



case study

roots of change: chevron's model community empowerment program in the niger delta

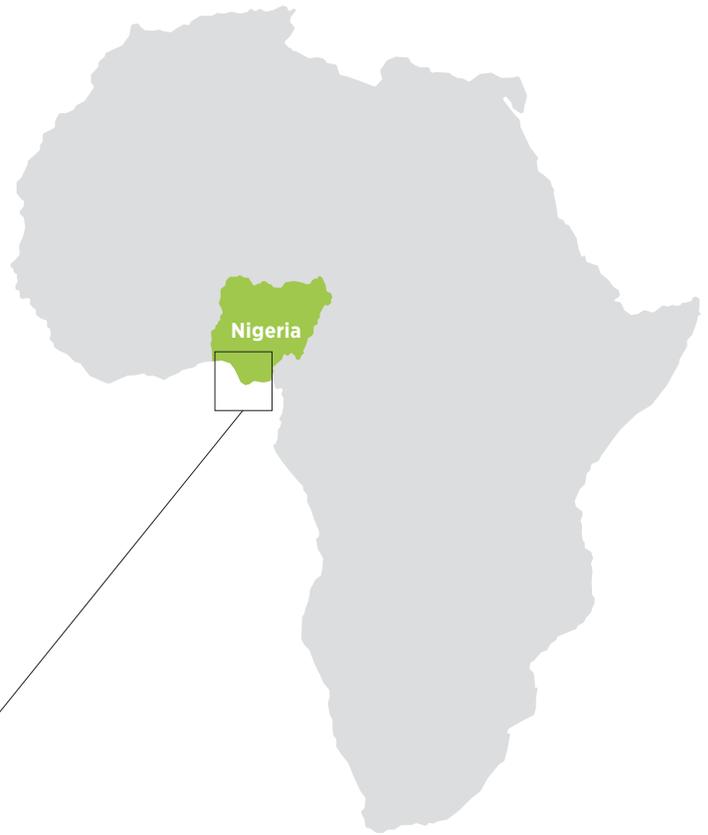
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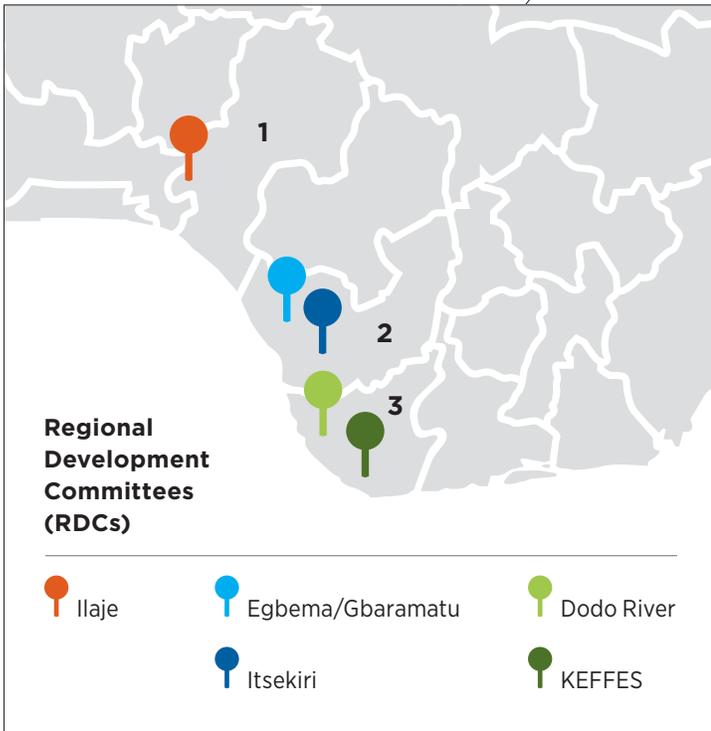
100-year history

Chevron has a 100-year history and long-term investments in Nigeria, making us the third-largest oil producer in the country and one of its largest investors.

Below: Map detail of the three Niger Delta-region states where current Chevron Global Memorandum of Understanding community programs and company operations are located: 1-Ondo, 2-Delta and 3-Bayelsa.



Below: Aerial view of the Escravos tank farm and terminal in Delta State, located in proximity to the Ugborodo communities. Ugborodo communities are represented on the Itsekiri Regional Development Committee.





Above: Inauguration of a water project at Perowo in Delta State by the Egbema-Gbaramatu Communities Development Foundation.



unlocking opportunities together

600+ projects developed
600,000 people empowered
400 communities reached
**by the NNPC/CNL
joint venture since 2005**

The Niger River feeds a network of rivers, streams, marshes and lakes to sculpt the Niger Delta. It's an area about the size of Portugal, with waterways that fan out like the intricate roots of the mangrove trees that grow in its swamplands before they pour into the Gulf of Guinea. The delta's wetlands, coast and deep water also contain one of the world's largest supplies of oil as well as one of the world's most complex business environments.

This area is home to more than 30 million people, 70 percent of whom are living in poverty. It has also long endured violent conflicts between and within ethnic groups. Some of these groups were critical of the multinational companies in the area.

Chevron has a 100-year history and long-term investments in Nigeria, making us the third-largest oil producer in the country and one of its largest investors. We operate under a joint-venture arrangement with the Nigerian National Petroleum Corporation (NNPC) for several onshore and offshore assets in the Niger Delta region, and we also have extensive interests in multipartner Production Sharing Contract operations in the deep water.

In 2005, amid violent clashes between agelong ethnic rivals, many of Chevron's community development projects and production facilities were damaged or destroyed. As a result, the company pioneered the Global Memorandum of Understanding (GMOU).

"This public-private partnership approach to community engagement involves participatory development processes that help resolve conflict and address community needs

near our Niger Delta operations," said Clay Neff, president, Chevron Africa and Latin America Exploration and Production Company (CALAEP).

The GMOUs were signed between clusters of communities, Chevron and state governments, creating a unique public-private model to promote economic and social stability. Through the GMOUs, the communities eventually assumed responsibility and accountability for how to use funding provided by the company and for implementing the projects selected. Chevron stays involved by participating on local committees and boards that review and approve projects and by providing annual project funding.

a new way of doing business

Even with a century of experience in Nigeria, Chevron anticipated that creating and implementing the GMOU would initially be challenging given the history of social unrest amid diverse ethnic groups—each with its own language—in the area.

To create the GMOU model in 2005, we had to engage with 95 communities of different sizes, many of which competed over land ownership, compensation from land acquisition, and community development projects.

Working with nongovernmental organizations (NGOs) and state and local governments, Chevron then helped to form Regional Development Committees (RDCs) for each GMOU. The RDCs are composed of elected community members who represent local interests and oversee GMOU implementation in a specific region.



In 2016, in its report “Responsible Investment in Fragile Contexts,” the World Economic Forum stated that the GMoU “has established Chevron as an industry leader in social performance in Nigeria and has been adopted by other companies in the country.”

Above: Deji Hastrup (left), former general manager of PGPA for CNL, exchanging a signed GMoU document with Delta State Representative Steve Idogun. Behind (from left): Deacon Daniel Odonghanro, Itsekiri RDC secretary, and Victor Anyaegbudike, senior communications representative with CNL.

Currently, there are five RDCs in three states of the Niger Delta. The RDCs have oversight on spending decisions and manage health, education, jobs and infrastructure projects determined through a community planning process for each RDC. Annual community funding is provided by the Chevron/NNPC joint venture based on a number of factors, including operational success.

“Turning over control of decisions on how to use community funding and having the community implement projects had never been tried,” said Brikin Esimaje, Policy, Government and Public Affairs (PGPA) general manager for Chevron Nigeria Limited (CNL). “Prior to the GMoU, Chevron-funded projects were designed, planned, contracted and built by us.”

Lucky Nengite, CNL legal counsel, worked on the first draft of the GMoU. “Our role is to help communities help themselves. The GMoU is not a legal contract, but it is an agreement with the intention to create a moral responsibility on our part to do what we say we will do,” he said.

The GMoU process established guiding principles of partnership, transparency, accountability, sustainability assurance, peace building, and project monitoring and evaluation. With this collaborative approach, people discovered common bonds, Nengite said. “It accentuated what united them and downplayed what divided them,” he added.

Since funding to each RDC is partially tied to Chevron’s operational performance, there’s a mutual benefit. In effect, the GMoU

communities in which there are no disruptions earn a funding bonus. For Chevron, the GMoU has improved relationships with communities, reduced ethnic conflicts, and resulted in faster implementation and lower costs of business projects compared with the pre-GMoU period.

“Now everyone realizes that if our business is disrupted, they could lose an opportunity to improve their community and are damaging their economic livelihood,” said Jeff Ewing, CNL managing director. “This builds trust and a more stable operating environment.”

The GMoU has created real benefits, yet the region still faces several challenges. Over many years, the Niger Delta’s environment has been impacted by illegal tapping and vandalism of pipelines. In 2016, militant groups protesting Nigerian government policies vandalized segments of Chevron’s pipelines and other assets in the Delta State, actions that many community leaders and RDC representatives have spoken up against.



\$100 million+
**spent by the NNPC/CNL
 joint venture since 2005**



Above: Youths from various Egbema/Gbaramatu communities at their graduation from a six-month skills acquisition program.

empowering local communities

For 50 years, Pa Steve Jemerigbe has lived in Warri, Delta State, where fishing is the primary source of income. Since 2005, he has played a leadership role in implementing the GMoU with the Itsekiri RDC.

“The communities once felt that Chevron’s efforts were not evenly distributed, which alienates people from the development process,” Jemerigbe said. “The change to the GMoU created opportunity for every community to have a say in the process

and benefit under the same umbrella.” Jemerigbe described housing projects implemented by the RDC under the GMoU as “exceptional” and said that the new homes helped improve the standard of living for residents.

“The infrastructure development through the GMoU model is unprecedented,” said Joel Bisina of Leadership Initiative for Transformation and Empowerment (LITE-Africa), an NGO whose work strengthens communities in Nigeria. “The model has brought relative peace to Chevron’s areas of operation, though more still needs to be done.”

Apostle Sunny Jero, vice chairman of the Egbema-Gbaramatu Communities Development Foundation, said, “The GMoU brought peace, structure, transparency and accountability to the management of community development funds.” Jero credits the RDC for such community improvement projects as guest houses, small rural “cottage” hospitals, shoreline protection and a solar-powered water project.

GMoU participants also fund scholarship programs to address youth unemployment and build expertise in their communities. “Without the scholarships, they could not have gone to school,” said Prince Patrick Henry Ehinmola, chairman, Ilaje RDC.



2016 regional investment

65 community development projects worth approximately \$4 million were executed, directly benefiting more than 153,000 community members



25%

of GMoU project funds

set aside in 2016 for economic empowerment efforts targeted at youth, women, the physically challenged and the elderly



Above: Children at the Ogbudugbudu Community Secondary School, a public school that has been refurbished.

building long-term capacity and self-sufficiency

The GMoU model continues to evolve. In 2015, Chevron launched GMoU+ to build upon the communities' focus on infrastructure projects. This expanded model strives to increase household incomes and employment and develop small businesses. It aligns GMoU projects and programs with the United Nations Sustainable Development Goals to improve health, education and gender equality and to promote peace and justice.

"This empowers communities to be self-sufficient and broaden their focus from what Chevron or the industry as a whole does to encourage prosperity," said Tunji Idowu, deputy executive director, Foundation for Partnership Initiatives in the Niger Delta (PIND).

To complement the GMoUs, Chevron supports the Niger Delta Partnership Initiative (NDPI) to work with partners to help reduce poverty and conflict in the Niger Delta region. In 2010, Chevron established the NDPI and its Nigeria-based implementing partner, PIND, with a \$50 million endowment to help increase income, employment and equitable economic growth in the region through public-private partnerships. In 2014, Chevron committed an additional \$40 million to NDPI and PIND through 2019.

A 2016 independent report by the Initiative for Global Development shows NDPI and PIND are achieving systemic, long-term change in the Niger Delta and are bringing international attention and resources to the region.

"Although socioeconomic challenges in the region persist, this combination of programs provides optimism amid the hard realities of daily life in Africa's largest wetlands area," said Mamadou Beye, NDPI chairman and PGPA general manager for CALAEP.

"The greatest impact of the GMoUs is not the structures built, like a house or a hospital," said Ali Moshiri, former CALAEP president. "It's the radical change in the importance of consensus building and working through conflict. The GMoU has provided skills for communities to determine their own future and to make that future a reality."



additional resources

chevron.com/worldwide/nigeria
Chevron Promotes Peace in the Niger Delta:
[youtube.com/watch?v=rhEMCE9Vq3M&t=16s](https://www.youtube.com/watch?v=rhEMCE9Vq3M&t=16s)
pindfoundation.org

Cover: Female students in front of a renovated classroom built by the Idama RDC.

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