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PRO ALLY

Risk Insight for Oil &Gas Service Companies

THE EXPOSED BUSINESS

Why Nigerian Service Companies Are Being Turned Away at the Financing Table.

The documentation gap you cannot see is costing you the conversation you need most.

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The Financing Conversation That Starts Well and Then Stops.

At some point in the last two years, a conversation started happening in Nigerian oil and gas service companies that nobody prepared for.

A financing conversation that started well, moved through the right channels, cleared the initial meetings, and then stopped. Not with a rejection letter. Not with a clear explanation. With silence, or with a request for documentation that the company did not have and did not fully understand.

The business was real. The revenue was real. The assets, the people, the track record of delivering for operators across Nigeria's upstream sector were real.

But the financing conversation did not convert.

Most of the companies that experienced this drew the wrong conclusion. They concluded it was a relationship problem. They needed better introductions, a stronger network, a different entry point into the institution. So they spent the next six months working on their network instead of their documentation. The financing conversation did not convert the second time either..

The Financing Landscape That Changed

The channels through which Nigerian oil and gas service companies access financing have changed materially in the past three years. In May 2026, the African Development Bank approved a $200 million financing facility for the Bank of Industry in Nigeria. [1]The facility specifically included a $650,000 technical assistance grant designated to boost ESG practices among recipient companies. That single approval tells you where the financing conversation now starts.

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It starts with ESG.

The AfDB, the IFC, and increasingly commercial banks operating in Nigeria's energy sector under the Central Bank's sustainable finance principles are applying ESG due diligence requirements at the front end of financing conversations. Not as a final compliance check before disbursement. As a qualification threshold at the point of initial assessment.

Over 40% of Nigerian oil projects in 2025 focused on sustainable energy innovations and emissions reduction. [2] The operators funding those projects are themselves under ESG scrutiny from their financing partners. That scrutiny cascades to every service company in their supply chain seeking financing in parallel.

WHAT ESG DUE DILIGENCE ACTUALLY LOOKS LIKE

When a development finance institution or commercial bank applying sustainable finance principles receives a financing application from a Nigerian oil and gas service company, their ESG due diligence process covers six areas.

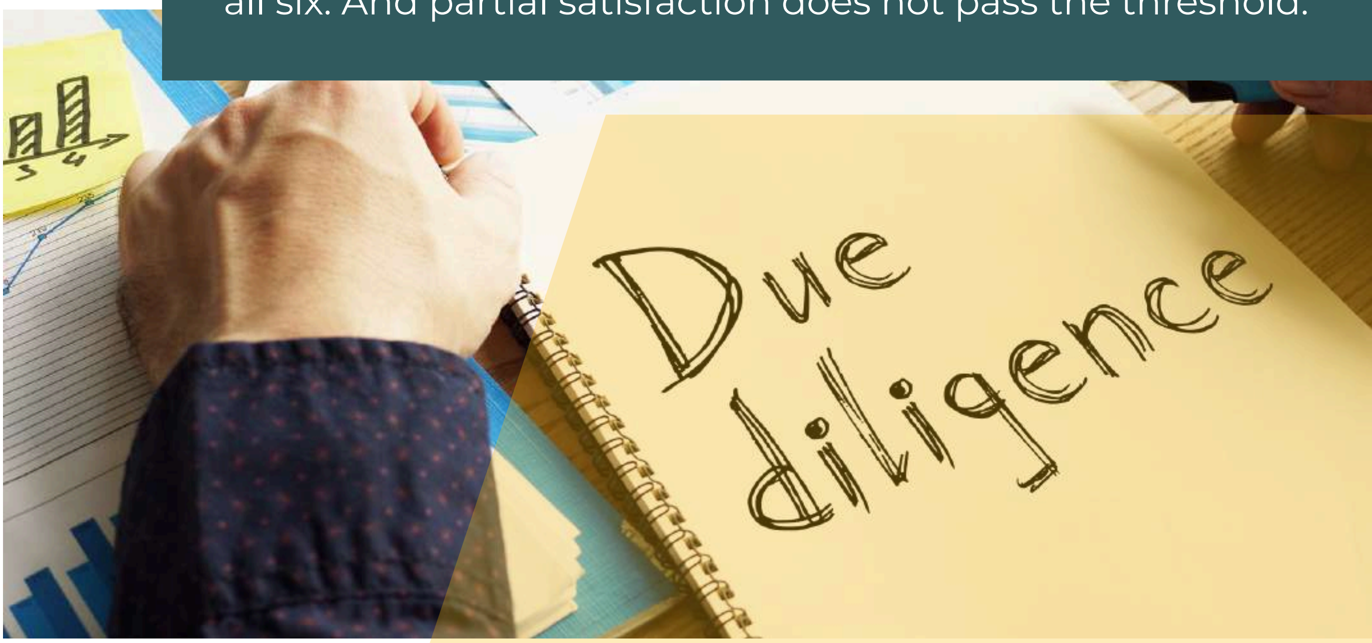
Environmental management: Does the company have a documented environmental management system with evidenced records?

Social performance: Does the company have a structured, documented approach to community engagement?

Governance: Does the company have a governance structure with named accountability for ESG performance?

Regulatory compliance: Can the company demonstrate compliance with PIA 2021, NUPRC, and NOSDRA requirements?

Most Nigerian oil and gas service companies can partially satisfy two or three of these areas. Almost none can fully satisfy all six. And partial satisfaction does not pass the threshold.



“Failing to meet ESG disclosure requirements can mean exclusion from supply chains, reduced ESG scores, and directly affected access to capital. [3] That principle applies to the companies that DFIs lend to as much as it does to the DFIs themselves.”

The IFC Performance Standards Problem

One of the most consistent points of failure in Nigerian service company financing applications is the IFC Performance Standards. The International Finance Corporation operates eight performance standards covering environmental and social risk management, labour conditions, resource efficiency, community health and safety, biodiversity conservation, and cultural heritage. These standards, or frameworks substantially equivalent to them, are used by virtually every major development finance institution active in Nigeria's energy sector as the baseline for ESG due diligence.

Most Nigerian service company MDs have heard of the IFC Performance Standards. Few have read them. Fewer still have assessed their company's operations against them. And almost none have built the documentation systems that demonstrate alignment with them.

When a financing application reaches due diligence and the assessor cannot find evidence of IFC Performance Standard alignment, the application does not progress. The assessor does not call to explain why. The silence is the explanation.

Three Actions Before Your Next Financing Conversation

Commission an honest ESG gap assessment before you initiate the financing conversation. Not during due diligence. Before you make the call. Know where your company stands against the IFC Performance Standards before an assessor finds out for you. Build the documentation that satisfies the six due diligence areas identified in this article. Assign ownership to each area. Set a 90-day deadline.

Most of the documentation required is not complex to produce. What it requires is a decision to produce it and a structure for doing so consistently.

Have a frank conversation with your financial advisor or banker about which ESG framework the institution uses for due diligence and request a pre-application ESG readiness review.

A company that asks the question before submitting the application is demonstrating exactly the kind of governance awareness that financing assessors are looking for.

The financing conversation you need is available. The documentation that unlocks it is buildable. The gap between where most Nigerian service companies are today and where they need to be is not as large as the silence from financing institutions suggests. It is a documentation gap. And documentation gaps are solvable.

■ AfDB Approves $200 Million Nigeria Facility With Mandatory ESG Practice Improvement

The African Development Bank's May 2026 approval of a $200 million financing facility for the Bank of Industry included a $650,000 technical assistance grant specifically designated to boost ESG practices among recipient companies. [1] This is the architecture of development finance in Nigeria now. ESG practice improvement is not an optional component. It is a named, funded requirement built into the deal structure. Companies seeking DFI-backed financing need to understand this before they engage.

■ NNPC Calls for Stronger African Financing Structures as ESG Requirements Block Gas Projects

Nigeria's state oil company called publicly at the Africa CEO Forum for stronger domestic financing structures to unlock gas development, noting that African gas resources remain underexploited because of inadequate financing structures and recurring payment challenges. ■ The financing constraint extends beyond service companies to the operators themselves. The entire indigenous Nigerian oil and gas ecosystem faces financing friction driven in part by ESG documentation gaps that the sector as a whole has not yet resolved.

■ CBN Sustainable Finance Principles Now Routinely Applied in Commercial Bank Energy Lending

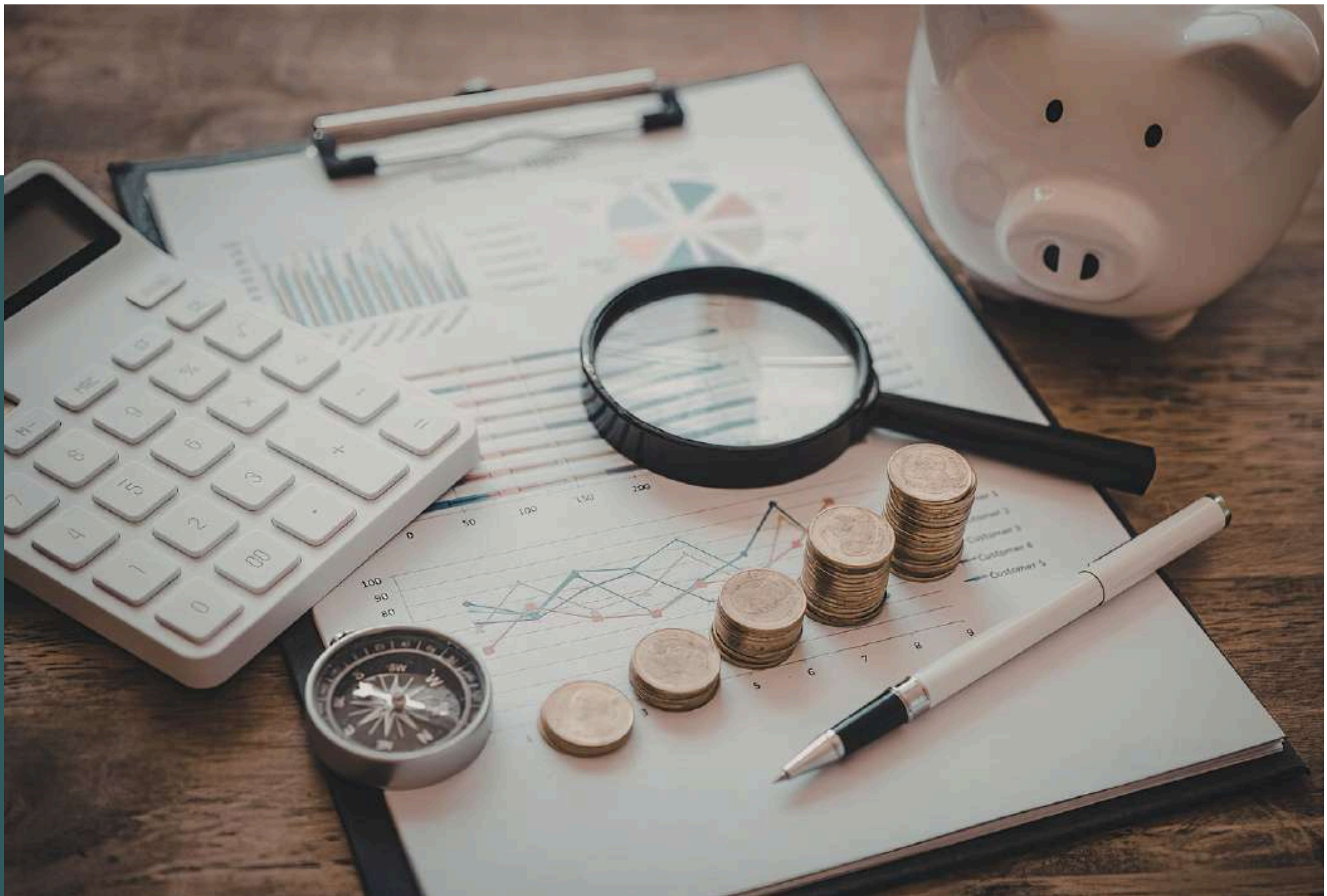
The Central Bank of Nigeria's sustainable finance principles are now standard in commercial bank lending to Nigerian energy sector companies. Service companies that previously accessed working capital from Nigerian commercial banks without ESG documentation are finding that the same banks now request ESG frameworks as a condition of credit review. The development finance and commercial bank channels are converging on the same ESG documentation standard simultaneously.

ONE ACTION. THIS WEEK. NO EXCUSES.

Download the IFC Performance Standards from ifc.org and Read All Eight.

Go to ifc.org, search for the IFC Performance Standards, and download the current version. Read each standard and ask honestly: does my company have documentation that evidence alignment with this standard right now? This is one hour of reading. It is the most commercially productive hour you will spend this week. Because the first time you understand what IFC Performance Standards actually require is not the right time to be sitting across from a financing institution that is assessing you against them. That time is right now, before the next conversation begins.

“The companies winning in Nigeria’s oil and gas sector right now are not the ones with the best relationships at the financing table. They are the ones who showed up to the table with the documentation that made the conversation unavoidable.”



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