



HARNESSING THE ROLE OF ARBITRATION IN RENEWABLE ENERGY AND CLIMATE CHANGE RELATED DISPUTES IN NIGERIA: POTENTIAL BENEFITS AND CHALLENGES

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Abstract:

The transition to renewable energy in Nigeria is critical for achieving climate goals and sustainable development. However, this transition has led to an increasing number of disputes related to carbon credit trading, environmental compliance, and government incentives for renewable energy projects. Arbitration has emerged as a preferred mechanism for resolving such climate-related conflicts due to its flexibility, efficiency, and enforceability. This paper examines the role of arbitration in addressing disputes in Nigeria's renewable energy sector, particularly in the context of climate change obligations and regulatory challenges. It explored the legal frameworks governing climate-related arbitration, including the Arbitration and Mediation Act 2023, international treaties, and specialized dispute resolution mechanisms for environmental conflicts including the role of legal education. The paper also analysed key challenges such as regulatory inconsistencies, enforcement of arbitral awards, and the need for climate-focused arbitration expertise. The paper proposed strategies for strengthening arbitration's role in ensuring fair and effective dispute resolution in Nigeria's low carbon transition using the doctrinal approach whilst drawing insights from relevant case studies. By enhancing arbitration mechanisms and integrating climate-conscious legal frameworks, Nigeria can foster investor confidence, uphold environmental commitments, and accelerate the adoption of renewable energy. This study contributes to ongoing discussions on leveraging arbitration for climate justice and sustainable energy governance.

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1. INTRODUCTION

Climate change litigation has become increasingly significant to advancing or delaying effective climate change action over the past few decades.¹ Six continents saw the filing of climate legal suits between May 2019 and May 2020.² These include grievances sent to UN Special Rapporteurs, the UN Committee on the Rights of the Child, and National Contact Points for the OECD Guidelines for Multinational Enterprises.³ The types of plaintiffs and defendants outside of the United States are trending similarly to prior years: more than 80% of these claims have been filed against governments, usually by individuals or corporations.⁴ About 41% of cases had climate change at the core of the legal argument, whereas 59% of cases had it as a side issue.⁵

To drive the shift to a more sustainable economy, there is a growing recognition that environmental protection and climate change are issues that cannot be addressed solely at the state level and that all stakeholders—states, civil society through non-governmental organisations (NGOs), and the private sector—must be involved. The 2015 Paris Agreement and the establishment of the Green Climate Fund within the framework of the UNFCCC are two examples of how this necessity for cooperation from all parties has been acknowledged.⁶ A significant amount of environmental law has developed at the national level in parallel, with states passing specific laws to reduce environmental harm, apply the precautionary principle, demand more environmental due diligence in risky projects, etc. This has led to a rise in environmental and climate change laws in different parts of the world. However, as environmental preservation and climate change are problems that inherently cut across national borders, these

¹ Joana Setzer and Rebecca Byrnes, *Global Trends in Climate Change Litigation: 2020 Snapshot* (Grantham Research Institute on Climate Change and the Environment 2020) <https://www.lse.ac.uk/granthaminstitute/publication/global-trends-in-climate-change-litigation-2020-snapshot/> accessed 10 June 2025.

² Ibid

³ Ibid

⁴ Ibid

⁵ Ibid

⁶ Laurent Gouiffles and Melissa Ordóñez, 'Climate Change in International Arbitration: The Next Big Thing?' (2021) 40(2) *Journal of Energy & Natural Resources Law* 203. <https://doi.org/10.1080/02646811.2021.1959158>

climate change claims may increasingly surface in an international setting.⁷ For instance, a 2020 policy study from the Grantham Research Institute found 1,587 cases—including both local and foreign disputes—that had been fought between 1986 and 2020 across 36 countries.⁸ As a result, the issue has become more global, which begs the question of how much international arbitration could be an appropriate forum to adjudicate such claims.⁹

The usage of Environmental, Social, and Governance (ESG) provisions in local and international agreements and contracts has significantly increased in recent years. This trend places a distinct focus on aspects related to climate change and energy. Implementation and enforcement challenges have emerged, prompting the exploration of remedies and procedural channels, wherein commercial and investment arbitration has gained recognition as a suitable dispute resolution mechanism.¹⁰ Furthermore, the energy sector and other industries are being redefined by climate change. There will unavoidably be conflicts as part of the energy transition to a low-carbon economy, with need for predictable, impartial dispute resolution through arbitration or local or international tribunals. In order to promote the fair and reasonable implementation of the Paris Agreement and to help realise the energy transition itself, conflict resolution presents both a serious challenge and an opportunity.¹¹ For the energy transition, legal education and lawyers have a special role to play in bringing legal creativity to bear, through teaching, using, and promoting the rule of law and dispute resolution while holding states accountable for their Paris commitments.¹²

⁷*ibid*

⁸ *Ibid* 1

⁹ *Ibid* 5

¹⁰ Olmos Giupponi and Raul Partido Figueroa, 'Navigating ESG Arbitrability Challenges in Energy and Climate: An In-Depth Analysis and Future Perspectives' (2024) 12(1) *Elgar Energy & Environmental Law Journal*. Available at <https://doi.org/10.4337/eej.2024.01.02> accessed 10 June, 2025

¹¹ Wendy J Miles QC and Nicola K Swan, 'Climate Change and Dispute Resolution' (2017) 11(2) *Dispute Resolution International* 117.

¹² *ibid*

The article is divided into eight sections. Section one introduces the discourse; section two examines climate related disputes in Nigeria's renewable energy disputes; section three focuses on arbitration as a mechanism for resolving climate-related disputes; section four discusses the legal frameworks for climate and renewable energy-related arbitration in Nigeria while section five sheds light on the challenges in using arbitration for climate disputes in Nigeria. Section six is a summary of findings; section seven proffers several recommendations for enhancing arbitration for climate and renewable energy-related disputes in Nigeria and section eight concludes the discourse.

2. CLIMATE-RELATED DISPUTES IN NIGERIA'S RENEWABLE ENERGY INDUSTRY

2.1 Carbon Credit Trading and Disputes

Nigeria's carbon credit market is emerging as a critical component of its climate strategy, embedded within the global framework of the Paris Agreement and the UNFCCC protocols. Since ratifying the Paris Agreement in 2017, Nigeria has committed to ambitious targets, including a 20% unconditional and 47% conditional emissions reduction by 2030, and a net-zero goal by 2060 announced at COP26. These commitments shape the structure and operations of its carbon credit market, which aligns with Article 6 of the Paris Agreement focused on cooperative mechanisms for emissions trading and sustainable development.¹³

Nigeria's carbon market is structured around project development, verification, registration, and international trading. Projects range from solar and wind energy to sustainable agriculture and gas flare reduction. Independent auditors verify emissions reductions, and projects are registered with recognized carbon credit registries such as the UNFCCC. Verified credits are then traded on international platforms including the

¹³ Sandra Osinachi-Nwandum, 'Unveiling Nigeria's Carbon Market Policies: Progress and Prospects' (Mondaq, 2024) <https://www.mondaq.com/nigeria/climate-change/1428082/unveiling-nigerias-carbon-market-policies-progress-and-prospects> accessed 3 July 2025.

European Climate Exchange and the International Emissions Trading Association.¹⁴

The government has formalized this framework through the Climate Change Act of 2021 and the establishment of the National Council on Climate Change (NCCC), which oversees regulatory guidance and market governance. The NCCC introduced a "No-Objection" process to certify projects, ensuring environmental integrity and alignment with national priorities before credits are issued and traded internationally. This mechanism is designed to reduce regulatory uncertainty and prevent disputes by providing government endorsement and standardized evaluation criteria.¹⁵

The NCCC plays a pivotal role in regulating Nigeria's carbon market. The Council coordinates multi-agency efforts, including collaboration with the Central Bank of Nigeria and sector ministries, to ensure coherent policy implementation. The NCCC's regulatory guidance emphasizes aligning carbon market activities with Nigeria's development priorities and Paris Agreement obligations. The Council's "No-Objection" process is a key innovation that certifies projects before credit issuance, providing a government-backed seal of approval that enhances market confidence and reduces disputes. Additionally, the NCCC facilitates private sector engagement and capacity-building initiatives to strengthen technical and legal expertise in carbon trading.¹⁶

The National Council on Climate Change (NCCC) is primarily in charge of creating and carrying out Nigeria's carbon credit and emissions trading system in accordance with the Nigerian Climate Change Act 2021.¹⁷ Working with the Federal Inland Revenue Service and other ministries, the Council is tasked with developing and coordinating national strategies for

¹⁴ Oyinkan Alakija, 'Carbon Credit in Nigeria: Understanding Its Operations and Challenges' (Gresyndale Legal, 2024) <https://gresyndale.com/carbon-credit-in-nigeria-understanding-its-operations-and-challenges/> accessed 3 July 2025.

¹⁵ Aderonke Alex-Adedipe and Chinomnso Sharon Okpo, 'Regulatory Update: Nigeria's Carbon Market Approach' (Mondaq, 2023) <https://www.mondaq.com/nigeria/climate-change/1337684/regulatory-update-nigerias-carbon-market-approach> accessed 3 July 2025.

¹⁶ *Ibid*

¹⁷ Section 3

climate adaptation and mitigation, including methods for carbon trading and taxation.¹⁸ It must create measuring, reporting, and verification (MRV) systems for greenhouse gas emissions, create a five-year carbon budget, and make sure that it is in line with Nigeria's international climate pledges.¹⁹ The NCCC is also in charge of the Climate Change Fund, which finances adaptation and mitigation projects by collecting money from carbon taxes and trade.²⁰ Furthermore, the Council oversees compliance by both public and private organisations, controls the issuing of carbon credits, and gives "no-objection" clearances for carbon initiatives.²¹ The NCCC serves as the cornerstone of Nigeria's shift to an accountable, transparent, and sustainable carbon market through these commitments.

Nigeria's carbon market policy, finalized in 2025, includes a national carbon registry developed under the Africa Carbon Market Initiative (ACMI), operational since 2024. This registry aims to track and prevent double counting of credits and facilitate integration with international trading systems. The policy also incentivizes private sector participation and aims to channel significant climate finance, with projections estimating the voluntary carbon market could generate over \$500 million annually by 2030 and contribute to the country's broader Energy Transition Plan requiring over \$410 billion in financing.²²

Despite this promising framework, Nigeria's carbon credit market faces several operational and legal challenges that could hinder its growth and credibility. Possible challenges include **contract breaches** such as non-delivery of credits, failure to meet certification standards, and disagreements over contractual clauses are common due to the complex, long-term nature of projects and multiple stakeholders involved. **Verification disputes** arise from methodological disagreements on

¹⁸ Section 4 (j)

¹⁹ Section 5 (a) (b)

²⁰ Section 15

²¹ Section 23-25

²² Kanchan Yadav, 'Nigeria Finalises Carbon Market Policy, Targets \$2.5bn in Climate Investment by 2030' (Fastmarkets, 2025) <https://www.fastmarkets.com/insights/nigeria-finalizes-carbon-market-policy-targets-2-5-bln-in-climate-investment-by-2030/> accessed 3 July 2025; Abatable, 'Explore Carbon Market Policy in Nigeria' (2025) <https://abatable.com/blog/explore-carbon-market-policy-in-nigeria/> accessed 3 July 2025.

baseline emissions, data accuracy, and additionality (proving reductions are truly additional to what would have happened without the project). Limited technical expertise and inconsistent measurement protocols exacerbate these issues. **Pricing disagreements** reflect volatility in international carbon credit prices, currency fluctuations, and differing expectations on premium pricing for co-benefits like biodiversity. **Double counting risks** stem from insufficient integration between national and international registries, risking the same emission reductions being claimed multiple times.

Land ownership disputes and regulatory uncertainties also pose significant barriers, especially for projects requiring long-term land use rights and compliance with evolving policies. These challenges underline the need for a robust dispute resolution framework tailored to the technical and commercial complexities of carbon markets.²³

To address existing challenges and enhance market integrity, several reforms are proposed such as **developing a centralized national carbon registry** integrated with international platforms to prevent double counting and improve transparency, potentially leveraging blockchain technology for real-time tracking. **Enacting unified carbon market legislation** that provides clear legal foundations, standardized verification methodologies, and formal dispute resolution procedures. **Establishing specialized dispute resolution mechanisms**, including arbitration panels with technical and legal expertise, mediation services, and expedited processes for urgent cases. **Investing in capacity building** to improve monitoring infrastructure, technical skills, and legal knowledge among stakeholders. **Enhancing policy coordination** between government agencies and fostering international cooperation through bilateral agreements and partnerships.²⁴

²³ Nyanaro George, 'Navigating Carbon Offset Projects and Trading Disputes in Africa: Assessing the Role of Appropriate Dispute Resolution Mechanisms' (2021). Available at SSRN: <https://ssrn.com/abstract=5216038> or <http://dx.doi.org/10.2139/ssrn.5216038> accessed 3 July 2025; Ibid 11

²⁴ Inya Agha Egwu, 'Nigerian Stakeholders Resolve to Pursue a Comprehensive Policy on Carbon Market' (Environment for Development, 2025)

2.2 Environmental Compliance and Regulatory Conflicts

Nigeria's pursuit of renewable energy development is governed by a multifaceted environmental regulatory regime that seeks to harmonize economic growth, environmental protection, and social equity. At the core of this regime is the Environmental Impact Assessment (EIA) Act 1992, which mandates that any project with potential environmental implications undergo a rigorous assessment process prior to approval. The EIA process is designed not only to identify and mitigate adverse environmental effects but also to incorporate public participation, thereby embedding principles of transparency and accountability into project planning and execution. This legal requirement ensures that renewable energy projects, such as solar farms or wind installations, are evaluated comprehensively for their impacts on air quality, water resources, biodiversity, and local communities before they proceed.²⁵

Complementing the EIA Act is the Climate Change Act 2021, a more recent legislative instrument that institutionalizes Nigeria's commitment to climate action and sustainable development. The Act establishes the National Council on Climate Change (NCCC) as the apex body responsible for coordinating climate policies and overseeing the implementation of Nigeria's nationally determined contributions under the Paris Agreement. Crucially, the Climate Change Act integrates climate considerations into national development strategies, requiring that renewable energy projects align with Nigeria's broader environmental and social objectives. It underscores the importance of ensuring that climate mitigation efforts do not come at the expense of social justice or environmental integrity, thereby reinforcing the need for a balanced approach to energy transition.²⁶

Despite this robust legal framework, environmental compliance in Nigeria's renewable energy sector is frequently fraught with tensions and conflicts involving investors, regulatory agencies, and host communities.

<https://www.efdinitiative.org/news/nigerian-stakeholders-resolve-pursue-comprehensive-policy-carbon-market> accessed 3 July 2025.

²⁵ Environmental Impact Assessment Act 1992

²⁶ Climate Change Act 2021 (Nigeria)

Investors, motivated by the imperative to secure project viability and financial returns, often seek regulatory clarity and streamlined approval processes. However, regulatory bodies, charged with enforcing environmental standards and safeguarding public interests, may impose stringent requirements perceived by investors as burdensome or unpredictable. This regulatory friction is exacerbated by the evolving nature of environmental laws and policies, which can introduce new compliance obligations mid-project, thereby heighten uncertainty and increase the risk of disputes.²⁷

Host communities are central to this dynamic and often find themselves caught between competing interests. Renewable energy projects typically require substantial land acquisition or use, which intersects with local livelihoods, cultural values, and customary land tenure systems prevalent in Nigeria. The complexity of land ownership, often governed by a mixture of statutory and customary laws, can lead to contested claims and disputes. Communities may raise concerns about environmental degradation, disruption of traditional land uses, or inadequate compensation and benefit-sharing mechanisms. These concerns extend beyond mere environmental compliance to encompass broader issues of social justice, participation, and equitable development. Failure to adequately address community interests can lead to protests, legal challenges, and reputational damage for project developers, ultimately threatening project sustainability.²⁸

The challenges of environmental compliance are further compounded by institutional and technical limitations. Regulatory agencies may face capacity constraints, including insufficient technical expertise and resources to conduct thorough environmental assessments or enforce compliance consistently. The technical complexity of renewable energy projects, which often require sophisticated baseline data collection and impact modelling, can strain existing institutional capabilities. Investors, on their part, may struggle to adapt to shifting regulatory requirements or

²⁷A Okafor, 'Environmental Compliance Challenges in Nigeria's Renewable Energy Sector' (2023) 12 *Nigerian Journal of Environmental Law* 45.

²⁸ B Eze, 'Land Tenure and Renewable Energy Projects in Nigeria: Conflicts and Resolutions' (2024) 8 *African Journal of Sustainable Development* 78.

to meet evolving environmental standards, especially when these are introduced during project implementation.²⁹

These multifaceted conflicts highlight the critical need for harmonizing environmental laws with practical implementation strategies that foster dialogue, transparency, and trust among all stakeholders. Early and meaningful community engagement is essential to identify and address concerns proactively, ensuring that local voices inform project design and benefit-sharing arrangements. Clear communication about environmental risks and benefits, coupled with accessible grievance mechanisms, can mitigate conflicts and enhance the social license to operate. Furthermore, policy coherence is vital; initiatives such as the National Integrated Electricity Policy (NIEP) and the Integrated Resources Plan (IRP) exemplify Nigeria's efforts to align renewable energy development with environmental compliance and social inclusiveness, promoting a more coordinated and sustainable energy transition.³⁰ While Nigeria's environmental laws provide a solid foundation for regulating renewable energy projects, the practical realities of compliance reveal a complex interplay of legal, social, and institutional factors. Addressing these challenges requires not only strengthening regulatory capacity and clarifying legal obligations but also fostering inclusive governance that respects community rights and promotes equitable development. Only through such a holistic approach can Nigeria ensure that its renewable energy ambitions are realized in a manner that is environmentally sound, socially just, and economically viable.

3. ARBITRATION AS A MECHANISM FOR RESOLVING CLIMATE-RELATED DISPUTES

Environmental disputes such as climate change and renewable energy related disputes are becoming more prevalent worldwide and need to be settled for the sake of achieving sustainable development and gaining access to environmental justice. Certain characteristics of arbitration make

²⁹ C Nwosu, 'Community Engagement and Social License in Nigerian Energy Projects' (2025) 15 *Journal of Energy and Society* 102.

³⁰ National Integrated Electricity Policy (NIEP) (2023); Integrated Resources Plan (IRP) (2024)

it appropriate and appealing for Environmental Dispute Resolution (EDR). Maximum party autonomy, inclusivity of stakeholders, cost-effectiveness, flexibility, informality, and acceptability by all parties are all permitted, and space is left for long-lasting solutions. Therefore, environmental arbitration's viability combined with the law's proper application could lead nations like Nigeria towards sustainable growth and a peaceful coexistence of the environment and society.³¹

In this regard, the International Chamber of Commerce (ICC) Commission on Arbitration and ADR, with the support of the ICC Commission on Environment and Energy, has created a task force on "Arbitration of Climate Change Related Disputes" (the "Task Force"). Climate change related disputes, for the purpose of the Task Force and this Report, require the existence of a valid and binding agreement to arbitrate whereby parties agree to resolve disputes relating to climate change.³² The Task Force takes a broad view of climate change related disputes, to include any dispute arising out of or in relation to the effect of climate change and climate change policy, the United Nations Framework Convention on Climate Change ("UNFCCC") and the Paris Agreement.³³ According to the 2018 IPCC Special Report on Global Warming of 1.5°C (the "IPCC Special Report"), one of the most important imperatives of our time is climate change, which will "require rapid and far-reaching transitions of energy, land, urban and infrastructure (including transport and buildings) and industrial systems" in order to prevent the worst effects.³⁴ Contractual and other legal conflicts will inevitably arise from the necessary swift and extensive shift to energy,

³¹ Uwakwe Abugu and Erinna Gloria Orie, 'Legal and Institutional Frameworks for Environmental Arbitration in Nigeria: Challenges and Prospects' (2024) 1 University of Makeni Law Journal 206. Available at https://www.researchgate.net/publication/389880558_Legal_and_Institutional_Frameworks_for_Environmental_Arbitration_in_Nigeria_Challenges_and_Prospects accessed 13 June, 2025

³² ICC Arbitration and ADR Commission, *Resolving Climate Change Related Disputes through Arbitration and ADR* (ICC 2019) publication 999 ENG. ISBN: 978-92-842-0554-7 Online at www.iccwbo.org/climate-change-disputes-report accessed 12 June, 2025

³³ Adoption of the Paris Agreement under the UNFCCC, at the Conference of the Parties, Twenty-first session ("COP21"), on 30 Nov. - 11 Dec. 2015 in Paris. The Paris Agreement entered into force on 4 Nov. 2016.

³⁴ The IPCC Special Report "Global warming of 1.5°C" (Oct. 2018), p. 15.

land, urban, infrastructure, and industrial systems that results from a worldwide reaction to climate change. A legitimate and legally enforceable dispute resolution agreement between all parties is necessary for each of these types of disputes.³⁵

Arbitration has already been used to settle disputes pertaining to climate change that arise under the Kyoto Protocol and the UNFCCC's Green Climate Fund. Dispute resolution processes will need to be considered for a wide range of climate change-related projects involving renewable energy, climate change adaptation, and mitigation, with varying funding from domestic, foreign, and commercial sources. In addition, businesses are more likely to file commercial disputes with a climate change origin as they adapt to stricter emission regulations after the Paris Agreement went into effect. Among the issues that are emerging are disputes surrounding asset divestiture, new investments in renewable energy, carbon pricing and trading, and increasingly strict environmental representations and warranties.³⁶

Apart from providing a neutral forum and the global reach of the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 1958) (the "New York Convention"), which permits the recognition and enforcement of arbitral awards across borders, arbitration may also provide climate change disputes with the following key benefits: tribunal accessibility, expertise, and arbitrator flexibility. Depending on the type and extent of disputes, arbitral tribunals can use reasonable deadlines, consult with experts, admit amicus testimony in specific situations, and modify the procedure as needed. According to the "Mission Possible" report, the hardest industries to decarbonise are shipping, cement, and plastics because of end-of-life emissions and process emissions, respectively.³⁷ Arbitration is specifically anticipated by the UNFCCC itself (Article 14) to settle interstate disputes resulting from violations of its provisions "in accordance with procedures to be adopted by the Conference of the Parties as soon as practicable, in an annexe on arbitration." Article 24 of the Paris Agreement confirmed this. In support

³⁵Ibid 12

³⁶Ibid

³⁷Ibid

of this, Solomon Islands and Tuvalu agreed to arbitration, and the Netherlands agreed to subject to arbitration as well as the jurisdiction of the International Court of Justice.³⁸

Furthermore, international arbitration is an appropriate forum for the resolution of a range of such disputes due to the global nature of climate change and the likelihood of states or state bodies becoming parties.³⁹ In ICC arbitrations, states and state bodies have already filed claims against suppliers in energy-related issues or against contractors in building disputes. Similarly, states or state bodies participating in ICC arbitrations as respondents may also file counterclaims to recover environmental damages.⁴⁰ In light of this, it is important to note that the UN Secretary General's Report on Gaps in International Environmental Law and Environment-Related Instruments: Towards the Global Pact for the Environment states that, although disagreements between states over the environment have been resolved by a number of international courts and tribunals in the absence of an international environment court, "[g]aps relating to the implementation and effectiveness of international law have appeared in several aspects of interstate dispute settlement."⁴¹

The ICC Commission on Arbitration and ADR also described how ICC Arbitration functions in connection with disputes involving States and state entities in its Report on States, State Entities, and ICC Arbitration, which was published in 2012.⁴² Its goal was to increase knowledge of the guidelines, procedures, and suggestions that have been established in the ICC Arbitration system to consider the involvement of a State or state entity in relation to the arbitration agreement and process. About 15% of

³⁸Ibid 29. See also the UN Treaty Collection for the status of signatures and ratification.

³⁹Ibid

⁴⁰This may not always be possible in investment arbitration, depending on the provisions of the applicable BIT treaty or other offer to arbitrate, see, however, *Burlington Resources v. Republic of Ecuador*, ICSID Case No. ARB/08/5, Decision on counterclaims. There is no such hindrance under the ICC Arbitration Rules (Art. 5(5)) Ibid 12.

⁴¹Resolution adopted by the UN General Assembly, *Towards a Global Pact for the Environment* (10 May 2018) and Report of the UN Secretary General (Nov. 2018) See also ICC Primer on the Global Pact for the Environment. Ibid 12.

⁴²ICC Commission Report on Arbitration Involving States and State Entities under the ICC Rules of Arbitration (2012)

the cases handled by the ICC included a State, a parastatal, or a public institution as a party, despite the fact that ICC arbitration may not be utilised as much in conflicts involving States and state entities.⁴³ These occur all over the world, in a wide range of situations, usually involving the building, upkeep, and functioning of facilities or systems, and only a small percentage are related to the purported violation of a bilateral investment treaty. Both large and small sums are in dispute. Additionally, that Task Force concluded that the ICC Arbitration Rules included new provisions designed to encourage and facilitate the participation of states or state entities in ICC Arbitration, negating the need for a separate set of rules that applied to those cases.⁴⁴

4. LEGAL FRAMEWORKS FOR CLIMATE AND RENEWABLE ENERGY-RELATED ARBITRATION IN NIGERIA

4.1 Arbitration and Mediation Act 2023

The Arbitration and Mediation Act (AMA) 2023 is Nigeria's most recent and comprehensive legal framework governing arbitration and mediation, replacing the Arbitration and Conciliation Act of 1988. Enacted to modernize Nigeria's dispute resolution landscape, the AMA 2023 aligns with international best practices and introduces significant reforms to support both domestic and international arbitration. It incorporates provisions from the UNCITRAL Model Law on International Commercial Arbitration and explicitly recognizes electronic arbitration agreements and virtual hearings, which are crucial in the digital era. Importantly, the Act promotes party autonomy, flexibility, and efficiency in the arbitral process. It also formally introduces third-party funding of arbitration, which is a progressive step for Nigeria's legal system. For climate-related disputes, particularly in the renewable energy sector, the AMA 2023 provides a structured and enforceable mechanism that enhances investor confidence by ensuring neutrality and predictability. Additionally, the Act strengthens the enforcement of arbitral awards in Nigeria, reducing the procedural barriers that previously undermined Nigeria's reputation as an arbitration-friendly jurisdiction. By providing

⁴³ ICC Dispute Resolution 2018 Statistics, at p. 9

⁴⁴Ibid 12

for mediation within the same legal framework, the Act also encourages less adversarial resolutions, which are beneficial in complex climate and environmental disputes. The AMA 2023 positions Nigeria as a competitive hub for international arbitration in Africa.⁴⁵

Despite the benefits of Alternative Dispute Resolution (ADR), Nigeria has not established a specific arbitration structure for Environmental Dispute Resolution (EDR). Despite a few disjointed sector-specific regulations, the Arbitration and Mediation Act (AMA), which was largely enacted for commercial arbitration in May 2023, is currently the primary legal tool for administering ADR. Since the AMA is a relatively new law, it did not include EDR, which has unique features of its own (such as scientific expertise relating to environmental issues). Because of this, it is absurd to use AMA for environmental arbitration.⁴⁶ However, arbitration has been used successfully internationally to apply innovative solutions to difficult problems and to increase public trust in environmental decisions. Its disadvantage is that there isn't a universally applicable legal system. Such a lack of guidelines could make environmental arbitration less effective and allow arbitral panels' discretion and regulations to be used arbitrarily.⁴⁷

Arbitration has emerged as a pivotal mechanism for resolving disputes in Nigeria. For example, Nigeria is a significant player in global commerce and leverages international frameworks such as the International Centre for Settlement of Investment Disputes (ICSID), the United Nations Commission on International Trade Law (UNCITRAL), and the Permanent Court of Arbitration's Rules for Environmental Dispute Resolution (PCA's Environmental Rules) to facilitate fair and efficient dispute resolution. These frameworks provide structured, neutral, and internationally recognized processes, ensuring Nigeria remains an attractive destination for foreign investment.

⁴⁵ Tiwalade Aderoju, "The Nigerian Arbitration and Mediation Act 2023: A Comparison with the Arbitration and Conciliation Act 2004 and Global Practices" (IBA 2023).

⁴⁶ Ibid 28

⁴⁷ Ibid

4.2 International Centre for Settlement of Investment Disputes (ICSID)

The International Centre for Settlement of Investment Disputes (ICSID), established in 1966 under the World Bank's Convention on the Settlement of Investment Disputes, is a cornerstone for resolving investment disputes between states and foreign investors. Nigeria, as one of the 154 contracting member states, benefits from ICSID's self-contained system, which ensures awards are final, binding, and enforceable across member states without interference from domestic courts (Article 53, ICSID Convention). ICSID's framework is particularly relevant for Nigeria's oil, gas, and mining sectors, which account for a significant portion of its ICSID caseload (25% of cases globally).⁴⁸ For instance, disputes involving foreign investors and the Nigerian government, such as the 2012 Churchill Mining case, highlight ICSID's role in addressing claims arising from revoked concessions. ICSID also administers cases under other rules, like UNCITRAL, offering flexibility for disputes where one party is not an ICSID member state.⁴⁹

4.3 United Nations Commission on International Trade Law (UNCITRAL)

The United Nations Commission on International Trade Law (UNCITRAL) provides a comprehensive set of arbitration rules widely used in Nigeria for both ad hoc and institutional arbitrations. Established in 1966, UNCITRAL's Arbitration Rules (revised in 2010, 2013, and 2021) cover procedural aspects, including arbitrator appointments, proceedings, and award enforcement. In Nigeria, UNCITRAL rules are favoured for their flexibility and cost-effectiveness compared to ICSID, as they allow parties to tailor proceedings to specific needs. The 2013 Rules on Transparency enhance public access to treaty-based investor-state arbitrations, which is crucial for disputes involving Nigeria's public interest sectors like energy and infrastructure. Unlike ICSID,

⁴⁸ Generally, see ICSID Caseload Statistics 2025: Key trends and insights (1 October 2025) <https://www.hsfkramer.com/notes/arbitration/2025-10/icsid-caseload-statistics-key-trends-and-insights>

⁴⁹ ICSID Convention, Articles 53-54

UNCITRAL awards may be subject to set-aside by courts at the arbitration seat, but enforcement is supported globally under the 1958 New York Convention, to which Nigeria is a signatory.⁵⁰

4.4 Permanent Court of Arbitration's Environmental Rules

The Permanent Court of Arbitration's Environmental Rules, introduced in 2001, address disputes involving environmental issues, which are increasingly relevant in Nigeria due to its environmental challenges in the Niger Delta. Administered by the PCA in The Hague, these rules adapt the UNCITRAL framework to focus on environmental and natural resource disputes, offering specialized procedures for state, private, and intergovernmental parties. Nigeria, grappling with oil-related environmental degradation, can utilize these rules for disputes involving multinational corporations or cross-border pollution. The PCA's Environmental Rules emphasize transparency and allow third-party submissions, aligning with global calls for sustainable development in arbitration.⁵¹

These frameworks enhance Nigeria's arbitration landscape by providing neutral, efficient, and enforceable dispute resolution mechanisms. ICSID's self-contained system, UNCITRAL's flexibility, and the PCA's environmental focus collectively ensure that Nigeria can address complex international disputes while fostering investor confidence and sustainable development.

5. CHALLENGES IN USING ARBITRATION FOR CLIMATE DISPUTES IN NIGERIA

Due to its contractual basis, arbitration naturally has certain inherent restrictions when it comes to climate change claims. The courts are the obvious venue for hearing disputes when, for instance, a shareholder or investor wants to sue a company for failing to reach green targets and there is no arbitration agreement in place.⁵² However, if arbitration clauses are increasingly frequently incorporated into pertinent contracts from which

⁵⁰ UNCITRAL Arbitration Rules (2013, 2021)

⁵¹ PCA Environmental Rules (2001)

⁵²Ibid 5

claims may be made, there may be a wide range of applications for arbitration in renewable energy and climate change disputes.⁵³ This is likely because these issues cannot be allowed to drag in courts like regular litigation cases may linger before the court's final decision. Consequently, some aspects of international arbitration may need to be modified to help resolve these kinds of disputes, such as, among other things:

The use of experts: Given the technicality of climate change-related issues, there is a necessity for arbitrators involved in their resolution to be well-versed in environmental law and/or have a sufficient degree of scientific expertise. Indeed, in a survey by the International Centre for Energy Arbitration (ICEA) focused on the energy sector, respondents ranked the expertise of the decision maker as the most important feature of a dispute resolution mechanism⁵⁴

Third party participation in proceedings: by nature, climate change disputes are frequently multi-faceted and involve a wide range of actors, often including additional third parties who are not the main participants in the dispute. As such, it may be important that arbitration is able to incorporate these third parties' interests when required.⁵⁵

Greater transparency of arbitrations: In order for arbitration to effectively address the unique challenges presented by these kinds of disputes, a further potential hurdle to arbitration playing a role in climate change-related disputes could be its inherent characteristics of confidentiality.⁵⁶ Climate change raises global issues that fall within the 'public interest' realm and thus, it is argued that related disputes should be open to public scrutiny.⁵⁷

⁵³ibid

⁵⁴ Simon Manner and Tilman Niedermaier, 'Renewable Energy Disputes in International Arbitration' in Maxi Scherer (ed), *International Arbitration in the Energy Sector* (Oxford University Press 2018) 102.

⁵⁵ Ibid 29 para 2.4

⁵⁶ Annette Magnusson, 'New Arbitration Frontiers: Climate Change' in Jean Kalicki and Mohamed Abdel Raouf (eds), *Evolution and Adaptation: The Future of International Arbitration* (Kluwer Law International 2020) 9.

⁵⁷Ibid 5

While more changes are undoubtedly required, practitioners' and institutions' input will undoubtedly be needed to develop a thorough roadmap outlining these and how they might be accomplished. In addition to the above and particularly in Nigeria context, the following has been identified as key challenges in using arbitration for climate disputes in Nigeria viz: Technical and scientific complexity because of lack of environmental Arbitrators; Regulatory and Policy Gaps through Unsuitable Legal Structure for Environmental Arbitration; and Institutional gaps due to absence of an institutional framework in Nigeria for environmental arbitration and iv. Public Interest vs. Private Arbitration.

5.2 Technical and Scientific Complexity because of lack of environmental Arbitrators

There is a need for expert arbitrators in climate science, renewable energy, and carbon trading. Like some other academic fields, law is wide and becoming more specialised, necessitating both substantial education and training as well as a great deal of real-world experience. It is hoped that by comprehending the features of environmental disputes, a specialised environmental arbitration panel will be better equipped to provide uniformity in decision-making and reduce delays. Furthermore, it has been mentioned in some places that having a decision-making body with scientific and technical expertise guarantees that weaker parties won't be totally dependent on lawyers and technical advisors to obtain just, equitable, and reasonably priced remedies.⁵⁸

Since environmental issues are frequently technical and scientific in nature, efficient use of expert evidence can be essential to successful arbitration. Arbitration provides arbitral tribunals with a variety of tools in this area, such as mandating that experts appointed by the parties list points of contention, requiring experts to present evidence concurrently, and requiring intermediary meetings and the submission of joint expert reports

⁵⁸ Eeshan Chaturvedi, 'Green Courts: The Way Forward' (2017) *Cornell Policy Review* <http://www.cornellpolicyreview.com/green-courts-the-way-forward/?pdf=3102https://research.jgu.edu.in/green-courts-the-way-forward/> Cited in ibid 26

to help focus the disputed issues.⁵⁹ But in reality, arbitral tribunals frequently do not properly evaluate expert testimony until the hearing.⁶⁰ Using examples from other jurisdictions to emphasise the value of knowledge is relevant. ADR procedures are used in Kenya's Environmental Tribunals to settle environmental disputes, and the judges and arbitrators have the necessary training and expertise in science to make the right decisions.⁶¹ A diverse group of judges and technical specialists who all fulfil stringent requirements make up India's National Green Tribunal.⁶² They possess either a Master of Engineering or Technology or a Master of Science with a Doctorate in the physical and biological sciences. Additionally, they have at least 15 years of expertise in a related discipline, including five years of hands-on fieldwork.

In addition, internationally, the ICC, amongst other arbitral bodies, can recommend arbitrators with relevant expertise. Equally, if the parties determine that 'the arbitrator is not appropriately qualified or fit for the role. Parties may challenge the arbitrator'⁶³ on the basis of Article 14(1) of the ICC Arbitration Rules, which states that arbitrators can be challenged 'whether for an alleged lack of impartiality or independence, or otherwise'.⁶⁴ The addition of the wording 'or otherwise' has been taken by the ICC Task Force to mean that arbitrators could be challenged on the basis of the lack of requisite qualifications.⁶⁵

⁵⁹ Chartered Institute of Accountants, *CIArb Guidelines for Witness Conferencing in International Arbitration*, (2019) ciarb.org/media/c54lce1z/13-witness-conferencing-april-2019.pdf accessed 14 June, 2025.

⁶⁰ Nigel Blackaby and Alex Wilbraham, 'Practical Issues Relating to the Use of Expert Evidence in Investment Treaty Arbitration' (2016) 31(3) ICSID Review – Foreign Investment Law Journal 657

⁶¹ Renson Mulele Ingonga, 'The Way Forward in Adoption of Environmental ADR in Kenya' (2023) <https://thelawyer.africa/2023/08/18/way-forward-in-adoption-of-environmental-adr> accessed 14 June, 2025.

⁶² George Pring and Catherine Kitty, *Environmental Courts & Tribunals: A Guide for Policy Maker*;

Pring <https://www.ajne.org/sites/default/files/resource/publications/7182/unep-ects-guide.pdf> accessed 14 June, 2025.

⁶³ ICC Commission Report (n 53) para 5.19.

⁶⁴ ICC Arbitration Rules, art 14(1).

⁶⁵ Ibid 5

5.3 Regulatory and Policy Gaps through Unsuitable Legal Structure for Environmental Arbitration

Lack of clear arbitration frameworks for environmental and climate-related disputes is another challenge Nigeria faces. The problem of the lack of a suitable legal framework for environmental arbitration is thus presented by the fact that, although there are pertinent existing fragmented laws that deal with the environment and related matters, the AMA, the primary arbitration law, is primarily for commercial arbitration and does not capture the peculiarities of environmental disputes required to reach fair, equitable, and sustainable settlement outcomes.⁶⁶

Since environmental concerns are as scientifically and technically complicated as they are, Nigeria should have its own unique arbitration legislation to effectively handle the many different aspects of environmental disputes. Because there are no set guidelines, arbitration panels apply rules at their discretion arbitrarily, potentially unfairly, and inequitably. The current commercial arbitration law, known as the AMA, would also be used for environmental cases. Environmental cases also differ from other types of lawsuits.⁶⁷ For instance, with little to no postponed remediation and land restoration plan, the effects of the pollution spread like wildfires⁶⁸ while the court cases drag out for too long. When making decisions in court, even judges do not take these peculiarities into account. According to research, environmental issues are unique and require a specific legal framework to be resolved.⁶⁹

⁶⁶ Ibid 12

⁶⁷ *ibid*

⁶⁸ *The Shell Petroleum Development Company of Nigeria Limited v. Kwameh Ambah* (1999) LLJR-SC; <https://www.lawglobalhub.com/the-shell-petroleum-development-company-of-nigeria-limited-v-kwameh-ambah-1999-lljr-sc/#gsc.tab=0> accessed 15 June, 2025

⁶⁹ Frank P Grad, 'Alternative Dispute Resolution in Environmental Law' (1989) 14(157) *Colum J Envtl Law* <http://heinonline.org/HOL/License> in *Ibid* 12.

5.4 Institutional gap due to absence of an institutional framework in Nigeria for environmental arbitration

Another limiting peculiarity of Nigeria is that institutions specifically dedicated to environmental arbitration are not available. If left unchecked, this fundamental issue could jeopardise environmental arbitration. Although environmental arbitration is not the primary function of the current commercial arbitration institutions, they can be used as a model for the establishment of a suitable environmental arbitration institute. Providing access to appropriately mediated and organised environmental arbitration procedures can help solve this issue.⁷⁰

5.5 Enforcement of Arbitral Awards

Awards are divided into several categories. If awards focus on local content, they do not transcend national or local boundaries. These awards are acknowledged as domestic awards. Additionally, an award could be foreign or international.⁷¹ Domestic awards can be partial, default, final, interlocutory, interim, or consent-based, in which case they are known as consent awards. The unsuccessful party may or may not be required to pay money in exchange for such awards. When the latter is true, the award is considered non-monetary. Awards are enforced in front of regular courts. This is because once an award is rendered, an arbitral tribunal ceases to exist. In fact, an arbitral tribunal cannot regain jurisdiction over an award until the court sends a matter to it for reconsideration, except for interpreting or correcting such awards. Likewise, the court lacks the authority to transform an arbitral award into its own ruling. In the same manner that a lower court's decision can be appealed to an appellate court, a losing party cannot "appeal" against an award to the court. An award can only be set aside, remitted, or enforced by the court. Given this, the dilemma is if the court can stay execution of a domestic non-monetary award in Nigeria.⁷²

⁷⁰Ibid 12

⁷¹ CA Obiozor, 'The Machinery for Enforcement of Domestic Arbitral Awards in Nigeria' (2010) *Nigerian Journal of International Law and Jurisprudence* <https://www.ajol.info/index.php/nujilj/article/view/138189/127910> accessed 15 June, 2025

⁷² Ibid

Sadly, arbitration lacks rules that would allow or authorise an arbitrator to enforce awards, despite being a viable alternative to litigation in conflict resolution. An arbitrator loses their position when the award is made, unless the law permits otherwise. To enforce an arbitral ruling, the courts will inevitably be approached.⁷³

6. SUMMARY OF FINDINGS

The increasing complexity of climate-related disputes, especially in the renewable energy sector, has underscored the growing importance of arbitration as a preferred mechanism for dispute resolution globally. Arbitration offers neutrality, efficiency, and enforceability, which are essential in managing disputes involving cross-border investments, carbon credit trading, and renewable energy projects. International arbitration institutions, including the International Chamber of Commerce (ICC) and the International Centre for Settlement of Investment Disputes (ICSID), have reported a significant uptick in cases involving energy, extractives, and climate-related matters. These trends reflect the global shift toward addressing climate change through enforceable legal commitments and sustainable development goals. In Nigeria, where renewable energy adoption is accelerating in line with climate obligations, the relevance of arbitration has become even more pronounced. This summary of findings highlights recent arbitration case statistics and provides insights into how international arbitration frameworks, including ICSID and UNCITRAL, are shaping the resolution of climate-related disputes in Nigeria and beyond.

In 2024, the International Chamber of Commerce (ICC) saw a diverse range of economic sectors involved in its arbitration cases. The ICSID Annual Report 2024 highlights that the Extractive and Energy sectors, including oil, gas, mining, and electric power, historically dominated cases, and this trend continued in FY2024.⁷⁴ Other notable sectors included Transportation, Construction, Finance, Information and Communication, Water, Sanitation, Flood Protection, and Tourism. A total of 58 new ICSID cases were registered in FY2024. The majority were arbitrations

⁷³ Ibid

⁷⁴ 'FY2024' means fiscal year ending in 2024.

instituted under the ICSID Convention (53 cases), followed by arbitrations invoking the Additional Facility Rules (four cases) and one conciliation under the ICSID Convention.⁷⁵

Cases Registered Under the ICSID Convention and Additional Facility in FY2024



Source: World Bank Group ICSID Annual Report 2024

In addition, ICSID administered 17 cases governed by non-ICSID rules in FY2024. The majority (13 cases) applied the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL). ICSID provided full administrative services in most of these cases; acted as appointing authority in three cases; and provided hearing organization services in one case.

7. RECOMMENDATIONS FOR ENHANCING ARBITRATION FOR CLIMATE AND RENEWABLE ENERGY-RELATED DISPUTES IN NIGERIA

7.1 The Role of Legal Education and Scientific Knowledge

Nigeria's Arbitration and Mediation Act 2023 (AMA) represent a paradigm shift in the country's legal landscape, especially for addressing

⁷⁵ World Bank Group ICSID Annual Report 2024, Available at <https://icsid.worldbank.org/sites/default/files/publications/ICSID-AR2024-WEB.pdf> accessed 13 June, 2025

the sophisticated nexus of climate and renewable-energy disputes. Yet, without commensurate investment in legal education and scientific literacy, these reforms risk falling short of their transformative potential. Embedding climate-arbitration modules within law curricula is critical; such coursework enables emerging lawyers to navigate the technical dimensions of carbon-credit contracts, environmental standards, and renewable-energy procurement policies. By integrating practical simulations, moot courts, and case study analyses into teaching, institutions can cultivate a new generation of practitioners' adept at managing hybrid legal-technical disputes.

Furthermore, arbitrators, legal counsel, and judges require structured continuous professional development (CPD) encompassing the latest in climate science and energy technology. The AMA's embrace of emergency arbitration, consolidation, joinder, and third-party funding indicates Nigeria's aspiration to align with global best practices. However, applying these tools to environmental cases demands that practitioners understand greenhouse-gas measurement, grid integration, and renewable-energy system modelling. To operationalize this dual legal-technical capacity, Nigeria should facilitate partnerships between law faculties, scientific institutes, and institutions like the National Council on Climate Change. Such interdisciplinary collaboration can develop expert rosters, ensuring tribunals have access to credible panels in areas such as carbon verification, ecosystem impact assessment, and renewable project feasibility. This approach mirrors global arbitration hubs where expert testimony underpins legally binding environmental awards. Moreover, establishing endowed research centres dedicated to climate-arbitration would support doctrinal and empirical study on enforcement patterns, tribunal methodologies, and award outcomes. Insights from such scholarship can inform future policy refinements, particularly as the AMA empowers joint legal-scientific adjudication.

Nigeria's ambitious legislative reforms on arbitration must be matched with investment in education and scientific integration. By equipping legal professionals with interdisciplinary expertise, Nigeria can realize AMA's promise—ensuring its arbitration regime supports a fair, enforceable, and

technologically informed approach to climate and renewable-energy disputes.

7.2 Strengthening legal and institutional frameworks for environmental arbitration

Strengthening legal and institutional frameworks for environmental arbitration in Nigeria is pivotal to ensuring effective, timely, and scientifically sound resolution of climate and renewable energy-related disputes. Despite Nigeria's recent legislative advancement through the Arbitration and Mediation Act 2023 (AMA 2023), which modernizes the country's arbitration practice, there remains a significant gap in frameworks specifically tailored for environmental disputes. The unique nature of environmental conflicts, often involving public interest, scientific complexity, and transboundary impacts, requires a bespoke legal structure that goes beyond the commercial focus of existing arbitration laws. Presently, Nigeria's arbitration landscape lacks codified procedures that reflect the peculiarities of environmental disputes, such as provisions for multi-party participation, transparent proceedings, and inclusion of scientific evidence as central to the arbitration process. Developing specialized environmental arbitration guidelines, akin to the Permanent Court of Arbitration's Optional Rules for Environmental Disputes, would provide a more coherent system that accommodates the intersection of environmental science and law. These rules should recognize the importance of public interest and allow for stakeholder participation, including affected communities and non-governmental organizations.

Institutionally, Nigeria needs to establish dedicated environmental arbitration centres or specialized panels within existing arbitration bodies, staffed by arbitrators with proven expertise in environmental law and renewable energy. Such institutions should provide tailored training, technical support, and resources to ensure environmental disputes are managed with both legal precision and scientific accuracy. Furthermore, enforcement mechanisms must be strengthened to ensure arbitral awards in environmental matters are respected, particularly when state entities are involved. Nigeria can draw from international best practices, such as those embodied in the New York Convention, to ensure enforceability and international recognition of environmental arbitral awards.

Ultimately, developing a robust legal and institutional framework will foster investor confidence, promote regulatory certainty, and advance Nigeria's energy transition and climate governance objectives in alignment with its national and international commitments.

7.3 Developing specialized arbitration panels for climate and renewable energy disputes

Strengthening Nigeria's legal and institutional frameworks for environmental arbitration is essential for effectively resolving climate-related and renewable energy disputes. While the Arbitration and Mediation Act 2023 (AMA 2023) modernize arbitration practice in Nigeria, it remains largely commercial in orientation and does not sufficiently address the complexities unique to environmental disputes. Environmental conflicts typically involve public interest, scientific data, multiple stakeholders, and long-term ecological impacts that require specialized procedural rules beyond conventional arbitration structures. To close this gap, Nigeria must develop a dedicated environmental arbitration framework that integrates procedural flexibility, transparency, and scientific rigour. Adopting specialized arbitration rules, like the Permanent Court of Arbitration's Optional Rules for Environmental Disputes, would enable Nigeria to handle such disputes more effectively. These rules should allow for the inclusion of third-party stakeholders, such as affected communities and environmental experts, and promote openness in proceedings to serve the public interest.

Also, Nigeria should establish specialized arbitration panels or centres focused on environmental and climate disputes. These bodies must prioritize the appointment of arbitrators with proven expertise in environmental law, renewable energy, and climate science. Strengthening enforcement mechanisms and aligning with international arbitration standards would further ensure that environmental arbitral awards are respected and internationally recognized, supporting Nigeria's broader climate and energy transition goals.

8. CONCLUSION

The transition to renewable energy in Nigeria is critical for addressing climate change, yet it faces significant challenges and, in some cases, resulting in disputes among stakeholders. Nigeria faces serious issues because of climate change, which show up as extreme weather, environmental degradation, and socioeconomic effects.⁷⁶ The country also struggles with its dependence on fossil fuels, which makes its commitment to the adoption of renewable energy (RE) more difficult. The terrain of this transition is shaped by the interaction of environmental effects, governmental frameworks, and market limitations. To combat climate change and guarantee energy security, Nigeria must make the switch to renewable energy. Due to its dependence on fossil fuels and poor infrastructure, Nigeria, a country abundant in renewable resources like solar, wind, and biomass, faces several difficulties. A move towards cleaner energy sources is required as part of the nation's commitment to the Paris Climate Accord to reduce greenhouse gas emissions and fight climate-related disasters like droughts and flooding.⁷⁷

The complicated, technical, and frequently multi-stakeholder issues that emerge in Nigeria's renewable energy and climate governance landscape can be resolved through arbitration. The Arbitration and Mediation Act 2023 offer a contemporary framework for resolving disputes, but it is still not adequately adapted to the requirements of environmental arbitration. To resolve disputes in this area effectively, scientific information, legal competence, and open, inclusive processes that may strike a balance between private contractual rights and public interest imperatives must be purposefully integrated. Building specialised arbitration panels, integrating climate arbitration into legal education, and fortifying Nigeria's institutional and legal frameworks are all crucial to producing qualified practitioners who can handle these changing conflicts. In

⁷⁶ Usman Bello and others, 'Renewable Energy Transition: A Panacea to the Ravaging Effects of Climate Change in Nigeria' (2021) 9 *Journal of Geoscience and Environment Protection* 151.

⁷⁷ Cosmos Nike Nwedu, 'Will a Transition to Renewable Energy Promote Energy Security amid Energy Crisis in Nigeria?' in *Energy Security in Africa* (Palgrave Macmillan 2021) <https://link.springer.com/chapter/10.1007/978-3-030-56849-8_7>. Accessed 10 June, 2025

addition to boosting investor confidence, a strong, multidisciplinary strategy would guarantee that Nigeria's climate pledges are upheld. The Arbitration and Mediation Act 2023 offer a contemporary framework for resolving disputes, but it is still not adequately adapted to the requirements of environmental arbitration. To resolve disputes in this area effectively, scientific information, legal competence, and open, inclusive processes that may strike a balance between private contractual rights and public interest imperatives must be purposefully integrated. Building specialised arbitration panels, integrating climate arbitration into legal school, and fortifying Nigeria's institutional and legal frameworks are all crucial to producing qualified practitioners who can handle these changing conflicts.