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## Engaging Stakeholders in the Niger Delta - May 2009 Update

[David Kovick](#)[David Plumb](#) May, 2009 CBI Reports - Spring 2009 Since 2008, CBI has been working with Chevron Nigeria Ltd. and its

Niger Delta stakeholders to improve and strengthen their relationships. The work has brought together community leaders, the company, government representatives, and local non-profits, to produce credible information about development impacts. At the invitation of communities and Chevron, CBI is now facilitating the renegotiation of formal accords between Chevron and local communities. The process provides important lessons about how to construct a legitimate space for negotiations that addresses all parties' interests, even in the most difficult of conditions.

Oil production in Nigeria's Niger Delta region has been marked by decades of strained relationships between host communities, oil companies, and the Nigerian government. Vast quantities of oil, valued at billions of dollars, are pumped each year from the swampy lowlands. Yet, despite the revenue generated by oil exports, much of the population remains mired in extreme poverty.

Many communities claim they have seen little or no benefit from the tapping of natural resources by the federal government and its multinational oil company partners. Relationships have been further strained by the emergence of violent groups in the swamps who have sabotaged oil installations and kidnapped company workers.

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### **Background: Chevron's GMOUs**

In 2005, Chevron changed its approach to engaging communities impacted by its on-shore oil operations. Chevron signed a series of Global Memoranda of Understanding (GMOUs) with eight clusters of communities and their corresponding state governments. Under these GMOUs, each cluster created a Regional Development Council that took primary responsibility for identifying and implementing community development projects, using funds contributed by Chevron. The new approach was intended to promote community-led development and improve relationships. The three-year agreements were a significant change from the company's previous approach and stakeholders had a variety of opinions about the shift.

Before the initial agreements were to expire, Chevron asked CBI to lead an innovative, participatory evaluation of the GMOUs. A diverse group of stakeholders directly involved in the GMOU process—including representatives from communities, Nigeria's government, local non-governmental organizations (NGOs), and Chevron—jointly designed and implemented the evaluation. The resulting evaluation report provided a source of credible public information that could be used by all stakeholders as a shared basis for future decision-making and improvements to the GMOU process. To read more about the Participatory Stakeholder Evaluation, see "Helping Stakeholders Evaluate Chevron's Development Efforts in the Niger Delta" by Merrick Hoben ([CBI Reports, Winter 2008, pg. 5](#)).

### **Re-Negotiating the Second Generation GMOUs**

With the evaluation in hand, Chevron and community representatives began preparations for renewing and renegotiating the GMOU agreements. One of evaluation's findings was that many stakeholders felt the previous negotiation that created the GMOUs did not credibly include community viewpoints. Chevron and community representatives jointly asked CBI to assist them with the renegotiation by designing the negotiation process and by facilitating the process as a neutral party. CBI is providing this assistance in partnership with the New Nigeria Foundation (NNF), a Nigerian NGO with substantial experience working with oil companies and communities in the Niger

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Delta.

CBI's unique approach to these negotiations builds on the premise that a more credible, better structured, and more transparent negotiation process serves the interest of all parties. The process seeks to help all parties reach more valuable agreements more quickly, while strengthening relationships throughout the negotiation. Briefly, the process is based upon the following stages:

- Joint training for all parties in the Mutual Gains Approach to Negotiation
- Joint naming of the issues to be negotiated
- Separate, structured, and facilitated preparation by each party
- Joint sessions to share interests and options
- Joint sessions to identify joint gains
- Joint sessions to resolve impasses and disagreements

The first of eight renegotiations took place in December 2008 and January 2009 with the Egbema-Gbaramatu Central Development Council (EGCDC). EGCDC, Chevron, and the Delta State Government signed the agreement in March 2009. Two other development councils—the Itsekiri Regional Development Council and the Dodo River Regional Development Council—renegotiated their agreements the following month. The remaining five are expected later in the year.

Though the renegotiations are ongoing, the following important lessons emerged from the first three experiences.



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**The parties are finding agreements that are more beneficial to all.** In particular, the structured process of negotiating has helped to ensure that the parties identify all of the joint gains possible, i.e., the outcomes that actually work well for all parties. In the past, the parties have become so entrenched on single issues—issues that are without question very significant—that they have missed opportunities to improve the overall agreement in other ways. The parties found common ground on a variety of issues that weren't addressed in previous negotiations, such as roles and responsibilities in resolving disputes, how to improve communications with the grassroots, and how to improve governance functions. Importantly, by sharing their underlying interests—the underlying reasons why different issues are important to each party—they have been better able to satisfy those interests at the negotiating table.

**The parties are reaching agreements more quickly.** Chevron and the Regional Development Councils did not want to waste time in the negotiation process. Because of the structured and facilitated process (and because they were well-prepared) the parties were able to have much more efficient discussions about an extensive list of complex issues. Rather than taking months or years, as many past negotiations between the communities and Chevron have taken, the negotiations lasted for less than three weeks.

**The relationships have been enhanced.** Contentious negotiations can damage and even destroy relationships. In this negotiation process, the Mutual Gains Approach helped the parties to interact more comfortably. The processes of joint training, interest sharing, and joint options exploration helped to strengthen the relationship. By hiring neutral facilitators, Chevron relinquished some control over the negotiation process; they gave that control to the facilitation team, which then balanced control among all parties equally. However, sharing control of the process was a major factor in building a credible negotiation space and in strengthening relationships.

For more information about CBI's ongoing efforts to help Chevron credibly engage stakeholders in Nigeria's Niger Delta, please contact [David Kovick](#) or [David Plumb](#) and check [www.cbuilding.org](http://www.cbuilding.org) for updates.

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