



**SOCIO-ECONOMIC IMPACT ASSESSMENT
(SIA) OF SPDC TRANSFER OF INTEREST
IN WARRI URBAN COMMUNITIES**

FINAL REPORT

SUBMITTED TO

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BY



**OPTIMUM RESOURCES
MANAGEMENT.**

January 2013

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This document was prepared by Dr Anthony Chowwen –the *Chief Consultant/CEO* of Optimum Resources Management with support of staff members.

The funds for the study were graciously made available by Shell Petroleum Development Company (**SPDC**)

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1. LIST OF ACRONYMS

SPDC	Shell Petroleum Development Company
KII	Key Informant Interview
SIA	Social Impact Assessment
FGD	Focus group Discussion
KII	Key Informant Interview
CDC	Community Development Committee
ICD	Initiative for Community Development
NGO	Non Governmental Organization
CBO	Community Base Organization
RRA	Rapid Rural Assessment
	Memorandum of Understanding
Tol	Transfer of Interest

2. EXECUTIVE SUMMARY

The study was a Social Impact Assessment aimed at assessing social impacts of the divestment plan of SPDC in Warri Urban communities including Edjeba, Ogonu, Ajaokorofangue, Ogbuwangwe, Okere-Urhobo and Okurede-Urhobo. It is also to recommend mitigation measures that will ensure that the communities continue to remain socially and economically viable after the transfer of Shell's interest in the divested assets.

ICD (A non-governmental organization) was commissioned by SPDC to carry out the study. Participatory tools and procedures were used across the communities in conducting the study and establishing some important findings fundamental to effective divestment process in the area.

Our findings show that whereas most of the respondents acknowledged being aware of the SPDC planned Transfer of Interest/Divestment; only a few know the content and scope of the planned divestment plan. 75% of respondents are certain the TOI will not just have grave socio-economic consequences for the stakeholders, households and communities; there will be an upsurge in the crime rate in the affected communities and environ.

Very copious in the responses are unhidden ill-feelings, disaffection and disappointment towards SPDC by a large number of stakeholders from across the communities. Although, it is trite knowledge that decommissioning, transfer of interest, divestment etc are known globally to trigger negative emotions towards the divesting company, the magnitude of such negative attitude can actually be an early warning signs of the existence of a complex relational issues that could culminate in long term reputational crisis for SPDC.

Respondents have listed various measures to mitigate the negative impact the planned divestment could cause. The few, who think it would cause no negative impact, have asked for immediate exit of SPDC and the return of their natural land resources. To them, the planned transfer of interest could open a vista of new opportunities for the host communities.

The foregoing shows a need for a higher level of stakeholder analysis and engagement perhaps through a third party arrangement across the affected communities to ensure their buy-in and ownership of divestment process and plan. If done in a participatory and transparent manner, this

should hopefully ensure stakeholders inform the design of a sustainable mitigation measures that will ensure that Ogonu, Edjeba, Ajokorofangwe, Ogbuwangwe, Okere-Urhobo and Okurede-Urhobo communities remain socio-economically viable in the SPDC post divestment era.

3. INTRODUCTION/ BACKGROUND OF THE STUDY

SPDC officially opened the Warri office in 1971 and has coordinated operations in the Western Delta out of Warri, continuously for over 40 years. Over the years, the socio-economic well-being of Greater Warri area in general and particularly, communities hosting SPDC facilities at Edjeba, and Ogonu, became intrinsically inter-linked with Shell's activities, through provision of social infrastructure, employment opportunities, patronage of contractors, payment of land rents/lease etc. Currently about 2,300 community workers are employed from these communities, making SPDC the major contributor to employment in the communities. In view of these concerns, a Social Impact Assessment study to assess the social impacts of the divestment and recommend mitigation measures that will ensure that the Warri Urban communities continue to remain socially and economically viable post transfer of Shell's interest in the divested assets is proposed.

The communities studied in this exercise include Edjeba, Ogonu, Ogbuwangwe, Ajaokorofangwe, Okere-Urhobo and Okurede-Urhobo.

4. STUDY METHODOLOGY

The study team used standard participatory tools and procedures in carrying out the study across the communities. These include the use of relevant questionnaires and guided checklists to elicit salient information to aid planning. Focus group discussion, key informant interviews, direct observation were some elements of the Rapid Rural Assessment (RRA) that were used.

In the key informant interviews, a broad spectrum of community stakeholders as well as external stakeholders key to the entire process was engaged. These include;

- Local Government officers
- Community leaders
- Youth leaders
- Women leaders
- Representatives of CBOs/NGOs operating in the communities
- Security agencies
- Community contractors/SPDC vendors
- SPDC staff

- CDCs
- Community executives
- Business men and women

Purposive sampling was used in selecting these range of stakeholders. This was done with the primary objective of feeling the peoples’ heart beat on the issue in context in order to guide right decisions and effective engagement.

The pattern and distribution and collation of questionnaires during the study in each of the communities/institutions are shown in the table below;

Table 1: Questionnaire distribution per community/institution

S/N	COMMUNITIES	FGD	KII	STAKEHOLDER
1	OKERE-URHOBO	27	1	7
2	OGUNU	29	1	28
3	EDJEBE	25	1	27
4	OGBUWANGWE	30	-	19
5	OKUREDE URHOBO	30	1	30
6	AJAKOROFANGUE	28	1	31

5. ANALYSIS OF FINDINGS PER COMMUNITY

5.1 EDJEBA COMMUNITY

5.1.1 Overview of the community

Edjeba community was founded in about 1553AD and the British treaty signed in 1893. It is situated in Warri Local Government Area of the present Delta State of Nigeria, and was founded by a number of families including Otien, Ukri, Ajidi and Atawehor. Geographically, the community is sandwiched between SPDC facility (to the West), NNPC housing estate (to the East), Delta Broadcasting Services (DBS) (to the South) and a college of education (to the North). Chief Michael Kasha Ikpuri (JP) (Unurovwodo (Duke) of Edjeba community) is the head of community's administration assisted by elders and council of chiefs. These are the decision-making institutions in the community. Other important governance institutions in the community include the uwie (youth) council, Ewheya (women) council and Edjeba Development Committee (that oversee the development issues of the community). According to respondents, Edjeba community has an estimated population of 24,000 persons. Other ethnic groups that live among indigenes of the community include the Ijaws, Istekiri, Ibo, Edo, Yoruba and Hausa/Fulani among others.

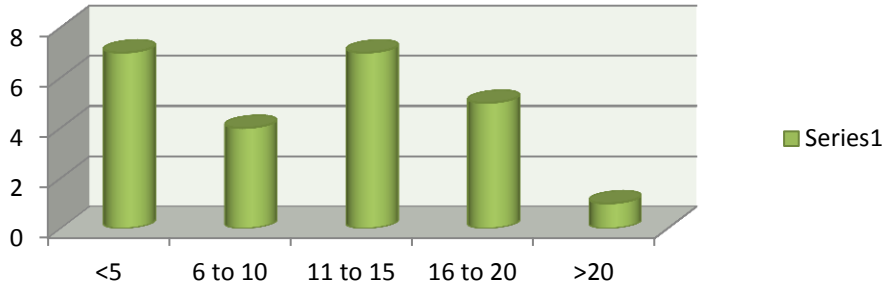
Major conflicts witnessed in the community borders on youth leadership tussle. But in all, traditional conflict resolution mechanism is often applied to manage such situations. Esemo (Fathers day marked in August), Eniemo (mothers' day marked in August), Iyerim (fishing season marked between October and November), Urewanoare (celebration of community deity marked bi-annually) as well as Owurie (celebration of kingdom deity marked also bi-annually) are some notable traditions and festivals dear to the heart of Edjeba people.

5.1.2 SPDC investment (Assets)/number of local persons employed in the community

Edjeba community hosts the administrative headquarters of SPDC in the west. This facility has a number of community persons employed at various categories especially at the junior cadre. These

include cleaners, security agents, and office assistants to contract staff of SPDC. The average number of local people employed by SPDC in Edjeba community (analyzed from responses of respondents) is indicated in the figure below;

Figure 1- SPDC Employment Status (Edjeba)



From the table, an average of 10 community persons are employed by SPDC. However, a few respondents reported that more than 20 persons from the community are under SPDC employment. The questionnaires are silent on physical assets and facilities in the community, especially this funded with support of SPDC.

5.1.3 Characteristics of stakeholders interviewed

The table below shows the stakeholders engaged in Edjeba community who provided salient information during the study;

Table 2- Stakeholders Interviews

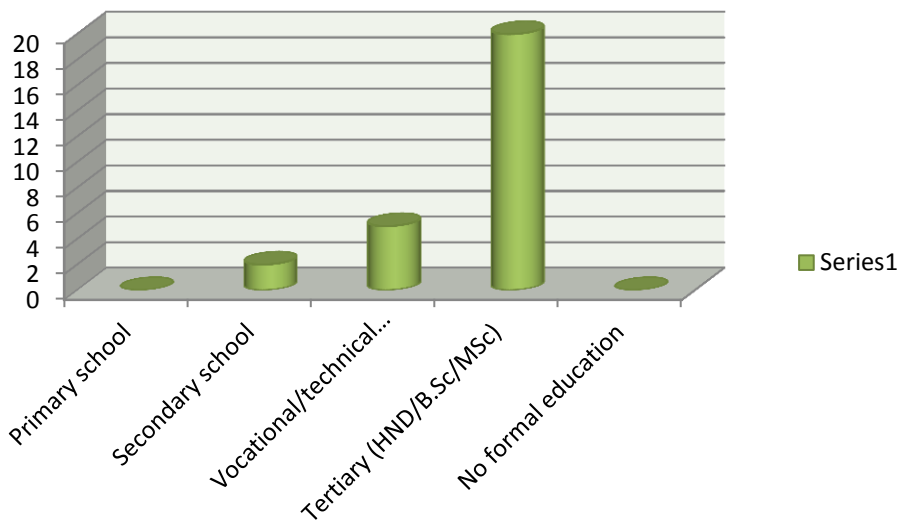
S/n	Stakeholder	Number interviewed
1	Community leaders	3
2	Youth leaders	8
3	Women leaders	5
4	CBOs/NGOs	1
5	Security agents	1
6	Community contractors/vendors	5
6	Community executives	4

Analysis of the Respondents in Edjeba shows but 67% were made only 33% where women. Most of the Respondents are within 37-54 years age bracket with 78% of them married. Most of them have lived in the community for an upward of 20 years. 78% of the Respondents have obtained tertiary education with only about 2% with no formal education.

All Respondents reported being married to one wife, with each household having a family size of 6. Expected more than 98% are Christians while only 2% belong to other religions.

The figure below shows the educational status of the respondents engaged in the study;

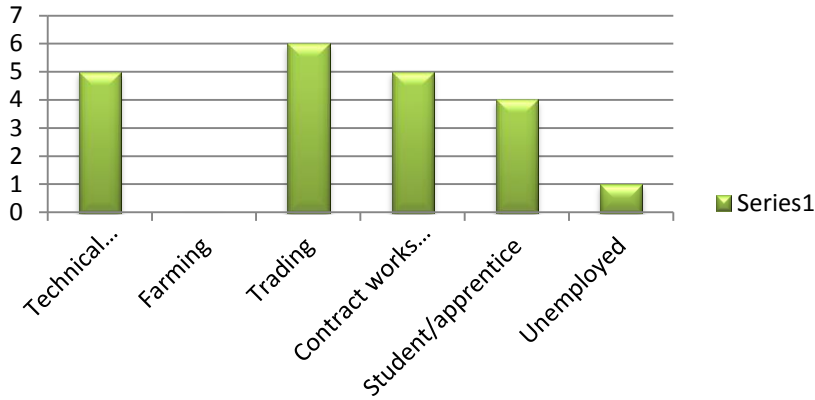
Figure 2- Respondents Educational Status (Edjeba)



5.1.4 Primary occupations of the local people

The figure below shows primary occupations that engage the people of the community. These economic activities assist local households in fending for their livelihood needs.

Figure 3- Occupational Distribution in Edjeba

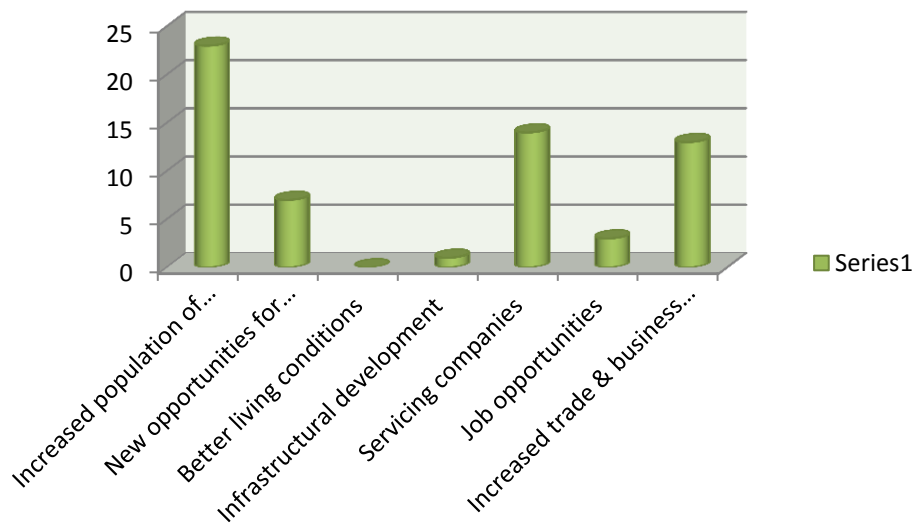


Farming seems to be a forgotten livelihood support activity in the community probably due to the urban status and use of available land for development. Most of the people are artisans by profession. They have severally taken to series of technical works (welding, carpentry, electrical works, plumbing, and auto-mechanics among others). The highest numbers of the people (especially women) are into petty trading while a sizeable number of the men do minor contracts for SPDC from which they support their families. However, a significant number of the people are either students in formal education institutions or apprentices in vocational institutions. In addition, significant numbers of persons are unemployed and are wholly dependent on their relatives. Civil servants and bankers also exist as minor occupations of the people.

5.1.5 Impact of SPDC’s presence in the community

Community respondents varied in their views regarding what level of development SPDC presence has attracted to the community. Distributions of these responses are reflected in the figure below;

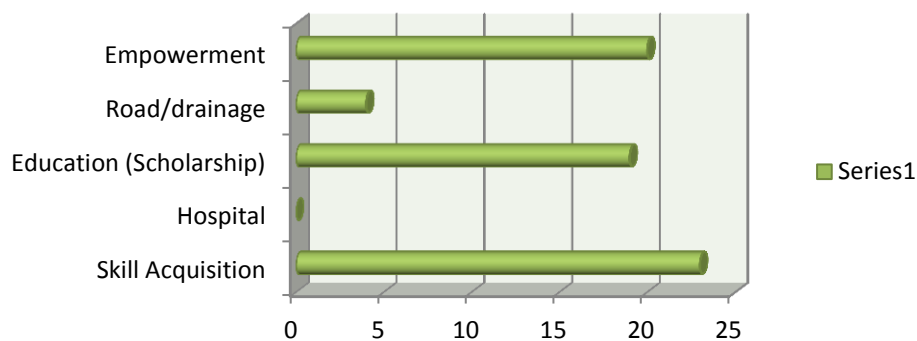
Figure 4- Impact of SPDC presence in Edjeba



The presence of the company in Edjeba community has resulted to influx of people to the community shooting up the population of the area. It has appreciably attracted a good number of oil servicing companies which has increased business and economic opportunities in the community. However, the people did not TOlally agree that SPDC has done very well in creating new opportunities for development, infrastructural development, creation of job opportunities for the people and offering of better living conditions for the locals. Their judgment reflects failure of SPDC in these development indices in Edjeba community.

Going further, the people attested to the fact that the company has done averagely well in some areas within the community but failed wholly in some others as shown in the figure below;

Figure 5- Areas of Community Benefit from SPDC



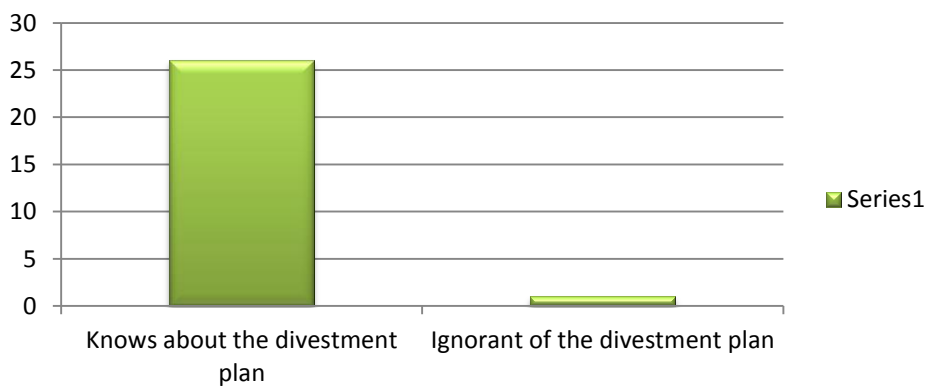
Skill acquisition and scholarship schemes top greatest areas of impact by the company while little or nothing has been achieved in the area of infrastructural projects. An average of 16-20 persons have

benefited from the skills acquisition programme of the company in Edjeba community while about 6-10 persons have benefited from the scholarship schemes.

5.1.6 Level of community awareness & understanding of SPDCs divestment plan

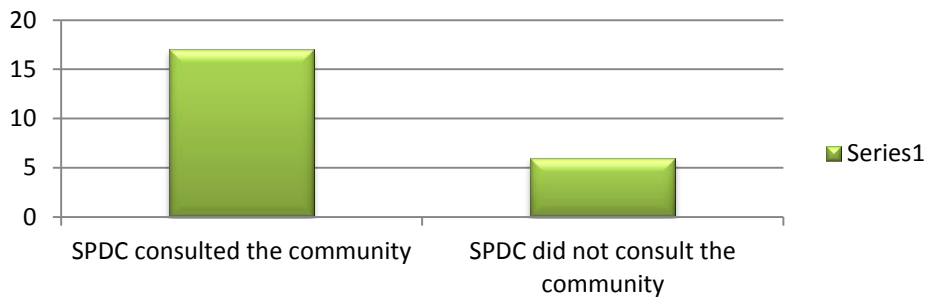
In Edjeba community, it is interesting to note that a good number of persons (judging from the respondents) are aware of SPDC’s plan to transfer its interest from the area as against the few that claimed ignorance of the plan. Responses are captured in the figure below;

Figure 6: Community Awareness of SPDC Divestment Plan



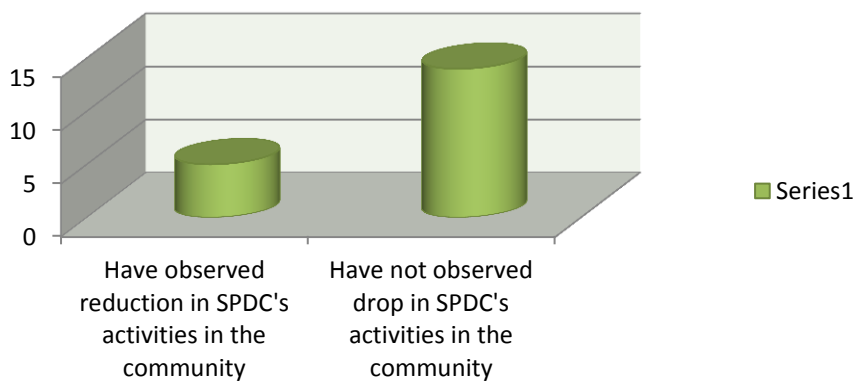
Those that attested to being aware of this plan got the information from various sources including the youth leader, SPDC meetings with community, community elders and relatives. However, majority were informed by SPDC according to the respondents. There is what seems to be incomplete information expressed by the people at this stage because even those that know about the divestment plan do not understand the scope of the project. Many of the people in the community

agreed that SPDC did consult with them before embarking on this plan. However, an insignificant few contrasted this claim as shown in the figure below.



However, in terms of observed reduction of SPDC’s activities in the community in recent times, more persons reported that they have not observed such as against the few that reported to having observed a drop in the company’s activities within the community. The response status of the respondents regarding this is shown in the figure below;

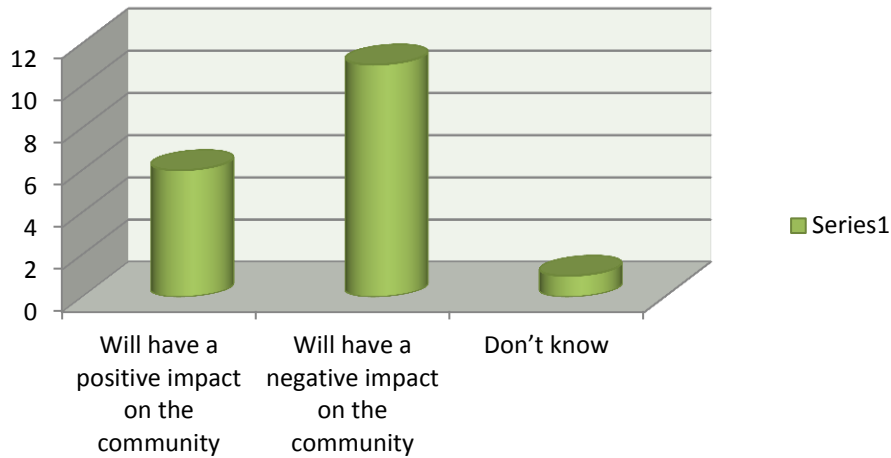
Figure 8: Respondents Perception on SPDC Reduced Activities in Edjeba



5.1.7 Perception of the people on impacts of the divestment

There was mixed feelings on how the people perceive the impact of the divestment plan on the community. This is captured in the figure below;

Figure 9: Perception of Divestment Impact



66% of the respondents believe that divestment will negatively impact the community. However, 33% do not think so. Some of the perceived negative impacts on the community will include:

- Dearth of sub-contracts from SPDC to community people (clearing and sanitation among others)
- Decline in sources of income of local households in the community
- Increased unemployment
- Loss of jobs by indigenes employed by SPDC
- Loss of debts owed women cleaners by SPDC contractors for the past 4 months
- Declined economic activities in the community
- Loss of on-going SPDC scholarship awards by students
- Declined household incomes
- Loss of sources of livelihood
- Increased poverty and hunger
- Starvation
- Increment in crime wave within the community
- Communal conflicts
- Loss of homage rights often paid by SPDC to the community

- Insecurity
- SPDC’s legacy projects and unfulfilled promises will be forgotten and abandoned

Perceived positive impacts include;

- Anticipation of more employments by new company taking over from SPDC
- Anticipation that the new company will surpass SPDC in terms of community development
- Anticipated cordial relationship between the community and the new company compared to what obtains with SPDC

However, some of people who believe the exit of SPDC from the community in this divestment process will have no impact on the community attributes this to the fact that SPDC has not done much in terms of developing the community since the inception. Therefore, according to them the company’s exit will make no difference as many households have lived independent of SPDC.

5.1.8 Degree of perceived socio-economic impacts of the divestment plan

The table below maps socio-economic impacts envisaged from the divestment as analyzed by the people.

Table 3: Degree of Socio-Economic Impact

S/n	Socio-economic feature	No of respondents envisaging Negative impact		Average Degree of impact (%) Yes category	Suggested solutions
		Yes	No		
1	Income generation	15	4	60	More economic empowerment projects, financial empowerment, creation of more job opportunities, payment of adequate compensations to those that will lose their jobs.
2	Employment	15	4	60	Creation of more employment

	generation				opportunities for the local people by the new company.
3	Education	15	4	60	Sustain and not abandoned existing scholarship awards offered by SPDC, provide more scholarships, build more schools.
4	Scholarship award	15	4	65	More scholarship openings by the new company.
5	Food security	8	3	70	Investment in rural agriculture and food production.
6	Housing	3	3	40	Build low cost housings
7	Political stability	2	7	40	-
8	Environment/natural resources	1	7	10	-
9	Community development	5	4	70	-
10	Social infrastructure	4	4	55	-

5.1.9 Suggestions to ameliorate perceived negative impacts

The respondents suggested ways of mitigating negative impacts of the planned divestment process in order to consolidate and improve on the social well being of individual households in the community. These suggestions include;

- That before exit of SPDC, the company should pay adequate compensations to all workers that will lose their jobs as palliatives to absorb the shock and future challenges.
- That SPDC should make proper arrangement with the new company taking over from it to transfer the indigenous staff from the company to them. (New company to inherit and retain staff who will lose their jobs due to SPDC's exit)
- SPDC to do a proper linkage of the community to the new company in terms of assets.
- The new company to step up on the number of local people to be employed
- The new company to step-up efforts in genuine community development projects
- SPDC to facilitate payment of community women cleaners owed for the past 4 months
- SPDC to clear its debts owed some community contractors
- That the new company should not emulate SPDC

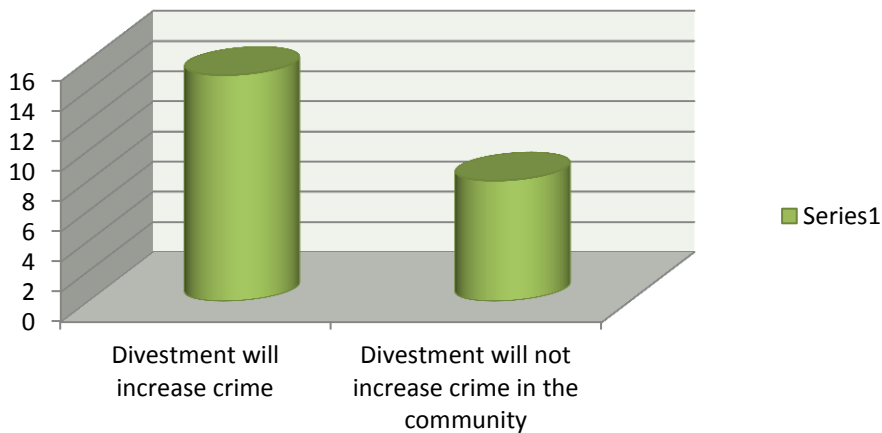
- That SPDC should pay-off the community contractors
- The new company to increase the level of contracts it gives to local contractors. Not like SPDC that gives out menial jobs to community contractors
- SPDC should complete all legacy projects before exiting or the new company to complete these projects
- The new company to embark more on economic empowerment and skills development projects in the community especially for youths and the women
- The new company to take seriously infrastructural projects in the community
- SPDC to transfer, and new company to inherit signed MoU between SPDC and community.
- New company should listen and cooperate with community in its demands.
- SPDC should transfer all liabilities alongside assets to the new company taking over from her

To some community people, the community is already bedeviled by these perceived negative impacts as such request for accelerated exit of SPDC from their land for the new company to come in fully. However, some of the people (especially women) pleaded for SPDC to come back.

5.1.10 Security Implications of the Divestment Plan

Most respondents (about 75%) believe that the exit of SPDC from the community will encourage crime rise especially among the youths who will be rendered jobless. Increased in unemployment and sharp decline in economic activities as well as household incomes are anticipated catalysts to insecurity in the community as the company leaves. To others, there will be no increased security threat in the community if SPDC divest because the level of crime has remained same even with the long years of SPDC operating in the community.

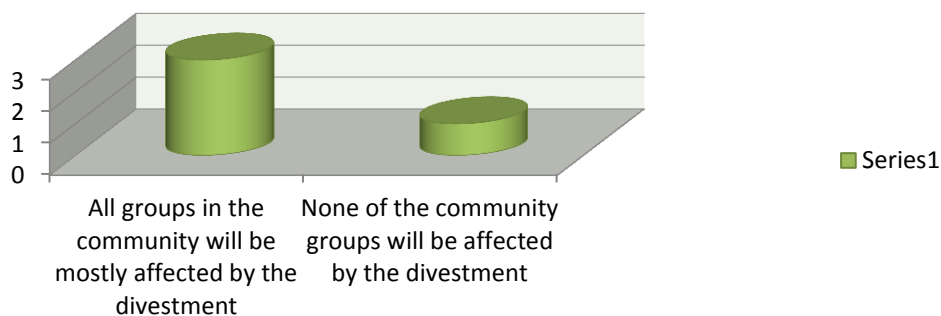
Figure 10: Implication of Divestment on crime Rate



5.1.11 Community group to be affected most by the divestment

The views of the respondents regarding the most vulnerable group in the community as a result of the divestment plan varied. While a good number (especially those that believe the process will generate negative effects on the community) said all groups in the community will be affected, few (especially those on the other side of the divide) said that none of the groups will be affected. This is shown in the figure below;

Figure 11: Effect of Divestment on Community Groups



5.1.12. Recommendations to ensure socio-economic viability of Edjeba Community after divestment.

The following recommendations were made by community people as ways to ensure that Edjeba community remains economically viable in the post SPDC divestment era;

- The new company should embark on more economic empowerment, infrastructural development and skills acquisition projects for the people.

- Both community and new company should adopt productive dialoguing in all issues pertaining their relationship
- The new company should work towards creating massive employment for people of the community
- The new company should retain community workers that will be laid-off by SPDC as well as employ additional persons
- The new company should work with NGOs to surpass SPDC's development activities in the community
- A comprehensive MoU should be signed between the new company and the community

However, a few (especially women) recommended that SPDC should have a change of mind and reverse its decision to exit from the community.

5.2.0 AJAOKOROFANGUE COMMUNITY

5.2.1 Overview of the community

Ajaokorofangue community was founded in about 1848 by Prince Okorofangue Teteye Akengbuwa. This was during the period of interregnum in Iwere kingdom (Warri). Prince Okorofangue was the grandson of Olu Akengbuwa 1, the king of Warri kingdom. He was a well known merchant that traded on palm kernel and palm oil. The community is situated in Warri South Local Government Area of the present Delta State of Nigeria. Geographically, the community has common boundary with Ekurede-Itsekiri and Ugbuwangue. The elders' council is the highest governance institution in the community where final decisions on issues concerning the community are taken. The community executive committee oversees the day to day affairs of the community. The youths and the women groups are also of immense importance in the governance structure of the community. According to respondents, Ajokorfangue's population was estimated at 550,000 persons scattered in its land mass of about 450 hectares. Other ethnic groups that live among indigenes of the community include the Urhobo, Ijaw, Ibo and Calabar among others.

Major conflicts witnessed in the community borders on election of persons into positions of community leadership. This happens occasionally especially during the change of administrations but is appropriately managed by intervention of elders in council. Orori (paying of homage with singing and dancing (celebrated between December and January)Ogunnaja among others are some notable traditions and festivals dear to the people of Ajaokorofangue community. It is a taboo in the community for one to steal or a child fight the father or mother.

5.2.2 SPDC's investment (Assets)/number of local persons employed in the community

A part of Ajaokorofangue community's land was leased to SPDC in 1970 to build its main office facility which is situated opposite Federal Government College, Warri. However, in 1975, part of this land was acquired by the Federal military government (through a decree) on which the present day Nigerian Ports Authority was built.

The community people could not say the precise or estimated number of Ajaokorofangue indigenes that are under the employment of SPDC. Also information of SPDC funded community development projects, infrastructure and facilities is sparse.

5.2.3 Characteristics of stakeholders interviewed

The table below contains stakeholders engaged in Ajaokorofangue community to provide useful data during the study;

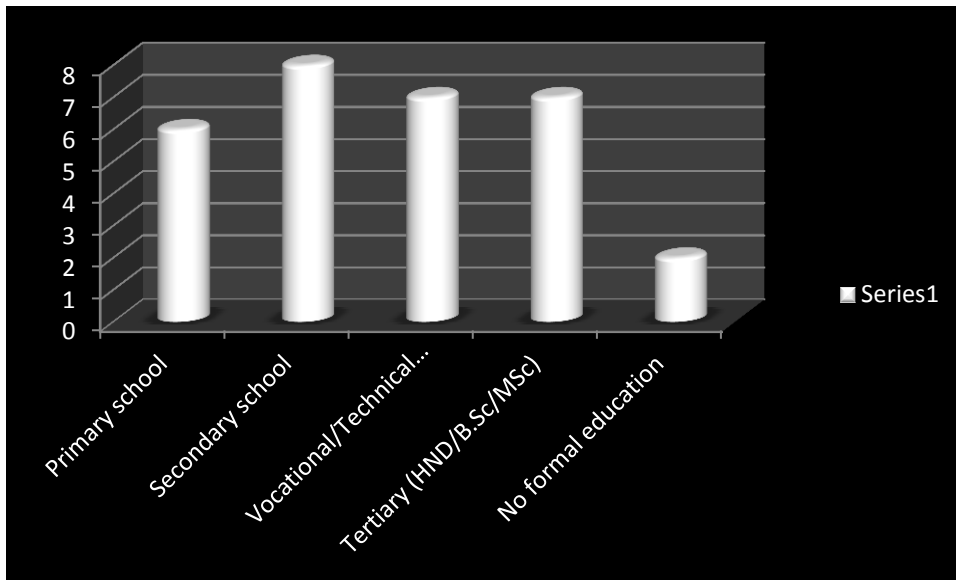
Table 4: Stakeholders Interviewed

S/n	Stakeholder	Number interviewed
1	Youth leaders	4
2	Women leaders	3
3	CBOs/NGOs	3
4	Security agents	3
5	Community contractors/vendors	3
6	Community executives	6
7	Business men and women	7
8	The clergy	1

Most of the Respondents (67%) were men, 33% were women. Mostly within the age bracket of 19-54 and have lived in the community for an average 25 years. The Key Informant responded to having lived in the community for 70 years.

Figure 12: Respondent Educational Status

The figure below shows the educational status of the respondents engaged in the study;

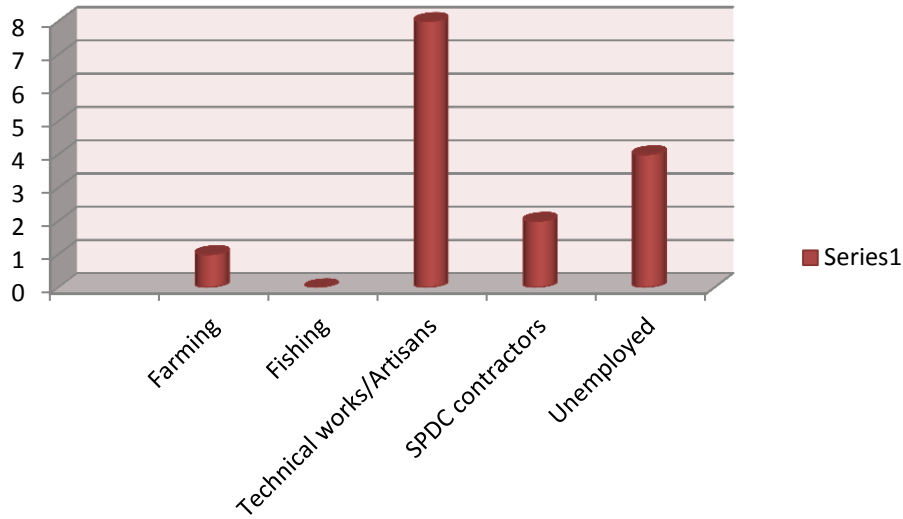


More than 98% had formal education as shown in the table. 99% of Respondents are married to one wife with an average household size of 7. Christianity is the predominant religion accounts for more than 99% of the Respondents.

5.2.4 Primary occupations of the local people

The figure below shows major occupations that the people of Ajaokorofangue community are largely engaged in for livelihood sustenance;

Figure 13: Primary Occupation of Respondents

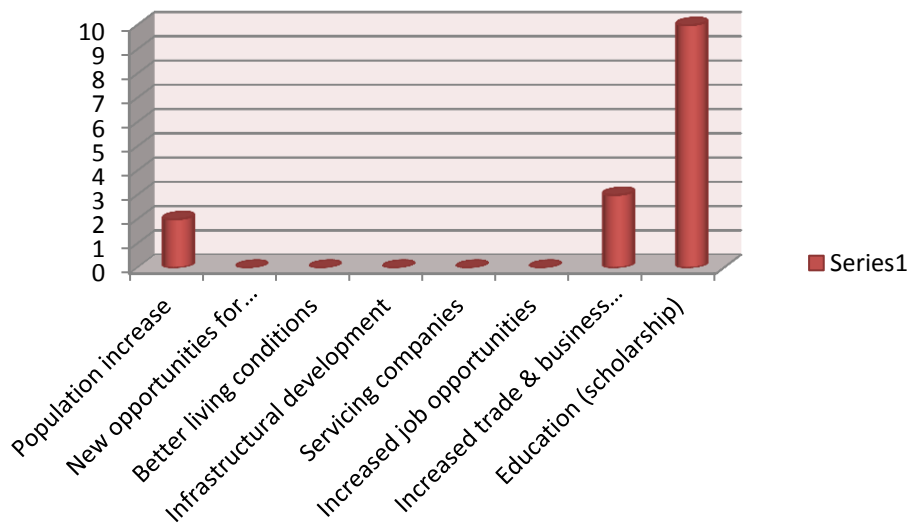


Traditional occupations of the people including crop and fish farming have greatly declined. Majority of the people are artisans in various technical areas, a hand full are contractors to SPDC while a good number of the people (especially youths) are doing nothing to earn a living.

5.2.5 Impact of SPDC’s presence in the community

The respondents varied in their opinions regarding the impacts of SPDC’s presence in Ajaokorofangue community in terms of development. These views are captured in the bar figure below;

Figure 14: Impact of SPDC presence



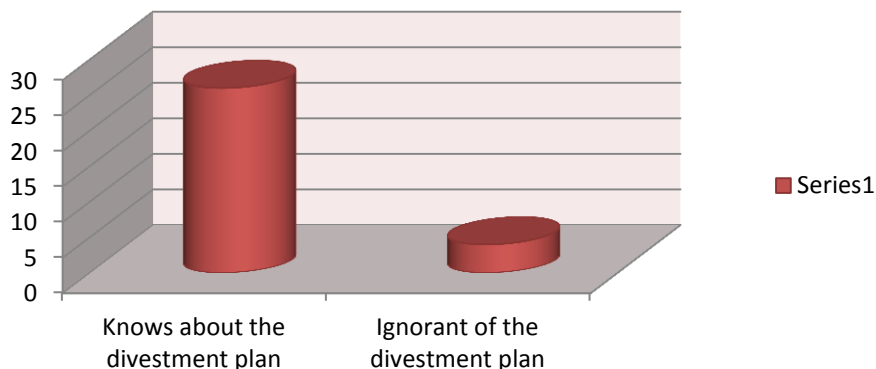
Activities of SPDC as a company in and around Ajaokorofangue community have contributed to population growth due to influx of people to the community. It has complementarily increased trading and business activities in the area especially as the presence of SPDC contractors and other people who have come to dwell in the community have increased the local market for traders. One major area the company's presence has favored the community is in the area of human capital development. A number of community children have benefited from its scholarship award schemes. Notwithstanding most respondents are of the view that SPDC's presence in the community has not added significant development value in the areas of creating jobs and employments, infrastructure and living standards of the people.

In specific terms, the Respondents are unanimous that the company has disappointed Ajaokorofangue community in areas of economic empowerment, skills empowerment, roads and health facilities. Unlike what obtains in Edjeba community, majority of the people in Ajaokorofangue community boldly stated that they have not benefited from any kind of skill acquisition scheme from SPDC.

5.2.6 Level of community awareness & understanding of SPDCs Divestment plan

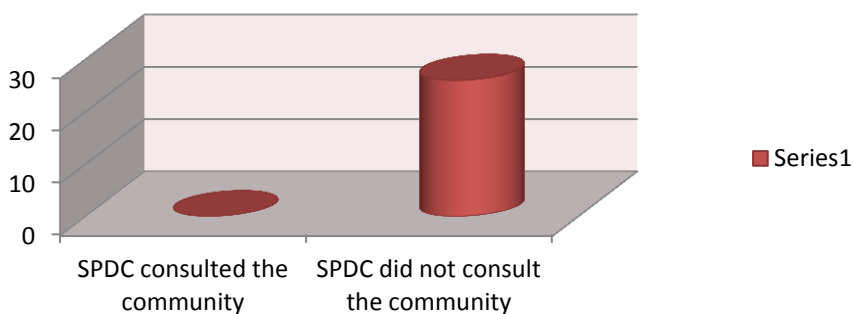
A significant number of persons in Ajaokorofangue community are in the know of SPDC's plan to divest. However, a few claimed absolute ignorance of this development. Proportional distribution of their responses regarding this is depicted in the figure below;

Figure 15: Awareness of SPDC Divestment Plan



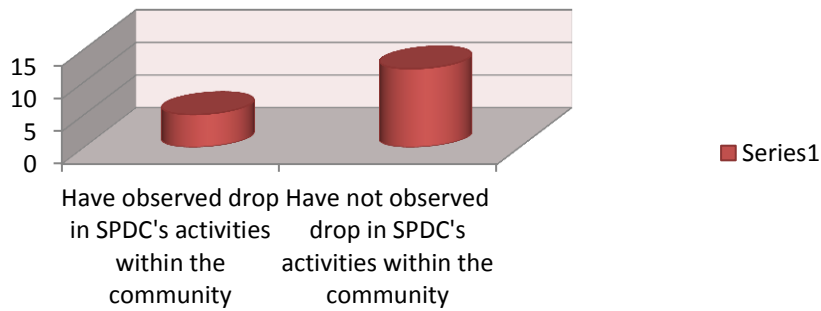
Unfortunately, more than 97% of those that claimed to have known about the divestment plan got wind of it through rumors. Only an insignificant few that heard from sources like the Contractors, some SPDC staff and church members of theirs. Not even the community executives were formally informed of this development. This critically underlines the need for a step-up in communication and feed-back. Expectedly, all those who knows about the divestment plan did not understand its contents and scope. All the respondents were unanimous in their reports that SPDC did not consult with them before embarking on this plan.

Figure 16: Level of Consultation with Community



However, in terms of observed reduction of SPDC’s activities in the community in recent times, more persons reported that they have not observed such as against those that reported to have observed a drop in the company’s activities. The response status of the respondents regarding this is shown in the figure below;

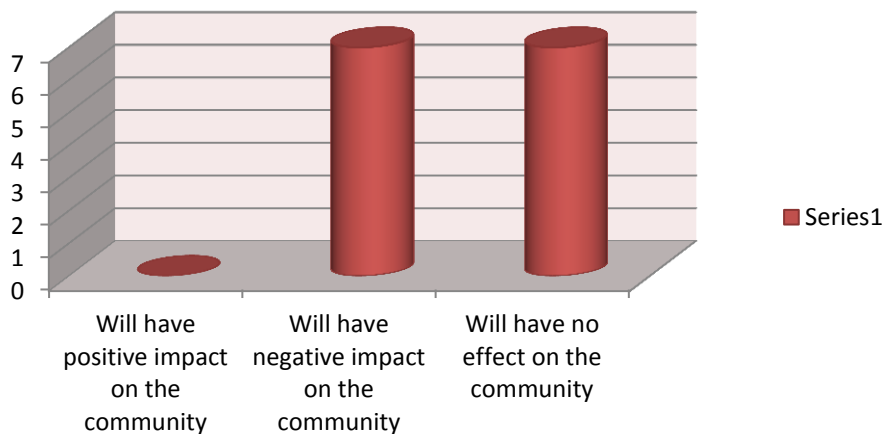
Figure 17: Perceived Reduction in SPDC Activities



5.2.7 Perception of the people on impacts of the divestment

Respondents were equally divided (50:50) on whether the divestment will result in negative impact or no impact at all. Those who say it will have no effect say so because according to them the current presence of SPDC has not had any developmental effect on the community. This is shown in the figure below;

Figure 18: Perceived Impacts of Divestment



Some of these people even believe that the exit of SPDC from the community will provide new opportunities to explore for growth and development.

Perceived negative impacts expressed by the people include;

- Loss of jobs by indigenes

- Future conflicts and relationship crisis by way of ownership claims and process change stemming from the haphazard way SPDC is handling the divestment process at this early stage without informing the community stakeholders properly.
- Loss of existing SPDC scholarship awards by current beneficiaries
- Extreme decline in business and economic activities in the community
- Breakdown of existing peace between the community and SPDC
- Deepened poverty
- Communal clashes
- Delay in payment of community contractors
- Delay in on-going contracts
- Increased school-drop outs
- Increased unemployment

5.2.8 Degree of perceived socio-economic impacts of the divestment plan

The table below maps socio-economic impacts envisaged from the divestment as analyzed by the people.

Table 5: Socio-Economic Impact of Divestment

S/n	Socio-economic feature	No of respondents envisaging Negative impact		Average Degree of impact (%) Yes Category	Suggested solutions
		Yes	No		
1	Income generation	3	27	70	Re-negotiate with new company to create more jobs and build more skills for the community people
2	Employment generation	3	27	54	New company to retain all community workers currently under SPDC employment.
3	Education	5	25	45	Sustain and not abandoned existing scholarship awards offered by SPDC, provide more scholarships.
4	Scholarship award	6	24	70	More scholarship openings by the new company.
5	Food security	1	29	-	-
6	Housing	-	30	-	-

7	Political stability	1	29	70	Community stakeholders should be carried along in the divestment process.
8	Environment/natural resources	3	27	55	Timely response to oil spills in the community. Community and ne company to abide by standard global environmental practices.
9	Community development	1	29	50	New company should show visible fairness in dealing with the community in terms of development.
10	Social infrastructure	2	28	55	New company to always use qualified contractors to execute infrastructural projects in the community.

5.2.9 Suggestions to ameliorate perceived negative impacts

The following were suggested as mitigation measures to perceived negative impacts of the divestment plan;

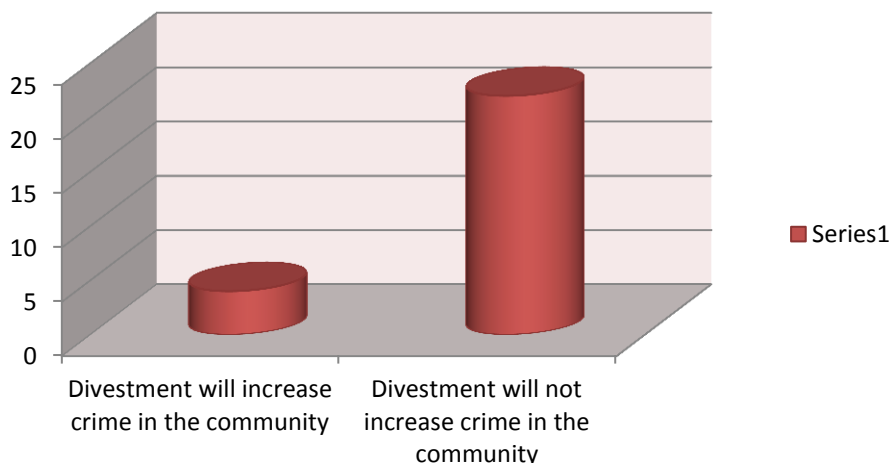
- That SPDC should properly negotiate with the community stakeholders prior to the divestment
- That the new company should be prepared to create more job opportunities for indigenes of the community
- That the new company should work towards building more skills among the youths of the community
- That the new company should sustain and surpass number of scholarship schemes on-going in the community presently.
-
- That the new company should prepare to empower the people economically (such as creating access to soft loans).
- That SPDC should involve the community in the divestment process
- That the new company should sign a fresh MoU with the community
- That the new company should step-up number of contracts they give to community contractors.

5.2.10 Security implications of the divestment plan

82.5% of the Respondents are of the view that the exit of SPDC from the community will not encourage crime rise in the community. However, a handful of them believe that this situation will aid

crime rise because of associated poverty, violence, joblessness, and idleness among the youths. The distribution of their responses is reflected in the figure below;

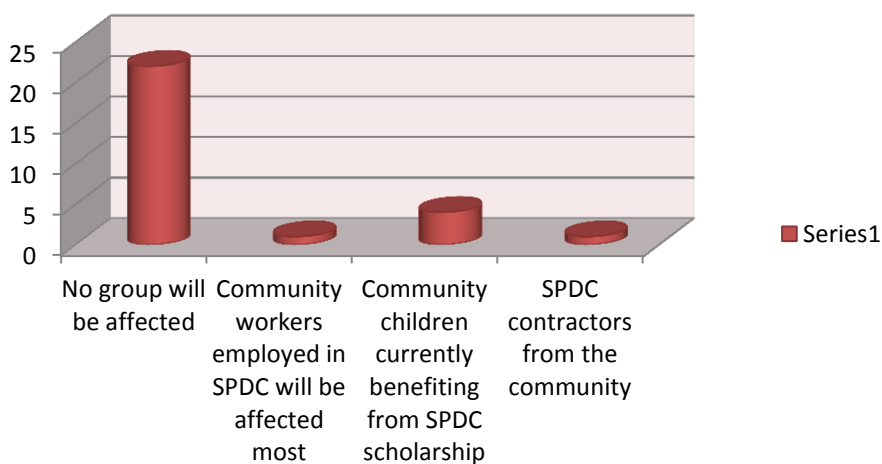
Figure 19: Security Implication of Divestment Plan



5.1.11 Community group to be affected most by the divestment

The views of the respondents regarding the most vulnerable group in the community as a result of the divestment plan varied as shown in the figure below;

Figure 20: Commonly Group (s) to be affected by Divestment Plan



Majority of the Respondents are of the view that the divestment will not affect any group in the community. Most of the Respondents are asking for the quick exit of SPDC from Ajaokorofangue community. Community children currently benefiting from SPDC scholarship scheme ranked second among the groups to be mostly affected by the divestment plan. They are closely followed by

community persons currently employed in SPDC (who stand the risk of losing their jobs) and SPDC contractors from the community who are from time to time given menial contracts to execute in the community.

5.2.12 . Recommendations to ensure socio-economic viability of Ajaokorofangue community after divestment.

The following recommendations were made by community people as ways to ensure that Ajaokorofangue community remains economically viable in the post SPDC divestment era;

- SPDC should put adequate security measures in place before divesting
- SPDC should properly engage Ajaokorofangue community stakeholders in the divestment process
- The new company should embark on more economic empowerment, infrastructural development and skills acquisition projects for the people.
- The new company to sign a fresh MoU with the community.
- The new company should endeavour to do better than SPDC in terms of community relations and community development.
- SPDC should do more in the community in terms of development projects before exiting.

5.3.0 OGUNU COMMUNITY

5.3.1 Overview of the community

Ogunu community is situated in Warri Local Government Area of the present Delta State of Nigeria. The people are of Urhobo tribe (though other tribes including Isoko, Ibo etc live among the indigenes in the community). The community has an organized governance structure comprised of the community executives (who oversee the day to day administration of the community), elders in council (who provides traditional support), the women council and the youth council (who in one way and the other wield influence on their members towards development of the community). The community has a sizeable population of people due to influx of non-indigenes who either come to do oil and gas or related businesses.

Though not often, cause of few conflicts witnessed in the community is the issue of power tussle in community leadership. But when such occurs, the elders in council and Delta State government usually engage warring parties to make peace. Therefore, the community has a flexible conflict resolution approach that work for it. According to the respondents in the study, the emergence and dominance of Christianity has swallowed up all traditional festivals that existed in the community in times past.

5.3.2 SPDC's investment (Assets)/number of local persons employed in the community

Ogunu community leased out some portions of its land to SPDC for the company's activities in the west. However, the precise size of this land could not be disclosed in the course of the study. The people were categorical in their statement that none of their indigenes is gainfully employed in SPDC currently.

5.3.3 CHARACTERISTICS OF STAKEHOLDERS INTERVIEWED

Stakeholders engaged in Ogunu community during the study are contained in the table below;

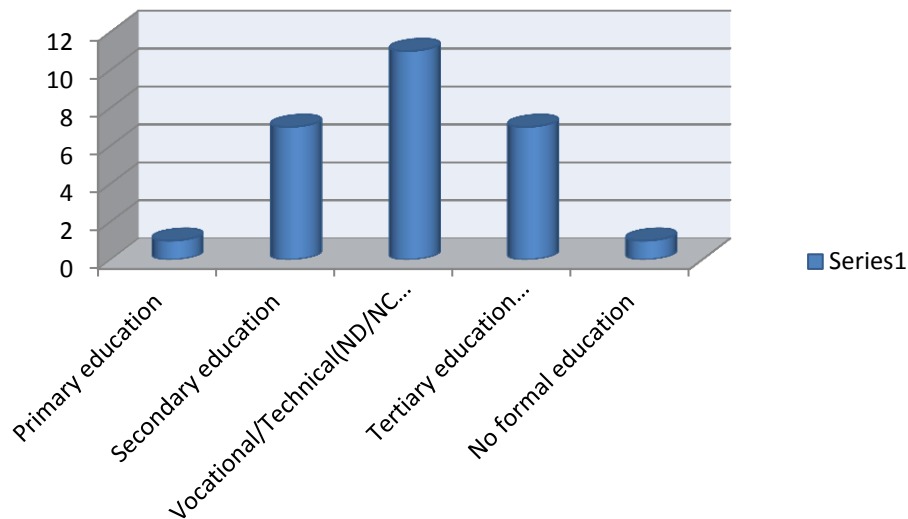
Table 6: Stakeholders Interviewed

S/n	Stakeholder	Number interviewed
1	Community leaders	2
2	Youth leaders	5
3	Women leaders	3
4	Security agents	3
5	Community contractors/vendors	1
6	Business men and women	8
7	Local Government officers	5

Breaking this further down, male respondents were 15 in number while the females were 9. Majority of them were adults between the ages of 19 and 54 with more than 88% of them married. The minimum number of years any of the respondents have been living in Ogunu community is 11 years while majority have lived in the community between 21 to 50 years.

The figure below shows the educational status of the respondents engaged in the study;

Figure 21: Respondents Educational Status



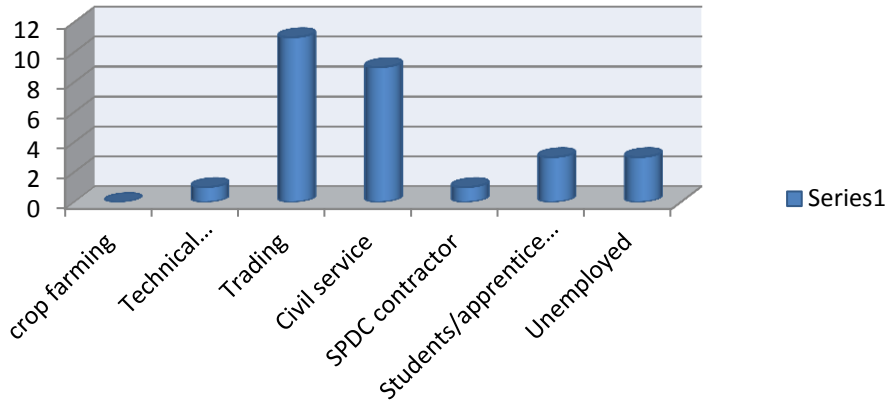
Majority of them were literate enough and adequately informed to provide reliable information that aided the study.

A typical household in Ogunu community is monogamous. Polygamy is quite insignificant. With an average household size of 5 and an estimated 2,000 households in the community, the population is quite appreciable. More than 98% of the people belong to Christian religion, with the other forms of religion more or less not existing.

5.3.4 Primary occupation of the local people

The people of Ogunu community are engaged in various income-earning activities to sustain livelihood. These occupations are captured in the figure below;

Figure 22: Occupational Distribution of Respondents

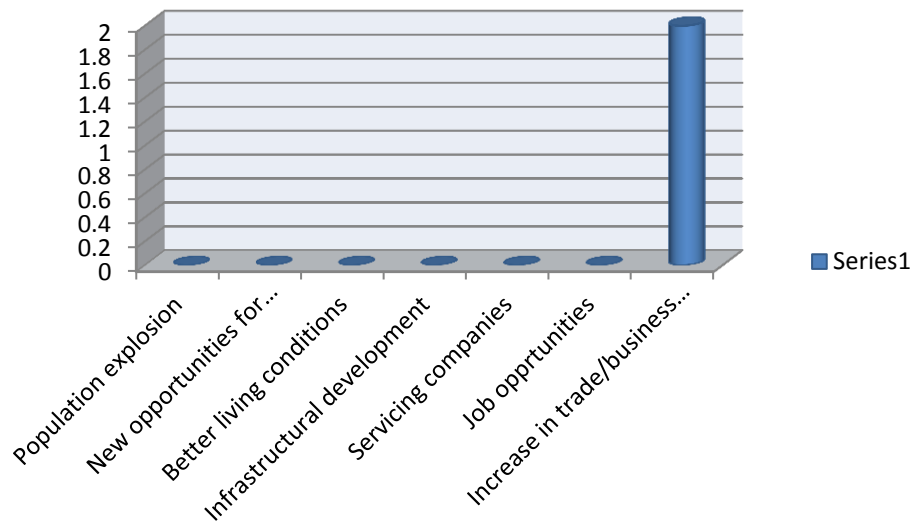


Like in Edjeba, farming is becoming a forgotten occupation of the people. Rapid urbanization may be contributory to this situation. A slightly different picture is seen in Ogunu community compared to Edjeba and Ajaokorofangue communities because the number of community persons engaged in technical works (artisans) is significantly low. Instead, a lot of the local people are into trading and civil service. A countable few are SPDC contractors with an appreciable numbers being apprentice/unemployed.

5.3.5 Impact of SPDC's presence in the community

The respondents vary in their views on the level of development SPDC's presence have attracted to the community. Distributions of these responses are reflected in the figure below;

Figure 23: Impact of SPDC presence on Community



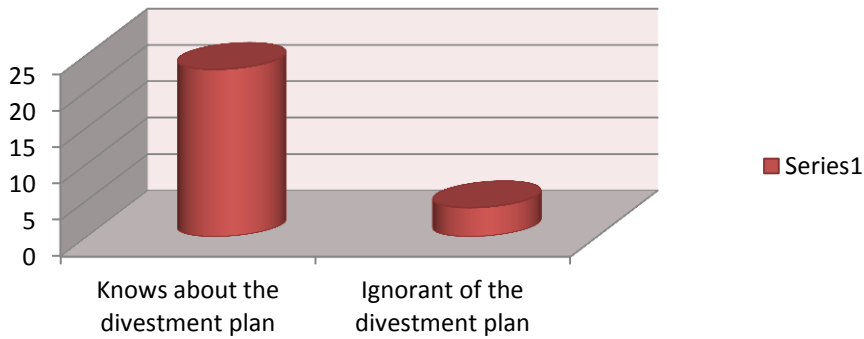
The only outstanding thing that the people of Ogunu attributed to the presence of SPDC in their community is the increased trade and business activities in the area. To them, SPDC's presence has not attracted any other good development to the community.

Going further, some of the people reported that SPDC has assisted the community to a level in areas of scholarship schemes as well as road. However, they consider these grossly inadequate.

5.3.6 Level of community awareness & understanding of SPDCs divestment plan

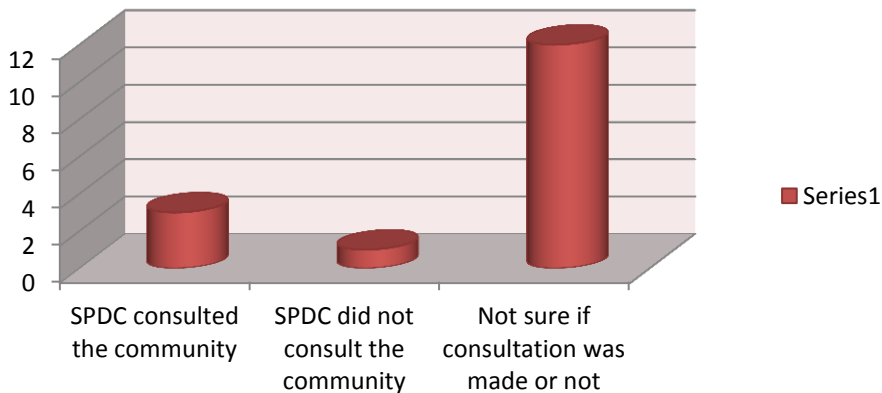
In Ogunu community, a good number of persons are aware of SPDC's plan to divest as against a few that are ignorant of the plan. Responses are captured in the figure below;

Figure 24: Awareness Level of SPDC Divestment Plan



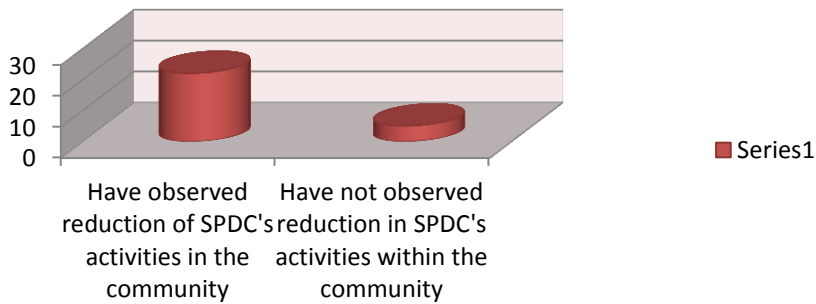
Interestingly, unlike what obtained in Ajaokorofangue community, majority of those in the know got the information from the community leaders. However, a good majority of the people who have got wind of this development do not understand the contents and scope of the plan. Majority of the community people could not categorically state if SPDC consulted the community or not on the divestment plan while some reported that the company consulted the community on the plan, a few countered this claim. The proportional distribution of their responses on SPDCs consultation with Ogunu community is shown in the figure below;

Figure 25: Consultation Status on Divestment Plan



In terms of observed reduction of SPDC's activities in the community in recent times, more persons reported that they have observed that as against the few that reported otherwise. The response status of the respondents regarding this is shown in the figure below;

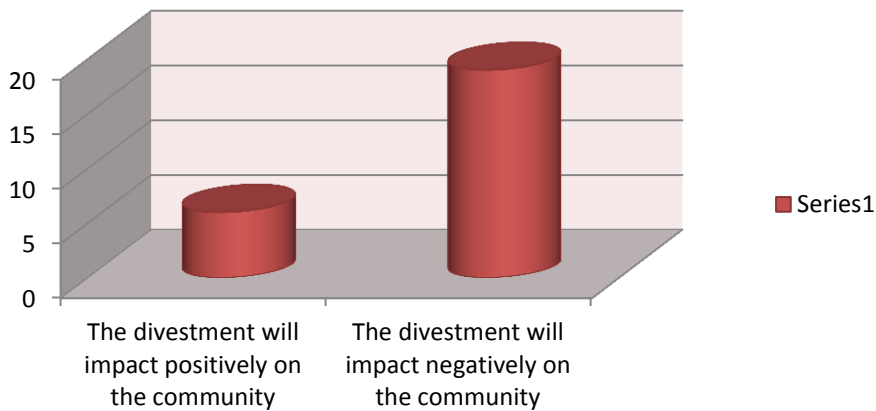
Figure 26: Perception on Reduction of SPDC Activities



5.3.7 Perception of the people on impacts of the divestment

There was mixed feelings on how the people of Ogunu community perceive the impact of the divestment plan on the community. This is captured in the figure below;

Figure 27: Respondents Perception on Divestment Impacts



Majority of the Respondent perceived a cumulative negative impact of the divestment plan on the community including individual households. However, a few stated it categorically that the exit of SPDC from the community will impact positively on them.

Some of the possible negative impacts include;

- Decline in household incomes
- There will be no more contracts for community contractors
- Decline in financial status of the community and component households

- Decline in business activities and sales.
- Loss of on-going SPDC scholarship awards by students
- Increase in unemployment
- Loss of jobs by the community persons currently employed in SPDC

Perceived positive impacts include;

- Anticipated cordial relationship between the community and the new company compared to what obtained with SPDC and new opportunity for development in the community.

However, some of the Respondents believe that exit of SPDC from the community in this divestment process will have no impact on the community because of the little impact its presence has had on Ogunu community over the years.

5.3.8 Degree of perceived socio-economic impacts of the divestment plan

The table below maps socio-economic impacts envisaged from the divestment as analyzed by the people.

Table 7: Degree of Socio-Economic Impact

S/n	Socio-economic feature	No of respondents envisaging Negative impact		Average Degree of impact (%) (Yes category)	Suggested solutions
		Yes	No		
1	Income generation	18	-	60	Create more business opportunities for the local people, create more jobs, and provide more contracts for the locals.
2	Employment generation	14	-	60	Create more employment opportunities for the people.
3	Education	18	-	60	Build more schools, provide adequate learning & teaching aids, employ qualified teachers, sustain scholarship programmes
4	Scholarship award	18	-	60	More scholarship openings by the

					new company.
5	Food security	19	-	60	Investment in rural agriculture and food production.
6	Housing	8	1	60	-
7	Political stability	-	7	60	-
8	Environment/natural resources	-	6	60	-
9	Community development	18	-	60	Embark on aggressive rural infrastructural projects.
10	Social infrastructure	6	-	60	Embark on aggressive rural infrastructural projects.

5.3.9 Suggestions to ameliorate perceived negative impacts

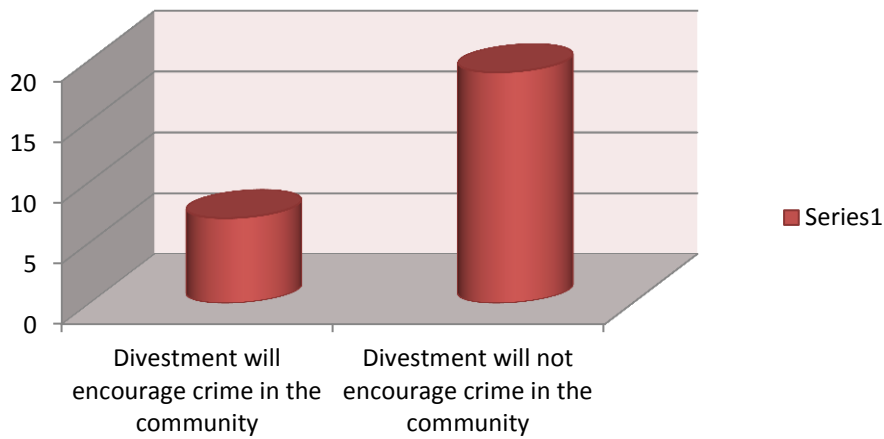
The respondents suggested ways of mitigating or even checking entirely these perceived negative impacts of the planned divestment process in order to consolidate and improve on the social well being of individual households in the community. These suggestions include the following;

- That the new company should take up massive empowerment programmes for the people more than what SPDC did.
- That SPDC should make proper arrangement to link community contractors to the new company for continued relationship.
- That SPDC should repair all the roads their activities have damaged in the community as well as restore the quality of land and water it has polluted over the years.
- SPDC to transfer, and new company to inherit signed MoU between SPDC and community.
- New company should listen and cooperate with community in its demands. It should empower the youths and the elderly in the community
- That the new company should recognize the community
- That the new company should employ more of the community people.
- The new company should take up more community contractors
- That SPDC should adequately compensate the community
- That the new company should scale-up scholarship programmes for children of Ogonu origin
- That SPDC should adequately compensate those community people who will lose their jobs because of this divestment

5.3.10 Security implications of the divestment plan

Most respondents (67%) were of the view that the exit of SPDC from the community will not encourage crime rise. Others think it will encourage crime rate in the community stemming from unemployment, hunger, and idleness that will follow. The proportional representation of these responses is shown in the figure below;

Figure 28: Security Implications of Divestment



5.3.11 Community group to be affected most by the divestment

The respondents were unanimous that the exit of SPDC will not affect any group in the community. This is essentially from the point of view that SPDC presence has not had any positive influence in the day to day life of the Ogunu people over the years.

5.3.12. Recommendations to ensure socio-economic viability of Ogunu community after divestment.

The following recommendations were made by community people as ways to ensure that Ogunu community remains economically viable in the post SPDC divestment era;

- The new company should embark on more economic empowerment, infrastructural development and skills acquisition projects for the people.
- The new company should work towards creating massive employment for people of the community
- The new company should retain community workers that will be laid-off by SPDC as well as employ additional persons
- A comprehensive MoU should be signed between the new company and the community
- The new company should recognize and respect community views.

5.4.0 OGBUWANGWE COMMUNITY

5.4.1 Overview of the Community

Ogbuwangwe community is situated in Warri South Local Government Area of the present Delta State of Nigeria. The people speak Itsekiri language (though pidgin English is so common among them in inter-communication). The community has an organized governance structure characterized by community executives, the council of elders, the youth and the women. Each of these institutions plays critical roles in the day-to-day governance of the community. According to respondents, Ogbuwangwe community has appreciable number of population of humans dwelling in a clustered pattern. Other ethnic groups that live among indigenes of the community include the Urhobos, Ijaw, Ibo and Calabar among others.

Major conflicts witnessed in the community borders on election of persons into positions of community leadership. This happens occasionally especially during the change of administrations but is appropriately managed by community's conflict handling institutions spear-headed by the elders in council and community executives.

5.4.2 SPDC's investment (Assets)/number of local persons employed in the community

The respondents could not exactly say what constitutes SPDC's investments and assets in Ogbuwangwe community. However, what is clear is that the community shares features that qualify it as an SPDC host community.

5.4.3 Characteristics of stakeholders interviewed

The table below contains stakeholders engaged in Ogbuwangwe community to provide useful data during the study;

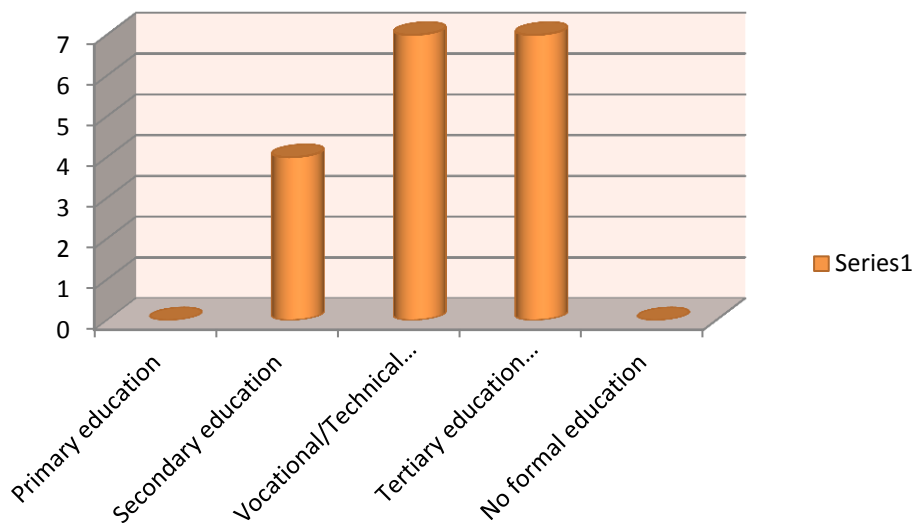
Table 8: Stakeholder Interviewed

S/n	Stakeholder	Number interviewed
1	Community leaders	1
2	Youth leaders	1
3	Women leaders	2
4	CBOs/NGOs	2
5	Security agents	2
6	Community contractors/vendors	1
7	Community executives	2
8	Business men and women	6

Among the respondents, males were 8 in number while females were 11. Most of them were adults within the age range of 18 – 37 years with majority (15) married as against 4 that are unmarried. Most of the respondents have lived in the community between 11 to 30 years.

The figure below shows the educational status of the respondents engaged in the study;

Figure 29: Respondents Educational Status



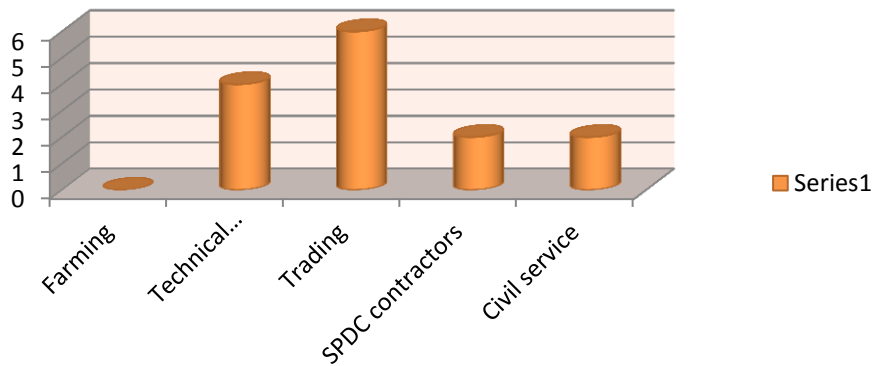
Majority of them are literate enough and have knowledge of their community. Therefore, they offered reliable data during the study.

Majority of the Respondents practice monogamy. A typical household in the community has an average size of 6 children. 98% of the Respondents practice Christian religion.

5.4.4 Primary occupations of the local people

The figure below shows major occupations that the people of Ogbuwangwe community are largely engaged in for livelihood sustenance;

Figure 30: Occupational Distribution of Respondents

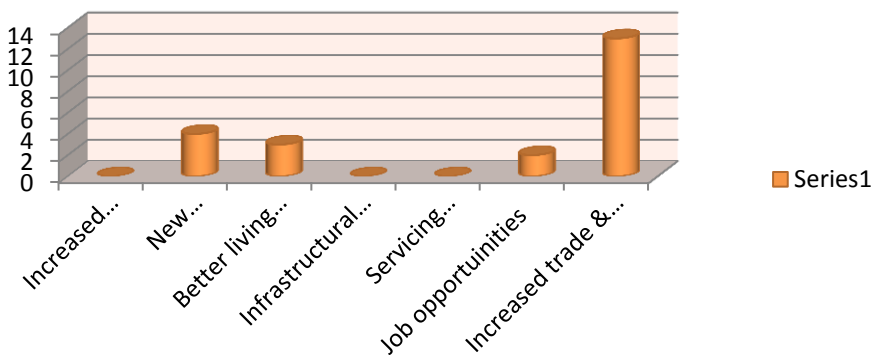


Traditional occupations of the people including crop and fish farming have greatly declined. Majority of the people are traders with a couple of others being artisans. There are minimal number of persons from the community who serve as contractors. It was also gathered that many of the youths in the community are unemployed.

5.4.5 Impact of SPDC's presence in the community

The respondents varied in their opinions regarding the impacts of SPDC's presence in Ogbuwangwe community in terms of development. These views are captured in the bar figure below;

Figure 31: Impact of SPDC on Community



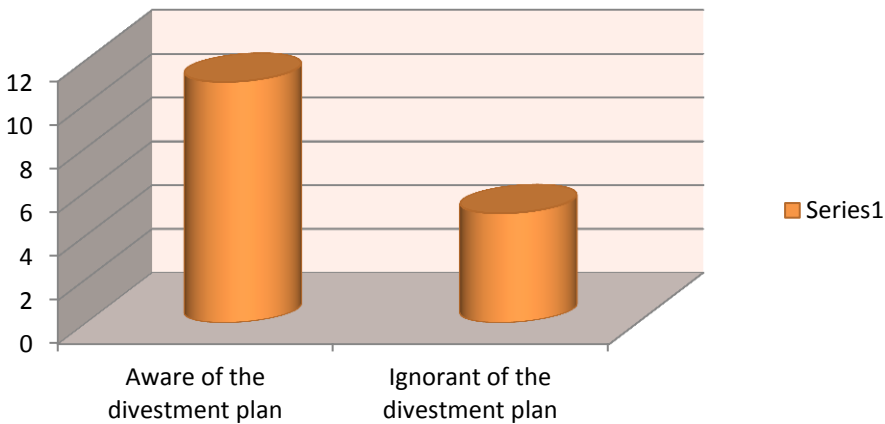
SPDC’s presence in Ogbuwangwe community has contributed to increased trade and business activities in the community, a few new opportunities for development, better living conditions and job opportunities. One major area that has not been impacted is in provision of infrastructure. In terms of human capital development, SPDC’s presence has attracted a number of scholarship awards for children of the community.

The Respondents are unanimous in expressing their disappointment to SPDC for its failure in the areas of skills development and economic empowerment.

5.4.6 Level of community awareness & understanding of SPDCs divestment plan

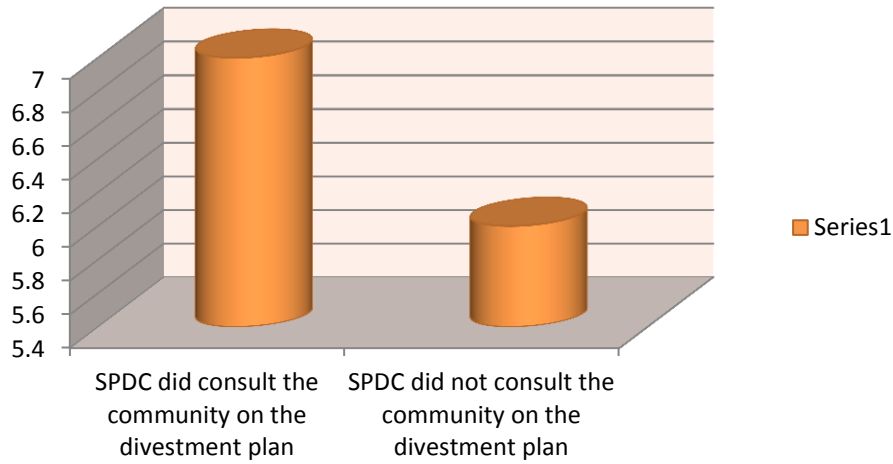
Majority of the Respondent reported knowing of SPDC’s plan to divest. A few said they were not aware of the plan. Proportional distribution of their responses regarding this is depicted in the figure below;

Figure 32: Awareness Level of SPDC Divestment Plan



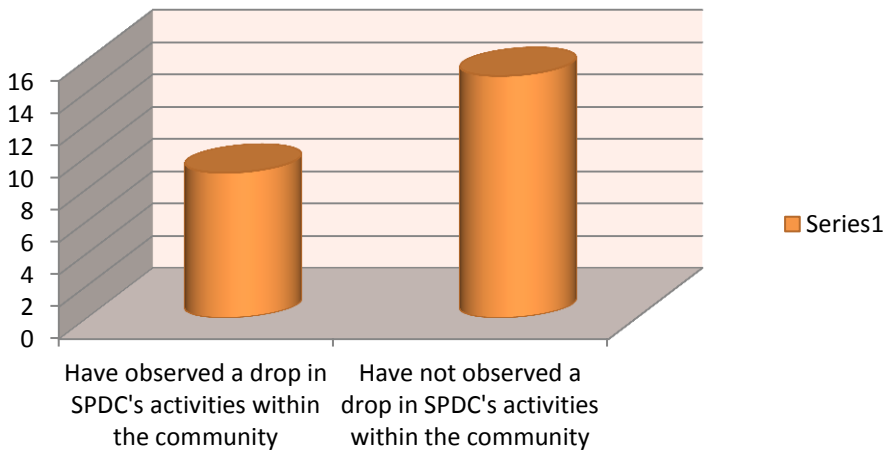
Interestingly a good number of those who knew about the divestment plan also claimed to have good understanding of its content and scope. The respondents were however divided in their views on whether SPDC consulted the community on the divestment plan or not.

Figure 33: SPDC Consultation Status with Community



However, in terms of observed reduction of SPDC’s activities in the community in recent times, more persons reported that they have not observed such as against those that reported to have observed a drop in the company’s activities. The response status of the respondents regarding this is shown in the figure below;

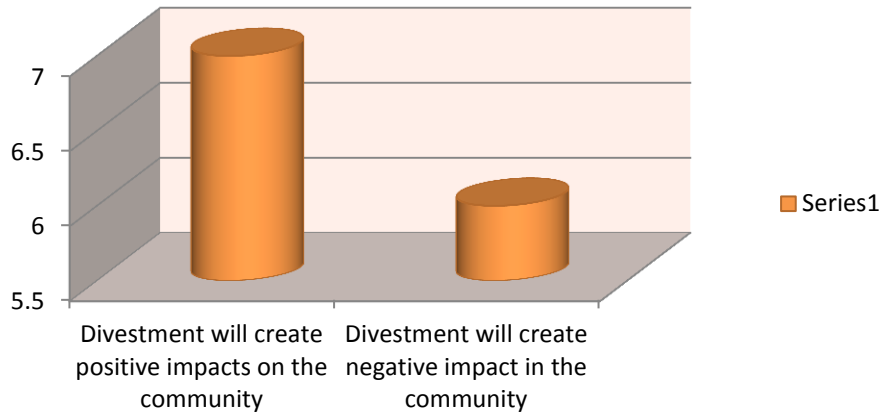
Figure 34: Perceived drop in SPDC Activities



5.4.7 Perception of the people on impacts of the divestment

The respondents were of divergent views regarding the cumulative impact of the divestment plan on the people and the community. This divergent view is captured in the figure below;

Figure 35: Respondents Perception on Divestment Impact



While majority claimed that SPDC’s exit will impact positively in the community, few disagreed insisting the impact will be negative.

Possible negative impacts expressed by the Respondents include;

- Loss of jobs by indigenes
- Decline in economic activities centered on SPDC’s activities in the community.
- Low business patronage
- Decline in number of SPDC’s contracts for community contractors
- Payment of homage will be lost
- Increased hunger
- Declined development projects

Possible positive impacts expressed by the Respondents include;

- SPDC’s long presence has not developed the community. Its exit will give opportunity for new exploration of development options as the community will try other companies.
- Those that patronize SPDC’s clinic in the community will turn to patronize local chemists. This will boom business for this segment of people in the community
- Pollution of community’s environment in the presence of no development will stop.

5.4.8 Degree of perceived socio-economic impacts of the divestment plan

The table below maps socio-economic impacts envisaged from the divestment as analyzed by the people.

Table 9: Degree of Socio-Economic Impact

S/n	Socio-economic feature	No of respondents envisaging Negative impact		Degree of impact (%)	Suggested solutions
		Yes	No		
1	Income generation	9	1	-	Re-negotiate with new company to create more jobs and build more skills for the community people
2	Employment generation	6	1	-	New company to retain all community workers currently under SPDC employment and compensation for those that will eventually lose their jobs.
3	Education	6	-	-	Sustain and not abandoned existing scholarship awards offered by SPDC, provide more scholarships.
4	Scholarship award	10	1	-	More scholarship openings by the new company.
5	Food security	6	-	-	-
6	Housing	2	1	-	-
7	Political stability	3	1	-	Community stakeholders should be carried along in the divestment process.
8	Environment/natural resources	3	1	-	Timely response to oil spills in the community. Community and ne company to abide by standard global environmental practices.
9	Community development	5	-	-	New company should show visible fairness in dealing with the community in terms of development.
10	Social infrastructure	3	1	-	New company to always use qualified contractors to execute infrastructural projects in the community.

5.4.9 Suggestions to ameliorate perceived negative impacts

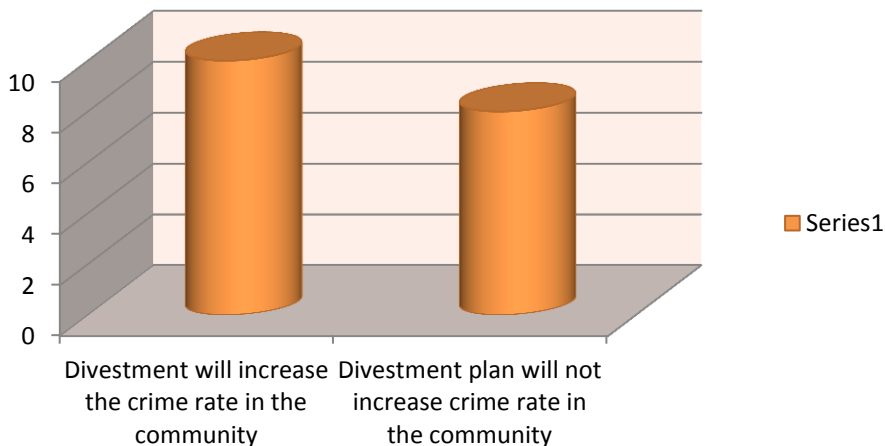
The following were suggested as mitigation measures to perceived negative impacts of the divestment plan;

- That SPDC should compensate community people adequately
- The new company should be community friendly in their corporate relationship with Ogbuwangwe community and in terms of community development
- That SPDC should properly negotiate with the community stakeholders prior to the divestment
- That the new company should be prepared to create more job opportunities for indigenes of the community especially graduates
- That SPDC should complete all on-going projects in the community before exiting
- That the new company should work towards building more skills among the youths of the community
- That the new company should sustain and surpass number of scholarship schemes on-going in the community presently.
- That the new company should prepare to empower the people economically (such as creating access to soft loans).
- That the Government should intervene to bring SPDC back (a few suggested this especially among the women).

5.4.10 Security implications of the divestment plan

Again, the respondents showed divergent views on possible security implication of the divestment process to the community. As shown in the figure below, majority of the people believe that this process will increase crime rate in the community. A few others think otherwise.

Figure 36: Security implication of SPDC Divestment Plan

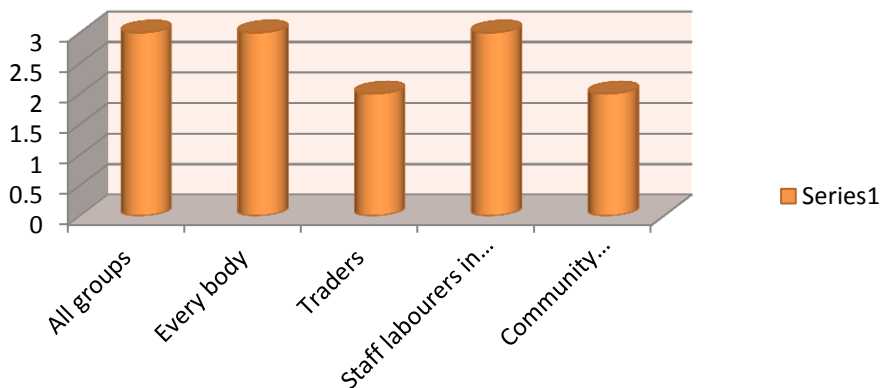


Those who think the divestment will encourage crime wave in the community ascribe it to mass unemployment and loss of job that will be associated with the divestment process. Those with divergent view say SPDC exit cannot change the equation due to lack of influence on the community since inception.

5.4.11 Community group to be affected most by the divestment

The views of the respondents regarding the most vulnerable group in the community as a result of the divestment plan varied as shown in the figure below;

Figure 37: Groups to be affected by divestment plan



5.4.12. Recommendations to ensure socio-economic viability of Ogbuwangwe Community after divestment.

The following recommendations were made by community people as ways to ensure that Ogbuwangwe community remains economically viable in the post SPDC divestment era;

- The new company should be committed to genuine economic empowerment and infrastructural development projects in the community
- The new company should create job opportunities for graduates of Ogbuwangwe origin.
- New company and community to embrace productive dialoguing in development issues
- SPDC should pay outstanding salaries it is owing its workers from the community
- SPDC should properly engage community stakeholders in the divestment process

5.5.0

OKUREDE-URHOB0 COMMUNITY

5.5.1 Brief on Community

The name of my community is Okorude Urhobo community located at Warri South Local Government of Delta State. Okurede community is from Agbara kingdom, one of the seven villages that make up the kingdom. Okurede community is a peace loving community with the population of about 8,000 people and our major occupation was farming until the operation of SPDC came in to pollute our environment and occupy some hectares of land. Our people no longer carry out their fishing occupation because of their operational activities.

5.5.2 SPDC Assets / Facilities / Employment Status In Community

The details are not captured in the questionnaire, returned for analysis.

5.5.3 Characteristics of Stakeholders Interviewed

Table shows those interviewed were mostly Contractors to SPDC, Security Personnel, Staff of NGOs/CBOs and staff of Contractors to SPDC.

Table 10: Stakeholders Interviewed

S/N	Category	Frequency
A	Local Government officer	-
B	Community Leader	2
C	Youth Leader	2
D	Women Leader	1
E	CBO/NGO	5
F	Security Agency	4
G	Community contractor/vendor	9
H	SPDC Staff	-
I	CDC	-
J	Community Executive	4
K	Business man/woman	4
L	Civil servant	1
M		

61% of the respondents were male and 98% were married; only 2% were unmarried. Most of the respondents were within the age bracket of 19-54 and have lived in the community for more than 10 years. Christianity is the predominant religion and accounts for 100% of the respondents. Majority of the respondents reported being married to one wife with an average family size of 5.

All respondents are literate, the least having attained secondary school Education. 59% had tertiary Education (B.Sc. M.Sc., etc).

Table 11: Respondents Level of Education

S/n	Education Level	Frequency
1	Primary school	-
2	Secondary School	5
3	Vocational/Technical school, ND/NCE/A/L	4
4	Tertiary school: HND/BSc/MSc etc	17
5	No formal Education	-

5.5.4 Primary Occupation

Respondents reported a wide range of primary occupations in Okurede-Urhobo Community. Most of these occupations are relevant to the activities of oil & gas operations. Majorly the occupations include Spill contractors, artisan/technicians. There are also traders, retired personnel and civil servants.

Table12: Primary Occupation of Respondents

s/n	Occupation	Frequency
1	Farming	-
2	Fishing	-
3	Technician /Artisan	2
4	Trading	3
5	Shell contractor	5
6	Civil servant	2
7	Shell/Oil Company staff	-
8	Shell Direct/Contract staff	-
9	Contractor staff	-
10	Retired	4
11	Student/Apprentice	-
12	Unemployed	-
13	Others	-

5.5.5 Level of Community Awareness of SPDC Transfer of Interest

78% of respondents said they are aware of the divestment plan and the scope of the project. SPDC was noted as the major source of information on the TOI/divestment. Other sources reported by respondents included rumor and community members. A majority of the respondents however observed that SPDC did not consult with them before embarking on the planned divestment. 17.

Table 13: Awareness of SPDC proposed Transfer of Interest project

Response	Frequency
Yes	25
No	4
Understand the scope of the Project	
Response	Frequency
Yes	25
No	1
Source of Information	
SPDC	17
Community	5
Rumours	2
Community consulted on Divestment	
Response	Frequency
Yes	6
No	10

5.5.6 Respondents Perception of Impact of Divestment Plan

67% of the respondents were certain it would have negative impact on the community. 33% said rather, the impact of the divestment will have positive effects on the community. The tables below outline the reasons for these perceptions.

Table 14: Negative Effect of Proposed Transfer of Interest

S/n	Effect	Frequency
1	It will neither affect us positively or negatively	2
2	Joblessness	4
3	No contract	5

4	Loss of a multinational Company in Warri urban	1
5	SPDC's presence attracts investors	1
6	Fall in population size	1
7	Bulk of patronage from SPDC staff and wives	1

Table 15: Positive effect of Proposed Transfer of Interest

s/n	Effect	Frequency
1	Community land will be restored	1
2	Price of goods will drop	1
3	No benefits from SPDC	1

5.5.7 Stakeholders Perception of Social Economic Impact of Divestment

Table16, below shows the degree of negative impact of the proposed divestment plan.

Table 16: Degree of Social Economic Impact of planned Divestment

s/n	Socio-economic features	Negative Impact?				Suggested measures/suggestions
		Yes	Degree (%)	No	Degree (%)	
1	Income generation	8	55	2	5	<ul style="list-style-type: none"> • Provide job • Build modern market with public toilet facilities • Contract staff should be paid compensation • Provide microcredit scheme
2	Employment generation	9	57	1	10	<ul style="list-style-type: none"> • Build modern market • Provide micro-credit scheme • Provide training and skill acquisition programs • Create job opportunities

3	Education	6	50	-	-	<ul style="list-style-type: none"> • Build schools
4	Scholarship award	8	57	-	-	<ul style="list-style-type: none"> • Scholarship scheme should continue
5	Food security	4	50	-	-	<ul style="list-style-type: none"> • Investment on farming • Agriculture should be encouraged
6	Housing	1	35	-	-	<ul style="list-style-type: none"> • Build more houses
7	Political stability	3	47	1	-	<ul style="list-style-type: none"> • Youth restiveness should be curtailed
8	Environment/ natural resources	1	20	1	-	<ul style="list-style-type: none"> • -
9	Community development	4	53	-	-	<ul style="list-style-type: none"> • Empowering the youths and children
10	Social infrastructure	4	38	-	-	<ul style="list-style-type: none"> • Build more infrastructures

5.5.8 SUGGESTIONS TO AMELIORATE NEGATIVE IMPACTS

The respondents suggested various ways to ameliorate the perceived negative impact of the proposed plan on individual household, stakeholders and the community at large.

Table 17: Suggested Measures to Ameliorate Negative Impact of Divestment Plan

S/N	Measures
1	Employment for leaders and youth
2	Partnership with other companies
3	Provision of necessary amenities – good roads, electricity, drainages, modern market with toilet facilities
4	Compensation
5	Payment of money owed to all contractors by SPDC
6	Empowerment for women
8	When the new company comes, we will dialogue
9	Those in power should bring back SPDC
10	Compensation should be given to staff and Contractor staff and the communities they've been operating in
11	SPDC should pay up debt
12	Restore community land

5.5.9 Security Implication of Proposed Divestment Plan

10 out of the 14 respondents who answered these questions indicated clearly that the planned divestment will have security implications for the community and surrounding. Part of the reasons given for these positions .

REASONS GIVEN FOR POSSIBLE RISE IN CRIME

- Unemployment
- Idleness
- Hunger/starvation

REASON WHY DIVESTMENT PLAN WILL NOT INCREASE CRIME RATE

- SPDC’s presence has not been felt since inception

5.5.10 Suggestions to Ameliorate Perceived Negative Impacts

Table 17 shows an outline of community recommendations/measures to ensure Okurede-Urhobo remain socio-economically viable.

Table 18: Measures to ensure socio-economic well being of the community

s/n	Recommendations	Frequency
1	SPDC should repair infrastructures they destroyed	1
2	New company should provide employment	3
3	The new company should help in community development programmes – micro- credit, employment, water scheme, skill acquisition, scholarship scheme	3
4	Government should provide job opportunities	1
5	Clean-up of water for fishing	3
6	Payment of outstanding salaries to contractor and contractor staff	1
7	Auctioning of properties of SPDC to contractors at a cheap rate	2
8	Compensation to be paid to staff	2
9	NGO to assist community to have a donor agency to develop the community	2
10	Salary to be paid elders (50years & above)	2
11	Clean-up of land for Agriculture	2
12	New company should be socially responsible	1

5.6.0 OKERE URHOBO

5.6.1 OVERVIEW OF THE COMMUNITY

The Kingdom of Okere-Urhobo is located in Warri. Warri of course is a multi-ethnic metropolis comprising primarily of 2 Urhobo Kingdoms, the Itsekiri and the Ijaw kingdoms. Effectively the Okere-Urhobo Kingdom is in the heartland of the City of Warri.

The Okumagba family, headed by Chief Benjamin Okumagba is the OTOIa (Speaker) of the kingdom. He was the two term President General of the Urhobo Progress Union (UPU) Worldwide. Chief Okumagba is one of the most prominent citizens of the kingdom.

The Okumagba family is well known throughout Nigeria for being in the forefront of and a fierce defender of the kingdom against several years of assault and attempted elimination of the kingdom by some neighboring ethnic groups. They defended the kingdom legally and physically.

Some of the well known places in the kingdom are the Okumagba layout, the Idama hotel which was burnt down then rebuilt after the Warri crises and the Igbudu Market to name a few.

5.6.2 SPDC INVESTMENT (ASSETS) / NUMBER OF LOCAL PERSONS EMPLOYED IN THE COMMUNITY

Details not captured in the questionnaires, returned for analysis

5.6.3 CHARACTERISTICS OF STAKEHOLDERS INTERVIEWED

The following stakeholders were interviewed during the study

Table 19: stakeholders interviewed

S/N	CATEGORY	FREQUENCY
A	Local government officer	-
B	Community leader	-
C	Youth leader	1
D	Women leader	-
E	CBO/NGO	-
F	Security agency	-
G	Community contractor/vendor	3

H	SPDC staff	-
I	CDC	-
J	Community executive	-
K	Business man/woman	4
L	Others specify	-

The table shows the respondents were mostly traders (business men/women) with a sizeable number being local contractors.

85% of the respondents were male and 15% females. In the same vein, 85% of the respondents were married and 15% single. All respondents are Christians. 50% of them completed tertiary education, 20% attended secondary/vocation training, and the remaining 30% had no formal education. Most of the respondents have lived in the community for between 11-20 years and few for much longer period. Respondents reported being married to one wife and have an average household size of six (6).

5.6.4 PRIMARY OCCUPATION

The table below shows the different occupation of the respondents interviewed.

Table 20: Respondents Primary Occupation

S/N	CATEGORY	FREQUENCY
A	Farming	-
B	Fishing	-
C	Technician/Artisan	-
D	Trading	2
E	Shell Contractor	3
F	Civil servant	1
G	Shell /oil company staff	-
H	Shell direct/contract staff	-
I	Contract staff	-

Most of the respondents were SPDC Contractors, traders and civil servants. The traditional primary occupation of the people – farming has been abandoned to pursue ventures that can key into the requirement of the oil & gas sectors.

5.6.5 AWARENESS OF SPDC DIVESTMENT PLAN

Most of the respondents (98%) reported ignorance of the proposed transfer if Interest/ divestment plan. The 2% who claimed knowledge of the process got their information from SPDC staff and as rumor. No respondent is aware of the content and scope of the proposed divestment. Most of the respondents said they were not consulted at anytime on the proposed plan. A very few said the community was actually consulted at some point.

5.6.6 RESPONDENTS PERCEPTION OF IMPACT OF DIVESTMENT PLAN

Respondents (100%) were unanimous that the efforts on households, stakeholders and community will be negative.

Table 21: Respondents Perception of Impacts of Divestment plan

S/N	RESPONSE
1	Poor business patronage
2	Contract loss
3	Reduction in economic activities
4	Being hoping to register with spdc
5	Reduction in community population

5.6.7 STAKEHOLDERS' PERCEPTION OF THE DEGREE OF SOCIO-ECONOMIC IMPACT THE PROPOSED DIVESTMENT PLAN WILL HAVE ON STAKEHOLDERS

Table 22: Degree of socio-economic Impact

S/N	SOCIO-ECONOMIC FEATURES	NEGATIVE IMPACT				REMARKS
		YES	%	NO	%	
1	Income Generation	4	59.5			<ul style="list-style-type: none"> Financial empowerment for host community Skill Acquisition Financial Assistance Job creation

2	Employment generation/status	4	62.5			<ul style="list-style-type: none"> • New operator should be employ • Job opportunities • Constant electricity • Financial empowerment for community
3	Education	2	50			
4	Scholarship	4	60			<ul style="list-style-type: none"> • Scholarship to tertiary school for affected communities • Financial empowerment for host
5	Food security	1	45			<ul style="list-style-type: none"> • Agric equipment provided • Financial empowerment
6	Housing					
7	Political stability					
8	Environment/ Natural Resources					
9	Community Development	1	20			
10	Social Infrastructure	1	10			

5.6.8 SUGGESTIONS TO MITIGATE NEGATIVE IMPACTS

The respondents suggested different measures to mitigate the perceived negative impact of the proposed plan on individual households, stakeholders and the community at large as in the table below.

Table 23: Suggested measures to mitigate Impact of divestment

S/N	RESPONSE
1	Massive development before leaving
2	Financial assistance to communities
3	Youth employment
4	Provision of amenities
5	Community empowerment
6	Compensation to workers
7	Government should provide employment

5.6.9 SECURITY IMPLICATION OF PROPOSED DIVESTMENT PLAN

Six (6) of the seven respondents affirmed the possibility of crime escalating as a result of the planned divestment. Only one (1) respondent had a contrary view. According to him, the community has NEVER felt the presence and influence of SPDC since inception and wonders how their exit could then cause increase in crime rate.

The majority who affirmed the possibility of upsurge in crime gave the following reasons as the basis.

- High unemployment
- Lack of business
- Loss of patronage of local contractors
- Reduction in commercial population of community

5.6.10 SUGGESTIONS TO AMELIORATE NEGATIVE EFFECT OF DIVESTMENT

Table 24: Suggested measures to mitigate negative Impact of the plan by respondents

S/N	RESPONSE
1	Staff and community compensation recommended
2	Grant/loan facilities to community
3	Electricity connection to national grid
4	Develop community before leaving
5	New Company should be a listening one
6	New Company should attend to community needs (Electricity, Health and economic empowerment)
7	New Company should employ people
8	SPDC should leave so community can use their lands
9	Promote loan/micro credit to former staff
10	Compensation to community as gift
11	SPDC should repair lands, water and roads destroyed
12	Provide social amenities (Hospital, water, etc)
13	Business start up pack for enterprise groups
14	New Company should develop community
15	Empowerment to host community

6. CONSULTANT RECOMMENDATION/SUGGESTIONS TO AMELIORATE IMPACT

The study has shown that impacts such as loss of local Employment, a general decline in community Economic activity, the cutting back on community development projects presently provided by SPDC, and loss of patronage of local contractors and disbandment of local community Investments can all be long term financial and reputational liabilities for SPDC. To avoid reputational issues we will want to make the following recommendations:

1. STAKEHOLDER ANALYSIS/ GRIEVANCE HANDLING

Given the dearth of information on the stakeholders in the study, I will recommend a revisit of the stakeholder analysis. Because the process of TOI and divestment present new sets of risks and opportunities, the range of potential stakeholders and their interests, this will allow stakeholders to inform the design of mitigation and risk management measures, and the realization of economic opportunities.

Knowledge that facilities might be closing or community knowledge of SPDC TOI/divestment can act as trigger for local stakeholders to raise a variety of grievances which SPDC should be prepared to manage as part of the broader process of TOI, decommissioning or divestment.

These grievances might include:

- Concerns about inadequate retrenchment compensation
- Perceptions of unfulfilled commitments to provide development benefits to affected communities
- Questions about environmental liabilities
- Fears about how new operators may treat local stakeholders
- Fears about sudden loss of employment, patronage of local contractors and eminent socio-economic downturn of host communities

2. NATURAL ENVIRONMENT

- a. Identify and rehabilitate any natural environment that has been damaged by SPDC operations
- b. Return land resources acquired from communities and not covered by proposed transfer of interest

3. SOCIO-INFRASTRUCTURAL/ASSETS

- a. Integrate operational infrastructures not covered by TOI into existing public services or set up a management committee for the sustainability of assets.
- b. Establish funds and management structures for the long term monitoring and sustainability of infrastructure/assets

4. EMPOWERMENT

Empowerment for socio-economic viability should be community specific and as such should derive largely from data and information from the affected communities on suggested ways to ameliorate the impact of SPDC proposed TOI/divestment. Given the inadequacy of available data from the study, the following generic Empowerment programmes are suggested.

- Community Enterprise Projects

Like cluster wide projects, these are revenue yielding enterprises owned and managed directly by community or indirectly by a third party for the community. They range from cottage industries to medium and large scale Enterprises.

- Micro-credits for women

Micro-credits for women have achieved a measure of success story as far as repayment is concerned. With good management, micro-credits remains a magic wand in growing local economies.

- Grants Mechanism

Specific needs in communities can be handled by giving grants – cottage hospital, water schemes, library, transports (boats, canoe, bus, etc).

OTHERS

- Scholarship programmes (primary to tertiary)
- Skill acquisition centres
- Market creation for community goods / services
- Promotion of PPP (Public Private Partnership)
- Capacity building for functional skills and entrepreneurial development

ENGAGEMENT OF PR / COMMUNITY DEVELOPMENT SPECIALIST

It is imperative to engage a firm/NGO of Public Relation and/or Community Development Specialist to manage general mitigation measures of affected communities for 1-2 years in the post-divestment phase of SPDC TOI.

These third party outfits acting like the GMoU mentoring NGOs will work to ensure that post TOI risks are minimized, opportunities maximized in such a way to ensure that affected communities remain socio-economically viable.

Legacy Projects

SPDC should also assess and compile inventories of all its legacy projects in the communities and develop proper transfer and completion framework together with the new companies. This should be communicated to the people in the communities.

Signed MoUs

SPDC should also evaluate all MoUs it signed with the communities so as to ascertain their levels of implementation and decide ways forward.

Review Divestment Communication Strategy

SPDC should also review its communication strategy and information management system in-house in order to check scenarios where company staffs give out wrong and inciting information to communities.

SPDC should be transparent enough to make the communities understand its assets and liabilities being transferred and reasons for doing so. This will change a whole lot of ill-perceptions held strongly by a lot of people in the communities as well as save the reputation of the organisation. This can be achieved by town hall meetings that will get the message down to the grassroots and get unclear issues clarified to all. To rebuild the image of the company before these community stakeholders, the company should also use the town hall meetings to educate the people on the projects it has done so far for the various communities.

Finally, whereas the focus of multinationals and international organizations involved in transfer of interests/divestment is the Implementation of a cocktail of empowerment projects as a strategy to mitigate the risks and socio-economic impact associated with the process. Available statistics and reports shows that rather than empowerment, the initial efforts / focus should be to achieve a comprehensive stakeholder analysis/ engagement which allows stakeholders to inform the design of mitigation and risk management measures and the realization of economic opportunities.

Thus, consultation with affected stakeholders is imperative for lasting solutions.