

## **ABSTRACT**

### GMOU PARTICIPATORY STAKEHOLDER EVALUATION

A Joint Evaluation of the Global Memoranda of Understanding between Chevron, Community Organizations and State Governments in the Niger Delta

This report describes an evaluation of a core component of Chevron Nigeria Limited's community engagement strategy known as the Global Memoranda of Understanding (GMOUs). The report is intended to provide credible, public information for future decision-making and improvement of the GMOU process.

During the past three years, Chevron Nigeria (CNL) has signed GMOUs with eight clusters of communities where the company operates. The GMOUs have become a central component of CNL's engagement with Niger Delta residents impacted by the company's onshore operations.

State governments participated in the agreements, which created a governance structure in each cluster called a Regional Development Council (RDC). The agreements are intended to promote development and better relationships between CNL and community stakeholders. Most of the agreements come up for renewal in the next 12 months.

From June through August 2008, a diverse group of stakeholders directly involved in the GMOU process -- including representatives from communities, Nigeria's government, local nongovernmental organizations (NGOs) and CNL -- jointly designed and implemented this evaluation.

The evaluation findings are intended to provide credible, public information for future decisionmaking around the GMOUs, most of which come up for renewal within the next 12 months.

The group developed the goals of the evaluation, a data collection strategy and interview protocol. A data collection team then used the protocol to conduct interviews and focus groups with more than 1,000 individuals in all five states where the GMOUs are present. The evaluation group reconvened to analyze the data collectively. This report is the result of the group's analysis. The analysis did not seek to reconcile different view- points, but rather to review and understand them.

To promote constructive dialogue, the evaluation team focused its analysis on the perceived strengths and weaknesses of the GMOUs as well as stakeholders' suggestions for improvement.

The evaluation surfaced diverse views among Niger Delta stakeholders, ranging from positive comments about GMOU impacts and processes to deep frustration and anger over participation and the equitable distribution of benefits.

A team of independent facilitators from Consensus Building Institute, Search for Common Ground and Research Triangle Institute guided the evaluation process. Consensus Building Institute is responsible for preparing this report and ensuring it accurately reflects the group's findings.

The group expressed a strong willingness to continue using dialogue and joint problem solving to strengthen the engagement between CNL and its Niger Delta stakeholders through the GMOU process.

Among its key findings, the evaluation team noted that many stakeholders believe the GMOUs are more

effective at promoting sustainable development, are more transparent and are more able to give communities ownership of the development process than previous strategies. A large number of stakeholders said Chevron Nigeria's relationship with communities has improved under the GMOUs.

Nearly all stakeholders said that GMOU funding is inadequate for the extensive needs of Niger Delta communities. Coordination with government and other development actors needs significant improvement, as does communication about the initiative between community representatives and community stakeholders. Initial projects have been slow to implement, causing some stakeholders to lose faith in the process.

Many community members said they do not feel the process is transparent enough and representative of their interests. Nearly all stakeholders noted that women are largely excluded from the process. Youth and traditional leaders expressed different views about the GMOUs, including significant anger and frustration. A few communities said they want to pull out of the agreements. Conflict resolution mechanisms intended to address disputes are not functioning or functioning poorly.

Many stakeholders offered suggestions for building upon what is working within the GMOU process and strengthening areas that are not working well. These suggestions represent a starting point for further discussion among stakeholders about changes to the GMOU process.

Evaluation team members identified next steps for themselves to use the evaluation as a basis for strengthening the GMOU process. The team offered to share the evaluation results with their constituents and colleagues and, in some cases, to begin implementing recommendations.

The team expressed enthusiasm for the participatory approach used to conduct the evaluation. They also expressed a strong willingness to continue using dialogue and joint problem solving to strengthen the engagement between CNL and its Niger Delta stakeholders through the GMOU process.

Below are summary charts of key findings and stakeholders' suggestions for improvement. SUMMARY OF

#### KEY FINDINGS

COMMUNITY DEVELOPMENT AND IMPACT	LIVELIHOODS
<i>GMOU Strengths</i>	<i>GMOU Weaknesses</i>
<ul style="list-style-type: none"> <li>S Focuses on community development, not handouts.</li> <li>S Designed to give communities greater ownership of development process.</li> </ul>	<ul style="list-style-type: none"> <li>o Coordination with government is minimal and inadequate.</li> <li>o Many still expect the handouts and benefits of the previous system, causing tensions.</li> </ul>

<p>S Starting to produce tangible results, particularly in basic community infrastructure.</p>	<ul style="list-style-type: none"> <li>o Initial projects slow to implement, causing some to lose faith.</li> <li>o Allocation of employment, scholarships and CNL contracts remain contentious issues.</li> </ul>
<b>FUNDING</b>	
<p><i>GMOU Strengths</i></p> <p>S Addresses previous bureaucratic funding problems that caused abandoned projects.</p> <p>S Has prompted some Regional Development Councils (RDCs) to approach other funders.</p>	<p><i>GMOU Weaknesses</i></p> <ul style="list-style-type: none"> <li>o Funding levels are inadequate to meet the extensive needs of communities.</li> <li>o Funding criteria are not clear, causing tensions, confusion, and a sense of inequity.</li> <li>o CNL/NNPC are the sole funders today.</li> </ul>
<b>INCLUSIVENESS, PARTICIPATION AND REPRESENTATION</b>	
<p><i>GMOU Strengths</i></p> <p>S Regional Development Councils have the potential to represent the full range of community voices.</p> <p>S Youth and traditional leaders are playing an active role in some RDCs.</p>	<p><i>GMOU Weaknesses</i></p> <ul style="list-style-type: none"> <li>o Women are largely excluded from the process.</li> <li>o Some youth feel they have inadequate representation and some expressed significant anger and frustration.</li> <li>o Many traditional leaders expressed frustration over the loss of homage payments and direct contact with CNL.</li> </ul>
<b>TRANSPARENCY, COMMUNICATION AND INFORMATION SHARING</b>	
<p><i>GMOU Strengths</i></p> <p>S Is significantly more transparent than anything preceding it.</p> <p>S Calls for town hall meetings and other mechanisms to promote communication.</p>	<p><i>GMOU Weaknesses</i></p> <ul style="list-style-type: none"> <li>o Many do not perceive the process to be transparent, leading to conflict and even violent conflict.</li> <li>o Communication between the RDCs and the communities they represent has been very poor. RDCs are not using the GMOUs' built-in communication mechanisms.</li> </ul>
<b>GOVERNANCE AND LEADERSHIP</b>	
<p><i>GMOU Strengths</i></p> <p>S GMOU governance mechanisms re-</p>	<p><i>GMOU Weaknesses</i></p> <ul style="list-style-type: none"> <li>o Selection process for RDC leadership</li> </ul>

<p>duce the misuse of funds.</p> <p>S RDCs are designed to represent the full range of community voices in decision-making.</p> <p>S The process has strengthened the capacity of RDC leadership to become leaders in community development.</p>	<p>is unclear and a cause for concern.</p> <ul style="list-style-type: none"> <li>o Many feel RDC leaders put personal interests ahead of community interests.</li> <li>o Work of the RDC leadership exceeds its “volunteer” status.</li> <li>o Decision-making is often cumbersome in the GMOUs' management committees.</li> <li>o CNL is perceived by many to dominate decision-making.</li> </ul>
RELATIONSHIPS, PEACE BUILDING AND CO	NFLECT
<p><i>GMOU Strengths</i></p> <p>S CNL's relationship with communities has improved under the GMOUs for many stakeholders.</p> <p>S No community-sponsored attacks on company facilities since the start of the GMOUs.</p> <p>S The Peace Bonuses are promoting peace in several areas.</p> <p>S Stronger ties between different communities and different ethnic groups in some areas.</p>	<p><i>GMOU Weaknesses</i></p> <ul style="list-style-type: none"> <li>o Some youth said the CNL relationship has worsened under the GMOU and they threatened to take action against the company.</li> <li>o Conflict Resolution Committees are not functioning or functioning poorly.</li> <li>o Some said they are not benefitting sufficiently from Peace Bonus funds.</li> </ul>

**STAKEHOLDER SUGGESTIONS FOR  
STRENGTHENING THE GMOU PROCESS**

**IMPROVE GRASSROOTS COMMUNICATION AND OUTREACH**

- Create a comprehensive communication plan and dedicated budget line for it.
- Establish RDC liaison offices or officers within each the communities; encourage or require RDC members to live in the communities they represent.
- Promote grassroots attitudinal change around benefits of community development versus personal gain.
- Reestablish some CNL linkages to communities without undermining the RDCs.

**INCREASE PARTICIPATION BY COMMUNITY STAKEHOLDERS,  
PARTICULARLY WOMEN, YOUTH AND TRADITIONAL LEADERS**

- Include women in RDC decision-making, perhaps through a quota or special women's committees.
- Build awareness among youth, use Peace Bonus to support youth-focused programs such as training.
- Make culturally appropriate homage payments to traditional leaders.

**STRENGTHEN RDC LEADERSHIP**-----

- Enhance transparency and accountability of RDC leadership.
- Compensate RDC leaders for their time and train them appropriately.
- Institute a more democratic selection process for leadership positions and RDC membership and clearer rules around tenure.

#### CLARIFY THE GMOU RENEGOTIATION PROCESS AND OTHER CNL COMMUNITY ISSUES

- Make next negotiation a legitimate space for dialogue that incorporates community viewpoints.
- Involve an external observer to support the renegotiation.
- Align onshore and offshore GMOUs.
- Clarify local community content policies and make them more transparent.
- Raise awareness of how CNL contractors are contributing to the communities.

#### INCREASE FUNDING AND CLARIFY FUNDING CRITERIA

- Significantly increase GMOU funding levels.
- Spell out funding criteria and communicate it to all stakeholders.

#### IMPROVE THE GMOUS' PROJECT IMPLEMENTATION AND IMPACT ON LIVE LIHOODS

- Reduce bureaucracy in project approval and implementation by: using senior civil servants as account signatories rather than politicians, creating dedicated funds for the Community Engagement Management Board and Project Review Committee meetings; and involving higher caliber government representatives in the process.
- Offer more microcredit, particularly to women.
- Provide more funding support for human capital development.
- Find ways to address negative environmental impacts from the operations of CNL and its contractors.

#### COORDINATE MORE CLOSELY WITH GOVERNMENT AND DONOR DEVELOPMENT PARTNERS

- Offer greater clarity of government's roles and responsibilities in the GMOU process.
- Seek government commitment for project funding and involvement.
- RDCs need to advocate for projects to government and other donors.
- Align RDC development planning with Local Government Areas.
- Strengthen relationships with existing community governance structures.
- Reduce CNL perceived dominance of the process.
- Register RDCs with Corporate Affairs Commission (CAC).

#### ENHANCE PEACEBUILDING EFFORTS

- Activate and energize the Conflict Resolution Committees
- Structure Peace Bonus so that people feel and see the benefits
- Provide clear guidance as to which communities are to be included in a GMOU