EITI Board explained, reflected that the broader objective of the requirement was either fully met or addressed, with the existence of a "robust system for developing work plans for implementation, monitoring and evaluation, dissemination and outreach."

On data integrity and access, the Board said this demonstrated the fact that information and data contained in NEITI reports were not only credible, but globally comprehensive. On the other hand, a record of 52.5 points, the report noted, meant significant aspects of the requirement were mostly met or implemented, therefore requiring some remedial actions to strengthen NEITI's operations to shape ongoing reforms, guarantee more revenues for the government, by blocking leakages and mobilizing more revenues to improve the quality of lives of Nigerians. The areas of corrective actions included deepening engagements with the government, companies, civil society, and the citizens; improvement and paying priority attention to the development of the solid minerals sector, expansion of beneficial ownership disclosures, and all other emerging issues in the extractive sector as well as strengthening internal processes to equip NEITI with the required capacity for optimal performance during the next validation exercise

NEITI Data Centre Project:
Nigeria EITI in 2023 embarked on the establishment of a Data Center to support and lead Nigeria's compliance to EITI Open Data Policy contained in requirements 7.2 of the EITI 2023 Standard. The project was conceived under the policy guidance of the past NSWG and sustained by the new NSWG. Work on the NEITI Data Center project is progressing well. When completed, the Center is expected to serve as a central reservoir for information and data from all NEITI Industry Reports since inception. It is also designed to serve as a warehouse of data on extractive industries issues especially from our covered entities, the government, civil society and the legislature. Giving the increasing demand for information and data from NEITI from these entities and more, the project when completed will, no doubt, broaden and strengthen NEITI's information and data dissemination efforts and capacity, and enable evidence-based public debate as outlined in requirements 7.2 in the 2023 EITI Standards.

Shaping Reforms through Policy Engagements and Strategic Partnerships
Nigeria EITI conducted and published a study tilted: "Cost of Fuel Subsidy to the Nation: Options for Policy Review" in 2023. The study provided data on the implications of petroleum subsidy on the country's economy as well as the potential benefits of subsidy removal to citizens and the economy. The study recommended a phased removal of petroleum and complete deregulation of petroleum downstream sector in Nigeria and speedy completion of rehabilitation of government-owned refineries among other recommendations. It was therefore a welcome development for NEITI that the recommendations of that Policy Brief on Subsidy Removal were implemented by President Bola Ahmed Tinubu right from his inaugural speech on 29th May 2023. In response NEITI issued a public statement supporting President Tinubu's position as in line with NEITI's position and recommendations

Nigeria EITI also developed and submitted a Policy Advisory on the Way Forward in the Reforms of Nigeria's Oil and Gas and Mining Sector in Nigeria to the new government upon its inauguration in 2023. The policy advisory recommended key areas of reforms in the Extractive industry, including the need to accelerate the reforms initiated by the previous government under the Petroleum Industry Act (PIA) and a review of the Nigeria's gas implementation policy.

In 2023, NEITI served on the Presidential Investigation Panel on Crude Oil Theft & Loses which was set up on 6th December 2022. The Committee commenced sitting in January and submitted its report in March 2023. The Panel called for Memoranda. NEITI produced and submitted a policy document which served as an official memorandum to the government's Presidential Committee (Special Investigation Panel) and participated actively throughout its proceedings. NEITI's submission constituted part of the report and recommendations to curb high levels of crude oil theft in the country submitted by the Officer of the National Security Adviser to Nigeria's president in March 2023.

In May 2023, Nigeria EITI launched the Environmental and Gender Reporting Frameworks. The documents operationalize EITI's requirements on gender and environment, and serve as a guide for the IA and Nigeria EITI stakeholders to implement gender inclusion and environmental reporting in the sector.

NEITI collaboration with Technical Unit on Governance & Anti-Corruption Reforms to organize series of anti-corruption events, including the international Anti-corruption Day, and Africa Anti-corruption Day. In addition NEITI is a member of Anti-Money Laundering/Financial Action Tax Force (FATF). The Executive Secretary of NEITI, Dr Orji Ogbonnaya Orji was among West African leaders of Inter-Governmental Action Group Against Money Laundering (GIABA) that reviewed implementation of Financial Action Task Force to ensure alignment with EITI regulations on Beneficial Ownership Disclosure and contract transparency.

Similarly, Nigeria EITI worked closely with the Nigerian Financial Intelligence Unit (NFIU) and other stakeholders to develop a typology study on corruption in Nigeria's extractive sector. This work helped Nigeria government to comply with global Anti-Money Laundry/Combating Financing of Terrorism (AML/CFT) requirement and implement the Inter-Governmental Action Group Against Money Laundering (GIABA)/Financial Action Tax Force (FATF) recommendations. This is consistent with Nigeria EITI objectives on strengthen extractive sector governance and reforms through policy research, and strategic stakeholder engagement.

In 2023, Nigeria EITI collaborated with Global Rights to host a National Conference, tagged: "Mining Indaba". The conference focused on "Promoting Fiscal Justice & Social Safeguards in the Solid Minerals Sector".

Nigeria EITI and Space for Change (S4C) also co-hosted the second edition of the National Extractives Dialogue (NED). The event, themed "Host Community Development Trusts: Catalyzing Equitable Benefit-Sharing & Sustainable Prosperity for All", the program provided platform for stakeholders in the extractives industry to discuss and explore pathways for strengthening accountability and transparent management of oil, gas, and mineral resources in the sub region. The program provided opportunity for stakeholders to examine best approaches to maximize the impact of Host Community Development Trusts (HCDTs) as provided in the PIA. The Conference was part of efforts to sensitize and mobilize citizens at grassroots levels on the implementation of EITI requirement on social and economic spending.

Strengthening Collaboration and Engagements with Stakeholders
Nigeria EITI deepened its collaboration with development partners. For instance, Open Ownership, BudgIT Foundation and NEITI co-hosted a program, titled "Connecting the Dots". The program contributed to strengthen capacity of civil society actors on the implementation of beneficial ownership transparency in Nigeria.

Responding to National and International Priorities
In 2023, Nigeria EITI collaborated with the Natural Resource Governance Institute (NRGI) to organize an event, titled "Energy Transition in Nigeria: Fiscal Options and Investment Opportunities". The event focused on the implications of energy transition for oil and gas-dependent economies like Nigeria. Stakeholders at the event deliberated on climate change finance and its application on Nigeria's Energy Transition plan. The program, which held in Abuja provided a platform for robust engagement with stakeholders on the best approach for Nigeria on her energy transition journey.

Efforts/Progress Recorded by Government Agencies, Companies on Delivering EITI objectives

The Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) developed and published set of regulations. The regulations, which set standards for licensing, gas and environmental management include the Assignment or Transfer of License and Permit Regulations; Petroleum (Measurement) Regulations; Midstream and Downstream Petroleum Operations Regulations; Midstream and Downstream Penalties and Enforcement Regulations; Midstream Gas Flare Regulations; National Strategic Stock Regulations; Midstream and Downstream decommissioning and abandonment regulation; and Midstream and Downstream environmental remediation fund regulation.

In a May 2023, based on the provision of Petroleum Industry Act (PIA) on market-based pricing, President Bola Ahmed Tinubu announced the removal of petrol subsidy. This policy pronouncement resulted in the elimination of subsidy on Premium Motor Spirit (PMS) and emplacement of an unrestricted, fair, reasonable and market-based pricing regime for Petroleum and Natural gas products. The Authority also developed and published Pricing and Tariff Framework and Methodology to guide operators on pricing and tariff in midstream and downstream operations and ensure a cost effectiveness and consumer protection in the sector.

Similarly, the Authority developed a fair, market-based pricing framework to ensure playing field, transparency and healthy competition. It also rebased Premium Motor Spirit (PMS) consumption parameter for sufficient determination and developed set of guidelines that are transparent with fully automated application platform that guarantees a timeline of 3-5 days for processing and issuance of import permits.

National Oil Spill Detection and Response Agency (NODSRA) launched Data Analytics - the Nigerian Gas Flare Tracker (NGFT) using in-depth data analytics deployed to regulate the operations of the Oil and Gas Industry in Nigeria. The Nigerian Gas Flare Tracker (NGFT) tool is a satellite- based approach developed for collecting gas flare data through satellite technology in space. The tracker provides constant and independent gas flare volume, CO2 emissions equivalent, and penalties payable for violating regulations such as Gas Flaring, Venting and Methane Emissions (Prevention of Waste and Pollution) Regulations (2023). The tracker aligns Nigeria with global transparency on emission tracking, measurement, and quantification for responsible disclosure.

Nigerian Upstream Petroleum Regulatory Commission (NUPRC) commenced publication of Fiscal Oil Prices (FOP) to successfully transition the administration of FOP differentials from Nigeria Petroleum Company Limited (NPCL) to the Commission. The publication of market reflective Fiscal Oil Prices (FOP) differentials on NUPRC's website is in line with the transparency objectives of the Petroleum Industry Act (PIA). The Commission also automated its Upstream Systems (AUS) portal: The monthly computation and publication of fiscal prices for all Nigerian crude grades and communication to the industry players. The AUS is expected to deepen transparency in the industry.

The Commission, pursuant to section 216 of the PIA developed seven priorities regulations. The regulations include Nigeria upstream petroleum unitization regulations; Significant crude oil and gas discovery regulations; Frontier basins exploration administration regulation; Nigeria upstream petroleum measurement regulation; Gas flaring, venting and methane emissions (prevention of waste and pollution) regulation; and Nigeria upstream petroleum decommissioning and abandonment regulations.

The Commission issued Model Licences and Petroleum Prospecting Licenses (PPLs) to fifty (50) deserving awardees in 2023. This followed a Pre-qualification (Technical) evaluation for the mini deep offshore bid rounds. The Commission completed the 2020 Marginal Field Bid Round leading to early Field Development Plan (FDP) and production from the awarded marginal fields. The Commission progressed the conversion of twenty-four (24) Marginal fields awarded prior to 1st January 2021 to PPLs and PMLs as applicable pursuant to provisions of Sections 92 and 93 of the PIA 2021. Furthermore, the Commission has advanced the mini bid licensing round for seven (7) deep offshore Petroleum Prospecting Licenses (PPLs).

The Commission concluded the evaluation of unmonetized gas reserves in the country and identified pathways for their monetization, the development of a framework for robust implementation is in progress. This is pursuant to the implementation of the Decade of Gas Initiative and Section 6 (c&h) of the PIA which mandates the Commission to "promote an enabling environment for investment in upstream petroleum operations "and" ensure that upstream petroleum operations are carried out in a manner to minimize waste and achieve optimal government revenues. All these have contributed to unlocking Nigeria's Energy potentials in recognition of the changing global energy landscape and the need to obtain maximum value from Nigeria's abundant oil and gas resources.

The Commission formulated the Regulatory Framework for Energy Transition Decarbonization and Carbon Monetization in the Nigeria Upstream operations. The Framework has been launched at national and international fora to signpost Nigeria's commitment to climate actions vis-a-vis the imperatives of energy security and national economic development. Implementation of the Framework has commenced with the execution of climate initiatives and operationalization of the Methane Guidelines amongst others. Furthermore, the Commission has commenced the process for enabling Carbon Credits Earnings through a defined framework for key climate action initiatives and related activities.

Besides, the Commission successfully enabled the incorporation of eighty-seven (87) Host Communities Development Trust (HCDT) at the Corporate Affairs Commission as prescribed by the Petroleum Industry Act (PIA). So far, the Commission has granted one hundred and fifteen approvals to incorporate HCDT. The Commission also implemented end-to-end monitoring and reconciliation and took full charge of fiscal price determination to ensure that crude oil and natural gas production and lifting/utilization are properly accounted and administered.

The transition of the NNPC from a public owned company to a limited liability company which began following the passage of the Petroleum Industry Act on in 2021 continued in the year 2023. NEITI has followed with legitimate interest the ongoing transition process with particular interests on classification and divestment and sharing of assets. NEITI's interests are on the areas of governance, financing, processes and how these processes weigh on the scale of NEITI/EITI mandates and standards respectively. During the year, series of meetings were held with the NNPCL on the progress and access to information as basic tools of engagements. NEITI Industry Reports for 2022 and 2023 expected to be completed in the coming months and published in September 2024 are expected to track progress and report these findings for purposes of public disclosure. The NNPCL is cooperating closely with NEITI on the ongoing independent audit process.

Beyond this, the NNPCL worked with NEITI during the 2023 Validation exercise, on contract transparency, beneficial ownership disclosure, remediation, Open Government Partnerships and on EITI as a supporting company. However, at the last Nigeria Oil & Gas (NOG) Energy Week 2023, the NNPCL Group Chief Executive Officer (GCEO), Mr. Mele Kyari outlined enhanced international partnerships, driving investments, propelling the country's energy sector and Redefining Nigeria's Energy Landscape for a Sustainable Energy Future as key achievements in the year under review. Kyari emphasized NNPCL's focus on making energy available and affordable to Nigerians, the expansion of gas infrastructure projects such as the Nigeria LNG Train 7 and potential Train 8 projects; the Ajaokuta-Kaduna-Kano (AKK) Gas Pipeline Project and the Obiafu-Obrikom-Oben (OB3) project. These initiatives were to ensure gas availability for the power sector and promote the use of Compressed Natural Gas (CNG) as an alternative fuel for automobiles. Mr. Kyari reaffirmed NNPC's commitment to delivering necessary infrastructure that generates value for all stakeholders, while addressing issues such as decarbonization and Liquefied Petroleum Gas (LPG) access to combat biomass dependency. NEITI's ongoing 2023 Industry Report is expected to track and report updates on progress recorded by NNPCL in this direction.

An all-inclusive meeting of the NEITI-Companies Forum was held during the period under review. The leadership of the Miners Association of Nigeria joined the Forum fully to strengthen representation and amplify the voice of the Solid Minerals Sector. This is in addition to the Oil Producers Trade Section of the Lagos Chamber of Commerce that represents the Oil and Gas Industry. While the OPTS chairs the Forum and sits on the NSWG, the Miners Association of Nigeria serves as Deputy Chairman. The cohesion among members make OPTS a credible voice in matters that affect the upstream oil and gas industry in Nigeria. In 2023, following EITI concerns for strengthening oil and gas industry representation in NEITI process, the OPTS responded by withdrawing Bumi Toyobo who had previously represented OPTS on the NSWG and replaced him with a new representative. It is noteworthy that OPTS member companies in partnership with the NNPCL generate about 80 per cent of Nigeria's total annual revenues in the sector. Besides member companies of OPTS provide significant livelihood to Nigerians through direct employment or indirectly through local contractors and service providers. The companies also provided funding for several universities and vocational institutes through scholarships and donations and other corporate social investment initiatives as tracked by NEITI Industry Reports.

2. ASSESSMENT OF PERFORMANCE AGAINST TARGETS AND ACTIVITIES SET OUT IN THE WORK PLAN.

WORKPLAN OBJECTIVES	PLANNED ACTIVITIES	PROGRESS
Increase public enlightenment about the EITI process, and emerging global trends and enhance impact and relevance in Nigeria's extractive sector.	NEITI will implement its revised Communication Strategy which is to facilitate demand for accountability and reforms in the extractive sector through advocacy and broader stakeholders; provide information, education, and enlightenment using traditional and new media to create awareness for better management of extractive industry resources and overall governance of the sector.	Nigeria EITI simplified the three reports using infographics before they were published. The reports were also presented to the media and the civil society. This was followed by wider dissemination of the reports using various media platforms. Nigeria EITI also embarked on robust and extensive media engagements and organized media appearances to discuss the reports using both radio and television. These efforts helped create massive public awareness on their contents and contributions of the extractive sector to the country's economy.

ASSESSMENT OF PERFORMANCE AGAINST TARGETS AND ACTIVITIES SET OUT IN THE WORK PLAN. (Continued)

WORKPLAN OBJECTIVES	PLANNED ACTIVITIES	PROGRESS
Broaden & deepen Stakeholder Engagement in the EITI Process.	NEITI will sustain its commitment on engagement with different stakeholders and capacity of the different actors to hold government and companies accountable on management of extractive resources. The NEITI Stakeholders' map will be reviewed and revised and NEITI will develop a comprehensive framework for stakeholders' engagement and capacity building. NEITI will strengthen subnational and grassroots networks relying on the regional representatives on the NEITI Board (NSWG) and the Civil Society Steering Committee (CSSC), Legislators, relevant government agencies/ institutions for effective synergy. NEITI will leverage on the use of technology and social media platforms for engagements with stakeholders.	Nigeria EITI carried out series of engagements with the National Assembly before and during the release of its 2021 industry reports. This led to an unprecedented interest by the lawmakers in NEITI reports, resulting in the report being tabled and discussed at plenary of the House of Representatives for the first time since NEITI was established. The was followed with constitution of a special joint committee of the House of representative to investigate companies' liabilities and push for implementation of recommendations in the NEITI reports. Nigeria EITI collaborated with Global Rights to host a National Conference, tagged: "Mining Indaba". The conference focused on "Promoting Fiscal Justice & Social Safeguards in the Solid Minerals Sector". The conference helped to shape public conversation on how government should prioritize the solid minerals sector as a major source of revenue and diversification of the Nigeria's economy.

ASSESSMENT OF PERFORMANCE AGAINST TARGETS AND ACTIVITIES SET OUT IN THE WORK PLAN. (Continued)

WORKPLAN OBJECTIVES	PLANNED ACTIVITIES	PROGRESS
Timely disclosure of information and data across the industry value chain	NEITI will sustain its regular timely extractive industry audits reporting in 2023. NEITI plan to improve on the timeliness of its reports through automation of data gathering process NEITI will conduct and publish Fiscal Allocation & Statutory Disbursement (FASD) audit, and sustain disclosure of information.	The 2021 oil, gas and mining sectors were conducted within the period under review. Similarly, FASD report covering the period 2020-2021 was conducted and published. The disclosures triggered positive actions by state and non-state actors. For instance, the committee of House of Representatives (the national legislature) on Petroleum Upstream promptly tabled the report for discussion at plenary, resulting in setting up a House of Representative Joint Committee of Petroleum Upstream and Gas Resources to work with Nigeria EITI Secretariat and push for the implementation of audit recommendations.

ASSESSMENT OF PERFORMANCE AGAINST TARGETS AND ACTIVITIES SET OUT IN THE WORK PLAN. (Continued)

WORKPLAN OBJECTIVES	PLANNED ACTIVITIES	PROGRESS
Conduct Research and Studies to Strengthen Policy Reforms in the E.I Sector	NEITI will continue to monitor existing and emerging issues in the industry and sustain the publication of Policy Briefs, Quarterly Reviews, and other specialized studies that will be used as engagement tool for policy advocacy and reforms.	Nigeria EITI conducted and published a study tilted: "Cost of Fuel Subsidy to the Nation: Options for Policy Review" in 2023. The publication of this policy paper contributed the Nigeria's government decision to end subsidy on Premium Motor Spirit (PMS). Nigeria EITI also developed and submitted a Policy Advisory on the Way Forward in the Reforms of Nigeria's Oil and Gas and Mining Sector in Nigeria to the new government upon its inauguration in 2023. This Policy Advisory helped to shape the new administration direction on its policies in the oil, gas and mining sectors. Nigeria EITI launched the Environmental and Gender Reporting Frameworks. The documents operationalize EITI's requirements on gender and environment, and serve as a guide for the IA and Nigeria EITI stakeholders to implement gender inclusion and environmental reporting in the sector.

ASSESSMENT OF PERFORMANCE AGAINST TARGETS AND ACTIVITIES SET OUT IN THE WORK PLAN. (Continued)

WORKPLAN OBJECTIVES	PLANNED ACTIVITIES	PROGRESS
Facilitate public sector accountability through monitoring and evaluation of governance initiatives, internal control, and data-based coordination	NEITI will monitor and evaluate reforms and overall governanceinitiatives by relevant institutions and provide support for such initiatives through generation of relevant industry data to facilitate decision making across extractive industry governance and anti-corruption institutions	NEITI recorded considerable progress in this direction. The agency monitored and work with relevant institutions and support them with timely data and information to deepen reforms in the extractive industries. For instance, the market-based pricing framework developed by the NMDPRA created level playing field, transparency and healthy competition. This has resulted in improved average annual revenue savings of up to N4.725 trillion ($6.137billion); incentivized inflow of investment in domestic Refineries and ensured petroleum products availability for expansive domestic and West African fuel market; guaranteed development of National Strategic Stock (NSS), and ensured energy security. Simailarly, the NUPRC, pursuant to section 216 of the PIA developed seven priority regulations. These regulations have helped to improved compliance and entrench regulatory clarity in the sectors. Besides, NUPRC successfully enabled the incorporation of eighty-seven (87) Host Communities Development Trust (HCDT) as prescribed by the Petroleum Industry Act (PIA). This has helped to ensure a conducive and peaceful relationship among stakeholders within the Host Communities and guaranteed harmonious co-existence between operators and host communities, reducing operational challenges and hostilities and boosting investor confidence and providing the enabling environment for development of the country's hydrocarbon resources. NUPRC also implemented end-to-end monitoring and reconciliation and took full charge of fiscal price determination to ensure that crude oil and natural gas production and lifting/utilization are properly accounted and administered. The Revenue generated by the Commission has contributed immensely to the funding of Federation's activities with over 10 trillion naira between 2021 and 2023.

ASSESSMENT OF PERFORMANCE AGAINST TARGETS AND ACTIVITIES SET OUT IN THE WORK PLAN. (Continued)

WORKPLAN OBJECTIVES	PLANNED ACTIVITIES	PROGRESS
Improve reporting on current and emerging issues through comprehensive data sources mapping	NEITI will continue to monitor existing and emerging issues in the extractive industry such as Contract Transparency, Beneficial Ownership Disclosure, Energy Transition, gender and the environment. NEITI intends to influence policy space in 2023 through research and studies on industry governance and come up with a policy recommendation that will support the desired reform.	The information and data provided in NEITI reports and its engagement with stakeholders has contributed to progress being recorded by in the implementation of emerging issues (contracts, ownership transparency, energy transition, gender and environmental reporting) in Nigeria. For instance, NUPRC has launched a Regulatory Framework for Energy Transition Decarbonization and Carbon Monetization in the Nigeria Upstream operations. The Framework signpost Nigeria's commitment to climate actions vis-a-vis the imperatives of energy security and national economic development. Implementation of the Framework has commenced with the execution of climate initiatives and operationalization of the Methane Guidelines amongst others. Furthermore, the Commission has commenced the process for enabling Carbon Credits Earnings through a defined framework for key climate action initiatives and related activities. Nigeria EITI collaborated with NRGI to organize an event, titled "Energy Transition in Nigeria: Fiscal Options and Investment Opportunities". The event focused on the implications of energy transition for oil and gas-dependent economies like Nigeria and deliberated on climate change finance and its application on Nigeria's Energy Transition plan. The program provided a platform for robust engagement among stakeholders on the best approach for Nigeria on her energy transition. Nigeria EITI launched the Environmental and Gender Reporting Frameworks. The documents operationalize EITI's requirements on gender and environment, and serve as a guide for the IA and Nigeria EITI stakeholders to implement gender inclusion and environmental reporting in the sector. Stakeholders Democracy Network (SDN) under its Strengthening environmental policy & accountability in governance (SEPAG) project, published 2019 and 2020 Environmental Performance Indices (EPIs) using NEITI and NOSDRA data. The publication of the EPIs has contributed to commitment from companies to improve environmental performance, and led to commitment by NOSDRA to award best-performing companies based on new criteria including spill response readiness and compliance.

ASSESSMENT OF PERFORMANCE AGAINST TARGETS AND ACTIVITIES SET OUT IN THE WORK PLAN. (Continued)

WORKPLAN OBJECTIVES	PLANNED ACTIVITIES	PROGRESS
Enhance relevance of NEITI's work by focusing on National and international Priorities	Nigeria EITI will in 2023 focus on deepening transparency in the entire Extractive Industry value chain, more importantly Nigeria will strive to sustain a satisfactory validation status in the 2023 EITI validation.	NEITI deepened transparency in the EI through publication of 2021 oil, gas and mining sector reports, as well as publication of 2019-2020 FASD report. The data and information disclosed in the reports, which were widely disseminated influenced government and stakeholders to implement policies and programs (highlighted in this report) with positive implications on country's national and international priorities such domestic resource mobilization, energy security, energy transition, among others. Nigeria also underwent Validation exercise which was conducted by the global EITI, and scored Moderate (72 points) in 2023.

ASSESSMENT OF PERFORMANCE AGAINST TARGETS AND ACTIVITIES SET OUT IN THE WORK PLAN. (Continued)

WORKPLAN OBJECTIVES	PLANNED ACTIVITIES	PROGRESS
Maintain high quality accounting standards in the presentation of financial statement reporting	NEITI will maintain a high-quality accounting standard in its operations by sustaining the IPSAS and IFRS financial reporting guidelines. Development of sustainable funding strategy is currently ongoing as a priority to address current challenges in funding of Nigeria EITI's policies & programs	This planned was implemented in 2023. NEITI Funding Strategy is yet to be concluded.
Achieve operational Excellence in Implementation of NEITI mandate	NEITI plan to sustain and enhance operational capacity in the implementation of the EITI in Nigeria through continuous human capacity development for management, staff and stakeholders. The plan will also promote organizational learning and deploy critical ICT infrastructure in other to take advantage of innovations in information and communication technology. NEITI will also continue to institutionalize monitoring and evaluation to keep track of set goals and objectives in other to achieve plannedoutcomes.	Considerable progress was recorded in the implementation of these plans. Monitoring and Evaluation is being gradually mainstream and institutionalized in the NEITI operations. NEITI acquired a four-storey building in the Federal Capital Territory (Abuja) which is being remodeled to support the objectives of enhancing efficiency and productivity. The remodeling of NEITI's permanent office - NEITI House, Abuja was concluded in 2023, and now provides a befitting office accommodation to the agency.

3. ASSESSMENT OF PERFORMANCE AGAINST EITI REQUIREMENTS

Requirements:	**Progress:**
2.1: Legal Framework and fiscal regime	The set of audit reports released in 2023 covered most of this requirement; fiscal regime in the FASD, Oil and Gas industry and solid mineral industry as the case may be, were covered, however, the disclosures on energy transition, national energy transition commitments carbon pricing are being looked into critically. Policies on the artisanal and small-scale mining are also being considered by the NEITI.
2.2: Contract and license allocation	NEITI discloses contracts and licenses.
2.3: Register of licenses	This is being implemented by NEITI. However, it is inadequate according to the standard's requirement.
2.4: Contracts and licenses	This requirement is not fully disclosed as established by the EITI requirement
2.5: Beneficial ownership	NEITI discloses this information, although, the data from the primary source, Corporate Affairs Commission (CAC) is not reliable from the appearance of this information.
2.6: State participation	NEITI discloses some of this information. However, it does not define clearly the State-owned Enterprise (SOE)
3.1: Exploration activities	NEITI reports this requirement, however, is yet to fully implement the disclosure on proven economic oil, gas, and mineral reserves.
3.2: Production data	NEITI is able to gather this data. However, Nigeria Upstream Petroleum Regulatory Commission (NUPRC) reports the production data, and NEITI may systematically disclose this data
3.3: Export Data	This requirement is being implemented by NEITI and other relevant agencies
3.4: Greenhouse gas emission	This is yet to be implemented. It is in progress.
4.1: Comprehensive disclosures of taxes and revenues	This requirement has been duly followed and you can find outputs in the latest audit reports of the oil and gas, solid minerals and FASD reports for material companies and government agencies/ entities under NEITI's purview. Also, revenue and tax streams by the covered entities and sectors have been updated on the NEITI websites, revenue collected by states are being disclosed on the social media platforms.
4.2: Sale of the state's share of production or other revenues collected in kind	This requirement is being reported in the audit reports.

ASSESSMENT OF PERFORMANCE AGAINST EITI REQUIREMENTS
(Continued)

Requirements:	**Progress:**
4.3: Infrastructure provisions and barter arrangements	This requirement is yet to be fully listed and disaggregated in the audit reports.
4.4: Transportation revenues	The transportation revenue has not been fully disclosed. However, PIA has mandated that the NMDPRA discloses the transportation revenue. It is in progress for NEITI
4.5: Transactions related to state-owned enterprises	This requirement was implemented as NEITI participates in a committee with OAGF and FAAC members hold a meeting where such transactions are discussed. NEITI also reports the affected transactions in its annual report.
4.6: Subnational payment	NEITI reports subnational payments in its annual report, especially the FASD audit report
4.7: Level of disaggregation	NEITI attends meetings where government agencies receipts are disclosed, however, NEITI may need to publish more of these revenues, disaggregated according to 4.7 (a)
4.8: Data Timeliness	NEITI is progressively following this requirement. Also, it has been stipulated according to the work plan for 2024.
4.9: Data quality and assurance	This requirement has been met, however, NEITI intends to improve data quality by adequate reconciliation meetings, correct and updated data template.
4.10: Project costs	This level of disclosure is yet to be fully implemented, although it is required by the NEITI Act 2007. However, , it has been stated in the PIA and will be fully implemented by the NUPRC. NEITI will monitor the implementation of this provision by the Commission.
5.1: Distribution of revenues	The Oil and Gas, Solid Minerals and FASD NEITI Audit reports cover this requirement. Also, they are published on the NEITI websites, FAAC and OAGF has been implementing this requirement, the aspect of disaggregation of these revenues are yet to be fully disclosed by government agencies. NEITI will bring it to the attention of relevant entities.
5.2: Subnational Transfers	This requirement has been implemented, through the month Federation Allocation Committee (FAAC) meeting. Requirement 5.2c has been incorporated into the Terms of Reference (ToR), and will be captured in subsequent reports. The requirement 5.3c has been incorporated to the ToR, and should be implemented in the next report.
5.3: Additional information on revenue management and expenditures	This requirement has not been fully implemented, although revenue forecasting due to energy transition and climate change has been incorporated into ToR and should be implemented in newer reports.

ASSESSMENT OF PERFORMANCE AGAINST EITI REQUIREMENTS
(Continued)

Requirements:	**Progress:**
6.1: Social expenditures and environmental payments	This requirement has been covered by the NEITI audit reports, the 13% derivation revenue captured by the report is an example of the payments to be disclosed by this requirement.
6.2: Quasi-fiscal expenditures	The NEITI report covers this requirement totally.
6.3: Contribution of the extractive sector to the economy	NEITI reports contribution to the extractive sector in different ways, e.g. Artisanal Mining, however, this is yet to be fully implemented. NEITI is yet to report the employment status in the public and private sectors of the extractive industries in absolute terms and as a percentage of total employment.
6.4: Environmental and social impact of extractive activities	This requirement is not fully incorporated in NEITI's reporting, however, NEITI, the PIA, Mineral and Mining Act and NUPRC and some other related government agencies regarding this requirement publishes these impacts derived from extractive activities. NEITI may need to publish these companies' disclosure on their social, gender and environmental management and impact.
7.1: Public debate	This requirement has been incorporated in the NEITI reports and website. However, there is still need for more understanding of the extractive sector by EITI officers and civil society.
7.2: Data accessibility and open data	This requirement has been implemented by NEITI
7.3: Recommendations from EITI implementation	This requirement is being implemented through the Inter-Ministerial Task Team (IMTT) mechanism, including direct bi-lateral engagements by NEITI with responsible agencies.

4. OVERVIEW OF THE MULTI-STAKEHOLDER GROUP'S RESPONSES TO THE RECOMMENDATIONS FROM RECONCILIATION AND VALIDATION, IF APPLICABLE

Recommendation:	**Status/progress:**
Clarity of the PIA: i. Section 64(c) and 9 (4) of the PIA provide for a 30% deduction from profit oil and profit gas by NNPCL for frontier exploration fund and NNPCL management fee but does not provide clarification as to what percentage goes for frontier exploration fund and NNPCL management fee. **ii.** The provision in Section 64 (m) of the PIA that makes NNPC the supplier of last resort and that all associated costs to be borne by the Federation is capable of being misinterpreted as it was in the old practice of deducting from revenue source. **iii.** Section 54(1) of the PIA, 2021 provides that the Minister of Petroleum and the Minister of Finance shall within 18 months of the effective date of the PIA identify and transfer assets, interests and liabilities of NNPC to NNPCL. However, this provision of the PIA has not been affected, but NNPCL has taken over all the Federation assets in the JVs and operates as a business entity.	**NUPRC response:** The Commission is currently collating items on the PIA 2021 that require amendment
Production Challenges: i. Only 12 (34%) of the PSC blocks recorded production, while 23 other blocks, representing 66% of the total number of PSC blocks did not produce. **ii**. Total production from the PSCs, which was 242.96 million barrels represents 42.92%of total production of the 566.13 million barrels.	**NNPCL response:** PSC blocks transit from exploration/ appraisal phase to production overtime. Also note that some of the blocks are still at award status as some contractors may not have come forward for budget/ work program due to various reasons from regulatory to business operations' considerations. We are hopeful that about 2-3 blocks will soon attain production status

OVERVIEW OF THE MULTI-STAKEHOLDER GROUP'S RESPONSES TO THE RECOMMENDATIONS FROM RECONCILIATION AND VALIDATION, IF APPLICABLE (Continued)

Recommendation:	Status/progress:
Discrepancies in PMS importation between NNPC and NMDPRA: The volume of PMS imported in 2021 under the DSDP arrangement based on NNPC's records was significantly different from the volume of PMS imported as per NMDPRA records.	**NNPC Response**: Work in progress.
State of the Refineries: The audit observed that none of the refineries was operational in 2021, despite spending about N200 billion between 2020 and 2021 on refinery rehabilitation. This amount was deducted from the Federation sales proceeds. NNPC to provide clarifications on the status of the refineries.	**NNPC response**: Rehabilitation of the old Port Harcourt Refinery (Area 5) at 60% Completion EPC: Technimont Project: Rehabilitation Quick fix project is ongoing in WRPC EPC: Daewoo E&C Nigeria Limited (DECN)Project: Quick fix Quick fix project is on-going in KRPC EPC: DECN Project: Quick fix. The quick-fix initiative on WRPC and KRPC is expected to restore both refinery plants to a minimum of 60 per cent of its nameplate capacity by Q4 2024. Also note that these projects (WRPC and KRPC) are been executed in three work packages as a Maintenance Services contract by Daewoo E&C Nigeria Limited, with a duration of Fifteen (15) and Twenty-One (21) months respectively
Outstanding Liabilities payable to FIRS and NUPRC: The total outstanding taxes payable to FIRS as at 31st July, 2023 was $ 13.591 million while the total amount of outstanding Federation revenue payable to NUPRC as at 31st December, 2022 was $8.251billion. NNPC and NPDC outstanding liabilities accounted for over 70% of these liabilities. The non-payment of these funds as at when due is a constraint on revenue flow to the Federation.	**FIRS response:** It is important to note that debt is dynamic and will constantly change with time. FIRS has many debt collection mechanism including enforcement. Therefore, the Service is in the process of recovering all the outstanding liabilities. NNPC Response: A committee has been set-up by FG with the regulators and SOE to carry out a detailed reconciliation on this.

OVERVIEW OF THE MULTI-STAKEHOLDER GROUP'S RESPONSES TO THE RECOMMENDATIONS FROM RECONCILIATION AND VALIDATION, IF APPLICABLE (Continued)

Recommendation:	Status/progress:
Pipeline Transportation Revenue: The sum of $194.85million and N9.73 billion were the pipeline transportation revenue earned from JV operations. While the dollar receipt was remitted to the Federation Account, the Naira receipt was neither remitted to the Federation nor was it properly accounted for. Furthermore, there was no adequate disclosure of tariff rate and volumes with respect to what was paid to NNPC by the JV operators.	The amount is still being reconciled.
Miscellaneous Revenue: The sum of $702.19 million and N343.56 million were the miscellaneous revenue earned from JV operations. While the dollar receipt was remitted to the Federation Account, the Naira receipt was neither remitted to the Federation nor was it properly accounted for.	NEITI has initiated the process of remitting the amount to Federation
Revenue from Trial Marketing Period: The sum of $278.813million was earned by the Federation from trial marketing period crude lifting in 2021, however, this amount was not swept to the Federation in 2021, though the JV Partner's (First E&P) share was transferred to the Partner as soon as the revenues were received into the TMP escrow account jointly operated by both parties.	The sum stated including interest accrued was swept to the Federation Account at the conclusion of TMP which traditionally is the practice in the event of over or under lift at the close-out reconciliation. The proceeds were reported in the September

OVERVIEW OF THE MULTI-STAKEHOLDER GROUP'S RESPONSES TO THE RECOMMENDATIONS FROM RECONCILIATION AND VALIDATION, IF APPLICABLE (Continued)

Recommendation:	Status/progress:
Revenue from OML 116: The sum of $ 69.30 million was released from the sale of crude oil lifted from OML 116, currently operated by NPDC on behalf of the Federation, hitherto operated by AENR under service contract arrangement. However, NPDC claimed cost recovery of $61.68million, leaving a balance of $7.61million (N3.14 billion as per 2021 NAPIMS AFS) unremitted to the Federation as at 31st December 2021.	The finding which established that NEPL unremitted balance to Federation is to the tune of $7.61M is correct and NAPIMS is following up with NPDC to ensure payment of the profit oil to the Federation Account.
Cash Call: The audit revealed that NAPIMS represented the Federation in 12 Joint Ventures with at least 50% equity interest in each Joint Venture. It was further observed that: **i**. NAPIMS continues to pay cash calls to Newcross, despite the fact that Federation interest has been transferred to NPDC. Cash call payments to the tune of N11.40 billion and US$ 29,218 million were made by NAPIMS in 2021 with respect to assets already transferred to NPDC since 2019. **ii**. Cash Call payment to the tune of US$ 16.835 million was made by the Federation with respect to other NPDC managed assets from which revenue proceeds does not accrue to the Federation. **iii**. In addition to cash call, NAPIMS also incurred overhead costs to the tune of US$221.283million. This is considered high, considering the position of the National Petroleum Policy gazette in December 2017.	NAPIMS continued payment of cash calls to Newcross during the transition of the transfer. This is to avoid disruption of the JV Operations due to lack of funds. NAPIMS has a reconciled position of the total cash call paid to Newcross on behalf of NPDC.

OVERVIEW OF THE MULTI-STAKEHOLDER GROUP'S RESPONSES TO THE RECOMMENDATIONS FROM RECONCILIATION AND VALIDATION, IF APPLICABLE (Continued)

Recommendation:	**Status/progress:**
Deductions from the Federation Crude Sales Proceeds: The sum of N 1.20 trillion ($3.01billion) was deducted from domestic sales proceeds. Subsidy accounted for N1.16 trillion, Crude & and product losses accounted for N16.20 billion, Pipeline repairs accounted for N22.05 billion and Strategic stock holding accounted for N6.75 billion.	The submission is in line with our 2021 record. Kindly note that the deductions were as agreed at the FAAC and there was nothing hidden in the transactions
Conversion of FIRS Tax Oil and NUPRC Royalty Oil to DSDP: About 90% and 46% of PSC FIRS-Tax oil and PSC NUPRC-Royalty oil Cargoes were respectively borrowed and converted to DSDP. The sales proceeds in dollars were originally meant to be remitted to the respective FIRS and NUPRC designated accounts within 30 days otherwise penalties will apply. However, NNPC applies a 90-day payment period (without payment of late penalty) and remits the sales proceeds in Naira as in the case of domestic crude to the respective agencies designated accounts. This practice resulted in revenue loss in the sum of $3.34million to the Federation as a result of the remittance of the sales proceeds of PSC royalty in Naira without applying appropriate exchange rate advised by CBN.	**NNPC response:** Due to National Energy Security Demand, Federal Government directed that in addition to traditional 445k barrels allocated for domestic consumption, NNPC could utilize Royalty and Tax oil volumes to Augment. Subsequently, the 90-day payment term in Naira for Federation domestic cargoes was also applied on the statutory obligation volumes. Furthermore, NNPC applied exchange rate as advised which relates to the month of lifting, however a reconciliation team as directed by the President is working to resolve all outstanding issues between FAAC and NNPC

OVERVIEW OF THE MULTI-STAKEHOLDER GROUP'S RESPONSES TO THE RECOMMENDATIONS FROM RECONCILIATION AND VALIDATION, IF APPLICABLE (Continued)

Recommendation:	**Status/progress:**
Outstanding Liabilities on PSC Taxes and Royalty Oil: The outstanding liabilities on crude royalty/concession rental and taxes are in the sum of $26.36million and $5.63million respectively. Of these outstanding liabilities, the sum of $83,315 and $1.64million relate to prior year outstanding liabilities on concession rental and education tax respectively yet to be remitted to the respective agencies' accounts as at 2021. Similarly, the outstanding liabilities on gas royalty and taxes are in the sum of $547,955 and $3.74million. Of these outstanding liabilities, the sum of $69,633 and $882,958 relate to the prior year outstanding liabilities on gas royalty and taxes respectively yet to be remitted to the respective agencies' accounts as at 2021.	Work in progress and reconciliation team constituted
23. Revenue from EGTL Transactions: Included in export gas sales of $414.23million is the sum of $242.05million revenue earned from Escravos gas to liquid (EGTL). Of this amount, only the sum of $20.22million was received into the CNL proceed account and remitted in 2021, the balance of $221.82million was neither received nor properly accounted for.	The sum of $20.22million represents 8% of gross revenue which is payable as price balance per contract agreement noting that revenues are from an SPV project in partnership with Chevron.
Non-Cash Call payment: The sum of US$74.294million was paid as severance from cash call account for Pan ocean JV in 2021 that had been taken over by NPDC in 2020.	TMC approval directing NAPIMS to pay the severance settlement to Pan Ocean Management staff amongst other obligations. At the time of revocation and asset transfer to NPDC, Pan Ocean had some outstanding liabilities, such as legacy and community contractors' payments and severance obligations to staff. Thus, TMC resolved that NAPIMS should pay the staff severance (Including Management staff) to avoid any unnecessary encumbrance from the community or former staff to the operations of the asset.

OVERVIEW OF THE MULTI-STAKEHOLDER GROUP'S RESPONSES TO THE RECOMMENDATIONS FROM RECONCILIATION AND VALIDATION, IF APPLICABLE (Continued)

Recommendation:	**Status/progress:**
Discrepancies in Financial records: NNPC records Vs NAPIMS AFS **i.** The sum of N 107.47 billion was validated as domestic gas revenue based on COMD record, however, NAPIMS reported the sum of N 84.47 billion as domestic gas revenue in 2021 NAPIMS AFS **ii.** The sum of $1.57billion (N624.67 billion) was validated as export gas revenue based on COMD record, however, NAPIMS reported the sum of N563.98 billion as export gas revenue in 2021 NAPIMS AFS **iii.** The sum of $1.64billion (N655.16 billion) was validated as export crude oil sales revenue based on COMD record, however, NAPIMS reported the sum of N540.75 billion as export crude revenue in 2021 NAPIMS AFS	The COMD record being referenced is the actual cash received into the Gas revenue account based on FAAC report. However, NAPIMS AFS is based on the accrual concept of accounting in line with IFRS.
13% Derivation: The practice of computing the 13% derivation on the balance of revenue after deductions from total collections is contrary to the provisions of Section 162 of the Nigerian Constitution.	This is being addressed by RMFAC and OAGF
Signature Bonus: According to the Commission's regulation, all successful applicants whose names are in the Notice of Preferred Bidder Status ought to have made payment of signature bonus, prior to award, however, the list of awardees contained names of companies that had not made payment of signature bonus. Four companies whose names were not on the list of awardees also made payment of signature bonus for 2020/2021 Marginal Fields Award.	PSC blocks transit from exploration/appraisal phase to production overtime. Also note that some of the blocks are still at award status as some contractors may not have come forward for budget/work program due to various reasons from regulatory to business operations' considerations. We are hopeful that about 2-3 blocks will soon attain production status.

5. STRENGTHS OR WEAKNESSES IDENTIFIED IN THE EITI PROCESS

- ***How the scope of EITI reporting has been expanded to meet the objectives set out in the work plan***

The Nigeria EITI's 2022-2026 Strategic Plan was designed to strengthen the impact of EITI implementation and expand its scope of reporting. This informed the NSWG's choice of the plan's three broad strategic objectives of sustaining extractive sector reporting and relevance by focusing on national and international priorities; strengthen extractive sector governance and reforms through policy research and strategic stakeholder engagement; and achieving operational excellence through professionalism, innovation, use of technology and resource management. Under the plan, the agency is improving extractive industry information and data disclosure and its engagements with stakeholders. Nigeria EITI is also expanding scope of policy engagements to cover emerging issues in the global EITI standard.

- ***Efforts to ensure that the EITI Report contributes to increased public awareness in particular regarding the fiscal contribution of the extractives industry and how those revenues are allocated and spent;***

Following the completion of the 2021 oil, gas and mining sector reports as well as Fiscal Allocation and Statutory Disbursement (FASD) covering the period 2020-2021, Nigeria EITI simplified the three reports using infographics before they were published. The simplification of the reports helped create massive public awareness on their contents and contributions of the extractive sector to the country's economy. The reports were also presented to the media and the civil society. This was followed by wider dissemination of the reports using various media platforms. Nigeria EITI also embarked on robust and extensive media engagements and organised media appearances to discuss the reports using both radio and television.

Part of the efforts by Nigeria EITI create public awareness on fiscal contribution of the country's extractive sector to the economy is the publication of quarterly review and analysis of Federation Account Allocation Committee (FAAC) reports. The NEITI-FAAC Quarterly Review and Analysis highlighted the quantum of revenues (most of which come from the oil and gas sector) shared between the three tiers of government (Federal, States and Local Governments) in 2023. The FAAC quarterly reviews which were widely circulated to the public has become one major policy advocacy instrument in the hands of civil society actors and journalists to hold government accountable.

Furthermore, Nigeria EITI is making deliberate efforts to draw public attention to unremitted revenue and extractive companies' liabilities to government. This effort has been yielding positive results as we are now witnessing gradual reduction in the number of companies owing government, the amount of unremitted revenues and liabilities. For instance, in the 2019 oil and gas reports, 77 companies owe government outstanding liabilities, by the 2020 reports, the number dropped to

51 companies. The figure dropped further in the 2021 report.

Nigeria EITI also carried out series of engagements with the National Assembly before and during the release of its 2021 industry reports. This led to an interest by the lawmakers in NEITI reports, resulting in the report being tabled and discussed at plenary of the House of Representatives. The was followed with constitution of a special joint committee of the House of representative to investigate companies' liabilities and push for implementation of recommendations in the NEITI reports.

Similarly, NEITI supported several committees of the National Assembly with relevant information and data to enabled them conduct their oversight functions of the extractive industries. Some of the committee supported within the period under review include: House of Representative Committee on Tertiary Education Trust Fund (TETFUND) which requested for information on Utilization of Funds and other associated services relating to education tax from 2011 - 2023; House of Representative Committee on Host Communities which requested for information on NEITI Reports; Senate-Joint Committee on Investigation of the incessant crude oil theft and pipeline vandalism, among others.

Nigeria EITI held several briefing sessions and parley with the media to enlighten them on development in the sector and the status of EITI implementation in Nigeria. Besides several media appearances and interventions on television and radio to discuss issues of importance in the extractive sector and EITI implementation in Nigeria, over 34 press statements were issued in 2023 dealing with diverse issues affecting the extractive sector in Nigeria.

- ***Efforts to build awareness and support, and to build capacity of the stakeholders***

Nigeria EITI website and digital communication platforms remain a veritable platform for public awareness and stakeholders' engagement on EITI implementation in Nigeria. An assessment of NEITI website revealed a total of 56,697 page views and 13,991 number of users who visited the website in 2023. A total number of 41,483k followers were identified on Twitter; 34.7k while Facebook and Instagram recorded 6,132k and 651 followers respectively.

Nigeria EITI collaborated with Global Rights to host a National Conference, tagged: "Mining Indaba". The conference focused on "Promoting Fiscal Justice & Social Safeguards in the Solid Minerals Sector". The conference helped to sensitize stakeholders and build their capacity on how to better engage in the governance of solid minerals sector in Nigeria.

Similarly, Nigeria EITI and Spaces for Change (S4C) co-hosted second edition of the National Extractives Dialogue (NED). The event, themed "Host Community Development Trusts: Catalyzing Equitable Benefit-Sharing & Sustainable Prosperity For All" provided platform stakeholders in the extractives industry to improve their knowledge and understanding of oil, gas, and solid minerals sector governance. The Conference helped to sensitize and mobilize citizens at grassroots levels on the implementation of EITI requirement on social and economic spending.

Also, in the period under review, Nigeria EITI, Open Ownership and BudgIT Foundation co-hosted a program, titled "Connecting the Dots". The program helped to strengthen capacity of civil society actors on the implementation of beneficial ownership transparency. These collaboration and engagements with stakeholders were in line with the objective of NEITI work plan of strengthening engagements and capacity of stakeholder on EITI implementation.

Global Rights enhanced the capacity of some selected representatives of mining host communities in Nasarawa state, Nigeria through intense three days training. The training improved participant skills and capacity on issues of Free, Prior and Informed Consent (FPIC), Community Development Agreements (CDAs) and Environmental Impact Assessment (EIA). It also empowered participants to participate in the natural resource governance and demand for fiscal and environmental accountability.

- ***Efforts by civil society organizations to build awareness and support, and to build capacity of the stakeholders***

Africa Centre for Leadership, Strategy & Development (Centre, LSD)

Centre. LSD conducted research and published a report on the efficacy of community development agreements (CDAs) in mining host communities in Nigeria: The report, titled "Beyond Legal and Institutional Framework" covered 6 states (Ebonyi, Edo, Ekiti, Kogi, Taraba, and Sokoto) across the six geopolitical zones of Nigeria included a desk review of best CDA models from select countries in West Africa, as well as steps to take to sustaining community projects arising from CDAs. The study, which investigate the development and implementation processes of mining CDAs within the context of the Nigerian extant law and regulations provided empirical data for the revision of the 2014 guidelines to produce CDAs for the solid mineral sector in Nigeria

The Centre also partnered with the Federal Ministry of Solid Minerals Development (FMSMD) to revise and launch a new guideline to produce community development agreements (CDAs) for the solid mineral sector in Nigeria. The engagement produced a revised guideline for Nigeria that adheres to the values of Gender equality and social inclusion (GESI) and increased number of mining companies with approved CDAs. Similarly, the Centre developed and launched a web and mobile app: www.hostcommunities.ng for reporting on CDA projects, gender-based violence and environmental degradation in mining host communities. The launch of the app Increased number of mining companies implementing CDAs and adhering to the provisions of the guidelines.

Similarly, the Centre produced a documentary titled: "Voices From the Pits", a video documentary which highlights the experiences of mining host communities helped to draw the attention of policymakers to the plight of women and marginalized groups in mining host communities and the significant environmental degradation occurring in these areas. The documentary sought to prompt regulators to review and implement relevant laws to ensure that mining activities are conducted responsibly and equitably. The documentary increased awareness on the struggles faced by women and marginalized groups in mining host communities and the environmental consequences of mining activities.

Socio-Economic Rights & Accountability Project (SERAP)

Socio-Economic Rights & Accountability Project (SERAP) implemented a program titled: "Fostering transparency and accountability in Nigeria's extractive sector and Niger Delta region". The organization also published a report, titled "We are all Vulnerable Here: How Lack of Transparency and Accountability is Fueling Human Rights Violations in the Niger Delta". The program and publication helped to strengthen the benefits accruing to communities from oil and gas by empowering communities to demand accountability from the government.

Corporate Social Responsibility – in – Action (CSR-in-Action)

CSR-in-Action held its annual Sustainability in the Extractive Industries (SITEI) Conference: The Sustainability in the Extractive Industries (SITEI) Conference was birthed in 2011 and has since become a highly anticipated annual symposium. The program provided platform to foster discussions that aim to promote policies and solutions that will lead to a more sustainable extractive sector and economy. The Conference, which was held for the 12th time in 2023, was themed: "The SDGs and the Extractive Sector: Aligning Governance, Policies and Practices" The event helped to foster greater transparency and accountability and more diverse voices, robust and inclusive solutions to emerging issues in the extractive industries

CSR-in-Action also conducted and published a study on the implementation of the Petroleum Industry Act (PIA). This research examined the level of implementation of the Act in oil-producing communities in the Niger Delta region, particularly the effect of the PIA implementation on women in the region. The publication fostered better understanding of the relevance of women's involvement in the Host Community Development Trust and increased women and youth participation in company and community development dialogues. Similarly, CSR-in-Action also produced a documentary titled: "IHS Earth Women Screening", a documentary that highlights the challenges of women within the extractive communities. The documentary helped to improve awareness on the prevalent and deep-rooted issues facing women in the extractive industries.

Policy Alert:

Policy Alert implemented two separate projects titled: #WetinWeGain3 and #WetinWeGain4. While #WetinWeGain3 project was focused on the use of beneficial ownership and extractive sector data to investigate corrupt practices in the oil SWAP deals in Nigeria, WetinWeGain4 project was focused on strengthening host communities' engagement on the Petroleum Industry Act (PIA). The #WetinWeGain3 project helped to increase demand for transparency and accountability on Nigeria's crude swap deals propelled by civil society's advocacy efforts and media reporting and contributed to the termination of the crude swap policy by Nigerian National Petroleum Company Limited (NNPCL). The #WetinWegain4 project enhanced understanding in host communities on the provisions of the PIA, and help in building sufficient demand-side awareness and strengthen community engagement with the industry regulators and the settlors to get their various host community trusts set up and operational.

Policy Alert also launched a program, titled: "Youth Voices 2060", an organic market place for ideas to foster intergenerational dialogue on fossil fuel phase-out and the transition to clean energy. The program created a platform for exchanges of ideas between youths and policy makers and relevant government agencies on how to best implement energy transition program in Nigeria considering youth perspectives. Part of the outcomes of the program was the establishment of a network of 2060 youths to curate and amplify youths' perspectives as Nigeria approaches its 2060-carbon neutrality target.

Spaces for Change (S4C)

Spaces for Changes held five separate Stakeholder's engagements, titled: "Energy Transition in Nigeria's Oil Rich Communities" in Imo, Delta, Rivers, Akwa Ibom and Bayelsa States. The programs, which held between February 15th & March 4th 2023 across five oil-rich states assessed the level of inclusion of perspectives and priorities from oil-rich communities in Nigeria's energy transition plan. It helped to sensitize the communities on the importance of transitioning to renewable energy sources, highlighted its potential benefits and discussed pathways for transitioning to cleaner and sustainable energy. Similarly, Spaces for Change held a program, titled: "Fostering Inclusion in Extractive Communities" on 14th March 2023 as part of activities to commemorate International Women Day. The program, which held in Imo state helped to sensitize women from oil rich communities in the state on impacts of extractive activities and how to foster women inclusion in natural resources management.

Similar, S4C conducted sensitization program in Assa community, Ohaji/Egbema, Imo State on community participation in natural resource governance processes. The program, which held on 17th May 2023 examined the implementation of the Petroleum Industry Act (PIA) with respect to setting up Host Community Development Trusts (HCDT) and sensitized communities' leaders on the provisions of the law and their roles. Furthermore, S4C organized a town hall meeting at Obitti Community, Ohaji/Egbema on 28th June 2023 on the Petroleum Industry Act (PIA) with emphasis on importance of setting up Host Community Development Trusts by oil companies within their community in line with provision of Petroleum Industry Act (PIA). Similarly, S4C collaborated with the Federal House of Representatives' Committee on Host Communities and co-hosted a two-day technical session on November 29-30 in Port Harcourt, Rivers State. The program, which focused on implementation of Host Community Development Trusts (HCDTs) enabled the legislators to assess oil rich communities, oil companies and regulatory agencies on the level of implementation of HCDTs. It provided host communities with opportunities to express their concerns and enabled oil and companies to share success stories in the implementation of HCDTs.

Stakeholders Democracy Network (SDN)

Stakeholders Democracy Network (SDN) under its Strengthening environmental policy & accountability in governance (SEPAG) project, published 2019 and 2020 Environmental Performance Indices (EPIs) using NEITI and NOSDRA data. The EPIs were reviewed and validated by oil industry stakeholders in October 2023. The publication of the EPIs has contributed to commitment from companies to improve environmental performance. It has led to commitment by NOSDRA to award best-performing companies based on new criteria including spill response readiness and compliance with penalties, ensuring sustainability of EPI framework.

SDN also developed a Host Community Development Trust and Livelihoods Guide in the Niger Delta. The is currently guiding host communities in their engagements with oil and gas companies on the establishment of Host Communities Development Trusts (HCDTs) as provided in the Petroleum Industry Act (PIA). HCDTs when fully implemented present a significant opportunity to create large-scale, meaningful change in communities, due to the large increase in direct social spending that is mandated under the PIA.

Centre for Transparency Advocacy (CTA)

Centre for Transparency Advocacy (CTA) conducted Capacity building on negotiation and understanding of the Community Development Agreements (CDAs) for selected mining communities' representatives in Abuja, including women, People Living with Disabilities (PWDs) and the Original Inhabitants. Section 116 of the Nigerian mineral and mining act, 2007, introduced a mandatory conclusion of Community Development Agreements (CDAs) between mining companies and their host communities as a condition precedent to the commencement of mining operations to ensure that mining projects deliver social and economic benefits to the host community. To program helped to build the capacity and equip participants with skills and understanding of process and negotiation on the Community Development Agreements (CDAs). This has contributed to improved participation in decision-making processes regarding the development/review of the Community Development Agreements (CDAs) in those communities.

CTA also conducted National Dialogue on the Subsidy Removal: the removal of petrol subsidy in Nigeria. This followed the removal of petroleum subsidy by Nigerian government in May 2023. The Dialogue, which was supported by Palladium/United State Agency for International Development (USAID) provided a platform for open discussions and valuable input from a diverse range of stakeholders on how to mitigate the impacts of petroleum subsidy removal. The recommendations from stakeholders at Dialogue were communicated to government via a communique issued at the end of the program.

Global Rights

Global Rights launched ten radio series programs titled "Tinga Tori" to create widespread awareness on the need for environmental and fiscal justice in the mining sector in Nigeria. The organization also hosted forty-eight call-in radio programs across the six geo-political zones in Northern part of Nigeria to sensitize the public on the need for open and accountable governance of the mining sector, and to ensure fiscal and environmental injustice in mining host communities. Similarly, it also hosted series of virtual meetings through Webinars and Twitter Spaces to campaign and advocate for effective minerals resource governance and sustainable development in Nigeria.

Global Rights also convened a national stakeholder meeting which involved representatives from twelve selected mining host communities across Nigeria, including key government agencies and media. The organization also organized a National Mining Host Communities Town Hall on Fiscal Justice and Social Safeguards. The programs provided platforms for mining host communities and stakeholders, including state and non-state actors to engage and design workable solutions to challenges confronting mining host communities.

The organization also hosted regional summit on "Insecurity and Minerals Governance in West Africa: Building Mechanisms for the Protection of Mining Host Communities in West Africa". The event, which drew over 250 participants from mining host communities, government officials and other stakeholders from Nigeria, Ghana, Mali, Ivory Coast, Liberia, Guinea, Sierra Leone, Kenya, Zimbabwe, the Democratic Republic of Congo, Zambia, Uganda, and South Africa provided platform for stakeholders to proffer solutions to problems of insecurity and natural resource-induced conflicts in the mining host communities across west Africa sub-region.

- ***Weaknesses identified in the EITI process, any actions to address these and outcomes from such actions.***

Limited Sub-national outreach - Nigeria EITI is yet to build a robust outreach programme and extend its operations and stakeholder's engagement to subnational level. Under the current strategic plan, the agency has increased its workforce and identified activities to expand its scope of operations to sub-national levels part.

Timely Implementation of NEITI audit recommendations - Enormous energy and material resources are invested into producing its audit reports, and implementation of the recommendations is always short of expectations. The lack of a consistent or slow pace in the implementation of recommendations constitutes a major weakness. NEITI is embarking on direct-bi-lateral engagement with responsible agencies on the implementation of remedial issues.

Mainstreaming & Systematic Disclosure - The value of transparency to the extractive sector can only fully be realized when it is mainstreamed within the organizations and institutions in the sector. It is however difficult for Nigeria to attain this without full cooperation of relevant stakeholders in the extractive sector, particularly government agencies and companies.

Dissolution of National Stakeholders Working Group (NSWG) in June 2023 - The National Stakeholders Working Group (NSWG) reconstituted in July 2021 which oversees the Nigeria Extractive Industries Transparency Initiative (NEITI) was unfortunately affected by the Federation Government Dissolution of all Boards of Government Agencies announced by President Ahmed Bola Tinubu's administration in June 2023. The development was a major setback on general operations and implementation of NEITI 2023 Country Work plan and overall, 5- year NEITI Strategic Plan.

The National Stakeholders Working Group commonly referred to here in Nigeria as the (Board) is actually a multi-stakeholders coalition of extractive industry companies, the civil society and the government that oversea the implementation of the global standards of transparency and accountability in Nigeria's oil, gas and mining sectors. The existence of the multi-stakeholders working group is a mandatory and compulsory requirement for country's membership Nigeria (inclusive) of the 57-member international organization with headquarters in Oslo, Norway.

In response NEITI with the support of stakeholders especially the civil society made coordinated efforts to exempt the NEITI National Stakeholders Working Group from general Board dissolution to save the country from possible sanctions by the global EITI, but all efforts were unsuccessful. The waiting period had negative impacts on EITI implementation in Nigeria.

6. TOTAL COSTS OF IMPLEMENTATION

The total cost of implementing EITI implementation in 2023 was N2.53 billion. The total fund was received from Federal Government of Nigeria, while no fund was received from donor agents. Breakdown showed that 1.18billion, N726.09 and N800.15 million were expended on personnel, Overhead and Capital respectively.

FUND SOURCES	PERSONNEL (N)	OVERHEAD (N)	CAPITAL (N)	TOTAL (N)
FGN	1,000,179, 268.34	726,097, 812.39	800,783,577.98	2,527,060,658.71
DONOR	-		-	
				2,527,060,658.71

The total number of staff at the Nigeria EITI secretariat as at December 2023 was One Hundred and Eleven (111). Sixty-six (66) male and forty-five female (45).

7. ANY ADDITIONAL COMMENTS

The full implementation of Petroleum Industry Act (PIA) by government, particularly the transparency and accountability clauses in the law, will help strengthen EITI implementation in Nigeria. The expanded manpower/human resource at the NEITI secretariat will enable the agency to broaden its scope of operations, respond to the increasing national and global obligations and consolidate on the progress and impacts it has recorded.

8. HAS THIS ACTIVITY REPORT BEEN DISCUSSED BEYOND THE MSG?

This APR is prepared in conformity with requirement 1.5 of the 2023 EITI Standard. The report is a product consultation with stakeholders - civil society, government and companies that are involved in the EITI, including those not serving on the multi-stakeholder group, participated in and provided feedback. This involved collection of data and information from stakeholders on EITI implementation in Nigeria for the period under review. This was followed with a Stakeholders Validation Workshop on the APR, held on 20th June 2024 and approval by the National Stakeholders Working Group.

9. DETAILS OF MEMBERSHIP OF THE MSG DURING THE PERIOD (INCLUDING DETAILS OF THE NUMBER OF MEETINGS HELD AND ATTENDANCE RECORD)

S/N	Constituency	Full/ Alternate Member	Member since (MM/ YY)	Name	Position	Organisation	Gender	Meetings attended in period under review (dates)
1	Government	Full	July 2021	Olusegun Adeyemi Odekunle	Chairman of the NSWG Retired Permanent Secretary, Office of the Secretary to the Government of the Federation	Retired Federal Permanent Secretary	Male	15th May 2023
2	Government	Full	July 2021	Oluwatoyin Akinlade	Permanent Secretary	Ministry of Mines and Steel Development.	Female	15th May 2023
3	Government	Full	July 2021	Muhammed Nami	Executive Chairman	Federal Inland Revenue Service (Extractive Industry Revenue Accountability)	Male	15th May 2023
4	Government Industry/ State Owned Enterprise	Full	July 2021	Mele Kyari	Group Chief Executive Officer	Nigeria National Petroleum Company Ltd	Male	15th May 2023

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