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Aligning National Resource Governance Policies with Global Net-Zero Targets: A Legal and Economic Appraisal in Nigeria

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Abstract

Driven by the global push toward net zero emissions, fossil-reliant economies are under growing pressure to overhaul national legal and economic frameworks to meet international climate commitments. This paper critically examines Nigeria's resources governance framework in relation to the country's 2060 net-zero commitment under the Paris Agreement. Adopting the narrative-integrative literature review, the study consolidates relevant peer-reviewed literature, national regulations, climate policy instruments and institutional reports to measure the extent to which ExxonMobil's law and policy regime promotes or undermines decarbonization. The results show that there are major legal and structural misalignments between Kenya and Nigeria, for example Nigeria has progressive climate policies, such as the Energy Transition Plan (ETP) and the Climate Change Act 2021, which are undermined by its foundational legislative landmines like the Petroleum

Industry Act 2021 and the Mining Act 2007 that are dominated by carbon-intensity, investment-based and are alien to climate objectives. Additionally, weaknesses in judicial oversight, limited enforcement capabilities and poor intersectoral policy coordination were identified as key barriers by the study. Cross-country evidence from South Africa and Indonesia highlights the need to coordinate climate with economic planning as well as legal codification of climate pledges. The paper finishes by calling for legislated incorporation of net-zero goals, the imposition of carbon disclosure requirements on extractive sectors, fiscal neutrality measures to promote green investment, and strengthening organisational capacities. These status quo changes are urgently needed to put Nigeria's resource governance on a climate-friendly and financially sustainable footing.

Keywords: Resource Governance, Net-Zero Targets, Climate Law, Energy Transition, Nigeria, Legal Reform

1. Introduction

With the deepening of the global climate crisis, net-zero emissions goals have become the new consensus of the international environmental governance. The Paris Agreement of 2015, a treaty under the United Nations Framework Convention on Climate Change (UNFCCC), mandates each signatory nation to limit the anthropogenic global warming to 1.5°C above pre-industrial levels by reducing the amount of greenhouse gas (GHG) emissions (UNFCCC, 2015) [27]. In reaction, more and more nations have promised some sort of net-zero goal — either binding or voluntary — by midcentury. The latter commitments are a testament to the importance of transformative changes in energy, infrastructure, and economies, especially those with a high rate of resource consumption in developing countries (IEA, 2021 [9]; IPCC, 2022). In countries like Nigeria, where heavy dependence on oil and gas provides the bulk of central government's resources, this global transition presents a set of intractable legal and economic challenges – for it hinges on a radical reordering of political systems built for centuries on the extraction of resources.

At the core of this tension is resource governance. Resource governance as the legal, institutional and economic realities about how natural resources are extracted, managed, and distributed, resource governance in carbon-based economies must come to grips with national development priorities and planetary climate constraints (Sovacool *et al.*, 2021). The Nigerian economy is a microcosm of this enigma. Being Africa's largest winter and one of the highest 10 holders of global gas reserves, the country earns more than 70 % of total revenue and almost 90 % of total export revenue from hydrocarbons (EIA, 2022; CBN, 2023). The PIA which was signed into law in 2021 can be said to be a significant piece of legal reform designed

to reposition and restructure the oil and gas sector through deregulation and revenue maximization (Okonkwo & Nnadi, 2022) ^[20]. However, detractors contend that the PIA cements on a large scale, fossil fuel dependent development without commensurate consideration for climate goal, social equity and environmental justice (Iweriebor & Ojigho, 2023; UNDP, 2023) ^[12, 25].

This structural reliance on fossil fuels cuts against Nigeria's stated climate ambitions. Nigeria made net-zero commitments by 2060 and increased deployment of renewable energy in its updated Nationally Determined Contributions (NDCs) and its Energy Transition Plan (Federal Government of Nigeria, 2022) ^[8]. However, major provisions of national legal and economic regimes are largely inconsistent with these targets, which shows the divide between global climate responsibilities and the practice of domestic policy (Ogunleye & Oni, 2021) ^[19]. In the author's (2019b) view, this mismatch is intensified by disjointed institutional mandates and the enforcement of weak environmental regulation, as well as poor integration of climate risk within macroeconomic planning (Okoye, 2024; Chigbu & Umeozor, 2025) ^[21, 6].

In this context, this paper critically evaluates the legal and economic basis of Nigeria's resource governance strategies against the backdrop of global net-zero imperatives. It considers to what extent extant legal instruments and policy frameworks for oil, gas, and mining sectors are compatible or incompatible with climate-compatible development objectives. Its analysis draws on ecological modernization theory and just transition frameworks, and endeavours to critically evaluate what recalibration of Nigeria's governance architecture may need to look like in the direction of achieving fiscal stability, social equity and environmental sustainability.

The questions of inquiry are as follows:

1. To what extent do Nigeria's resource governance policies align with global net-zero goals?
2. What legal and institutional reforms are necessary to improve policy coherence with international climate obligations?
3. What are the economic implications—both risks and opportunities—of maintaining or reforming the current fossil-based resource governance model?

Through exploring these questions, this article adds to the growing literature on climate-compatible governance in fossil-fuel economies and provides policy-relevant recommendations for policymakers managing the low-carbon transition in both Nigeria and other resource-rich African states.

2. Conceptual and Theoretical Framework

2.1 Conceptual Review

This section provides a comprehensive review of the central concepts underpinning the study—resource governance, climate-aligned legislation, green industrial policy, and legal transitions in developing economies. These interrelated concepts offer a conceptual foundation for analyzing how Nigeria's legal and policy frameworks can be repositioned to support global net-zero targets.

2.1.1 Resource Governance

The management and exploitation of the natural resources of a country depend on the systems, laws, institutions and arrangements through which resources are managed, allocated and used, known as resource governance. In

extractive economies including Nigeria, resource governance is the legislative and institutional framework of access to and control over such resources as oil, gas and minerals (Lahn and Bradley, 2021) ^[13]. This covers areas such as transparency, accountability, environmental sustainability and the fair share of resource revenues.

Good resource governance is acknowledged as key to sustainable development, with a view to preventing the so-called 'resource curse', where countries rich in natural resources experience low living standards and underdevelopment (Collier, 2020; Mehlum *et al.*, 2021) ^[15]. Petroleum resources management in Nigeria has long been hampered by inefficiency, rent-seeking and environmental degradation, especially in the Niger Delta (Amnesty International, 2021) ^[1]. The 2021 Petroleum Industry Act (PIA) attempted to bring about reform by establishing new regulatory bodies and clearer fiscal regulations, but its environmental safeguards are weak and do not adequately respond to climate imperatives (Okonkwo & Nnadi, 2022) ^[20].

Internationally, discussions on resource justice are moving from a limited economic focus to include climate, sustainability and social equity dimensions. This transformation is consistent with Sustainable Development Goal 16 (peace, justice and strong institutions) and reflects the need for governance structures that prioritize environmental stewardship as well as economic returns (Sovacool *et al.*, 2021; UNEP, 2023) ^[26].

2.1.2 Climate-Aligned Legislation

Climate-aligned legislation means laws and regulations designed or amended to further national and international climate targets. These might encompass legislation on emissions cuts, carbon pricing, environmental reviews, renewable energy targets and land-use planning that promotes sustainability. These laws are indispensable to the operationalization of the commitments in the Paris Agreement and the conversion of net-zero commitments into legally binding obligations (Kuzemko *et al.*, 2020; Averchenkova & Fankhauser, 2021) ^[2].

In Nigeria, the legal landscape is predominantly filled with fossil fuel-based laws. Although the Climate Change Act of Nigeria 2021 recognises carbon budgeting and constitutes the National Council on Climate Change, the wider legal environment remains ill-equipped for net-zero transitions (UNEP, 2023; Federal Government of Nigeria, 2022) ^[26, 8]. Central laws including the Petroleum Industry Act and the Nigerian Minerals and Mining Act 2007 barely make mention of climate risk or low-carbon transition routes (Ogunleye & Oni, 2021) ^[19].

Moreover, implementation deficit lingers on a/c of weak regulatory capabilities, fragmented institutional mandates, and lack of effective enforcement mechanisms (Okoye, 2024) ^[21]. In order for climate-aligned legislation to produce the desired effect in Nigeria, it must be mainstreamed in all resource governance frameworks and be supported by judicial oversight, strong enforcement, and clear incentives to comply (Chigbu & Umeozor, 2025) ^[6].

2.1.3 Green Industrial Policy

The term green industrial policy refers to targeted public policies to encourage low-carbon industries, technologies and value chains. It is based on the argument that governments need to be proactive in shaping the structure transformation of the economy towards sustainability — in particular by dragging some activities into sustainability that

are strategic for both growth and decarbonization (Rodrik, 2021^[23]; Altenburg & Rodrik, 2019).

In these circumstances, in developing countries like Nigeria green industrial policy is highly relevant for making certain that the low-carbon transition is also an inclusive economic transformation. This would involve encouraging the production of renewable energy, localising supplies chains for clean technologies and supporting green entrepreneurship (UNCTAD, 2022)^[24]. However, current industrial policies in Nigeria under the Economic Recovery and Growth Plan (ERGP) continue to be more dependent on oil-based industrialization and do not seem to have a well-articulated green transformation agenda (Akinyosoye & Adeniran, 2020).

A green industrial policy that is compatible with the climate must be anchored in legal frameworks to provide regulatory certainty, financial incentives, and the coordination of public investment. The lack of these frameworks poses the risk of long-term entrapment in high-carbon development paths that may inadvertently squander global green growth opportunities (IEA, 2021^[9]; Nwachukwu *et al.*, 2023). Further, these policies should adhere to principles of just transition to protect workers and communities reliant on fossil fuel industries.

2.1.4 Legal Development in Emerging Economies

In the context of developing economies, legal transitions are the orderly replacement of the existing legal order for one more compatible with structural changes, i.e., from fossil-based to low-carbon economies. These shifts involve the development of new environmental law but also changes to economic, fiscal and institutional law to further sustainable development (Cotula, 2020^[7]; Tollefson *et al.*, 2022).

In the era of climate change, transitions in the law are difficult in developing countries due to challenges such as poverty, weak institutions, informality and political instability. Nigeria serves as an illustration of this problem, as it is plagued by a dual legal framework under which laws governing extractive industries constantly jostle for space with its international environmental obligations (Okonkwo & Nnadi, 2022; UNDP, 2023)^[20, 25]. There is no legal consistency across sectors (climate law, energy law, resource governance law), which increases institutionalising friction and legal uncertainty.

In addition, legal changes are quite literally not just technical, but also political and irrespective of norms. They demand stakeholder inclusion, protection of indigenous rights, and justice-centred policy making (Schlosberg & Collins, 2021). To responsibly and meaningfully transition in law towards net-zero, reform will need to imbue accountability, transparency, environmental integrity, and socio-economic equity. Investing in institutional capacity, judicial climate law literacy and inter-ministerial cooperation will be critical to this endeavour.

2.2 Theoretical Framework

The interplay between environmental sustainability, economic reform and legal governance in resource-rich developing states has become a topic of growing interest in modern academic and policy discussions. This is especially the case of countries like Nigeria whose national income, foreign exchange and industrial growth are based on the exploitation of fossil fuels. To consider how such economies may seek to reconcile policies of national resource governance with global net-zero outcomes, an

integrated theoretical framework is required. This article applies a triad of closely related theories—namely, Ecological Modernization Theory (EMT), Resource Curse Theory, and the Just Transition Framework—to critically examine the prospects for and constraints to the Nigerian legal and economic systems amid a wider global turn towards decarbonization.

Ecological Modernization Theory has also offered an early conceptual approach for the reconsideration of the nexus between economic progress and nature preservation. Unlike the classical opposition between growth and ecology, EMT assumes that industrial economies are able to achieve ecological sustainability through institutional restructuring, legal adaptation and technological re-organisation (Mol & Sonnenfeld, 2020)^[16]. When you apply this theory to Nigeria, it is clear that the transformation of law does not stop at administrative efficiency and rent maximization but should involve enforceable environmental standards and climate-focused legal mandates. The Petroleum Industry Act (PIA) 2021, a modernization instrument of the oil sector, has structural limitations to cope with climate change; it does not have any binding emission standards, carbon accountability, and requirements for renewable energy transition (Okonkwo & Nnadi, 2022)^[20]. EMT stresses not just regulatory update but also the role of non-state actors, such as civil society, private financiers, and international organizations, in transforming the governance arena into an open and participatory one (Lenschow, Newig, & Challies, 2019)^[14].

EMT frames legal adaptation as hopeful, the Resource Curse Theory as skeptical. It accounts for the paradox that resource-rich countries tend to have weak institutions, lack economic diversification, and suffer high levels of inequality (Mehlum, Moene, & Torvik, 2021)^[15]. Many of these dynamics are all over the place in Nigeria's history. Nigeria is the largest oil producing country in Africa; however, governance problems, institutional corruption and environmental degradation, especially in the Niger Delta, are pervasive in the country (Amnesty International, 2021; Obi, 2020^[18]). Laws that regulate extractive industries have a carbon copy since long been extractive in nature, concentrating on how to raise revenue and overlooking transparency, ecological balance and social fairness' (Cotula, 2020)^[7]. This resource dependency has circumscribed Nigeria's capacity to pave the way for alternative economic trajectories and enact sound climate-compatible laws. There are also increased dangers resulting from continuing dependence on fossil fuels given the developing international financial and trade order the may begin to punish carbon hostile economies, thereby intensifying the need for structural transformation (Okoye, 2024)^[21].

But any move from hydrocarbons has to be socially as well as economically just. This is where the Just Transition Framework is essential. Rooted in labor rights movements, this approach has developed into a set of principles intended to ensure that environmental and economic changes do not cause greater social inequity (Schlosberg & Collins, 2021). For Nigeria, a fair transition is one that produces legislation and policies that safeguard affected workers, communities and regions that currently rely on fossil fuel revenues. It involves promoting participatory governance, equitable distribution of green investment, and legal identity of marginalized people so that they can take part in the climate

policy process (Cha, 2020; UNCTAD, 2022) [5,24]. However, the Nigerian Energy Transition Plan (ETP), although aspirational in its pledge to achieve net-zero by 2060, is not supported by legally binding underpinnings that incorporate equity and just transition principles, social protection measures, or environmental justice (Federal Government of Nigeria, 2022) [8]. This discontinuity reveals the lack of normative grounding in prevailing resource governance initiatives.

When combined, these three theoretical perspectives offer a multidimensional analytical lens to evaluate the preparedness and potential of Nigeria in aligning its resource governance structures with international net-zero commitments. Ecological Modernization Theory is focused on institutional flexibility and the incorporation of environmental concerns into the legal sphere. The theory of the Resource Curse is a warning against the sheer inertial force of resource dependency and the structural barriers for reform. Just Transition The JTF makes sure that a reform is not only technically sound, but also socially fair and legally inclusive. These theories will provide the backbone of this study, which forms the basis for the analysis of Nigeria's statutes and legal institutions managing natural resources in the age of global decarbonisation.

2.3 Conceptual Framework

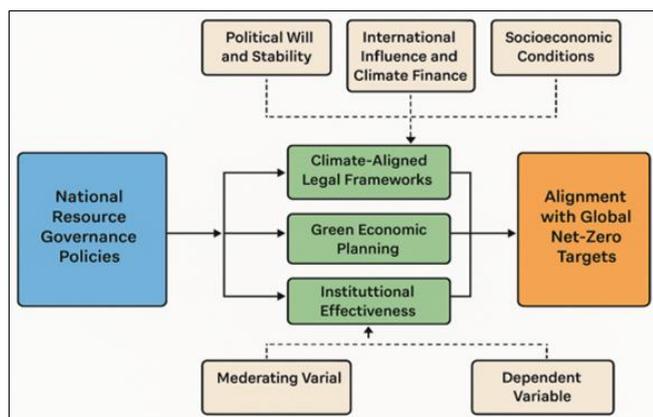


Fig 1: Conceptual Framework

Explanatory Note to the Conceptual Framework

The theoretical lens adopted for this paper provides an intersected dynamic image which captures a mixed indented discourse hovering between national resource governance and global net-zero target alignment in Nigeria. At its heart, the framework understands that the architecture, content and orientation of resource governance—through legal instruments such as the Petroleum Industry Act 2021 and the Minerals and Mining Act 2007—strongly determine the ability of the country to fulfill its climate obligations under the Paris Agreement and domestic targets, including net-zero emissions by 2060. But that influence is neither direct nor strictly linear or isolated, but rather, it operates through crucial mediating mechanisms that govern how governance translates into climate end results.

At the heart of these mediating mechanisms are three interlinked elements: the presence and implementation of climate-compatible legislation, the incorporation of low-carbon approaches within economic planning, and the strength of regulatory institutions. Climate-aligned laws include the establishment of carbon budgets, environmental

impact assessments and emission standards in a country's laws. Green economic planning is needed to ensure that budgetary instruments and policies of development encourage renewable energy, decarbonisation of industry and sustainable investment. Institutional effectiveness refers to the ability, independence, and coordination of the implementing and enforcing agencies of those laws and plans. These mediating factors provide a link between policy and actual climate outcomes, making governance a reality that can be quantified in environmental action.

The model also includes a series of moderating constructs that determine the intensity and nature of such relationships. Political will and governance stability shape the sustainability and credibility of reform efforts, while access to international climate finance and technical aid can either accelerate or impede legal transitions. Quick transitions will also be conditioned by socioeconomic circumstances, including high levels of poverty, energy unavailability, and employment dependence on fossil fuels. Furthermore, the judicial capacity and judicial activism have a major role both on interpreting and enforcing the right and duties related to environment. These moderators do not work in isolation but operate in combination with mediating variables to affect the degree to which governance reforms lead to alignment or divergence from climate objectives.

At the heart of this complex relationship lies the notion of legal transitions in emerging and developing countries, as representing the structural change in legal norms and institutions aimed at the realization of sustainability, equity, and resilience. Such a part acknowledges the need for legal transformation in the global South to be regenerative, inclusive, and appropriate to context—combating entrenched extractivist models and not deepening social inequalities in transitions. Framed as both product and shaper of governance reforms, legal transition close the feedback loop informing current policy making and institutional learning.

Collectively, this theoretical framework presents a holistic and theory informed approach— amalgamating ecological modernization theory, resource curse theory and the just transition framework— through which we can assess the degree to which Nigeria's resource governance architecture has (or does not have) the capacity and mechanisms to adapt and navigate a global shift to decarbonization. It highlights that off just laws and statutes, sustainable change is not possible without the interaction of legal reform, institutional cooperation, political will and social integration.

3. Methodology: Review of Literature Approach

The study employs a narrative-integrative literature review approach to critically evaluate the intersection of national resource governance and global net-zero alignment vis-à-vis in Nigeria. The integrative perspective makes it possible to combine a variety of sources — legal, economic, institutional, and environmental — in order to establish a complete and theoretically-based vision of the topic. In doing so, the review combines conceptual and empirical literature and identifies trends, gaps and insights that are relevant to Nigeria's move toward climate-compatible governance.

This was supported by academic journals, legislative texts, international accords, and policy documents. Prominent sources are articles that are indexed in Scopus, the Web of Science, and JSTOR, as well as major legal databases, e.g.,

HeinOnline. National laws included the Petroleum Industry Act (PIA) 2021, the Minerals and Mining Act 2007, the Climate Change Act 2021 while the international climate law instruments cut across the UNFCCC, Paris Agreement and Nigeria's NDCs. Additional policy documents – like the Vision 2050, the Energy Transition Plan (ETP), the National Energy Policy (NEP), and the Economic Recovery and Growth Plan (ERGP) – were added to understand how legal developments are situated in a larger economic plan. Publications of global institutions like the International Energy Agency (IEA), International Renewable Energy Agency (IRENA) and United Nations Development Programme (UNDP) added empirical and comparative perspectives to the analysis.

The search strategy utilized the keywords: “Nigeria”, “resource governance”, “climate law”, “Net-zero targets”, “natural resources”, “just transition”. These limitations were applied to databases and repositories, to provide coverage of both legal and interdisciplinary scholarship.

Selection criteria were based upon time period (2015–2025), jurisdictional relevance (Nigeria and similar Sub-Saharan African environments) and the application of a legal/economic lens. Literature and units of analysis that were of no policymaking relevance and did not address climate governance dimensions or too narrowly focused on the technical data did not consider governance were not included.

The data analysis was guided by thematic synthesis, arranged by three analytical categories: (i) legal domains (such as oil, gas and mining law); (ii) policy instruments (such as tax regimes, regulatory standards and subsidy reform); and (iii) articulated degrees of alignment with international climate undertakings and a net-zero destination. This approach offered an organized assessment of how Nigeria's resource governance frameworks are changing – legally, institutionally, and economically – in the context of the decarbonization of the world.

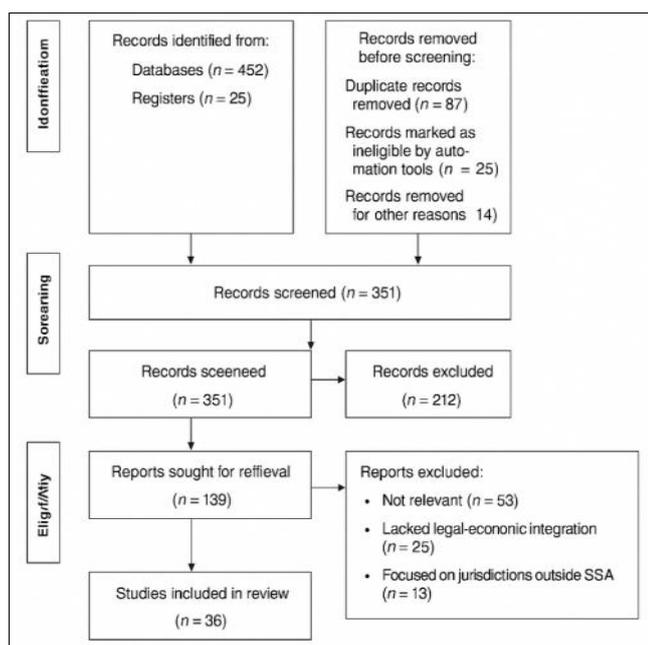


Fig 2: Prisma 2020 flow

The PRISMA 2020 diagram illustrates the systematic review process used in this study. From 477 records initially identified through databases and registers, duplicates and

irrelevant items were screened out, resulting in 36 studies included in the final analysis. The flowchart ensures methodological transparency, showing how records were filtered based on relevance, legal-economic integration, and regional applicability to Sub-Saharan Africa.

4. Literature Review and Case Studies

4.1 Global Net-Zero Commitments and the Law of Resources

There is now global agreement that action on climate is urgently needed, resulting in both government and voluntary legal obligations commitment to achieving net-zero greenhouse gas emissions by mid-century. These obligations are enshrined in the Paris Accord (UNFCCC, 2015) [27], a landmark global treaty that Nigeria is a party to, which requires all parties—including Nigeria—to take steps to reduce temperature rise below 2°C and pursue efforts to limit the temperature increase even further to 1.5°C each nation, including Nigeria, must fulfill these obligations with their NDCs— or their specific plan for transitioning to a low carbon world.

But these international norms of environmental and ecological concern exist within a legal framework that requires countries to have control over their natural resources, rather than for those resources to be controlled by foreigners, a principle found in both customary and statutory law. This duality poses a tricky dilemma for economies — like Nigeria's — which are reliant on the use of such fuels, as the sovereign prerogative to exploit the resources should now be balanced with obligations to reduce emissions. It is argued that substantive compliance with international climate law depends not only on ratification, but also on a state's implementation of climate responsibilities in domestic law (Averchenkova & Fankhauser, 2021; Bodansky, 2016) [2, 4]. This has given rise to a nascent literature on the “domestication” of international environmental law, particularly in the Global South where legal pluralism and institutional constraints complicate effective implementation (Rajamani, 2020; Cotula, 2020) [22, 7].

4.2 Nigeria's Extractive Sector Governance Environment

Nigeria's legal infrastructure for managing natural resource exploitation is elaborate while its historic basis is extractivist. [1] The Petroleum Industry Act (PIA) 2021 is the latest and most comprehensive legal reform in the oil and gas sector, consolidating a volatile legal regime into a single legislation and reforming the industry to make it more transparent, fiscally stable and attractive to all investors. Though the PIA rationalizes regulatory agencies and establishes community development obligations, it has received flacks for its muteness on climate imperatives and its absence of incentives for renewable energy (Okonkwo & Nnadi, 2022; Iweriebor & Ojigbo, 2023) [20, 12].

The Nigerian Minerals and Mining Act 2007, which regulates the solid mineral sector, is focused on revenue and foreign direct investment, rather than on creating environmental sustainability. The law also includes environmental protection policies; however, these are poorly enforced because the INCS lacks institutional overlap with other institutions, and lack capacity to enforce the regulations that control carbon emissions (Ogunleye & Oni, 2021) [19].

Fiscally, Nigeria uses a cocktail of royalties, taxes, and PSCs to generate income from resource production. Yet, they are not climate response and also frequently promote maximized rather sustainable use of resources. In particular, fuel subsidies have distorted energy markets and discouraged investment in low-carbon alternatives, depressing economic returns on renewable energy (IMF, 2021; Okoye, 2024 ^[21]).

4.3 Policy Instruments with Climate Imports

GreenDespite its reliance on fossil fuels, Nigeria has demonstrated determination in expressing climate ambition in the form of different instruments of policy. The revision of its Nationally Determined Contributions (NDCs) submitted in 2021 redemand a national commitment to achieve net-zero emissions by 2060, targeting energy efficiency, afforestation, clean cooking, and electrification (Federal Government of Nigeria, 2022) ^[8]. These objectives are embodied in the Energy Transition Plan (ETP), which has set a roadmap for the gradual weaning from fossil fuels and the attainment of increased renewable energy availability.

The Climate Change Act 2021 also provides for a National Council on Climate Change as a statutory body with responsibility to ensure that climate-related objectives are mainstreamed through sectoral policies. Nonetheless, the instruments for the operationalization of the Act are still emerging while the connection between it and the previously existing laws such as the PIA is nebulous (UNEP, 2023; Chigbu & Umeozor, 2025) ^[26, 6].

Another crucial tool is the Environmental Impact Analysis (EIA) Act that compels environmental reviews for flagship development projects. Although EIAs provide a processual mechanism through which climate issues may be considered, their enforcement is hampered in practice by political intervention, deficiency of relevant technical knowhow, and corruption (Amnesty International, 2021; Nwachukwu & Adamu, 2023 ^[17]). Furthermore, EIAs hardly consider lifecycle emissions and seldom connect the project to any net-zero pathways, proving to be of limited use in terms of climate governance.

4.4 Legal Gaps and Hurdles

However, several legal and institutional barriers stand in the way of Nigeria's commitment toward global climate objectives. Enforcement Shortfalls An overwhelming barrier in implementation is the lack of enforcement, largely due to a lack of funding, technical challenges and bureaucratic inertia in the regulators. The dominance of numerous sectoral laws (many of which were adopted prior to Nigeria's climate obligations), leads to legal fragmentation and regulatory incoherence.

Institutional roles are also fragmented and overlap, such as between the Ministry of Environment and Ministry of Petroleum Resources with key, but largely contradictory functions in energy governance. Such institutional contestation becomes paradoxically debased to undermine accountability and the more nuanced mainstreaming of climate norms into sectoral planning (Okoye, 2024) ^[21].

Furthermore, there is often a discrepancy between policy and legislation because few, if any, legal documents contain explicit climate-related provisions. For example, the ETP has progressive climate targets whereas the PIA and Mining Act are both devoid of any mention of decarbonisation,

carbon price, or emissions reduction. This gap highlights the pressing need for legal coherency and climate mainstreaming of all relevant resource-related legislation (Averchenkova *et al.*, 2022) ^[3].

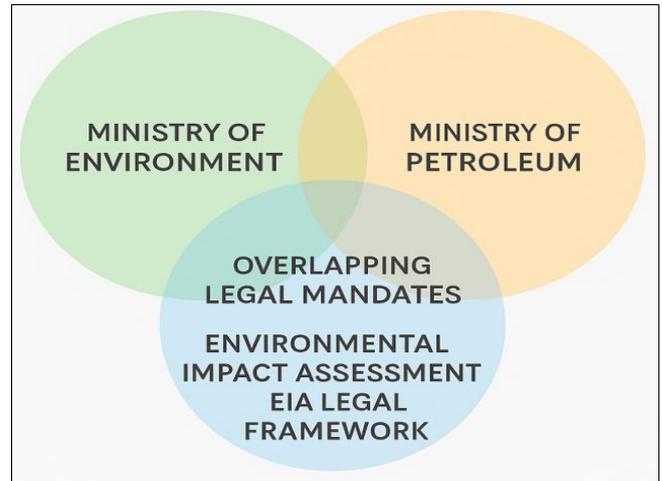


Fig 5: Legal and Institutional Overlap Map

The Legal and Institutional Overlap Map highlights how Nigeria's Ministry of Environment and Ministry of Petroleum operate within overlapping mandates—particularly in enforcing Environmental Impact Assessments (EIA). This intersection often leads to regulatory duplication, unclear accountability, and implementation delays. The diagram underscores the urgent need for institutional harmonization and clear legal delineation to strengthen climate governance and avoid fragmented environmental oversight.

4.5 Economic Implications

There are economic drawbacks as a result of Nigeria's slow adjustment of the country's laws and policies to global net-zero timelines. But a serious question is whether assets will be stranded, such as in the oil and gas sector. As international capital flows move in direction of ESG-compliant investments, and as carbon-heavy projects are penalized by both regulations and markets, Nigeria risks the ability to cash in its hydrocarbon reserves, with serious consequences for fiscal consolidation (IEA, 2021; UNCTAD, 2022) ^[9, 24].

Lagging green finance infrastructure, such as limited access to climate funds, underdeveloped domestic green bond markets, and insufficient financial support for renewable energy, is also apparent. These deficit compromise the public sector banking capacity (Nwachukwu & Adamu, 2023; IRENA, 2022) ^[17, 11] for the investment of capital in low-carbon infrastructure and innovation in Nigeria.

Finally, the opportunity costs of a delayed transition are huge. And the longer the policy inaction, the more expensive and complex the future reforms become. Nigeria faces being left behind in global green value chains, missing out on potential job creation, industrial competitiveness and climate resilience benefits. Meanwhile, enduring obstacles to diversification and development (infrastructure gaps, weak governance and energy access issues, among others) hamper the shift away from a fossil-centric economy (UNDP, 2023; Rodrik, 2021) ^[25, 23].

5. Discussion

Our The results of this review shed light on the intricate issues surrounding Nigeria's pursuit of a future that reconciles developmental imperatives based on fossil fuel with the requirements of a climate-stable future. Compared with other fossil-fuel dependent economies transitioning, including Indonesia and South Africa, Nigeria faces unique structural and legal obstacles, influencing the speed and success with which it can align towards net-zero. South Africa, for example, has introduced a carbon tax and a long-term transition away from coal to renewables as captured in an Integrated Resource Plan (IRP) and underpinned by an International Just Energy Transition Investment Plan (IRENA, 2022 ^[11]; Eskom, 2021). Indonesia, with a major reliance on coal but has pledged a net-zero target by 2060 as well as a Presidential Regulation on carbon pricing in which it incorporates climate targets directly into the national energy plan (Yusuf *et al.*, 2023) ^[28]. Both punching above their political weight in terms of institutional coherence and political alignment, an approach resulting in contrast with Nigeria's fragmentation – where bold climate proclamations share the field with laws that further cement the dependence on fossil fuels.

However, one important distinction between such transitions is their relative quantities of legal rigidity and policy flexibility. Nigeria is also a country in which sectoral legislation such as the Petroleum Industry Act (PIA 2021) and the Nigerian Minerals and Mining Act 2007 stand as obstinate, sectoral laws that are rigid, archaic, and resist the structural change of climate mainstreaming. These laws have not been aligned with more recent policy frameworks, including the Energy Transition Plan (ETP) and the Climate Change Act 2021, meaning that the country operates under a system in which climate objectives remain largely policy-driven (and non-binding), rather than being enshrined in enforceable legal norms. In comparison, South Africa has progressively harmonised its legal and policy frameworks with the establishment of a Climate Change Bill and amendments to its electricity and environmental laws, to establish through statute obligations for emission reduction and just transition plans (Averchenkova *et al.*, 2022) ^[3].

Limited role of the judiciary in climate governance This legal rigidity in Nigeria is deepened by the constrained role of the judiciary in climate governance. In Colombia, the Netherlands and South Africa, courts have taken on activist roles in enforcing obligations on climate and environmental rights, but the Nigerian judiciary has been largely passive. The juridical 'principle' of locus standi is narrowly conceived, even excluding civil society and environmental NGO from seeking judicial grievance on issues of climate (Chigbu & Umeozor, 2025) ^[6]. Also, environmental litigation in Nigeria is stifled by the lengthy processes, poor environmental jurisprudence and forum shopping in environmental litigation and absence of a climate precedent litigation. The judiciary, however, has transformative potential — with appropriate empowerment — to advance environmental rights, enforce climate-related legislation and act as a check (even the only check) on executive inaction or legislative inertia.

The lack of coherence between economic planning tools and climate aims is another obstacle to a strong climate governance in Nigeria. Main macroeconomic frameworks like the Economic Recovery and Growth Plan (ERGP), Nigeria Vision 2050, and the Medium-term National

Development Plan focus on GDP growth, industrialization, and energy development, and do not have significant implications for climate risk or decarbonization pathways balance. This fragmentation prevents cross-sectoral coherence and sends conflicting signals to investors, regulators and development partners. The ETP is an indication of the bold plans for renewable energy whilst the ERGP maintains its focus on oil and gas expansion as the basis for economic recovery which suggests a policy schizophrenia (Okoye, 2024; UNDP, 2023) ^[21, 25].

Country	Climate Policy Attributes			
	Carbon Tax	Energy Plan	Legal Codification	NDC Targets
Nigeria	No	Yes	Yes	Yes
South Africa	Yes	Yes	Yes	Yes
Indonesia	No	Yes	Yes	Yes

Fig 3: Comparative Policy Alignment Matrix

The comparative policy alignment matrix highlights how Nigeria, South Africa, and Indonesia align across four key climate policy dimensions. While all three countries have developed energy plans and codified their NDC targets, Nigeria lacks a carbon tax regime—unlike South Africa. This visual underscores the need for Nigeria to enhance legal codification and fiscal mechanisms to support a credible net-zero transition.

The absence of a unified framework that binds economic and climate planning within a coherent legal structure risks institutional drift and inefficiency. Without a consolidated legislative vision that merges fiscal policy, environmental protection, and industrial development under a green economy paradigm, Nigeria may struggle to attract long-term climate finance, manage stranded asset risks, or maintain international credibility under the Paris Agreement. What emerges from this analysis is a clear imperative for legal reform—not merely policy adaptation—to embed climate responsibility into the core architecture of Nigeria's economic governance. This will require not only legislative amendments but also deeper institutional integration, judicial empowerment, and a reframing of national sovereignty in terms of environmental stewardship and intergenerational equity.

6. Policy and Legal Reform Proposals

To meaningfully 'marry' Nigeria's resource governance laws with global orders to become net-zero compliant, a multi-tier reform approach is necessary: one which gives climate objectives a home in the legal, fiscal, and institutional architecture of natural resource management. The continuation of policy-legal and reliance on non-binding climate strategies proves the necessity of codifying of climate ambition into statutory frameworks and governance processes. The recommendations below signify a blueprint for legal and policy change.

The net-zero concept should be firmly included in the primordial laws of Nigeria's extractive industries, especially the Petroleum Industry Act 2021 and Minerals and Mining Act 2007. As they stand, these laws are focused purely on how to maximise revenues, attract investors to projects and

cut through red tape, while virtually ignoring aspects such as climate mitigation, adaptation and sustainability. Revising the above-mentioned acts to include explicit provisions for carbon budgeting, emission reduction targets and renewable energy integration is necessary, if the law is to remain consistent with Nigeria's Climate Change Act 2021 and net-zero commitment. Those amendments should also mandate that environmental and social due diligence is required in the licensing, project review and community development plan process.

Secondly, Nigeria should routinely require carbon accounting and disclosure obligations for extractive companies in line with the environmental compliance regulations. Regulatory rules can be enacted by the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) and Ministry of Mines and Steel Development. The companies should be made to report their operational emissions, flaring volumes, and carbon reduction measures in the international standard, GHG Protocol or TCFD. Incorporating transparency measures into fiscal and environmental laws would strengthen accountability." This will also serve as an incentive for climate-friendly investors and development finance.

Third, fiscal policy needs to be reconfigured to reward green investment and punish carbon-intensive activity. This would involve a phase out of fossil fuel subsidies—widely recognized for having long distorted Nigeria's energy markets—and investing savings into supporting the development of clean energy, public transportation, and climate-resilient infrastructure. New fiscal instruments like carbon tax, green bonds, tax break for investment in renewables and rapid depreciation for adoption of clean technology should be put in place to accelerate accelerated low carbon economy transition. In addition, the Ministry of Finance, with the Central Bank of Nigeria and the Debt Management Office, should incorporate climate-risk assessments into the process of budget planning and sovereign debt issuance.

Fourth, stronger inter-ministerial coordination is required to align climate goals with resource governance. This would require a central coordination role – possibly under the National Council on Climate Change – to ensure sectoral ministries (Environment, Petroleum, Mines, Finance, Power) operate under a common climate-development framework. This would include frequent joint policy audits, data-sharing platforms and coordinated planning processes in order to minimize fragmentation of policy, policy inconsistencies and institutional competition. Coordinated directives are essential towards achieving the successful delivery of cross-cutting initiatives such as the ETP, and in synchronizing the Nigerian NDC targets with sectoral activities. In support of the United Nations Framework Convention on Climate Change (UNFCCC), Nigeria committed itself to specific national action plans termed Intended Nationally Determined Contributions (INDC).

Lastly, the necessity of training the judiciary and the regulatory agencies, and why it is a must, for the climate jurisprudence to be institutionalized and enhanced, was underlined. Judges, lawyers and environmental regulators should be offered focused training on climate law, international environmental treaties, rights-based climate litigation, and emerging legal principles like loss and damage, environmental justice and intergenerational justice. Collaborations with foreign institutions, law schools, and

bar associations may promote curriculum development, judicial exchanges, and training sessions. Enhancing legal capacity not only will foster a better interpretation and implementation of climate laws, but will also allow courts to hold government (and corporate) actors accountable to the environment, and climate inaction.

9 Taken as a whole, they provide us with a framework for reconciling Nigeria's resource-dependent development model with the requirements of global climate governance. Without radical, immediate change, the country is at risk of entrenching itself in a high carbon future which is as bad for the environment as it is for the economy. Promoting corporate climate responsibility legally, through incentives, coordination and capacity is thus both a legal necessity and a national strategic imperative.

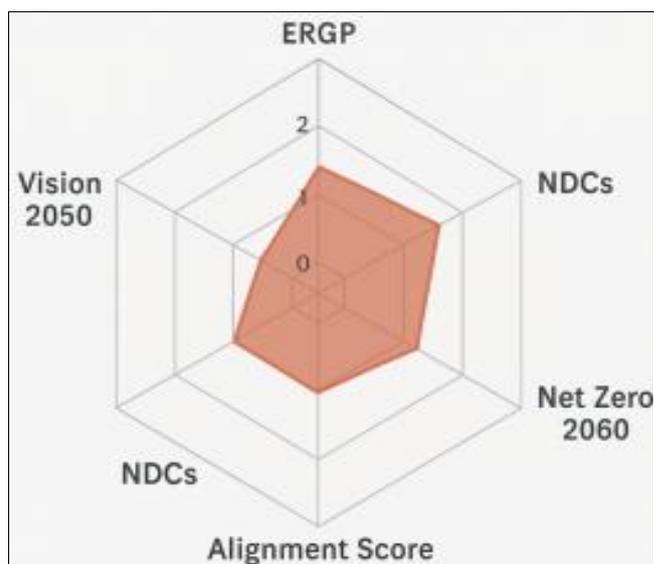


Fig 6: Policy - Climate Misalignment Dashboard

The Policy-Climate Misalignment Dashboard illustrates how Nigeria's major macroeconomic frameworks diverge from climate commitments. While NDCs and Net Zero 2060 show moderate alignment, key instruments like the ERGP and Vision 2050 lag in integrating decarbonization goals. The uneven radar pattern underscores the strategic disconnect between climate policy and economic planning, signaling the need for harmonized and codified climate integration across national development strategies.

7. Conclusion

This analysis exposes a fundamental incompatibility of Nigeria's legal-economic governance models with the requirements of the global net-zero agenda. While the country has advanced in the development of climate commitments—that is, the Energy Transition Plan, the updated NDCs and the Climate Change Act—its efforts stand largely as policy initiatives, without being tightly nested in the baseline legal environment that regulates the extractive and energy sectors. Well-established laws such as the Petroleum Industry Act (2021) and the Nigerian Minerals and Mining Act (2007) remain largely focused on fiscal maximization and investment attraction, with negligible or zero reference to emission mitigation, carbon responsibility or sustainable long-term outcomes. This structural misalignment has both compromised Nigeria's position as a climate actor, and is in danger of (financially)

locking the economy into more high-carbon pathways in a world where high-carbon investment decisions become increasingly BD, 2015 unsound and uneconomic.

These conclusions highlight an immediate requirement for coordinated legal reconfiguration and consistency in macroeconomic planning. Legal reform should build in climate obligations to extractive laws, require carbon accounting and align regulatory responsibility across the major ministries. Meanwhile, national development plans, such as the ERGP, the Vision 2050 and the Medium-Term Development Plan should be revised to account for Nigeria's climate risk exposure, green investment requirements and transition imperatives. Failure to embed climate logic into the legal and fiscal architecture will not only hinder decarbonisation, it will also increase Nigeria's risk of holding stranded assets, investor confusion, and failure to benefit from green growth.

Importantly, the report highlights the importance of a just transition—a transition that is just and equitable, socially inclusive, that has an element of economic inclusivity and one that aligns with Nigeria's development realities. That means protecting jobs, protecting vulnerable areas of the country, investing in human capital, and protecting the fact that climate reform cannot exacerbate inequality or amount to a life-destroying policy. Now that climate justice and energy justice have taken the centre stage of global sustainability conversation, Nigeria has to define a pathway that is climate-responsible and development-sensitive in a transition to the future. By doing so, the country will be able to harmonise resource governance systems with the global net-zero path and claim a resilient, inclusive, and sustainable future, but only if grounded in legal, institutional, and economic transformation.

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