Aligning ESG Initiatives with Sustainable Development Goals in the Oil and Gas Industry: Policy Perspectives from the Global South.

Margaret Adisa

York St John University, United Kingdom

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ABSTRACT

The paper analyses whether ESG interventions in the oil and gas sector lead to concrete contributions to the achievement of Sustainable Development Goals in resource-dependent economies in the Global South. There is an analysis problem related to the lack of information about whether corporate environmental, social and governance measures improve the environmental situation, people's lives, the institution's performance or resource benefit distribution. The paper provides a comparative analysis in Nigeria, Angola, Brazil and Indonesia, based on the structured documentary review of the literature. The sources of evidence include peer-reviewed papers, statutes, regulatory documents, EITI reports, official statistics from national institutions and company sustainability reports. Four policy types have been identified: Host Communities Development Trusts in Nigeria, local content requirements and environmental licensing system in Angola, contractual local content requirements, regulatory monitoring and resource-revenue allocation in Brazil and social and environmental responsibilities in Indonesia.

The study's analysis reveals that these instruments create important institutional mechanisms for alignment, but the mere existence of such instruments is no proof of improvements in SDG outcomes. Supplier registration locally, project spending by communities, training numbers and emissions reporting by corporations are all implementation outcomes; they need to be linked to independently validated outcome indicators and disaggregated community baseline outcomes before they can be considered development outcomes. The significance of the article is its framework for understanding the policy-to-outcome chain in terms of regulatory alignment, implementation compliance and development outcomes. The article makes clear that credible alignment requires enforceable duties, independent monitoring, transparent benefit sharing, inclusive community governance and outcome measures consistent with SDG targets.

Keywords: ESG, SDGs, Oil and Gas, Policy, Global South, Governance, Sustainability, Regulation, Stakeholder Engagement.

INTRODUCTION

ESG factors and the United Nations Sustainable Development Goals (SDGs) have emerged as important reference points for discussion on the issue of corporate responsibility, investments, and developmental policies. These concepts are different, yet they are linked together. ESG refers to the method used to categorise environmental, social and governance risks, impacts, and management within organisations. ESG is neither one set of rules nor one standard of measurement. On the other hand, SDGs form part of the 2030 Agenda that was endorsed by the United Nations Member States in 2015. SDGs consist of 17 Goals and 169 targets concerning such topics as poverty, health, education, decent work, industries, inequalities, climate change, ecosystems, and institutions. SDGs are not legally binding obligations for companies or countries in their current form; implementation of the goals relies on national policies, legislation, institutional capacity and accountability (United Nations, 2015; United Nations Statistics Division, 2026; Schwartz and Cragg, 2017).

The oil and gas sector holds an especially critical and contradictory role in the discussions of ESG-SDG alignment due to the fact that petroleum production and use have a significant environmental, social, and economic effect that directly impacts the achievement of several SDGs, and at the same time, it provides financial

resources that can be used to invest in sustainable development (Obida et al., 2018; Whalen, 2021). Petroleum activities produce financial gains, exports, and job creation, but they also pose physical dangers because of greenhouse gas emissions, methane release, flaring, oil leaks, pollution of water, ecological disruption, and workplace dangers. It is, thus, possible for the same sector to serve some development goals while hindering others. Financial gain and energy provision can finance infrastructure and social services, while pollution can harm farming, fishing, health care, and the availability of clean water. Dependence on hydrocarbons can also put the budget at risk from price fluctuations and increase the incentives for the government to focus on short-term rent extraction at the expense of diversification and institutional reforms (Omonijo et al., 2019; Kaygusuz 2021).

One core problem that comes out in debates about corporate sustainability concerns the habit of deducing performance in terms of development from corporate activities. For example, the corporation may report the construction of a community clinic, the number of training spots, the share of purchases from domestic suppliers or the decrease in the emissions intensity ratio. However, each of these things is not the same. The clinic is an output, not an indicator of good health; the training spots are outputs, not evidence of employment; the purchases from domestic firms are not automatically the proof of increased productivity or of more lucrative jobs; and the reduction in the emissions intensity ratio may go hand in hand with an increase in the emissions level as production increases. Existing literature on SDG reporting in the oil and gas industry highlights variations in how corporations incorporate the SDGs and measure their contributions. (Arena et al., 2023).

In light of the foregoing, the issue at hand is not whether oil and gas companies should include the SDGs in their sustainability reports. Rather, it is whether public bodies can make such obligations and activities lead to confirmed developments, and whether affected populations have any say in how the benefits are planned, distributed and evaluated. This involves considerations related to the linkages between statutory regulations, implementation of such regulations, corporate conduct and distribution. While voluntary standards of reporting may increase the consistency of reported information, they do not replace environmental regulation, fiscal responsibility, availability of grievance mechanisms, or an independent impact assessment. The sector-specific guidance provided by GRI 11 in respect of oil and gas companies, for instance, is useful provided that the information is material, complete, site-based and accurate (Global Reporting Initiative, 2026).

The paper studied four petroleum-producing countries, namely Nigeria, Angola, Brazil, and Indonesia. These countries have been chosen because they represent a wide range of geographical areas, including Africa, Latin America, and Asia. Moreover, these cases were not picked to show statistical representativeness of the Global South but for the purpose of contrasting different policy instruments. The study uses Nigeria to illustrate the statutory regime for the distribution of royalties in favour of the host communities and a domestic-content regime. The study uses Angola to demonstrate a state-led local content regime and an emerging transparency framework. Brazil has a contract-based local content regime with independent verification by the regulatory agency, along with the statutory route to direct specific revenues from petroleum to education and health care.

1.1 The Research Problem

The research problem revolves around the existence of a gap between policy and outcomes. The ESG guidelines may drive businesses to recognise and disclose risks that are deemed material, whereas national SDG policies outline the development agenda of each country. However, this does not imply that both mechanisms are necessarily related. The first one relies on the corporate logic, which focuses on the boundary of a company, materiality judgments, and stakeholder considerations (Singhania, M. and Saini, N., 2023; Singhania et al. 2024). The second mechanism operates based on the logic of people, territory and public institutions and, hence, the two sets of criteria cannot be considered identical. For instance, the number of employees of a particular business is not enough for measuring progress on SDG Target 8.5 of the national population and the amount of money spent on the water treatment process does not mean anything in relation to SDG Target 6.3.1.

Studies report on how ESG reporting by the oil companies focuses on measures that are easily measurable and positive to the corporate image and do not require answering hard questions about the overall impact on sustainability, contribution to the national development goals, and alignment with particular SDG targets (Uduji and Okolo-Obasi, 2017; Ogungbade et al., 2018; Ossai, 2020). The strategies to implement SDGs by the government tend to recognise the role of the contribution of the private sector but do not provide specific

mechanisms through which corporate activities, especially in extractive industries, can be actively involved in supporting SDGs progress instead of worsening it (Nassar et al., 2019; Surya et al., 2020; Okolie-Osemene and Young 2018).

This disconnect is what can be called a basic strategic mismatch in which global ESG priorities are geared towards environmental decarbonization (SDG 13) and Global South development priorities are geared towards poverty reduction (SDG 1), decent work (SDG 8), and industrial development (SDG 9). It leads to the so-called jurisdictional arbitrage whereby corporations comply with tough environmental regulations in Global North settings and apply less stringent standards in weaker regulatory jurisdictions of the Global South.

1.2 Policy Relevance and Research Significance.

This paper fills a gap in the current literature, as it conducts a systematic analysis of policy frameworks, implementation issues, and opportunities of aligning ESG initiatives with achieving SDGs in the context of oil and gas in Global South specifically through a policy-based and not corporate-based lens. Although there is a significant body of research on corporate ESG practices and on SDG implementations separately, there is a dearth of scholarly work that explores how the two frameworks can be successfully aligned via policy interventions that consider the specific political economies, governance issues, and development priorities of the oil-producing nations in the Global South (Tamvada, 2020; Nassar et al., 2019; Surya et al., 2020).

The study adds to the policy discussion by summarising the evidence on various Global South settings to draw general issues, successful ideas, and lessons to be transferred to other national contexts and challenge the idea that global ESG norms can be applied universally. The analysis of regulatory strategies and voluntary programmes provides insights into the policy instruments governments can adopt to ensure that oil and gas activities contribute to sustainable development rather than merely facilitating resource extraction for external markets.

1.3 Aims and Objectives

The general objective of the study is to critically examine the congruence between corporate ESG efforts and the Sustainable Development Goals in the oil and gas industry of the Global South.

Research Objectives.

1. To critically analyse the conceptual and operational links between ESG frameworks and SDGs frameworks in the oil and gas industry in Global South settings.
2. To map prevailing ESG practices in oil and gas operations in Global South and assess their congruence with national and local SDGs.
3. To discover structural, institutional, and policy obstacles to successful ESG-SDG alignment, such as governance vulnerabilities, regulatory inefficiencies, and inadequate stakeholder engagement.
4. To evaluate the efficacy of the current policy tools and governance systems applied to facilitate the integration of ESG-SDGs in oil-producing nations.
5. To build evidence-based policy suggestions to enhance ESG-SDG alignment with regulatory reform, institutional capacity building, and inclusive governance systems.

LITERATURE REVIEW

Theoretical Foundations: Integrating Stakeholder Theory, Institutional Theory, and Political Economy

This study integrates multiple theoretical perspectives to provide a comprehensive understanding of ESG–SDG alignment within the oil and gas industry in the Global South.

Stakeholder Theory

The stakeholder approach forms the first lens through which this situation can be analysed. According to Freeman (1984), the strategy of an organisation needs to consider not only those entities which have an impact

on or are impacted by the organisations, but not simply consider the shareholders as the only stakeholders. In the context of oil producing regions, stakeholders would include employees, contractors, host communities, indigenous peoples and other traditional groups, women, youth, small-scale enterprises, regulators and future generations. The problem with the stakeholder approach is that being aware of the stakeholders does not equal equality in negotiating position (Høvring et al. 2018). A negotiation can occur at the same time when the company or government has more control over information, decision-making and resources than anyone else.

Institutional Theory

The institutional framework provides an explanation for the inconsistencies that may result from the implementation of formal policies in organisations. According to DiMaggio and Powell (1983), there are coercive, normative, and mimetic pressures that determine organisational behavior. In the resource extraction industry, coercive pressures come about due to the law, licensing, taxation, and regulation. Normative pressures result from professional and investor requirements as well as global standards, while mimetic pressures are associated with imitation of accounting and managerial practices within an industry. Brammer et al. (2012) posit that the institutional theory is an extension of stakeholder perspectives that describe how formal rules and informal social norms shape organisational behavior, and is especially useful in explaining how institutional voids or lax enforcement of regulatory rules in Global South settings impose conflicting pressures on multinational corporations. Investors and international stakeholders demand high ESG standards, whereas local stakeholders demand rent-seeking, patronage and accommodation with the existing power structures (Tantua et al., 2018; Nwobieze et al., 2018).

Political Economy lenses emphasise power relations and ambiguous definitions of the term sustainability, noting that ESG and SDG frameworks are not apolitical technical tools but embody conflict between various interests such as Global North investors favouring climate risk mitigation and Global South governments favouring economic growth and poverty alleviation (Slevin, 2019; Whalen, 2021). This framework allows examining the possibility of ESG to support neo-colonial patterns of resource extraction or repurpose it to national development based on policy design and implementation (Nwobieze et al., 2018).

A Three-level Policy-to-outcome Framework.

Substantive alignment between ESG and SDGs refers to the degree to which (a) public policy and national development agendas are aligned; (b) corporate actions conform to these policies and are judged on their material effects; and (c) implementation leads to independently verifiable benefits distributed fairly among the community in which SDG targets operate. This definition does not conflate corporate intent, policy design, implementation outputs, and community outcomes. Alignment is something that needs to be considered at three different levels.

i. Alignment between regulations and institutions, where laws, licensing agreements, contracts, national development plans, and regulations contain binding obligations, accountability, and funding arrangements.
ii. Evidence of operational alignment, where corporations avoid and remedy harm, respect human rights, protect workers, control emissions and pollution, disclose payments and contracts, and engage procurement or community programs in accordance with any applicable regulations.
iii. Evidence of distributive and outcome alignment, where the benefits and harms are equitably distributed and data can demonstrate progress against relevant environmental, social and institutional metrics, including gender, youth, and marginalized populations.

The framework also defines four evidentiary stages. An activity is a step taken (for instance, training and/or water treatment). An output is the direct output (number trained, facilities put in place, water treated). An outcome is the change produced (sustained employment, safe drinking water, reduced pollutant exposure). An impact is a longer-term change that can be attributed, at least in part, to the intervention. The more distance there is between activity and impact, the stronger the evidence required. Without a baseline, a time series, disaggregation and some kind of counterfactual or contribution analysis, it is not appropriate to attribute national SDG progress to a single company programme.

Table 1: Operationalising ESG–SDG Alignment through Targets and Outcome Indicators

ESG dimension	Relevant SDG target(s)	Company / project-level evidence	Outcome evidence required
Environmental: water and pollution	SDG 6.3; indicators 6.3.1 and 6.3.2	Volume and proportion of produced/industrial wastewater treated; spills by volume and severity; remediation progress; monitoring coverage.	Independent ambient-water quality; proportion of industrial wastewater safely treated; population exposure and access to safe water. A treatment-plant installation is an output, not proof of improved water quality.
Environmental: climate and methane	SDG 13.2; indicator 13.2.2; Paris Agreement reporting	Absolute Scope 1 and 2 emissions; methane tonnes and intensity; routine flaring; verified reduction against a defined baseline.	National and regional emissions trends, methane concentration and flaring data; separate company contribution from national inventory changes and production effects.
Environmental: ecosystems	SDGs 14.1 and 15.1/15.5	Spill response time; hectares restored; habitat condition; biodiversity monitoring; waste and discharge controls.	Measured coastal pollution, ecosystem condition, forest/habitat status and recovery of fishery or agricultural productivity, independently sampled.
Social: health, water and livelihoods	SDG 3.9; SDG 6.1; SDG 1.2	Exposure monitoring; health and safety incidents; access to water and sanitation projects; community health programmes.	Changes in disease burden, safe-water access, household poverty and livelihood security, disaggregated by location and vulnerable group.
Social: decent work and local capability	SDG 8.5 and 8.8; SDG 9.2	Local employment by skill, sex and contract type; wage and injury data; supplier procurement; training and certification.	Sustained employment, real wages, occupational injury rates, local supplier survival/productivity and manufacturing value added. Training attendance alone is not job creation.
Governance and distribution	SDG 16.5, 16.6 and 16.7; SDG 10.2	Tax and royalty payments; contract and beneficial-ownership disclosure; grievance processing; board/community representation; audited fund expenditure.	Public access to reliable revenue data, timely budget execution, service-user satisfaction, inclusive decision-making and independently audited benefit distribution.

Source: Author Synthesis

Corporate ESG in Global South Oil and Gas

Empirical studies on the implementation of ESG by oil and gas companies in Global South settings indicate that corporations have major gaps between their promises and the reality, especially when it comes to environmental protection, community relations, and transparency in corporate governance (Tantua et al., 2018; Singh and Ntuli, 2017). The environmental ESG performance is subject to ongoing issues such as poor pollution control despite advanced monitoring systems, minimal investment in the remediation of old contamination, flaring of gases even when the company has declared its commitment to cutting down the emissions, lack of protection of key ecosystems and biodiversity, poor environmental management in remote areas of operation, and lack of application of climate considerations in long-term planning (Obida et al., 2018; Sam et al., 2017)

Social ESG projects demonstrate that they tend to be poorly designed and not consulted with beneficiaries, unsustainable beyond project operational lifespans, prone to elite capture and corruption, not aligned with national development strategies and local priorities, not centred on capacity building, and lack true community ownership or management (Tantua et al., 2018). The employment benefits of oil activities are usually reserved to local communities, and the skilled jobs are occupied by expatriates or foreign workers, and unskilled jobs are

temporary and underpaid (Mukosa et al., 2020).

The dimensions of governance ESG have been challenged by such aspects as the lack of transparency in contracts, revenues, and operational decision-making, the ineffective accountability frameworks of environmental and social performance, the inadequate stakeholder consultation and meaningful involvement, the ineffective grievance frameworks available to affected communities, and the ineffective coordination between the corporate policy and the local practise (Schultze, 2017) Ossai (2020) revealed that despite the strong governance policies of companies at the headquarters level, in many cases, implementation fails at the operational locations because of insufficient control, the existence of conflicting incentives, the lack of capacity, and opposition to field management

METHODOLOGY

Research Design and Philosophical Approach

The study employs a qualitative, comparative documentary method. It involves the examination of laws, rules, regulatory documents, EITI evaluations, company reports, international guidelines and relevant literature published in peer-reviewed journals. The use of a documentary approach is justified by the nature of research questions that focus on the structure of policy instruments, the institutional roles and the revealed process of governance as well as the availability of evidence related to the issue based on the study of Bohnsack (2014). This study does not involve econometric analysis of causal relationships between ESG programs and SDG indicators and it does not aim to evaluate the impact of ESG programs on national SDG indicators.

The study employs a critical policy analysis perspective, which does not just consider the technical content of policies, but also the political processes, power relations and ideological assumptions that influence the development and implementation of policies based on the study of Strauss and Corbin, (1998) and Ravitch and Carl (2019). This method acknowledges the fact that ESG-SDG alignment policies are not a neutral technical tool but a contest between various interests and priorities that must be analysed both in a formal way (policy content) and in an actual way (policy outcomes).

The research follows comparative case study logic, exploring trends in several oil producing regions in the Global South such as West Africa (Nigeria, Angola), Latin America (Brazil, Venezuela), and Asia (Indonesia, Malaysia) to determine shared challenges, effective innovations, and regional differences to guide policy suggestions.

Case Selection and Comparative Logic.

The selected countries of Nigeria, Angola, Brazil and Indonesia were chosen based on purposive sampling. All of them have an extractive sector with some kind of policy framework that pertains to the relationship between extractives and development. They range across Africa, Latin America, and Asia and vary in terms of the main instrument studied - host community funding in Nigeria, local content and environmental licensing in Angola, local content enforcement and oil revenue earmarking in Brazil, and corporate social and environmental responsibility and subnational revenue sharing in Indonesia. The selected cases are not representative of all developing countries with extractive sectors. Instead, they are analytically selected for comparison purposes. Venezuela, Guyana and Malaysia, although initially mentioned in the first draft, were dropped from full case studies since the submitted documents do not include comparable country-specific information for them.

Search Sources, Dates and Search Strings.

The evidence search was carried out with the focus to locate publicly accessible scholarly publisher records and primary sources. Scholarly records were identified through open search interfaces of academics and publishers, while being cross-referenced against publisher records and DOI metadata where available. Primary legal and administrative documents were acquired through the national repositories and regulators: NUPRC, NCDMB and NEITI in Nigeria; Angola petroleum regulator (ANPG), official gazette record and EITI in Angola; Planalto, Câmara dos Deputados, Senado Federal and ANP in Brazil; and official legal information sites, EITI and

Pertamina in Indonesia. International data was extracted from UN SDG indicators metadata repository, UNEP, EITI and GRI. Database search syntax is provided in Table 1. They are provided as an example of reproducibility protocol, and not necessarily as an indication that subscription databases were searched in this iteration of the study: the original manuscript did not have database exports, and Scopus, Web of Science, JSTOR and EconLit access logs were unavailable

Table 2: Database-Specific Search Strings and Documentary Repository Queries

Database / source	Scope	Reproducible search string or document query
Scopus (replication syntax)	Protocol string execute in TITLE-ABS-KEY and not represented as an executed subscription search.	TITLE-ABS-KEY((ESG OR "environmental, social and governance" OR "sustainability reporting") AND ("oil and gas" OR petroleum OR hydrocarbon* OR extractive) AND ("Sustainable Development Goals" OR SDG*) AND (Nigeria OR Angola OR Brazil OR Indonesia OR "Global South"))
Web of Science Core Collection (replication syntax)	Protocol string execute in Topic (TS) and not represented as an executed subscription search.	TS=((ESG OR "environmental, social and governance" OR "sustainability reporting") AND ("oil and gas" OR petroleum OR hydrocarbon* OR extractive) AND ("Sustainable Development Goals" OR SDG*) AND (Nigeria OR Angola OR Brazil OR Indonesia OR "Global South"))
EconLit / EBSCOhost (replication syntax)	Protocol string execute in all-text / subject fields as supported by the institution and not represented as an executed subscription search.	(ESG OR "corporate social responsibility" OR "sustainability reporting") AND (petroleum OR hydrocarbons OR "oil and gas" OR extractive) AND ("Sustainable Development Goals" OR SDGs) AND (Nigeria OR Angola OR Brazil OR Indonesia)
JSTOR (replication syntax)	Protocol string apply to full-text search and not represented as an executed subscription search.	("oil and gas" OR petroleum) AND (ESG OR "corporate sustainability" OR "corporate social responsibility") AND ("Sustainable Development Goals" OR SDGs) AND (Nigeria OR Angola OR Brazil OR Indonesia)
Google Scholar / publisher interfaces	Open academic and publisher interfaces use the string in title/abstract or general search and verify each record at publisher/DOI source.	(ESG OR "environmental, social and governance") "oil and gas" ("Sustainable Development Goals" OR SDGs) (Nigeria OR Angola OR Brazil OR Indonesia)
Nigeria: NUPRC, NCDMB, NEITI and UNEP	Legislation, regulatory guidance, audit material and environmental assessment.	"Petroleum Industry Act" AND ("Host Communities Development Trust" OR "3%" OR "operating expenditure"); "NOGICD Act" AND "local content"; NEITI AND "2023" AND "oil and gas"; UNEP AND Ogoniland AND oil pollution
Angola: ANPG, official legal repository and EITI	Local-content rules, environmental licensing and transparency assessments.	"Decreto Presidencial 271/20" AND petróleo; "Decreto Presidencial 117/20" AND "licenciamento ambiental"; Angola AND EITI AND validation AND 2025
Brazil: Planalto, MME, Senado Federal and ANP	Petroleum statutes, revenue allocation and local-content enforcement.	"Lei 9.478/1997" OR "Lei 12.351/2010"; "Lei 12.858/2013" AND educação AND saúde; "Lei 15.169/2025"; "Lei 15.075/2024"; ANP AND "fiscalização de conteúdo local"
Indonesia: official legal portals, EITI and Pertamina	Petroleum law, company responsibility and subnational revenue transfers.	"Law No. 22/2001" AND environment; "Law No. 40/2007" AND "Article 74"; Indonesia EITI AND petroleum AND "revenue sharing"; Pertamina AND "Sustainability Report 2024"
International standards and SDG measurement	Global indicators and oil and gas reporting standards.	"2030 Agenda" AND A/RES/70/1; UN SDG metadata AND indicators; GRI 11 AND oil and gas; SDG Compass AND business indicators

Source: Author Synthesis

Eligibility Criteria and Final Evidence Corpus.

A document would be considered relevant in any of the following ways: (i) if it specifically discussed ESG,

sustainable business practice, SDG realisation, or governance in the extractive industries in oil and gas; (ii) if it created or explained a relevant national legislative instrument; (iii) if it presented relevant country-specific administrative, financial, environmental, or social information for one of the four cases; or (iv) if it gave an international framework or indicator definition. Preference was given to those documents published between 2010 and 2026, although earlier foundational theory and the UNEP report on Ogoniland in 2011 would be kept if necessary for theoretical foundations and environmental baseline information. Only English documents were used, along with Indonesian government documents where the relevant provisions were reliably ascertainable via official websites or institutional summaries.

Documents were not considered when they referred to other industries in a way that could not be applied in the extractives sector; made references to CSR and SDGs in an abstract manner without the relevance to any policy in the oil and gas industry; made promotional statements with no source available for confirmation; cited a document without offering further information; or had insufficient details of bibliography or institution to confirm the statement cited from them. Sources before 2021 were not considered to confirm the content or impact of the 2021 Nigerian Petroleum Industry Act. Therefore, the final evidence corpus consist of 37 unique records, including 27 pieces of documents from each individual country (Nigeria – six; Angola – seven; Brazil – nine; Indonesia – five), five academic articles or other foundational analyses, and five framework or methodological studies from the international community. The list of countries includes both primary legislation and secondary documents like records of regulators or EITI, environmental assessment data, and the company records.

Quality Appraisal and Evidence Weighing.

The quality appraisal process was tailored for the different roles of each source. A statute is legal evidence of the requirements of the law, but it is not evidence of implementation of the law or that there have been improvements in outcomes (Anderson et al. 2014). Pandya (2024) cites that a regulator dashboard can give relevant administrative information, but this information needs to be put in context, in terms of a relevant period, denominator, definition and corroboration before it can be considered an outcome development indicator. The EITI validation process evaluates the transparency and governance against an established standard but is not by itself proof of social welfare improvements. The peer-reviewed study will be appraised on the research design, data sourcing, relevance to context, analytic transparency and limitations recognised. Corporate sustainability reports are used as proof of corporate policy, activities and performance within the stated scope.

No single numerical score was used since legal instruments, empirical papers that have been published through peer reviews, and corporate reports cannot all be measured using the same construct. Rather, each source of information received a function and an evidential cap. The highest level of confidence was given to the legal sources of information regarding the presence and content of obligations, to independently verified information from EITI and UNEP concerning their governance or environmental claims, and to empirical papers for their research question and methodology. Corporate reports and administrative dashboards were mostly used to point out the disclosed actions and outputs.

Coding Framework and Synthesis

Each document was examined in terms of the applicable law, institution, implementation process, obligation of companies, stakeholders who are concerned, output made public, result, accountability system and constraint. This coding process consisted of both deductive coding based on the three theoretical perspectives and inductive coding developed from the documents of each country. Codes were grouped by comparing them across countries. It was a qualitative and documentary process rather than interviews or surveys. The coding scheme is presented in Table 3.

Table 3: Documentary Coding Framework

Parent code	Sub-codes	Analytical question
Regulatory design	Mandatory / voluntary; statutory or contractual basis; licence conditions; sanctions; scope of application.	What obligation exists, who is covered and who can enforce it?

Institutional capacity	Regulator mandate; budget and technical expertise; data access; independence; inter-agency coordination.	Can the institution monitor compliance and apply credible remedies?
Stakeholder power	Consultation; representation; information access; grievance; gender and youth inclusion; community influence.	Who participates and who controls decisions, appointments and information?
Distribution of rents and benefits	Royalties; taxes; local content; community trusts; public expenditure; procurement and revenue sharing.	Who receives benefits, who bears costs and how are allocations disclosed?
Environmental and social performance	Emissions; methane; flaring; spills; remediation; water; health; safety; employment; livelihoods.	Which material impacts are measured and what is the baseline?
Evidence stage	Activity; output; outcome; impact; independent verification; attribution limits.	What level of claim does the source actually support?
SDG linkage	Target number; official indicator; company proxy; national or local data; disaggregation.	Is the claimed contribution mapped to a specific target and a valid indicator?

FINDINGS AND ANALYSIS

Nigeria: Statutory host-community Funding and the Governance of Representation

The Nigerian Petroleum Industry Act 2021 (PIA) offers one of the most clear-cut statutory mechanisms among those studied regarding the link between the upstream oil activities and development in host communities. Chapter 3 creates Host Communities Development Trusts (HCDTs). Section 240 mandates each set of applicable settlors, as appropriate via the operator, to provide an amount equivalent to 3 per cent of its actual annual operating cost in the preceding financial year for upstream petroleum activities in relation to the host communities served by the trust. The contribution, therefore, is based on operating cost, not profit, gross income, or any predetermined percentage of national oil revenues. Furthermore, there is a requirement of the use and management of the trust fund in the PIA. Specifically, Section 244 requires 75 per cent of the fund to be used for the capital fund, 20 per cent for the reserve fund and up to 5 per cent for administrative and special projects (Federal Republic of Nigeria, 2021, ss. 234–257).

This represents a significant difference from discretionary philanthropy since it creates a mandatory contribution and an organisational framework. This can benefit SDG-related areas such as water and sanitation (SDG 6), health (SDG 3), decent work (SDG 8), infrastructure (SDG 9) and inclusive institutions (SDG 16), based on the assessment and project selection. However, one cannot confuse the mandatory requirement with the fact that there is evidence that any of these objectives have been achieved. The 3 per cent contribution formula provides for the inputs; the projects of the trust represent the outputs, while the actual access to clean water, lower risk of contracting diseases, job security and local accountability are the outcomes.

The second point in contention is that of the governance of trust. It is erroneous to label the HCDTs as “controlled by affected communities”. The Act states that there must be consultations with the host communities on how the Board of Trustees is constituted, but it is the settlor who will determine the appointment and seek its approval through regulations. The Board will govern the trust and appoint a management committee. The committee will have the non-executive member nominated by each host community and executive members appointed by the Board, which do not have to be from the host communities. There will also be the establishment of Host Communities Advisory Committee, which must have at least one member from each host community (Federal Republic of Nigeria, 2021, ss. 242-250).

This arrangement raises an institutional issue, as opposed to merely legal support. While the community can voice its concerns and elect representatives, the actual effectiveness of participation will depend on whether there is transparency in the process of choosing representatives, whether women, young people, and other

disadvantaged groups have access, whether the information about projects and budget is available, and whether there is an option to solve issues independently. There are also regulations regarding trust establishment, administration, need assessments, development plans, distribution matrices and grievances handling according to the 2022 Upstream Petroleum Host Communities Development Regulations. These regulations improve the legal framework; however, their quality of application remains to be seen (NUPRC, 2022).

The local content policy in Nigeria offers a complementary approach. The Nigerian Oil and Gas Industry Content Development Act 2010 provided for the formation of the Nigerian Content Development and Monitoring Board, which seeks to raise the Nigerian share in products, services, skills and the petroleum production chain. The Board evaluates Nigerian Content plans, oversees compliance and facilitates the development of indigenous capabilities (Federal Republic of Nigeria, 2010; NCDMB, n.d.). This approach can be applied with respect to SDG 8 and 9, but a high level of local content is not enough proof of development that is widespread. The key issues are if domestic purchasing creates new capacities, if suppliers remain viable outside individual deals, if technology transfer takes place, if Nigerian citizens receive skilled jobs and what is the distribution of these benefits by region, gender and occupation.

The importance of the limits of corporate and regulatory claims is further emphasised by the environmental baseline. This is because of the UNEP's independent Environmental Assessment of Ogoniland, which found extensive pollution of the environment that affected the land, water, air, ecosystems, and public health using more than 4,000 samples and fieldwork. While this is a historical baseline that cannot be used to assess the post-PIA performance of host-community trusts, the report proves why remediation, clean water, and public health are critical for any ESG-SDG assessments (UNEP, 2011). The NEITI 2023 oil and gas report can be considered a more up-to-date source of transparency and fiscal data for the industry, but it cannot serve as an alternative to local environmental monitoring and HCDT evaluation (NEITI, 2024).

Angola: Local-content Regulation, Environmental Licensing and Transparency Constraints.

Angola's policy framework places considerable emphasis on strengthening domestic participation in the petroleum value chain. Presidential Decree 271/20, dated 20 October 2020, establishes the legal framework of local content in the oil sector. It aims at raising the participation of Angolan firms, labourers, and domestic suppliers in petroleum products and services and sees local content as a means of generating wealth and diversifying the economy for the nation (Republic of Angola, 2020a). The National Agency of Oil, Gas and Biofuels (ANPG) is the body that implements and monitors the local-content policies. This represents a way of meeting SDG Target 8.5 on decent work and Target 9.2 on sustainable industrialisation but the success depends on how supplier development, skill development, competition and productivity.

Environmental Licensing is also present in Angola. It has a Presidential Decree No. 117/20 that gives regulations on environmental impact assessments and environmental licensing. The instrument makes high-risk activities such as the extraction and processing of hydrocarbons fall under environmental assessment and licensing. Such an instrument may be useful in achieving SDGs 6, 13, 14, and 15 but success will depend on how good the baseline studies are and whether people have access to the environmental assessment documents, and whether there is independent monitoring and sanctions compliance (Republic of Angola, 2020b; International Energy Agency, 2022).

The ANPG local content portal reports 3,179 registered suppliers, 1,483 certified companies, USD 50.2 billion worth of approved contracts and 96 per cent national participation. These statistics represent the scope of administrative activity that has been reported and serve as an important initial point for tracking the local content regime (ANPG, n.d.). However, the lack of a reference period for these statistics and a denominator or methodology to calculate the 96 per cent figure makes the figures from the portal ambiguous at least, if not misleading. The amount of the contract cannot be an indication of local retained value, value paid in local wages or increased value added. Registration is an output; it does not indicate sustainability, technical upgrade or competitive ability of the supplier without regulatory preference. The figures are therefore presented as agency-reported administrative indicators, not independently verified SDG outcomes

The governance data suggests a more careful view. The EITI validation for Angola in 2025 gave Angola 63.5

out of a possible score, described as “fairly low” according to the 2019 EITI Standard. The EITI Board found 25 corrective measures for Angola, which include improvements on issues of public debate, open data, stakeholder engagement, beneficial ownership, contracts and licences, in-kind receipts, comprehensiveness, data quality, revenue allocation, subnational fiscal transfers and social/environmental spending (EITI, 2025a; EITI, 2025b). This score does not necessarily imply that Angola’s governance over its petroleum resources is wholly lacking in effectiveness.

Moreover, the 2023 EITI Report and country data give another illustration of the significance of oil in macroeconomics. As stated in the EITI report, in 2023, petroleum contributed to 86% of exports in Angola, whereas the extractive sector accounted for 36% of the government budget and 21% of the GDP but a significantly smaller percentage of employment. Such figures demonstrate the necessity of distinguishing between fiscal importance and employment intensity and diversified development. The industry can be a major source of foreign currency without creating the corresponding employment opportunities and diversification (EITI, 2025c).

In this regard, the Angolan case exemplifies the difference between the regulation of local content and independent results of development. Local participation laws may enhance the access of local suppliers to the market, but they should be evaluated according to the percentage of contract value going to the local economy, productivity of the supplier, employment of skilled personnel, wages, technology transfer and survival rate of businesses. However, at the same time, the EITI validation process shows that disclosure of information about contracts, budget expenditures and social and environmental spending is a prerequisite for the independent evaluation of development.

Brazil: Contract-based Local Content, Regulatory Verification and Petroleum-Revenue Allocation.

Brazil offers an alternative institutional setting. Law No. 9,478/1997 created the ANP and introduced the national petroleum policy system. Law No. 12,351/2010 introduced the production-sharing regime and is the legal source of local-content requirements in relevant petroleum agreements. Contrary to simply stating that there is a single percentage of local content required in Brazil for all projects, the ANP clarifies that the minimum percentage requirements are laid down in the relevant concession, onerous-assignment, and production-sharing contracts. The concept of local content refers to the percentage of products manufactured and services rendered in Brazil out of the total products and services utilised in the relevant exploration and production activity (Federative Republic of Brazil, 1997; 2010; ANP, 2026a).

The importance of the design stems from the fact that local content requirements are contractual in nature, and thus they are dependent upon the specific contract terms in place for every licensing round and each project. It is the ANP’s job to formulate the appropriate contract terms, enforce the provision, and monitor its implementation. The procedure for this enforcement is detailed in the enforcement document by the ANP, which considers quarterly expenditure and information reports, verifies the supporting documentation and appropriateness of expenditure with respect to the level of exploration and production activities, and calculates penalties for non-compliance with the minimum contractual commitments. The ANP also publishes summaries of compliance reviews and a dynamic dashboard for inspections and penalties (ANP, 2026b).

The system itself has also been modified over time. As per Law No. 15,075 of 26 December 2024, the government has made it permissible to make transfers of local content surplus from existing contracts of exploration and production, with the ANP taking care of monitoring and controlling these transfers. It might help in enhancing flexibility, especially where one contract is able to exceed its minimum, but at the same time, the other finds it difficult to meet its requirement. Nonetheless, there is the issue of how it can be monitored such that no double counting of surplus takes place (Federative Republic of Brazil, 2024).

There is also a direct fiscal link between the oil revenues and social goals in the case of Brazil. In accordance with Law No. 12,858/2013, certain oil revenues should be dedicated to the provision of public education and health services, which includes 75 per cent being spent on education and 25 per cent on health care for those revenues defined by the legal provision. The law was modified by Law No. 15,169/2025, where the student assistance priorities were added to the education revenues allocation. In such a way, there is a legal mechanism

to allocate oil revenues for SDGs 3 and 4. However, it does not necessarily mean that the additional revenues were used for improving disadvantaged schools and health care institutions (Federative Republic of Brazil 2013; 2025)

The ANP's Oil, Natural Gas and Biofuels Statistical Yearbook 2025 is the aggregation of sectoral information for the years 2015 to 2024, including reserves, production, and other industrial metrics. This information can be important as a sectoral baseline, yet production and reserve data do not reflect the quality of local employment, environmental remediation or efficiency of government spending (ANP, 2025). The 2024 Petrobras Sustainability Report says that the company follows the GRI standards, SASB metrics, and IPIECA framework and reports its consolidated operations in Brazil and internationally. While such a report structure can enhance consistency, a consolidated global reporting scope does not necessarily reflect where particular environmental and social impacts occur in Brazil without disaggregation by assets and communities (Petrobras, 2024).

Indonesia: Statutory Corporate Responsibility and Subnational Petroleum Revenue Sharing.

Indonesia integrates petroleum sector regulation together with the general corporate obligation of social and environmental responsibility. The Law on Oil and Gas No. 22/2001 defines the institutional structure for upstream and downstream operations and imposes an obligation for companies to conduct environmental management through measures such as pollution prevention and remediation of environmental damage. This Law has made sure that the regulation of this sector has been separated from the functions of operator and regulator performed by Pertamina, respectively (Republic of Indonesia, 2001; International Energy Agency, 2025).

Moreover, Law Number 40/2007 on Limited Liability Companies contains an additional mechanism. According to Article 74 of the law, all companies operating in the field of natural resources must perform their social and environmental responsibility (Tanggung Jawab Sosial dan Lingkungan, TJSL). Such expenses must be accounted for as costs of the company, while violation will lead to sanctions provided for by the corresponding laws. It means that it is an obligatory requirement rather than a voluntary charitable contribution. However, Article 74 does not contain any indicators connected with one of the SDGs that can show the results of the expenditures made by the company and its positive impact on the life, health, and environment of the communities (Republic of Indonesia, 2007, art. 74).

The other fiscal transfer that is done through revenue sharing is in Indonesia. According to the EITI, regional governments are supposed to get 15% of the petroleum revenue and 30% of the natural gas revenue through the revenue sharing arrangement. As per the data from EITI, the fund distribution to the sub-national governments has been up to 99% of the target amount despite the period during the COVID-19 era. It is a signal of intergovernmental revenue transfer and implementation, but not an indication of the effectiveness of the fund or better local services. For judging its developmental impact, the intergovernmental transfer needs to be traced through district budgeting, expenditures, procurement, service delivery and outcomes (EITI, 2026).

Indonesia therefore presents an example of the more general statutory approach wherein corporate responsibilities and subnational fiscal flows can provide mechanisms for development at the local level; however, they use separate institutional mechanisms to do so. Corporate TJSL expenditure cannot be equated to revenue sharing by government, and neither of these can be considered an SDG achievement without clear information concerning how this is being allocated, implemented, and achieved. Both of these could have some role to play, but only insofar as there is coordination between petroleum authorities, local government, companies, and communities.

Cross-country Comparison.

In this way, the four cases show that policy coherence is not one single tool. Policy coherence can be achieved using community development funding, local content laws, environmental licensing, contracting procurement obligations, corporate social and environmental responsibility and inter-governmental revenue sharing. Each of the above tools has a specific role in the policy to result chain, and therefore cannot be compared as if they were

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equivalent. The following table summarises the key instruments, implementation mechanisms and strength of outcomes evidence available.

Table 4: Comparative evidence matrix: policy instruments, implementation and documented outcomes

Country	Policy / Legal Instrument	Implementation Mechanism	Documented Evidence and Outcome Status
Nigeria	Petroleum Industry Act 2021, ss. 234–257; NUPRC HCDT Regulations 2022; NOGICD Act 2010.	3% of actual preceding-year upstream OPEX; 75% capital fund, 20% reserve, up to 5% administration; trust board, management and advisory committees; audited reporting; NCDMB local-content monitoring.	Statutory funding and governance requirements are established. UNEP documents serious historical pollution; NEITI provides sector fiscal disclosure. Post-PIA community-level effects on poverty, health, water and employment are not causally established in the reviewed evidence.
Angola	Presidential Decree 271/20 on petroleum local content; Decree 117/20 on environmental assessment and licensing.	ANPG supplier registration, certification and contract monitoring; environmental licensing, monitoring and inspection; EITI reporting and validation.	ANPG reports suppliers, certifications and contract volumes, but the public dashboard does not fully define period/denominator. EITI validation in 2025 scored 63.5 (fairly low) and required 25 corrective actions. Administrative outputs are not proof of durable jobs or local value added.
Brazil	Laws 9.478/1997 and 12.351/2010; Law 12.858/2013 as amended in 2025; Law 15.075/2024.	Contract-specific minimum local-content commitments; ANP verification and contractual penalties; published compliance data; specified petroleum receipts allocated to education and health.	Regulatory verification and publication of enforcement information are documented; public yearbook data cover 2015–2024. Earmarking creates a fiscal channel but does not itself prove improved service quality. Local-content percentages require corroboration with productivity, wages and supplier outcomes.
Indonesia	Law 22/2001 on Oil and Gas; Law 40/2007, art. 74; natural-resource revenue-sharing arrangements.	Environmental management obligations; budgeted social and environmental responsibility for natural-resource companies; regional shares of petroleum and gas revenue; company and EITI reporting.	EITI reports 15% petroleum and 30% gas revenue shares to regional governments and over 99% disbursement against the allocation target by 2023. This is transfer evidence, not proof of improved local health, education or livelihoods; corporate reports remain self-disclosures.

Source: Author Synthesis

Three patterns arise from the comparison of policies and impacts. The first pattern is that the presence of a statutory or contractual agreement is necessary for an enforceable alignment but is not sufficient for establishing impact. While Nigeria has the 3 per cent requirement and Brazil has local content agreements, their impact cannot be achieved without the accuracy of expenditure reports, contract administration, and good governance. The second pattern is that local content agreements are frequently reported in terms of procurement amounts, registration of suppliers, or the participation percentage in the country. These are useful indicators but do not show what kind of domestic value creation is established, quality of jobs, and technological learning. Indicators published by the agency in Angola demonstrate the importance of defining denominators and tracking results over time.

DISCUSSION

From Formal Alignment to Operational Compliance and Development Results

The comparative evidence confirms the main thesis in the idea of the chain rather than a mere label regarding ESG-SDG alignment. At the regulatory level, governments set the obligations by law, licensing requirements, contracts, and fiscal measures. At the implementation level, the obligations are carried out via prevention of pollution, procurement activities, labour policies, community programmes and disclosures. At the impact level, these should show their results in the quality of environment, health, employment, income, industries' capacities, or institutions' accountability. Any breakdown at any point diminishes the connection between the ESG process and sustainable development. The country can have an ambitious legislative framework but lack the capacity to regulate; the corporation may have many projects described in its reports but lack real outcomes; and the community trust may provide funds without adequate participation or independent evaluation.

In addition, the framework further differentiates between the corporate-level indicators and national-level indicators. In the SDGs framework, the official indicators include the ratio of industrial wastewater safely treated (6.3.1), unemployment rate disaggregated by sex, age, and disability (8.5.2), number of occupational injuries (8.8.1), annual greenhouse gas emissions (13.2.2), and indicators of institutional accountability and public sector experience under Goal 16. The company metric will provide input into these evaluations, but the company metric is not necessarily the same as the national metric. For instance, the decrease in a company's emission intensity cannot replace a decrease in the total emission in a nation. Also, a company's local purchasing percentage cannot create an improvement in manufacturing value added or decent work. There must be a clear alignment that is disaggregated geographically and demographically (United Nations Statistics Division, 2026).

The implication of this is that, rather than simply reporting activities, ESG reports need theories of change at the target level. All material commitments will have to point out which SDG target they refer to, the company's sphere of influence, the baseline, the indicator, the reporting boundary, the timeline, the verifying organisation, and its means of doing so. Where a company contributes to SDG 6 through water infrastructure projects, reporting the number of facilities constructed is insufficient to demonstrate meaningful development outcomes, it is not enough to report on how many such infrastructures it constructs, but whether these work properly, how many people have access to safe water, the quality of this water, and whether this water is accessible even after the direct influence of the company ceases.

Governance and Institutional Capacity as Conditions of Effectiveness.

From the above cases, one can see that there is more to policy strength than just the existence of a statute. Good regulation involves having a mandate, having sufficient technical staff, adequate funding, access to operational data, independence from the regulated organisations, and coordinated sanctions. The process through which Brazil's ANP enforces its policies illustrates the importance of cross-referencing the data on contracts with spending data and publishing the findings of inspections. Angola's EITI validation reveals that even as part of an international initiative, the transparency and stakeholder engagement obligations may be incomplete. HCDT in Nigeria illustrates that even with a complex system of governance, there needs to be a system for appointments, reporting, independent dispute settlement and project selection.

The institutional challenges are thus dual. First, it concerns the question of whether the violation is detected and penalties imposed. Second, it is a matter of accountability where affected communities, workers, and civil society are able to receive sufficient information to evaluate the decision and seek recourse. Independent monitoring is crucial for both issues. Corporate assurance may enhance trust in the data collected, but it does not take the place of public review or independent environmental monitoring. Likewise, participation should be evaluated based on how the community influence affects project design, budget or implementation, not just by the number of consultations held.

Community Participation, Trust Governance and Distribution.

Community development funds have the potential to bridge the gap between national petroleum revenues and the reality of those who produce them. What will determine whether community development funds exacerbate or alleviate inequalities in the local communities is how the institution of community development fund is structured. The structure of the HCDT in Nigeria provides a case in point for it involves both statutory allocation and settlor influenced selection of trustees along with community-appointed members and advisory committees. Therefore, it cannot be considered appropriate to refer to community development trust as either fully corporate controlled or community controlled.

The issue of distribution becomes equally relevant in the case of local content policies. While a national firm may be classified as domestic in nature, the profit making and ownership of the firm may still be controlled by a few firms. Procurement targets help to create more market access, which otherwise may lead to rent-seeking or costs of compliance if they are not supplemented by developing suppliers and competitive practices. High levels of local content need to be evaluated in the context of local value added, number of independent suppliers, employment opportunities, salaries, technology transfer, occupational safety, and gender equality.

Environmental Protection and the Just-Transition Tension.

Environment protection is also an area of development concern since pollution impacts human health, water, food production, employment opportunities and intergenerational justice. On the other hand, energy supply, good jobs and industrialisation can go hand in hand with efforts towards tackling climate change. The challenge here is how to control the transition process, cut the negative externality of existing operations, utilise petroleum revenues and find viable options for those who rely on fossil fuels. This implies that just transition should consider both emission reduction paths and social implications of the transition process.

The oil and gas industry is not going to be able to claim its sustainability on the basis of better emissions intensity or funding selected community projects while failing to address the pollution in the locality itself. Offset strategies and global net-zero goals will not help companies dodge their responsibility to prevent and mitigate damage caused through operations. It is for this very reason that the environmental information gathered from Ogoniland helps explain the significance of local indicators like water, soil, and health issues next to climate information. The right policy framework should include emissions reductions, methane management, spill prevention and mitigation, biodiversity protection, and economic diversification. This approach links together SDGs 6, 8, 13, 14, and 15 instead of considering them as conflicting ones.

Original Analytical Contribution

The contribution of the article is in providing a comparative account of how different policy instruments have a specific place in the regulatory-outcomes chain. In Nigeria, the host community trust approach deals with the issue of distribution of benefits of projects and the issue of participation. The local content policy in Angola takes care of access for domestic suppliers and environmental licensing. Brazil uses a combination of contractual compliance verification and revenue allocations, while Indonesia relies on a combination of corporate social-environmental obligations and subnational transfers. The cases show that there cannot be one ESG score for all these instruments. These instruments need to be assessed using different outcome metrics and different types of institutional accountability. This contributions is much narrower and more defensible than making a claim about the discovery of governance failures and voluntary CSR limits.

CONCLUSION AND POLICY RECOMMENDATIONS

Summary of Key Findings and Implications

This paper has discussed the connection between ESG activities and the development consequences of SDGs in the oil and gas sectors of Nigeria, Angola, Brazil, and Indonesia. The comparison highlights the use by the governments of different policy mechanisms for tying petroleum operations with development, local industry participation, environmental protection, and revenue distribution. Nigeria uses the HCDT policy mechanism to

develop a statutory contribution and governance framework for host community projects; Angola uses the local content and environmental licensing policy mechanisms to promote national participation and environmental risk management respectively; Brazil ties up its local content requirement through contractual obligations with regulatory assessment and petroleum revenue distribution; while Indonesia uses statutory social and environmental responsibility of corporations with regional revenue sharing.

The central result of the study is that policy instruments provide pathways toward alignment but do not demonstrate that alignment has been achieved. Data regarding supplier registration, contract size, contributions to community funds, training, project spending, and firm-level environmental, social and governance disclosures are key to the implementation of policies, but are not substitutes for information regarding whether cleaner water, safer environments, sustainable employment opportunities, quality services or equitable distribution has occurred. What data does exist focuses primarily on the availability of laws and processes along with implementation output data; the data are not as strong in terms of community-level impact or causal linkages. This does not mean that policy instruments should be discarded. Instead, they need to be analysed in light of specific SDG targets.

The three-tier structure presented in the article helps us identify the order in which all of these actions need to be carried out as well as good regulatory design, compliance, and independent verification of the distributive results. The stakeholder perspective stresses the importance of the influence of the community; institutionalism provides us with an understanding of why formal rules are insufficient without the means to enforce them; and political economy shows us the distributional motivations behind the use of petroleum rents. Therefore, ESG–SDG integration is not merely about voluntary disclosure by corporations.

Recommendations

- Implement compulsory ESG-SDG regulatory systems where oil and gas firms are legally obligated to show quantifiable contributions to national sustainable development goals.
- Enhance the independent regulatory bodies by providing sufficient funding, technical capabilities, and enforcement powers to enforce the rules and prevent breaches.
- Institutionalize effective involvement of the community, such as free, prior and informed consent and legally safeguarded grievance mechanisms.
- Make sure there is transparent revenue management and benefit-sharing, publicly disclosed contracts, project-level reporting, and participatory community development funds.
- Enshrine ESG-SDG congruency in national development planning to include environmental protection, social equity, and economic policy alignment.
- Encourage economic diversification and just transition policies that make the economy less reliant on oil in the long term and make investments in human capital and sustainable sectors.
- Increase international and corporate accountability systems, such as cross-border regulation, responsible investment principles, and environmental remediation support.

Future Research Directions and Implementation.

Future studies should overcome secondary data analysis limitations by conducting extensive primary data studies of policy implementation processes and outcomes in particular country settings, longitudinal studies of ESG-SDG alignment over time and across various political and economic settings, rigorous impact evaluations of the effectiveness of particular policy interventions based on experimental and quasi-experimental designs, and broader comparative studies of other Global South regions and new oil producers (Ravitch and Carl, 2016; McGinley et al., 2021; Smith, 2018; Nassar et al., 2019).

Studies on community views utilising participatory research methodologies would contribute to better understanding of the relationship between ESG-SDG alignment and lived experiences, whether policies are achieving the intended result as perceived by the beneficiaries, and how community-based indicators of success compared to corporate and government metrics (Van Maanen, 2015; Slevin, 2019; Uduji et al., 2021; Singh and Ntuli, 2017). Research on the process of corporate decision-making would shed light on how businesses react to

various policy tools, what drives real implementation of SDG considerations in business strategies, and how to structure incentive systems that align corporate interests with development goals (Bodhanwala and Bodhanwala, 2018; Tamvada, 2020; Teck et al., 2019).

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