



human energy®

managing conflict and security in the extractive industries

- Chevron's experience with the GMoU

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SITEI by
CSR in Action

social performance in chevron

Social Performance in Chevron is one way that the company delivers its commitment to advance the business and build relationships through three integrated work streams:

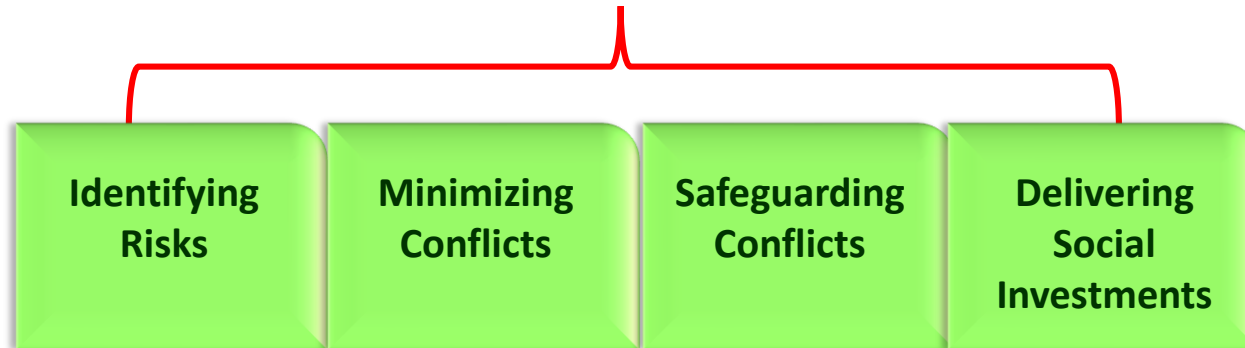


*M&E – Monitoring & Evaluation

The GMoU - a multi-stakeholder participatory partnership model for community engagement and sustainable development

The GMoU helps to:

- Foster community ownership of the development process
- Build capacity of community members
- Create a stable peace-building process



global memorandum of understanding (GMoU)

Prior to the signing of the GMoU agreement in 2005:

- Community conflicts were rampant in areas of Chevron's operations
- Community projects often selected under "host community" concept
- Not linked to an overall community development plans
- Often funded to meet community "wants" instead of "needs"

Consequences:

- Lack of community "ownership"
- No plans for sustainability
- Poor leveraging of other development efforts in the area
- Cost overruns

- Global Memorandum of Understanding (GMoU) with communities with similar ethnic affiliations
- Creation of Regional Development Committees with strong governance and accountability processes
- Participatory partnership with multiple Stakeholders – Local Government, State Governments, Niger Delta Development Commission (NDDC), NGOs
- Community empowerment and ownership of projects

GMoU guiding principles

Trust building through
Transparency and
accountability

Participatory
partnership through
stakeholder
engagement

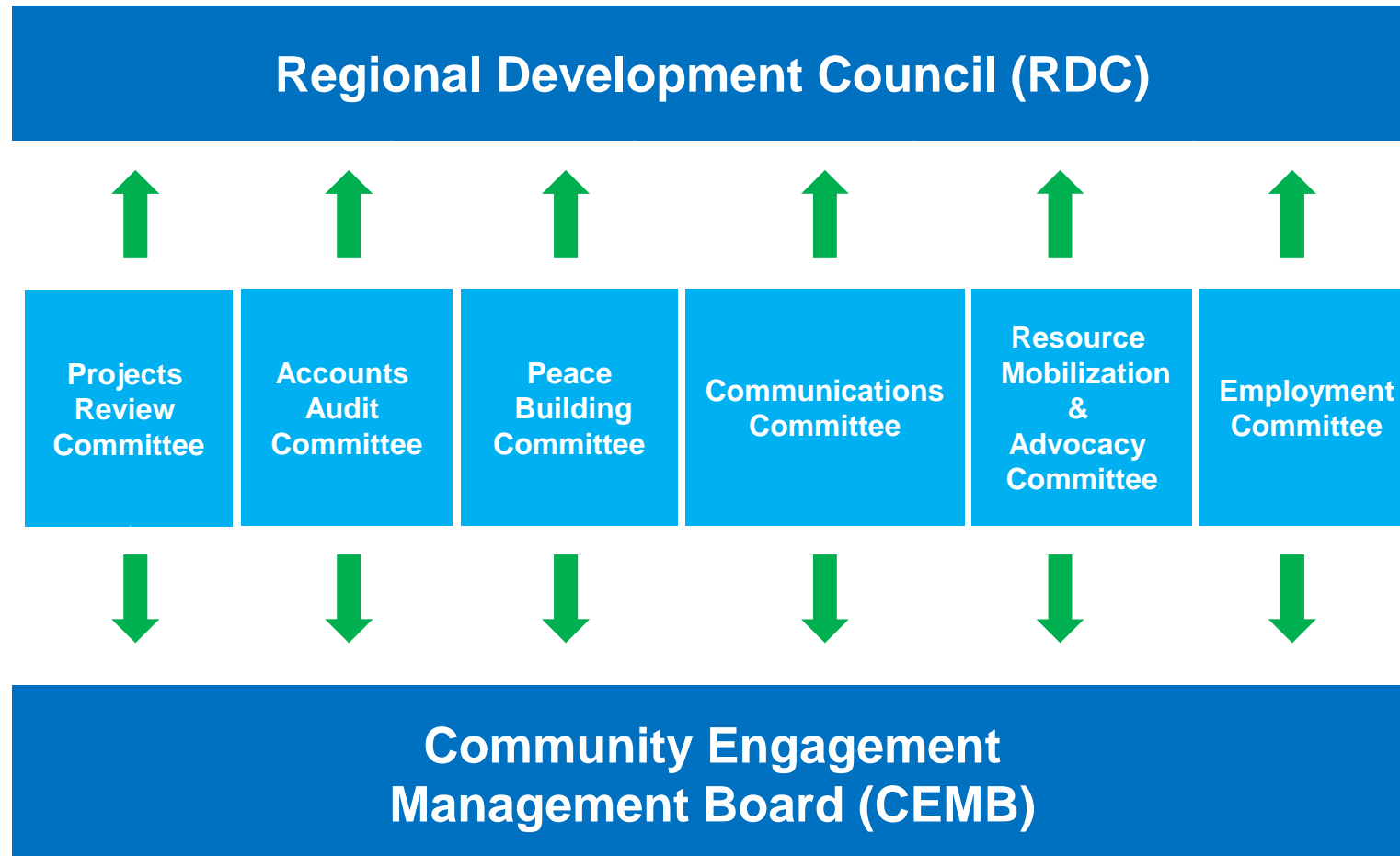
Community ownership
and sustainability
assurance through
capacity building

Peace Building through
grievance management
and respect for the rule
of law

Continuous monitoring
and evaluation for
improvement
opportunities



the GMoU: governance structure



the impact

N19.9

Billion Naira

invested in community
development in **12 years**

Over 400

communities benefited

**Over
600,000**

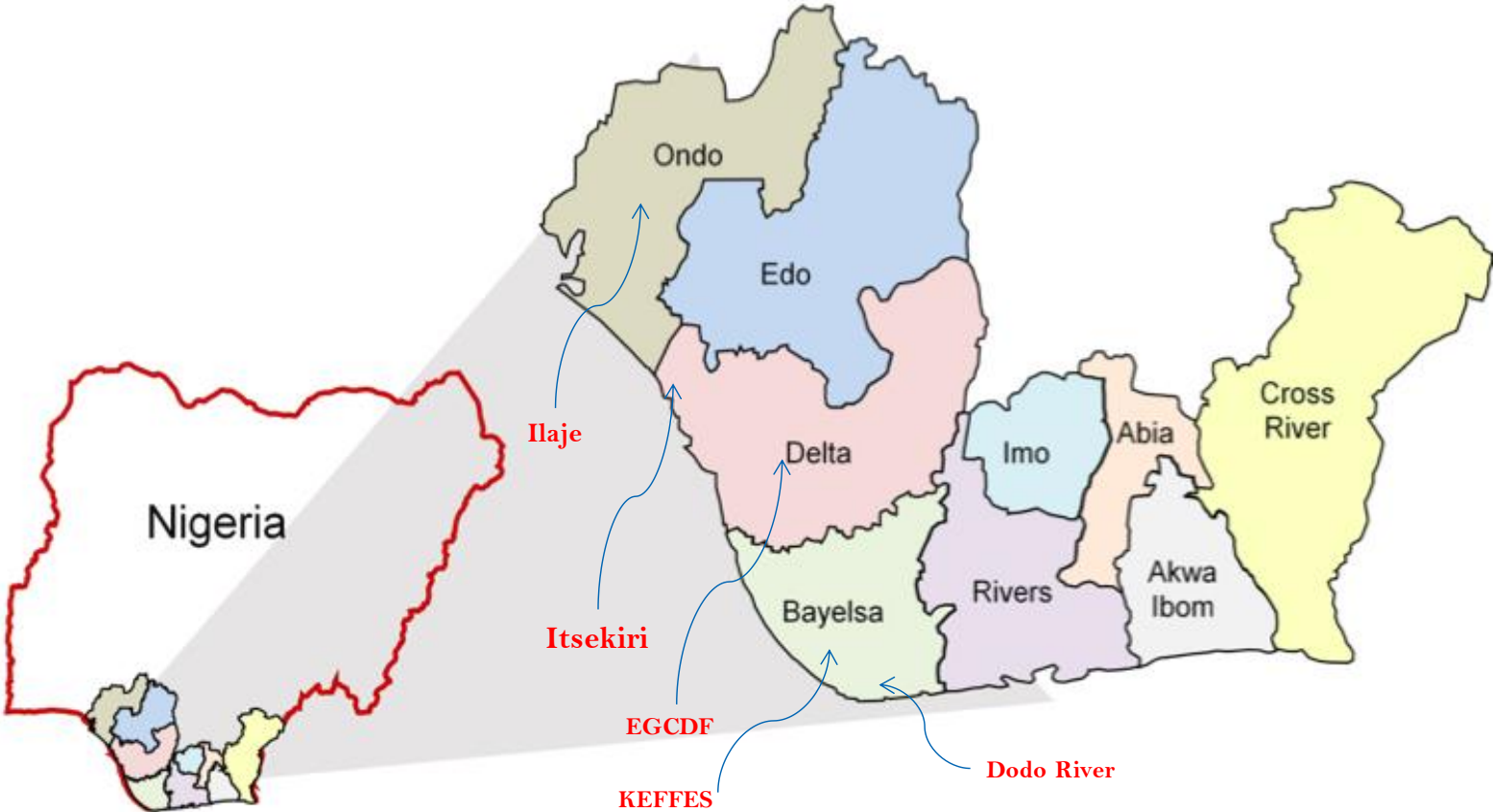
people benefited

Community-induced
work disruption
reduced significantly
since inception of
GMoU

**Leadership /
human capital
development**

Potentials for
conflict reduced in
communities and
peace-building
process **enhanced**

the five regional development committees (RDCs)



going forward

To significantly reduce conflict and enhance peace in communities

Based on our experience, we recommend:

- Stakeholder Engagement should be given the desired priority as other aspects of the business because they are vital for societal development and business success
- More leadership visibility and commitment. We must go beyond lip service in our management of social issues.
- Industry leadership must build the Organizational capability of people handling social issues both in the organizations and in the communities. Capacity building is a major factor in the successes recorded with CNL's GMoU.

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**THANK
YOU!**

