

contained' micro-level conflict that does not have implications for other communities beyond its locality. However, in this complexity there are two important common threads; resource control and social disintegration. Again this suggests that the oil industry can contribute to conflict resolution in and around their areas of operation. In addition, it is important to note that where there is conflict 'spill-over', there is also the potential for peace 'spill-over'. As such, the conflict system provides opportunities for conflict resolution to have a multiplier effect.

\* The Soku, Elem-Sangama, and Oluasiri conflict shows how the oil industry is both caught and contributes through policies, practices, and corporate culture to inter- and intra-community tension. The case study also concretises where and how oil companies can make a difference. In this case, benefits distribution mechanisms and how the company relates to communities are important. The implementation of the SCD pilot in the Soku oil rim and gas development project provides a unique opportunity to demonstrate proactive and positive corporate engagement in the resolution of such conflicts.

#### 4. CONFLICT MANAGEMENT CAPACITIES

##### 4.1. INTRODUCTION

Conflict management capacities are defined here as initiatives, structures, and approaches to either reduce conflict or build peace. Initial findings are given below in relation to external (bilateral donor, corporate, NGO, and consultancy) and internal approaches. Understanding these capacities elucidates what a PaSS implementation process can draw on.

##### 4.2. INTERNAL APPROACHES

The range of internal mechanisms available to SCIN for conflict management has been described in Chapter 2. As such, this section provides an overview of the strengths, weaknesses, opportunities, and threats associated to these, as well as a summary assessment.

###### 4.2.1. OVERVIEW

Current SCIN conflict management approaches are diverse; with some are formalised mechanisms, and others used on an ad-hoc basis. A SWOT analysis of these approaches is provided in the table below.

Approach

Strengths

Weaknesses

Opportunities

Threats

Conflict Resolution Co-ordinator

(CR Department)

- \* Proven to be effective
- \* Readily available
- \* Provides additional venue for communities in conflict with SDPC
  
- \* Re-active approach
- \* Drawn in only when asked by management
- \* Little leverage to enforce solutions on staff
  
- \* Increases company-wide ability to address conflict
- \* Documentation of lessons learned/ best practices
- \* Can grow in effectiveness when management supports recommendations
- \* Perceived as exposing “failures”
- \* Remains isolated in the organisation

CD Projects

- \* Visible/tangible on the ground
- \* Community participation
  
- \* Low correlation between projects and causes of conflict
- \* Partly implemented based on short term approach
- \* Heavy focus on infrastructure
- \* Provision of long term CD perspective to communities can reduce tensions
- \* Consistent benefit as opposed to activity based benefit
- \* Tool to address root causes of conflict
- \* Poorly implemented projects can cause conflict
- \* Risk of substituting government

Cash payments for appeasement

- \* Easy fix
- \* Quick results
  
- \* Fragmentation of communities
- \* Catalyst for more violence to get access to cash

\* Ever spiraling demands and violence

\* No long term LTO

Use of security

- \* Allows operations to continue
- \* Sometimes welcomed by communities that suffer from violence
- \* Needs to be sustained in order to be effective
- \* Can lead to counter force by community groups
- \* Little control by SCIN

- \* Sends message of distrust
- \* Can undermine LTO
- \* Sense that Shell is 'stealing' oil

#### Local content plan

- \* Tailored to existing capacities
  - \* Pro-active
  - \* Addresses root causes of conflict
  - \* Integrated into SCIN operations
  - \* Requires timely integration into business plan
- \* Potential for long term economic spin-off effects for the community
  - \* Provides opportunity for capacity building/ business development

#### Facility-community inter-dependency projects

- \* Direct link between violence and benefits
  - \* Visible benefits
- \* Only possible for communities that are nearby facilities
  - \* Upfront expenses
- \* Spin-off economic benefits
  - \* Provides an opportunity for capacity building
  - \* Provides LTO
- \* Can be construed as favoritism for one community over another
  - \* Expectations for maintenance, fuel etc.
- “Brother-in-Law model”
- \* Culturally sensitive
  - \* The company is seen as “caring”.
  - \* Provides LTO
- \* Highly dependent on individuals
  - \* Relationships are difficult to transfer
  - \* Requires on-going close contacts with communities
  - \* Increased understanding of communities capabilities and needs
  - \* Closer contact means better dissemination possibilities
  - \* May be conflicting with some policies

#### PAC

- \* Inclusive
- \* Fosters stakeholder cohesion
- \* Enhances transparency and accountability
- \* Builds on shared agendas
- \* Delivers results

- \* Currently dependent on individuals
- \* Relationships between facilitator and stakeholders are difficult to transfer
- \* Initial costs are high
  
- \* Sustained economic and business development for communities
- \* Potential to transfer from project to area application
- \* Demonstrated effectiveness allows for acceptance in SCIN
  
- \* Sustainability is still to be proven
- \* Controversy around the originator of PAC, as opposed to value of PAC

#### Women's Peace Groups

- \* Mobilizes marginalized group
- \* Addresses various levels and types of conflict
- \* Early impact on certain SCIN-community tensions
  
- \* SCIN driven
- \* Impact and sustainability are yet to be proven
- \* Little follow-up, one-off approach
- \* De-linked from SCIN business
  
- \* Could serve as an effective early warning system
  
- \* Questions of sustainability without SCIN resourcing
- \* Internal SCIN resistance

#### 4.2.1. ASSESSMENT

Key assessment conclusions from the above include:

- \* There is a focus on reacting to conflict rather than preventing or minimising it. For example, no conflict analysis or impact assessment takes place prior to project implementation. Operations simply start (“as if we are coming from the moon”), ‘discover’ they are part of a conflict environment and try to cope with the circumstances.
  
- \* Guidelines on conflict resolution are lacking.
  
- \* Different conflict management approaches are used in various area or project teams, departments such as land, community relations and community development, and in the various projects. The organisation leaves much of its conflict management to individual decisions.
  
- \* Although there is very little in-house formal conflict management expertise, there seems to be significant under use of the available expertise. This may in part be because

many SCIN staff members think that seeking advice from internal experts exposes their “failure” to solve conflict.

\* When internal expertise from the CR department is requested, it is primarily in response to company-community conflict and not to address other levels of conflict (inter or intra community). In addition, seeking advice from conflict experts is optional. There is no mechanism in place that ensures that conflicts costly to the company are addressed by in-house experts.

\* The information, statistics and databases related to conflict are focused on company-community incidents only. Data is compiled on: (a) type of incidents (hostage, blockage, shut downs); (b) frequency of incidents; and (c) the stated cause of the conflict. The data is periodically analysed and trends are extracted sometimes resulting in internal policies (e.g. a Right of Way Policy). However, there is no conflict review mechanism in place after a major conflict or security incident. In addition, there is no systematic scenario planning or early warning system in place, thus reducing the scope for proactive engagement.

\* The company has no database of the best practices applied by CLOs in solving or managing grievances before these led to a shutdown. “Incidents” are only qualified and put in records when they lead to work stoppage.

#### 4.3. EXTERNAL APPROACHES

##### 4.3.1. OVERVIEW

As part of the Baseline Report, a conflict management capacities workshop was convened on 8 September 2003. The workshop convened key external groups – and the SCIN gender unit - that were involved in efforts to tackle communal and community-corporate conflicts. In addition to the work of SCIN’s gender unit, the external initiatives reviewed included:

- \* USAID/Office for Transition Initiatives;
- \* Mobil’s Finima model;
- \* Centre for Social Corporate Responsibility; and
- \* Sullivan and Sullivan Consulting.

The approaches reviewed, however, are not exhaustive. For example, the work of Pro-Natura in Akassa has not been assessed.

The table below provides an overview of external initiatives and SCIN gender work. It covers:

- \* the core issue(s) addressed;
- \* expressions of conflict;
- \* pre-requisites for success;

- \* conflict management process applied;
- \* principles adopted for the intervention; and
- \* challenges faced.

The subsequent sections draw out emerging good practice and the strategic implications for the PaSS of this work.

USAID/OTI

Mobil – Finima Model

CSCR

Sullivan and Sullivan Consulting

SCIN Engendering Model

Core issue(s) addressed

Resource control

Land ownership and compensation

Corporate non-compliance to standards

Community-corporate disputes

Women's peace-making role

Expressions of conflict

Violent confrontations within and between communities

1. Occupation of facilities

2. Destruction of property

Unfulfilled corporate agreements/bad practice

1. Fragmented communities

2. Violence and shut-downs

-

Pre-requisites for success

1. External model adapted to the context

2. Personal credibility with community

3. Institutional credibility with community

4. Procedural credibility – transparency

5. Internal/external monitoring mechanism (benefits/lessons)

1. Previous contact with communities

2. Humane and sincere approach

3. Lawyer-based negotiations

4. Small community

5. Teach community how to deal constructively with company

1. Ensure access of communities to companies

2. Invitation to help

3. Strength of international connections to apply pressure on companies

1. Thorough understanding of context

2. Value added defined to all parties

3. Identify how communities can constructively access benefits

4. Ensure transparency

Implemented together with government and communities

Process

1. Organise workshops foster interest in problem solving
  2. Raise awareness of non-violent means of problem solving
  3. Workshops generate interest to use tools in own communities
  4. Establish Peace Committees and assist them to tackle local problems
  1. Find out who owns the land
  2. Carefully document agreements
  3. Compensate owners only – not third party
  4. Sustain regular dialogue with community
  5. Mobilise majority to tackle minority spoilers
  6. Engage women to constructively mobilise youth
  7. Restore and affirm traditional community leadership
  8. Bring government on board
  9. Build ownership of facilities through business development
  1. Baseline study on trauma, conflict, environment
  2. Do PRA, needs assessment, and look at governance structures
  3. Within governance, look at leadership, constitution, power weaknesses
  4. Set up CMCs and PMCs
  5. Convene government, oil companies, communities and regulatory bodies
  6. ‘Wage peace through development’
  7. Governance work provides for strong MoUs with companies
  8. Advocacy with shareholders if company does not comply
  1. Study environment/context
  2. Design tri-sector partnership and identify a facilitator
  3. Reaffirm values (transparency, accountability, ...)
  4. Align community and company processes
  5. Identify champions within sectors with integrity
  6. Assemble and educate champions
  7. Ensure that personal interests of champions do not conflict with objective
  8. Strengthen community, government and corporate cohesion
  9. Bring company/government together
  10. Form a PAC with agreed ToR of community, mediator, security agencies, company, contractors and government
  11. Government has to own the process, serve as a catalyst, maintain law and order
  12. Communities supply local knowledge, be ready to work, isolate trouble makers
  13. Company should be transparent, declare business opportunities, fund tri-sector partnership
  1. Workshops with women to analyse communal conflicts and define what can be done
  2. Women return to their communities and mobilise other women
  3. Work-plans are developed on how to tackle conflicts in local communities
  4. Establish women’s peace groups at community levels
  5. Move from pilot state to other states in the region
- Principles
1. Non-adversarial approach to conflict – local solutions
  2. Use traditional social sanctions

3. Design a process for community problem definition
4. Provide community members with tools for conflict resolution
5. Deal with crime as a law enforcement problem
1. Deal with crime as a law enforcement problem
2. Joint signatory accounts where land owners are multiple
3. Written agreements
1. Ensure positive social, environmental, and economic impact on communities
2. Access and dialogue between company and communities
3. Translate cash into development
4. Translate company policies into reality
1. Multi-dimensional approach to conflict
2. Focus on interests and positions
3. Ensure constructive access to benefits
4. No ghost workers
5. No vigilante protection of trouble makers or violence
6. No cash payments and deals with factions
7. Rule of law
8. Single point responsibility
9. Written agreements only
1. Peace and development are inter-related
2. Proactive identification of conflict situations

#### Challenges

1. Short-term approach/training then community exposure
2. Spoilers were activated after the process ended – non-sustainable
3. Government officials were not involved
4. Peace committees did not have authority to do certain things
5. Generic model across Nigeria
6. Little ‘home content’ as part of the team
1. Slow up-take by other relevant departments in Mobil in building on the success of the legal process
2. On-going disagreements amongst leaders of the community – needing regular attention
3. Unco-ordinated government response to peace initiatives, suggesting the lack of a structured approach to community issues

#### Financial and human resource scarcity

1. Resistance to the facilitator’s involvement
2. Power struggles to control the process
3. Short term challenges (people want cash, etc.)
4. Transparency can be difficult
5. Spoilers
6. Personalised approach
7. Focused on oil-related conflicts
1. Internal SCIN ‘engineering’ mindset and fluid community development
2. Discrimination and trivialisation of approach within SCIN
3. Co-ordination and integration with other SCD departments

#### 4. Adequate funding and ability to follow up women's groups

##### 4.3.2. EMERGING GOOD PRACTICE

Where outside support is sought for conflict resolution between communities and corporations, the use of an external third-party arbitrator/mediator is most common. For this approach emerging good practice can be identified in terms of principles and process of implementation.

##### Principles

Interventions to deal with community-corporate conflicts should be based on the following principles:

- \* Use of third-party facilitator who is seen as neutral and credible in the conflict;
- \* Application of complete transparency and accountability throughout;
- \* Engagement through a tri-sectoral (communities, government, and corporations) approach;
- \* Agreement on fundamentals between the sectors (e.g. crime as a law-enforcement problem, no cash-payments, no ghost workers, rule of law, etc.);
- \* Sustained and regular dialogue between sector representatives;
- \* Ensured personal, procedural, and institutional integrity/credibility for the intervention;
- \* Establishment of effective compliance and sanctions mechanisms;
- \* Ensured positive social, environmental, and economic impact on communities;
- \* Written and registered agreements; and
- \* Regular reporting of community project implementation.

##### Process of implementation

Good practice processes of implementation involve the following steps:

##### 1. Study the context.

This involves:

- \* a conflict analysis (conflict and peace indicators, stakeholders, and scenarios) exercise;
- \* a thorough study of the communities in question (background, history, geography, demographics, and cultural structures);
- \* a gender analysis using gender analytical framework that examines socio-political relations and gender hierarchies in the context; and
- \* use of conflict timelines to look at changes in trends and actors in the conflict over time.

##### 2. Design tri-sector partnership and identify an appropriate facilitator.

This includes:

\* A stakeholder analysis (where stakeholders are defined as those groups who share an interest towards the conflict or are affected directly or indirectly) exercise that focuses on key stakeholders for the tri-sector partnership, i.e. government, oil companies, and communities.

\* Examine power relations between key stakeholders, looking at existing positional and relational power structures.

\* A credible Third Party Neutral (TPN) should serve as facilitator(s) to commence communication between key stakeholders. Due to the volatile and corrupt nature of conflicts in the Niger Delta region, the role of the TPN should be reserved for persons who do not have apparent or perceived stakes in the conflict, the process or their outcomes.

\* It is important that all sides of the tri-sector partnership have confidence in the ability of the facilitators. However, the success of the process should not depend on this ability.

\* Facilitators should work in teams to avoid individualization of the process. These teams should consist of persons with wide experience in community organising, peace building, and development.

\* Facilitator should keep key stakeholders engaged through continuous consultative sessions that focus on reflection and action cycles. Trust building is integral to the process. The facilitators must ensure that the team builds acceptance and does not take it for granted.

### 3. Identify champions in each sector and educate these.

To ensure sustainability, the process of implementation has to be driven internally in each sector by identified personalities who function as champions. It is imperative that these champions understand the aim of the implementations process and believe in the strategies employed. Where necessary these champions should be provided with requisite information and tools that would enable them argue more efficiently on the importance of using the strategies enumerated in the implementation process.

### 4. Strengthen community, government, and corporate cohesiveness.

Internal tensions and divisions that affect each sector's ability to deliver on commitments made in the tri-sector context need to be tackled for the process to be successful. These tensions may include leadership tussles within communities, turf battles in companies, etc. It is important that guiding principles in work to strengthen cohesiveness include transparency, accountability, integrity, etc. values mentioned above.

5. Engage all community stakeholders (particularly women) to raise awareness of non-violent means of problem solving – and the relationship between peace and development.

Aside from the key stakeholders, other stakeholders in the community should be involved in the implementation early in the process. TPNs would identify sub-groups existing in the community e.g. elders, youths, women etc. and design avenues through which each group can play pivotal roles in the process.

6. Establish and support women's mechanisms for effective engagement in process.

Women's groups are usually excluded during formal peace processes or community dialoguing. The TPN teams have to take targeted steps to include women's groups in building sustainable peaceful structures. These groups and associations would have to be engaged separately in the initial stages as community hierarchies and dynamics might not allow for the kind of openness required for the process. When women's groups have been included in the process, they should be given the same attention and information should be shared in an equitable manner.

7. Establish CMCs, PMCs, or PACs with terms of reference agreed between the community, government (and security agencies), as well as the oil company (and contractors).

This includes:

- \* Agreeing roles and responsibilities;
- \* Affirmation of values (transparency and accountability);
- \* Agreeing compliance/sanction mechanisms;
- \* Fostering an effective government and corporate relationship; and
- \* Signing an agreed MoU.

The TPN becomes the custodian of the MoU and of the process.

8. Build community capacity for self-development and access to business opportunities with oil companies.

Whereas the CMCs, PMCs, or PACs developed through the above process are instrumental in equitably distributing benefits from oil-related activities, they are only partly effective in accessing the full benefits of oil production. As such, it is important to strengthen community capacity for self-development and access to business opportunities.

Such capacity building is highly context specific, as it depends on the priorities, skills, and composition of communities. However, some key areas can be identified:

- \* Infrastructure development. Electricity access, for example, enables the development of certain SMEs (e.g. sowing and tailoring shops).
- \* Educational opportunities. Scholarship programmes give youth access to new opportunities and perspectives.
- \* Business development coaching. Support to local entrepreneurs enables improved access to oil company business.
- \* Micro-credit and credit schemes. The provision of credit schemes is important for start-up businesses, as well as for entrepreneurs to access larger contracts.

#### 9. Design strategies for dealing with spoilers.

The knock-on effects of the process need to be clearly mapped. It is important to understand who wins and loses from the project – as well as how losers are likely to respond. A strategy for dealing constructively with these losers (or potential spoilers) needs to be developed.

#### 4.4. STRATEGIC IMPLICATIONS

Although there are demonstrated cases of effective conflict management in the Niger Delta, current initiatives remain limited in scope and under-resourced. SCIN's own capacity to manage conflicts is undermined by lacking co-ordination, coherence, and analysis. External efforts are fragmented, but constitute a critical building block for conflict resolution in the region.

The following strategic implications for PaSS can be drawn from the sections above:

- \* There is a range of demonstrated cases where the company and external groups have effectively managed and resolved conflicts. As such, there is an emerging conflict resolution capacity that can be expanded and utilised for PaSS implementation.
- \* The analysis of internal conflict management capacities available shows there is a significant need for SCIN to strengthen these, in terms of co-ordination, coherence, utilisation, and information management. Suggestions for internal capacity building are given in Annex C.
- \* An assessment of external conflict management efforts gives a range of perspectives on good practice in the field. Common principles and implementation process 'ingredients' are identifiable. These provide the basis for a systematic PaSS approach to tackling micro-level conflicts.

#### 5. STRATEGIC PITFALLS

Understanding strategic pitfalls associated to PaSS implementation is necessary to further strengthen its chances for success. Pitfalls are given below in relation to assumptions, expectations, scenarios, and potential spoilers.

##### 5.1. ASSUMPTIONS

The following assumptions underpin PaSS (and SCD) implementation. If these are not or may not become verifiable, they constitute important pitfalls for implementation.

SCIN has a long-term commitment to the Niger Delta

SCIN has been operational in Nigeria for over 50 years. It is assumed that the company is looking to operate on-shore in the Niger Delta for at least another 20 years.

SCIN is committed to SCD and PaSS implementation

With the establishment of the SCD Department, and the launch of a PaSS development process, it is assumed that SCIN wishes to improve and sustain the positive impact of its social investments and the operating environment.

SCIN has the ‘stomach’ to see SCD and PaSS implementation through

The implementation of SCD and PaSS will see similar (and perhaps greater) trials and challenges as conflict management efforts elsewhere in the world. The criminal dimension to conflicts in the Niger Delta means that initiatives that infringe on illicit “turfs” are likely to be resisted. It is assumed that SCIN is prepared to ‘steer the course’ in adverse situations.

SCIN puts in place the resources and policy infrastructure needed for effective SCD and PaSS implementation

The implementation of the SCD approach and PaSS requires both human and financial resources (e.g. capacity of staff, implementation budgets, etc.), as well as the policy infrastructure (e.g. early warning systems, PaSS working group, etc.) (see Annex C for a preliminary assessment of requirements). It is assumed that SCIN is prepared to put into place that which is needed to make SCD and PaSS implementation successful.

SCIN is able to ensure corporate buy-in of SCD and PaSS

Although mainstreaming new approaches in any organisation takes time, it is assumed that SCIN top management is determined to ensure corporate buy-in of both SCD and PaSS.

SCIN is able to ensure industry-wide and Government of Nigeria buy-in to SCD and PaSS

The implementation of SCD and PaSS requires buy-in and partnership with other oil companies and government at all levels (local, state, and federal). It is assumed that SCIN is prepared to allocate the necessary resources to ensure such buy-in.

SCIN is able to work in partnership with other organisations

Both the SCD and PaSS require inter-organisational co-operation. Partnerships need to be developed as well as sustained, and partner expectations managed. It is assumed that SCIN is able to do this.

## 5.2. EXPECTATIONS

The following picture provides some insights on how these societal demands affect the company. It also provides an assessment of how SCIN staff and outside stakeholders believe the company will have to position itself to be in line with these societal expectations. The management of these expectations determine partly the ability of PaSS implementers to tackle spoilers.

Now  
Future

### Global Demands

- \* Publish what you pay
- \* Extractive Industries Transparency Initiative
- \* US/UK Voluntary Principles
- \* Alien Torture Claims Act
- \* Global Reporting Initiative
  
- \* Oil tracking mechanisms
- \* Revenue sharing mechanisms
- \* Global environmental, social and human rights regulations
- \* Conflict and human rights impact assessments
- \* User chain responsibility (how are revenues used by Government)
- \* Corporate social performance reporting
- \* Social risk assessments
- \* Social risk auditing

### SCIN Perspective

- \* Oil is an engineering business
- \* CD is an add-on to compensate for damage/interference
- \* Communities are potential obstacles to the prod. process
- \* CR are a cost; minimise them
- \* Means of engagement are money and CD projects
- \* CR is responsibility of CR Department.
- \* Business based on western values
  
- \* Oil is also a people's business
- \* CD is a tool to help communities realise their aspirations
- \* Communities are key-factor to successful operations

- \* CR is an investment in ensuring a LTO
- \* Means of engagement are respect, capacity building and business development
- \* CR is responsibility of all departments
- \* Business takes local context into consideration
- \* Corporate social performance is a key performance indicator for executive and senior staff assessments

#### Local Perspective

- \* Contracting opportunities
- \* Employment opportunities
- \* Community empowerment
- \* Feeling of powerlessness
- \* Land 'stolen' by companies and the government
- \* Direct revenue sharing
- \* Engagement based on partnership; maximum local involvement in operations.
- \* Need for recognition and respect
- \* Democracy provides space for litigation based on well documented evidence
- \* Local communities via NGOs linked to a global advocacy network

Based on the trends they observe, several SCIN staff dealing with communities picture a remarkably similar future scenario of the environment that SCIN will be dealing with. They predict that within the next decade communities will no longer accept that their land is virtually annexed and their livelihoods severely negatively impacted. Communities will demand to be adequately compensated and will seek enforcement through court systems.

#### 5.3. SCENARIOS

Over the next 12 months, the following best, middle, and worst case (internal/external) scenarios can be formulated that will affect PaSS formulation and implementation.

##### Best case scenario

- \* Company-wide processes (e.g. globalisation) that support and accelerate PaSS implementation provide for localised decision-making and budgetary systems.
- \* PaSS is seen in the organisation as critical for company operations and starts to be considered as a shared responsibility among staff (e.g. will stand alongside HSE).
- \* There is an understanding in executive management that PaSS implementation requires short-term production sacrifices in some areas to ensure long-term profitability and LTO.
- \* Company staff feels that PaSS implementation makes their work easier and feel rewarded for constructive engagement. Senior managers are rewarded for tackling conflict-inducing practices.

\* SCIN is able to bring on board key government agencies for PaSS implementation and work well with other stakeholder groups (e.g. international donors, NGOs, elites, ethnic movements).

\* Communities see a genuine commitment by SCIN in the implementation of PaSS and overcome their focus on short-term gains.

\* The overall conflict environment in the Niger Delta stays relatively stable, with only some (non-destabilising) outbreaks of violence (e.g. Warri).

#### Middle case scenario

\* Company-wide processes (e.g. globalisation) are met with resistance, leading to a period of uncertainty and some constraints on localised decision-making and budgetary systems.

\* The value of PaSS is seen in some parts of the organisation, but is met with scepticism by others who do not appreciate its relevance to SCIN business.

\* Executive management is divided on the value of PaSS – with some feeling that short-term production sacrifices in any area preferably should be avoided.

\* Unclear reward systems make only certain groups in SCIN feel inclined to constructive engagement in the PaSS initiative. Other groups feel threatened by the initiative – and some sabotage of PaSS implementation occurs. Certain senior managers try to tackle conflict-inducing practices out of their own conviction.

\* SCIN is able to bring on board some government agencies, but not all the key ones for PaSS implementation – and work with selected international donors, NGOs and elites. Some sabotage occurs that affects PaSS success.

\* Elements of communities involved in the PaSS remain obstructive, but are gradually integrated into a common community position.

\* The overall conflict environment in the Niger Delta worsens, with several new flash-points. These flash-points, however, do not destabilise the region.

#### Worst case scenario

\* Company-wide processes (e.g. globalisation) are met with significant and disruptive resistance (e.g. strikes, etc.). Initial decision-making processes and budgetary systems make PaSS implementation very problematic.

\* Ownership of the PaSS is limited to SCD Department. The strategy faces stiff resistance from other parts of the organisation. PaSS becomes embroiled in internal political fights over turf and is severely delayed.

\* Executive management feels that PaSS implementation carries too much risk – and shelves the initiative.

\* No reward for engagement and exposure of unethical practices during PaSS formulation/implementation severely threatens those who benefit from the status quo. Substantial sabotage and rumour mongering is seen. Senior managers choose battles to fight other than PaSS.

\* SCIN does not engage in external lobbying and advocacy with key stakeholder groups – and PaSS is discredited and sabotaged from the outside.

\* PaSS implementation is sabotaged by community elements that benefit from the status quo.

\* New conflict flash-points erupt in the Niger Delta and a harsh military response follows. Parts of the region become destabilised.

Present indications are that the most likely scenario is a combination of the factors mentioned in each of the scenarios given above.

#### 5.4. SPOILERS

A range of spoilers is likely to try to block or at least cripple PaSS implementation. These are divided according to “reconcilable” and “irreconcilable” spoilers. This division indicates who can be ‘won over’ – and which groups need to be dealt with through law enforcement activities.

##### Reconcilable spoilers

\* SCIN senior management that feels threatened by SCD and PaSS. Both SCD and PaSS are crosscutting initiatives touching on the ‘turf’ of a range of departments and divisions. It is likely that ‘turf battles’ that are not managed will scupper both initiatives. Hence, senior management of affected ‘turf areas’ may become spoilers.

\* SCIN staff that feels their job-security is threatened by SCD and PaSS. Both SCD and PaSS objectives signal that certain things within the company need to be done differently. This may threaten the job-security of a range of SCIN staff members that in turn may attempt to undermine both initiatives.

\* Shell International executive management fearful of short-term risks of PaSS implementation. The PaSS objectives of “contributing to conflict resolution and sustainable peace in the Niger Delta” is ambitious and constitutes a fundamental shift in