FROM CDL TO CDP: A RIGHTS-BASED, SUSTAINABLE FRAMEWORK FOR COMMUNITY DEVELOPMENT IN NIGERIA

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Abstract

Community development is the cornerstone of national progress. Traditionally, many communities fund such development through Community Development Levies (CDL). While intended to fund public goods, levy-based models raise serious concerns about equity, transparency, elite capture, and sustainability. Using the doctrinal research approach, this paper examines the legality, equity, and effectiveness of Nigeria's community-financing practice of CDL against the contemporary, rights-based understanding of development and sustainability. It explores the meaning of development in terms of sustainability whilst also drawing insights from what is obtainable in some selected jurisdictions. Findings reveal CDL is normatively weak and administratively fragile, whereas contract and trust-based CDP models better align with sustainable development and rights-based governance. It concludes that a CDP-anchored framework grounded in equity, inclusivity, and long-term stewardship offers a more lawful, legitimate, and sustainable route to community development in Nigeria.

Keywords: Development, Sustainability, Sustainable Development, Community, Development, Development Levy

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1.0 Introduction

Across Nigeria, many towns and community associations require prospective developers, new residents, or business owners to pay a Community Development Levy (CDL) before commencing private projects. The stated rationale is straightforward that a small "community tax" collected upfront will pool funds for shared amenities such as boreholes, road grading, classroom blocks, security posts, or town halls. In practice, however, levy-centric financing frequently exhibits four coercion, regressive incidence and project discontinuity. These outcomes sit uneasily with contemporary understandings of development and sustainability, and they raise a more basic public-law concern, one that community associations typically lack.

Community development is the sum total of all efforts geared towards the improvement of the quality of life in a community. It entails capacity building, collaboration and communal as well as environmental sustainability. Community develops where there exists a common sense of value, belief and a common sense of identity. It is a common practice in communities to impose what is termed Community Development Levy[1] (CDL) on prospective developers as a prerequisite for the commencement of development projects. This practice runs on the assumption that the levies gathered from prospective developers will be channelled towards the sustainable development of the community. Overtime, it turns out that majority of these funds ends up in the pockets of a few elite community members to the detriment of the general community's development agenda.

This paper proposes a deliberate shift **f**rom CDL to CDP that are project-tied, participatory, auditable, and rights-respecting. Rather than paying into a general pot with uncertain governance, prospective developers would assume clearly specified obligations under transparent instruments (e.g.,

[1] The acronym CDL shall hereinafter be used to refer to the term Community Development Levy.

Memoranda of Understanding or Community Development Agreements), with ring-fenced finance (trust or escrow), open procurement, independent verification, and accessible grievance redress. Properly designed, CDPs align with constitutional limits on taxation, advance welfare aims, and deliver better value and legitimacy than ad hoc levies.

2.0 The Concept of Development

The term 'development' is an abstract term that has no generally acceptable definition. It is a pattern of progressive growth that entails the physical, environmental, economic as well as demographic change in a thing or concept. Development aims at changing the existing pattern of things for purposes of attaining a better form. It is a process of enlarging the privileges enjoyed by people.[2] Development helps to consolidate on the gains of sustainability.

It was not until World War II that thoughts on development began to thrive. In the early stages of the birth of the concept, major focus was on industrialization. This appeared to be born out of man's desire at the time to boost returns on trade. It was not until the period of 1950 that the alleviation of poverty became the central focus of the concept of development.[3] Thus, development aims at catering for the collective needs of society rather than on personal satisfaction.[4]

The concept of development has evolved significantly over time, transitioning from its early identification with industrialisation and Gross Domestic Product (GDP) growth to a more nuanced, multidimensional construct. Initially, post-World War II development efforts were framed around economic indicators, with success measured by increased output, trade, and investment flows. However, scholars and development

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[2] S. Amartya, Development as Freedom, (New York: Anchor Books: 2000) 3.
[3] Ibid.
[4] Ibid.

practitioners have since argued that these metrics fail to capture the full spectrum of human progress.[5]

Today, development is understood as a holistic process involving the transformation of both the structures and values of society. It encompasses not only economic betterment, but also improvements in health, education, social justice, political participation, gender equality, and environmental sustainability.[6] According to Dudley Seers, a society must ask three questions to determine whether development is occurring: What has been happening to poverty? What has been happening to unemployment? What has been happening to inequality? If all three of these have declined from high levels, then development has taken place.[7]

Amartya Sen added a revolutionary dimension to the discourse by framing development as the expansion of freedoms—freedom from hunger, disease, and ignorance, and the freedom to participate in the decisions that shape one's life.[8] This view emphasises that development is not merely about economic advancement, but about enhancing the capabilities of people to lead lives they value.

In line with this, the United Nations Development Programme (UNDP) introduced the Human Development Index (HDI), which incorporates life expectancy, education, and income per capita as indicators of well-being.

[5] A. Escobar, A., Encountering Development: The Making and Unmaking of the Third World (Princeton: Princeton University Press, 1995), 33–38.
[6] United Nations, A Better World: The 2030 Agenda for Sustainable Development (New York: UN Publications, 2015), 6.
[7] Seers, D., 'The Meaning of Development', [1969], 11(4), International Development Review, 3–6.
[8] Sen, A., Development as Freedom (New York: Anchor Books, 1999), 10–12.

This index has been widely adopted as a more balanced and inclusive way to evaluating development across nations.[9]

In Nigeria, the legal framework also affirms this expansive view. Chapter II of the Constitution of the Federal Republic of Nigeria[10] lays out the Fundamental Objectives and Directive Principles of State Policy, with Section 16 directing the state to "harness the resources of the nation and promote national prosperity" while ensuring equitable distribution of wealth and access to public goods.[11]

Although these constitutional provisions are not enforceable in court due to their non-justiciable nature (Section 6(6)(c)), they provide a moral and political compass for governance and public policy. This broader understanding challenges the conventional use of development levies as a primary funding mechanism. This is antithetical to true development, which demands both structural transformation and people-centred planning.[12]

Contemporary development thinking insists that any development initiative must be inclusive, participatory, accountable and rights-based. It must respond not just to physical needs like roads, hospitals and schools, but also to social and emotional well-being, civic voice and sustainable environmental practices. This raises critical questions about the fairness and effectiveness of community levies as against community development projects as a tool for advancement.

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[9] United Nations Development Programme (UNDP), Human Development Report 2021/2022, UNDP, 2022, 18–21.

[10] 1999.

[11] Constitution of the Federal Republic of Nigeria 1999 (as amended), s. 16(1)(a)-(d); s. 6(6)(c).

[12] O. Akinbode, 'Beyond Infrastructure: Redefining Development in Nigeria' (2020), 15 *Journal of African Policy and Governance*, 89–91.

Development attains sustainability when its outcome is capable to satisfying immediate as well as future needs. For community development to be sustainable, it must transcend the realm of levies to project projection and actualisation. Community development on the other hand refers to the sum total of the collective efforts of members of the community geared towards solving their common communal problems. It encompasses the collective efforts of all relevant stack-holders in the community.[13] Thus, community development structures in a manner that encourages public participation and gives members of the community an enormous amount of control over matters that affects their collective interest.[14]

Ideas on community development existed long before colonisation.[15] Prior to colonisation, law and order in communities was ensured institutions the age grade, village council, women's group *etcetera.* In other instances, able-bodied members of communities physically participated in the erection of communal infrastructures like homesteads, mapping out footpaths, market, bush clearing, renovation of dilapidated huts for the elderly in the community, *etcetera*.[16] This way of life of the people ensured progressive growth and sustainability.

2.1 The Concept of Sustainability

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[13] Ramsey-Soroghaye and N. Blessing,' Community development in Nigeria: history, current strategies and its future as a social work method' (2021), 6(4) The Journal of Development Administration, 134.
[14] Ibid.
[15] Age grade system, village council, women's group, etcetera are examples of the earliest form of community development.
[16] Ramsey-Soroghaye and N. Blessing (n 14).

The pursuit of sustainability generally implies the ability to sustain a process over time[17] without depleting its quality or nature. The concept is commonly used in the realm of environmental law to denote the ability of nature's resources to carter for the numerous needs of humans from generation to generation. Sustainability revolves around three fundamental pillars: the economic, environmental, and social aspects, which are sometimes referred to as people, planet, and profits.[18]

Although the concept of sustainability has become a popular catchphrase in various economic and political discourses, the precise meaning of the concept still remains unclear as a lot of people continue to ask questions about its history, meaning and what it implies in terms of development in theory and in practise.[19] In the opinion of Arora,[20]population increase has raised a lot of questions as to the sustainability of the environment and its natural resources as increase in population has put a lot of constraints on the environment. He succinctly buttressed the fact that, targeting short term gains, every part of the earth has been touched by the activities of man.

One dominant factor among the pillars is the people aspect which this study addresses. The effect of unsustainable communal practises reflects ultimately on the living conditions of the people. The concept of sustainability generally comprises of the principles of inter-generational equity, sustainable use of natural resources, equitable use of natural resources and integration of environmental protection and economic development.

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17 J. Mensah, Sustainable Development: Meaning, History, Principles, Pillars and Implications for Human Action: Literature Review' (2019) 5(1) Cogent Social Sciences 9.

18 Ibid.

19 J. Mensah (n. 18).

20 N.V. Arora, 'Environmental Sustainability-Necessary for Survival', (2019) Environmental Sustainability Journal, 11-12.

3. Sustainability Principles

The sustainability principles include, the Inter-Generational Equity, the Sustainable Use of Natural Resources, the Equitable Use of Natural Resources and the Integration of Environmental Protection and Economic Development.

3.1 Inter-Generational Equity

Equity generally means good faith or a state of being just or right.[21] Equity in the context of sustainability has to do with whether or not everyone enjoys similar rights and access to an acceptable quality of life.[22] This principle therefore implies fairness and productive use of available resources. The general theme of this principle is that of fairness in the use of the natural resources. It entails striking a balance between meeting the needs of this present generation and putting in place enough resources in stock to carter for the needs of future generation.[23]Thus, one of the ways to ensuring communal sustainability is to embrace durable long-term development projects that promotes and protect the interest of both the present and future generations.

3.2 The Sustainable Use of Natural Resources

This principle imposes responsibility on states to control and regulate the use of natural resources. To this end, States may make laws or even put in place policies and directives geared towards controlling the use and exploitation of natural resources. Community leaders must in the same vein must put in place CDP policies and legislations to ensure sustainability. The use of community development agreements between communities and

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21 E.P. Ameachi, 'The Regulation of Gas Flaring in Nigeria' 5 *NIALS Journal of Environmental Law*, 22-25.
22 Ibid.
23 Ibid.

prospective investors/developers wherein terms governing CDP's are clearly spelt out is an invaluable tool in sustainability at the grass-root.

3.3 The Equitable Use of Natural Resources

Notwithstanding the fact that prospective investors and developers have the right to use their resources in whatever way they deem fit, this principle can be tweaked to accommodate sustainability and better life for communities. CDL can used equitably by putting in place projects that water, electricity, health care that will alleviate and better the lives of people living in rural and even urban communities in Nigeria. In the use and enjoyment of natural resources, community leaders need to take into consideration the effects and impacts of their acts on other states. According to Christmann,[24] nature is the silent stakeholder upon which the existence of mankind depends and as such, to be able face the challenges of the twenty first century over dependence on the environment, there is need to strengthen capacity building to ensure sustainability. Keyzer, Sonneveld and Veen[25] succinctly argues that a trust fund operating on the threshold of a market-based transaction is a veritable way of ensuring that not only the goal of sustainability is achieved but that natural resources are evenly distributed within the current generation as well as future generations. Thus, to ensure developmental sustainability, concrete measures should be put in place to ensure viable sustainable development.

Rattumuri[26] quoting Mahatma Gandhi rightly asserts that natural resources provide enough to satisfy every man's needs but not enough for every man's greed. This assertion becomes very relevant in the face of the

[24] P. Christmann, 'Towards a More Equitable Use of Mineral Resources' (2018), *Natural Resource Research Journal*, 27159-177.

[25] M. Keyzer, B. Sonneveld and W.V Veen, 'Valuation of Natural Resources: Efficiency and Equity' [2009] 19(2) Development in Practice, 233-239.

[26] R. Rattumuri, Sustaining Natural Resources in a Changing Environment: Evidence, Policy and Impact' [2017] 13 *Journal of the Academy of Social Sciences*, (1869-1948)1-16.

awareness that CDL only carters for the needs of a few thus adversely affecting the attainment of communal developmental sustainability.

3.4 The Integration of Environmental Protection and Economic Development

This principle posits that when economic and other developmental decisions are being made, recourse should be had to the effects of these decisions on the environment. In other words, the collective interest that promotes sustainability should be the fulcrum upon which such decisions are made. Stephen[27] opines that development is better explained in terms of both economic and material expansion. Thus the shift in CDL to CDP will to a large extent ensure viable sustainability practises that promotes and protects collective communal interest.

Sustainability has thus emerged as one of the most pivotal paradigms in global development discourse. It encapsulates the notion of development that "meets the needs of the present without compromising the ability of future generations to meet their own needs[28]. This foundational definition was first enunciated in the 1987 Brundtland Report and remains the gold standard for sustainable development policies and practices globally. In its broadest application, sustainability is multi-dimensional, integrating environmental preservation, economic viability and social equity. These three pillars must be balanced in any development framework if long-term human and ecological welfare is to be achieved.[29]

[27] D.H. Stephen,' Integration of Environment and Development in Decision Making' (2002), *Regional Sustainable Development Review*, 13.
[28] United Nations, World Commission on Environment and Development, Our Common Future (OUP 1987) 43; Rio Declaration on Environment and Development (adopted 14 June 1992) UN Doc A/CONF.151/26 (Vol I), 31 ILM 874 (1992).
[29] J.D. Sachs, The Age of Sustainable Development (Columbia University Press, 2015), 6.

In the context of community development, sustainability implies that development initiatives must be community-led, context-sensitive and future-conscious. In Nigeria, however, many community development strategies, particularly those based on the imposition of levies do not align with this principle. Rather than promoting inclusive participation and long-term benefits, they often exacerbate social division, breed resentment, and undermine equity, particularly when the poor and vulnerable are compelled to contribute disproportionally.[30]

The United Nations' Sustainable Development Goals (SDGs), adopted in 2015, provide a comprehensive blueprint for global sustainable development. Goals such as Goal 1 (No Poverty), Goal 10 (Reduced Inequalities), and Goal 11 (Sustainable Cities and Communities) specifically highlight the need for inclusive, equitable and resilient communities.[31] However, the use of compulsory development levies which is often enforced without transparency, accountability or regard for individual capacities runs counter to the spirit of these goals. In many instances, they can reinforce cycles of poverty and alienate the very people they are intended to help[32].

Sustainability entails more than the mere completion of physical projects—it concerns the long-term maintenance, ownership and relevance of such projects. This is often lacking when levies are used to fund projects without community consensus, legal oversight, or institutional support. Sustainable community development requires systems that ensure continuity,

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30 U.E. Okonkwo, Development Levies and the Sustainability Paradox in Rural Nigeria, (2021) 5(2) *Journal of Sustainable African Development*, 112–121.

31 United Nations General Assembly, Transforming Our World: The 2030 Agenda for Sustainable Development, Resolution A/RES/70/1 (2015).

32 M.O. Eze,, "Development Levies and the Nigerian Constitution: A Review of Legal and Social Implications" (2021), 10(2) Nigerian Journal of Community Law and Development 147.

transparency and adaptability, such as legally sanctioned participatory planning frameworks, monitoring systems and feedback mechanisms[33].

It is also important to note the intergenerational aspect of sustainability. Community projects should not merely serve present residents but must also safeguard the future of coming generations. This entails environmental consciousness, equitable access to resources, and institutional structures capable of sustaining benefits over time. Levy-dependent models which often focus on short-term, piecemeal interventions tend to lack this strategic foresight[34] hence the clamour for CDP.

Furthermore, the principle of justice and equity, which is central to sustainability, mandates that all stakeholders—particularly the marginalised—have equal opportunities to participate in and benefit from development. This calls for a shift towards inclusive alternatives to levies, such as public-private partnerships (PPPs), corporate social responsibility (CSR), government grants, and international aid mechanisms, which do not disproportionately burden local populations[35].the compulsory imposition levies brings, Instead, it must be grounded in equity, inclusivity, legal accountability, environmental stewardship and intergenerational justice principles enshrined in both international norms and the Nigerian Constitution. Only by aligning community development with these ideals can Nigeria move towards genuinely sustainable progress.

[33] A. Adedayo, 'Community Accountability and the Sustainability of Rural Development Projects in Nigeria,' (2020) 9(1) *Journal of Development Practice*, 33–45.

[34] Lawal, A. M., "Intergenerational Equity in African Environmental Law," (2018) 7(1) *Nigerian Environmental Law Review*, 89–101.

[35] A. Akinyemi and S. Ojo, 'Corporate Social Responsibility as a Tool for Sustainable Development in Nigeria' (2019), 15(2) *African Journal of Policy and Administration*, 65–76.

4. Comparative & Global Practice of Community Development and Sustainability

In countries such as Sweden, Norway and Finland, Community Development is largely funded through robust welfare systems and progressive taxation. These Nations have institutionalised the principle that local development should be the responsibility of the state, thereby eliminating the need for levies imposed directly on individuals. Government agencies manage social and infrastructural programmes through National and Municipal budgets, ensuring equity, transparency, and wide-reaching participation.[36]

Meanwhile, in some countries, Corporate Social Responsibility (CSR) has emerged as a vital mechanism for community development financing. Two comparative mechanisms are instructive, India and South Africa. Firstly, section 135 of the Indian Companies Act of 2013 hard-wires CSR into corporate governance for qualifying companies through a board-level CSR Committee, mandatory 2% average net-profit spend, a local-area preference, and clear exclusions (e.g., political donations; ordinary-course business; employee-only benefits).[37] This mix has nudged firms from ad-hoc philanthropy toward outcome-linked interventions in education, health and rural development. Secondly, section 72(4)(a) of the South African Companies Act 2008 permits regulations requiring a Social and Ethics Committee for larger entities, reinforcing stakeholder oversight alongside transformation instruments such as the Broad-Based Black Economic Empowerment (BBBEE) Act and the Mining Charter.[38] This model institutionalises private sector participation in development, relieving the

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[36] Lars Trägårdh, 'Statist Individualism and Social Capital: The Swedish Third Wayvol' (2007) 33(4) Theory and Society, 592.
[37] Companies Act 2013 (India) s 135; Companies (CSR Policy) Rules 2014 r 2(1)(d).
[38] Companies Act 71 of 2008 (South Africa) s 72(4)(a); Broad-Based Black Economic Empowerment Act 53 of 2003.

burden on community members while promoting corporate accountability and visibility.

In Africa, countries like Ghana and Kenya are at the forefront of experimenting with innovative financing models such as diaspora bonds, philanthropic donations, and multilateral development partnerships. Ghana, for instance, launched a Diaspora Bond initiative to finance key infrastructure projects, appealing to its vast and economically active diaspora community.[39]

Similarly, Kenya's Uwezo Fund and National Government Constituency Development Fund (NG-CDF) have become channels for public investment at the grassroots level, effectively reducing the reliance on compulsory local levies.[40] These models empower communities through decentralised access to funds while maintaining a legal framework for accountability.

Furthermore, international development institutions such as the World Bank and United Nations Development Programme (UNDP) now advocate for participatory governance and inclusive financial models that leverage community voice and consent rather than compulsion. These institutions have repeatedly cautioned against development strategies that impose uniform financial obligations on communities without considering income disparities and capacity to pay.[41]

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[39] African Development Bank, Diaspora Bonds and the Financing of Development in Africa (African Development Bank Report), 2020 <https://www.afdb.org/sites/default/files/documents/publications/afdb_annual_report_2020_main_en_.pdf>

[40] Republic of Kenya, National Government Constituencies Development Fund (NG-CDF) Guidelines 2022<https://www.ngcdf.go.ke> Accessed 15 May 2025.

[41] World Bank, "World Development Report 2004: Making Services Work for Poor People" (Oxford University Press 2004)<https://documents.worldbank.org/curated/en/527371468166770790/pdf/multi0page.pdf> Accessed 18 May, 2025

Overall, the global trajectory suggests a clear preference for development paradigms that uphold dignity, participation, and inclusivity. Countries making progress in sustainable community development often combine legal reforms, CSR mandates, and institutional partnerships to support grassroots initiatives—eschewing coercive levies in favour of equitable frameworks that resonate with the ideals enshrined in the UN Sustainable Development Goals (SDGs).[42]

5. Selected Legal Frameworks for Community Development and Sustainability

In Nigeria, there is no comprehensive or unified national legislation that directly governs the imposition or regulation of development levies. Rather, the practice has evolved through customary norms, informal community associations and local government bylaws, many of which lack formal legislative scrutiny or constitutional grounding. The absence of a harmonised legal framework creates inconsistency in application and opens room for abuse and inequality in enforcement, particularly against non-indigenes/prospective investors and economically disadvantaged groups.[43]

Chapter II of the Constitution of the Federal Republic of Nigeria 1999 (as amended) casts welfare-oriented obligations on the state, most notably in section 16, which directs the harnessing of resources for national prosperity, equitable wealth distribution, and access to basic social services.[44] Yet section 6(6)(c) renders these directive principles non-justiciable, a position reinforced by Nigerian case law, meaning courts will not ordinarily compel their direct enforcement against government, let

[42] United Nations, Transforming Our World: The 2030 Agenda for Sustainable Development UN Doc A/RES/70/1 (21 October 2015).
[43] Akinola A Olayiwola, Community Participation and Legal Frameworks in Nigerian Local Governance (Ibadan University Press) 2021, 112
[44] S.16(2)(d),

alone against private persons or community associations.[45] The implication is twofold: (i) primary responsibility for community development lies with public authorities (federal, state, and local), not with extra-legal "levies" imposed by non-statutory bodies; and (ii) any compulsory exactions must trace to valid legislation within the constitutional allocation of taxing/levy powers, community associations have no inherent taxing authority.[46] Local governments, whose constitutional functions include grassroots services (markets, roads, sanitation), are the proper governmental locus for many community amenities, subject to statute.[47]

Within this framework, Community Development Projects (CDPs) can be structured as law-compatible private-law vehicles and not as compulsory levies. First, communities (preferably through incorporated trustees under CAMA Part F) may contract with developers via MOUs/Community Development Agreements to deliver specified public goods (e.g., boreholes, drainage, classrooms) on transparent, milestone-based terms. Second, funds can be ring-fenced in trust or escrow, with trustees owing fiduciary duties, audit requirements, and clear beneficiary definitions. Third, some statutes already recognise enforceable community-benefit duties without ad hoc taxation, notably Community Development Agreements under the Minerals and Mining Act.[48] Properly designed, CDP contracts/trusts respect constitutional limits on taxation, advance Chapter II's welfare aims through consensual, auditable obligations, and align with

[45] Constitution of the Federal Republic of Nigeria 1999 (as amended) ss 16, 6(6)(c); See Archbishop Anthony Olubunmi Okogie v Attorney-General of Lagos State (1981) 2 NCLR 337.
[46] See generally the allocation of taxing powers in the Constitution and the Taxes and Levies (Approved List for Collection) Act, Cap T2, Laws of the Federation of Nigeria 2004 (as amended) (community associations are not listed taxing authorities).
[47] Constitution of the Federal Republic of Nigeria 1999 (as amended), Fourth Schedule (functions of local government councils).
[48] Nigerian Minerals and Mining Act 2007 (Nigeria) ss 116–117 (Community Development Agreements).

public-law transparency (e.g., NEITI) and local-government planning by-laws.

Ogotute[49] argues that Nigeria's company law architecture still treats corporate social responsibility (CSR) as discretionary rather than a justiciable obligation, entrenching a shareholder-primacy bias in directors' duties and disclosures. On this view, the narrow standing rule in Companies and Allied Matters (CAMA) Act 2020 under which only the "company" may complain of breaches combined with the absence of robust non-financial reporting, leaves host communities without direct levers to enforce social and environmental obligations.[50] A proposed reform is to move beyond mere "voluntarism" by requiring a CSR attestation on oath at incorporation, coupled with a statutory citizen-suit right for material CSR breaches.[51] Properly designed, this would coexist with sectoral regimes[52] and supply an all-economy backstop against elite capture of levies and project funds.

Furthermore, section 119 of CAMA 2020 requires companies and LLPs to identify and file details of persons with significant control with the Corporate Affairs Commission. It advances corporate transparency and beneficial-ownership disclosure but not CSR. In Nigeria, sustainability/CSR expectations arise primarily from soft-law and market instruments,[53] while sector-specific statutes create binding community-development duties, like the requirement of the Host Communities

[49] Urang Atauwo Ogotute, 'An Analysis of the Challenges of Corporate Social Responsibility in Nigeria: A New Dimension in Nigerian Corporate Governance' (2025) 13(1) *Rivers State University Journal of Public Law* 70-80.
[50] Ibid, 74-76.
[51] Ibid, 79–80.
[52] For example, the Host Community Development Trust (HCDTs) under the Petroleum Industry Act 2021; CD Agreements under the Mining Act.
[53] Financial Reporting Council of Nigeria, Nigerian Code of Corporate Governance 2018 (FRCN 2018); Nigerian Exchange Group, Sustainability Disclosure Guidelines (NGX 2019/2020).

Development Trusts (HCDTs) under Section 234-277 of the Petroleum Industry Act 2021[54] and the mandatory Community Development Agreements for mining under sections 116 and 117 of the Nigerian Minerals and Mining Act 2007.[55]

Other legislations like the Niger Delta Development Commission (NDDC) Act[56] establishes the NDDC as a Federal agency mandated to facilitate the sustainable development of the oil-rich Niger Delta region. The possibility of community development is achievable without the direct taxation or levies of residents through statutory funding mechanisms derived from federal allocations and contributions from oil companies and prospective investors.

In similar vein, the NDDC Act supports the development of deprived communities through infrastructural investments, empowerment schemes and environmental remediation.[57] These state-led interventions demonstrate how community development can be legally executed without burdening residents financially.

Again, some state laws reflect a growing trend toward integrating CSR and legal governance into development efforts. For example, Lagos State Development Planning Law 2015 promotes the formulation of development plans and frameworks that integrate private sector partnership and donor involvement in urban and rural development, avoiding reliance on direct levies on residents.[58]

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[54] Petroleum Industry Act 2021, ch 3, ss 234–257.
[55] Nigerian Minerals and Mining Act 2007, s 116 and 117.
[56] 2000.
[57] Niger Delta Development Commission (Establishment) Act 2008.
[58] Lagos State Development Planning Law 2015 (Lagos State of Nigeria), Part III

Additionally, the Nigeria Extractive Industries Transparency Initiative (NEITI) Act[59] enforces transparency in the management of resource revenues, ensuring that funds earmarked for community development; especially from the oil and gas sector; are disbursed and utilised in line with established legal standards.[60]

6. Problems with CDL and the Case for CDP

The imposition of development levies, historically intended as a means of fostering collective responsibility and local empowerment, has increasingly come under scrutiny for its ineffectiveness, inequities, and unsustainability in modern governance contexts. In Nigeria and similar developing economies, development levies are often applied indiscriminately, without adequate consideration of income disparity, legal validity, or institutional oversight and the overall set back on community development[61] This undermines the very foundation of inclusive community development, particularly in societies where poverty and social inequality are widespread.

A core problem with development levies is the absence of a coherent legal and institutional framework to regulate their imposition and use. In most cases, levies are enforced by community-based organisations such as town unions, development associations, and traditional institutions that operate outside statutory governance structures.[62] These levies lack legal legitimacy and are often imposed without democratic consent or due process, leading to coercive collection methods, community tensions and

[59] 2007

[60] Nigeria Extractive Industries Transparency Initiative Act 2007, ss 1–3.

[61] A U Ezeani, Fundamentals of Public Administration (Enugu: Zik-Chuks Publishers, 2006) 143.

[62] B. O Nwabueze, The Presidential Constitution of Nigeria (London: C Hurst & Co, 1982) 57

sometimes violent resistance.[63] For instance, in several South-Eastern Nigerian communities, incidents have been reported where individuals who failed to pay development levies were denied access to communal resources or faced social ostracism.[64]

Another major challenge is the widespread financial mismanagement of levy funds. Due to weak institutional checks, lack of transparency, and the absence of formal auditing mechanisms, many community projects funded by levies either remain incomplete or are riddled with corruption.[65] The misappropriation of funds by community leaders or poorly managed associations has not only led to wasteful expenditure but has also eroded public trust, discouraging future contributions and community participation.[66]In some instances, the failure to account for collected levies has led to legal disputes and court actions by aggrieved community members.[67]

Despite these problems, prospects for sustainable community development are improving through alternative and more inclusive funding models. Public-private partnerships (PPPs) have proven effective, as demonstrated in Lagos State, where collaborations with private investors have led to the construction of public markets, road infrastructure, and health centers without recourse to direct community development levies from property

[63] O. A Uya, Grassroots Governance and the Crisis of Development in Africa vol. 1(1) (Journal of African Studies) 2004, 45.

[64] Human Rights Watch, Everyone's in on the Game: Corruption and Human Rights Abuses by the Nigeria Police Force (2010) 39.

[65] I. O Albert, Community Conflicts in Nigeria: Management, Resolution and Transformation (Ibadan: Spectrum Books, 2001) 118.

[66] T. Falola and M Heaton, A History of Nigeria (Cambridge: Cambridge University Press, 2008) 313

[67] A Adediran, Citizenship, Identity and Community Exclusion in Nigeria, Vol. 12(2), (*African Journal of Legal Studies*) 2017, 182; Prior to the passing of the Public and Private Properties Protection Law,[67]occasioned abandonment of projects, bloody clashes between community members detailed by community leaders to collect such fees and site workers.

developers.[68] The Private Sector Participation (PSP) scheme in waste management and the Lekki Free Trade Zone are examples of such innovations.[69]

Corporate Social Responsibility (CSR) can supplement community development financing, but in Nigeria it is largely voluntary rather than legally mandated. As discussed earlier, binding community-benefit obligations are created by sectoral statutes, most prominently the Petroleum Industry Act 2021 (Host Communities Development Trusts)[70] and the Nigerian Minerals and Mining Act 2007 (Community Development Agreements).[71] Consequently, CSR should be treated as a complementary, firm-driven channel for social investment, not a uniform or enforceable substitute for a rights-based CDP framework.

In the oil-rich Niger Delta, multinational corporations like Shell and Chevron have adopted Memoranda of Understanding (MoUs) with communities to fund development projects, albeit with mixed success due to implementation challenges.[72]

Technology presents yet another frontier for progress. Digital tools such as mobile payment platforms, budget-tracking apps, and e-participation forums can promote transparency, facilitate crowd-sourced funding, and ensure that development initiatives reflect actual community priorities.[73] For example, the "BudgIT" platform in Nigeria enables citizens to monitor

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[68] Lagos State Government, Lagos PPP Office Project Reports (2022),<https://lagosppp.gov.ng> Accessed 19 May 2025.

[69] O Olowu, Public-Private Partnerships in Nigeria: Progress and Prospects, Vol. 4(1) (*Nigerian Journal of Administrative Science*) 2019, 97.

[70] Petroleum Industry Act 2021 (Nigeria) ch 3, especially ss 234–244.

[71] Nigerian Minerals and Mining Act 2007 (Nigeria) ss 116–117.

[72] M Watts, Petro-violence and the Politics of Oil in the Niger Delta, Nigeria' (2004), 9(1) Review of African Political Economy, 50.

[73] N Oloyede, 'Civic Technology and Development in Nigeria' (2020) 2(4) *Tech and Society Journal*, 56.

public spending and track project completion.[74] These innovations, if integrated into community governance, can dramatically enhance accountability, citizen engagement and sustainable development.

Governmental intervention programmes also present viable alternatives to compulsory levies. Schemes like the National Social Investment Programme (NSIP) and the Conditional Cash Transfer (CCT) have been used to support local infrastructure and empower poor households.[75] Proper alignment of such programmes with community priorities can go a long way in ensuring viable community development agenda.

7. Summary of Findings/Conclusion

The imposition of development levies in most communities in Nigeria raises fundamental questions of legality, governance and sustainability. These levies are introduced and administered by Community Development Associations (CDAs) or Town Union Executives without formal legislative framework, oversight or transparency in its utilisation. This regulatory vacuum has led to abuse, mismanagement and communal clashes.[76] Whilst this study is not totally against efforts geared towards community development goals *viz-z-viz* CDL, it however particularly advocates for the tweaking of the CDL policies that accommodates a more robust Community Development Project agenda wherein prospective developers personally undertake to finance community projects to completion before the commencement of their individual project.

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[74] BudgIT, <https://yourbudgit.com>Accessed 19 May 2025.

[75] Federal Government of Nigeria, National Social Investment Programmes (NSIP), 2021<https://www.ajol.info/index.php/ajsw/article/view/206270/194498> Accessed 19 May 2025; Although development levies play a critical role in pre-colonial and early post-independence community mobilisation, they are increasingly incompatible with modern democratic and developmental standards. Nigeria must embrace rights-based, participatory, and transparent models of community development that promote equity, inclusion, and sustainability.

[76] J.O.Nnamani, 'Legal Framework for Community Development in Nigeria: Gaps and Prospects' (2022), 12 *University of Nigeria Law Review*, 76.

Transforming the CDL policy into a well-articulated CDP regime will go a long way in ensuring sustainable community development. This is in line with the United Nations' 2030 Agenda for Sustainable Development, particularly Goal 10 which aims to reduce inequality within and among countries, underscores the need for inclusive development strategies; an objective that direct compulsory levies often fail to achieve.[77]

[77] United Nations, Transforming Our World: The 2030 Agenda for Sustainable Development, (A/RES/70/1), 2015, Goal 10.