

**REPORT OF THE SECOND MEETING OF THE
SUDAN OIL AND HUMAN SECURITY
INITIATIVE (SOHSI)**

Held at the British
Council, Khartoum

March 24th/25th 2008

British Council

Collaborative for Peace in Sudan

Peace Direct



Reflections from the participants on the second meeting

1. The human security perspective which is the basis of SOHSI gives a road map and a framework for oil companies, community leaders and government to shape the future operations of oil companies in respect of the security of their communities.
2. The signing of the Comprehensive Peace Agreement (CPA) marks a shift from the culture of war and violence to the culture of peace, which needs to be reflected in the oil sector as elsewhere. Therefore this is a good time to be launching SOHSI.
3. We have found the oil companies who participated in this event have been open and willing to share their perspectives with the community representatives. We have found the community representatives eager to engage with the oil companies.
4. Trust building is a long task, but it began at the first workshop and has been reinforced at this one.
5. We regret that the Government, which is a key player in these issues, was not represented at our second workshop. We believe that SOHSI needs to make every possible effort to engage with the Government in future.
6. We take pleasure in the fact that most of the ambitious action plan which was formulated at the end of the first meeting of SOHSI has been implemented. This shows that the participants in SOHSI live up to their commitments.
7. We acknowledge and appreciate the continuing support which the British Council has provided to SOHSI, without which SOHSI could not have been established.
8. We hope that, following the Juba summit planned for early May 2008, SOHSI will begin to gain official recognition as an important initiative in the oil sector.

Background to SOHSI

A seminar on Oil and Community in Sudan was held at the British Council on November 4th-5th 2007. The seminar was organised by the British Council and the Collaborative for Peace in Sudan, a movement of peace building organisations from North South and Central Sudan, which was itself inaugurated at the British Council in September 2006. Peace Direct, a UK based NGO, which supports local peace building in conflict areas, secured funding for the seminar from the UK Foreign Office in Khartoum.

The purpose of the seminar, attended by 9 community representatives and 4 oil company representatives, was to build greater understanding between the participants and begin to develop constructive relationships. The Collaborative decided to organise the seminar because of its concern about increasing violence in the oilfields.

The underlying premise of the seminar was that in order to create security for all parties, both the community and the oil sector needed to rethink their approach. A part of the seminar was devoted to exploring ways of breaking out of traditional ways of thinking in order to achieve this.

Participants were introduced to the concept of human security in relation to the oil sector by Irene Gerlach, an expert in relationships between the oil sector and communities in a variety of African countries. Irene introduced a positive case study from the Yemen. She emphasised that simply investing in community development projects would not create security, and cited the example of the Niger Delta. Despite the investment of many millions of dollars in community projects, Shell and other oil companies are now losing 10% of production due to bunkering and other forms of disruption.

Instead, companies and communities need to work closely together, with support from Government at different levels, to plan for and monitor all the issues that affect the community, including human rights, environment and security, as well as development.

Participants divided into their two groups to explore ways of generating trust, understanding, respect and participation, which were seen as the keys to the human security approach. It was clear that there was a great deal of common ground between the ideas generated by the two groups.

On the second day of the seminar, after some frank exchanges of views about the difference between what is said, and what actually happens, participants were invited to consider what they could do, individually and collectively, to move closer to a human security approach. Participants recognised that they needed to find a way of continuing to work together, while involving more participants, particularly other oil companies and the Ministry of Energy and Mining. They therefore inaugurated SOHSI – Sudan Oil and Human Security Initiative – to disseminate the results of the seminar and prepare for a High Level Forum in March 2008 in Khartoum.

Report of the second meeting

A Review of SOHSI's vision mission and goals.

The participants reviewed the original vision and mission of SOHSI, as defined in the first meeting.

<p>Vision Oil companies, community and government working together for the welfare of the Sudanese people</p>
<p>Mission To promote a human security* approach in the development of the oil sector in Sudan</p> <p><i>By 'human security' we mean trust respect understanding and engagement between community, oil companies and government</i></p>
<p>Goals To create opportunities for closer communication between oil companies and communities leading to changes in attitudes and behaviours on both sides</p> <p>To be a focus for advocacy on human rights, environment and security</p>

There was unanimous agreement among the participants, including those new to SOHSI, that these should stand for the time being.

B Review of actions since the November meeting

The group reviewed progress against the action plan for the November meeting.

Activity	Time
Co-ordination of Committee's work	Nov-March
Set up email group	Nov
Write report	Nov
Review and publish report	Nov
Current map of oil blocks	Nov
Present report to oil companies	Nov/Dec
Arrange meeting with Ministry	Dec/Jan
Present report to State Governors, Commissioners and Industry and Mining Committee of GoSS	Nov/Dec
Community mobilisation events in S Kordofan and Abyei	Jan/Feb
High Level Forum	March

All the actions were completed in the planned timeframe, with the following exceptions:

- The current map of the oil blocks has not yet been secured
- The report has been presented to 15 members of the GOSS in individual meetings including the Minister for Energy and Mining, John Luk, (see below) but the wider meeting with Governors has not yet taken place because this was intended to coincide with the Governors' Forum, which was delayed.
- The High Level Forum has been replaced with a second working level meeting, with the High Level Forum now planned for the end of 2008.

C Report back from the oil companies

The oil companies were invited to give feedback on how the first report of SOHSI was received. Amir Ezubair Jamau described how SOHSI principles were beginning to influence the way that PDOC (Petrodar Oil Company) interacts with communities. He gave some examples:

- In relation to the latest community development project, the community were invited to specify the location of the project
- An intensive series of meetings with tribal leaders and the Governor of Upper Nile State have been held.
- When there was a dispute about the land that was needed for a new bioremediation plant, the community were invited to a presentation by the consultants involved. This led to agreement on the allocation of 5 Sq Km for the plant, which will provide water for a community forestry project.
- Community leaders have been invited to the Khartoum HQ of PDOC, and senior managers from PDOC have been down to visit the oil field.
- A training programme for local people to fill managerial vocational and administrative jobs has been created, and is now to be extended.

Amir urged that the report of this second meeting be produced without delay, and sent to the Ministry.

Greater Nile Petroleum Operating Company (GNPOC) spoke about the organization of their department for community development, their budget for compensation, and the wide range of projects that they are undertaking in the community.

D Report of the community mobilization in S Kordofan

By way of introduction Mohamed Elnain described the area of S Kordofan/Abyei as being rich in resources of wildlife and forestry, with tourism potential. It is inhabited by four main ethnic groups, Arab, Nuer, Dinka and Nuba, who lived peacefully together before the war. The war caused great suffering and the CPA was welcomed. However, there have been two clear disappointments with the CPA:

- The lack of a clear programme about settlement
- The lack of a clear programme on the implementation of the CPA

Work in this area has included, first, general awareness raising of the concepts embedded in SOHSI, and of the fact that peace needs to be actively safeguarded, it cannot be taken for granted.

Secondly, a survey was conducted about oil and communities, among a wide range of stakeholders, namely, local government, water companies, farmers and herders unions, Government Departments, and oil companies. This together with visits to the oil fields, gathered information on the following questions:

- 1) What services have been provided by the oil companies?
- 2) What compensation has been provided by the oil companies?
- 3) What are the most positive aspects of the oil industry here?
- 4) What would you most like to change about the oil industry here?

Finally on 20th March a seminar was held, sponsored by SOHSI and Um El Hoda, on the subject "Towards a healthy and secure environment". It was attended by 70 people from the stakeholder groups mentioned above, together with police and the security service.

The main findings, from the consultations and the seminar, were as follows:

- There is weak legislation at state and local level
- Planning for service provision is weak or non-existent
- There is little effective engagement with community leaders
- The benefits of oil revenues have not yet been fully realized for the Miserya and Dinka communities
- The oil companies are perceived to be interested only in their own benefit
- The farmers and herders unions are not involved in discussions
- There is a general lack of security
- There is an absence of dialogue with local government.

The seminar made 19 recommendations, which were agreed by all participants:

- a) The creation of a co-coordinating body between communities, local government, unions of herders and farmers, and the oil companies
- b) A comprehensive study of the impact of oil and compensation
- c) Compensation, where given, should be oriented mainly towards the group rather than the individual
- d) It is vital that the Land Commission be effective
- e) There should be special courts at state level for oil issues
- f) There should be laws to regulate compensation
- g) There should be a national conference on Abyei/S Kordofan to include representatives from all the communities in Kordofan, with local and federal government and the Ministry
- h) Oil companies need to have a clear vision when they establish services, and should co-ordinate with the relevant Ministries
- i) The power of local government needs to be activated, as well as community leaders
- j) Research is needed on the good and less good impacts of oil
- k) Good practice from elsewhere should be brought in and used
- l) University students should be educated about the importance of oil to the Sudanese economy

- m) Local courts should be able to deal with oil issues
- n) An information network should be set up on oil issues
- o) A workshop should be held focusing on how to avoid the negative impact of oil
- p) Community environment specialists should form a network
- q) Routes for animal herders need to be remapped in the light of oil exploration and development
- r) Animal resources should be surveyed regularly
- s) Compensation for renewable natural resources should be prioritized

The presentation ended with a positive case study from the Belina fields. Here greenhouses have been built for tomato cultivation, and with 1,000 seedlings they have the potential to produce several times the existing local production. This is a project supported by CNCP/Petroenergy. The tomato cultivation is enabling people who were previously nomads to become settled cultivators.

In discussion a number of issues were raised:

- **The degree of support for the forum by the local authority.** Apparently their stance is to try to keep a distance because planning for oil is a Federal issue.
- **Policy on compensation for the displaced.** This is a very difficult issue. From the perspective of the forum, a lack of co-ordination is leading to people using violence to secure individual compensation. There is no awareness of any laws to govern compensation. The forum saw two alternatives – either, companies, negotiate directly with people, in which case there appears to be no logic to the decisions, or a security committee could settle the issue, but still with no guarantee of logic. Better would be if the primary form of compensation was in the form of services to the whole group, which only privately owned land being compensated individually. Ideally rate should be set by a committee.

However the view from the oil company was that compensation is the responsibility of the State Government not the oil company. There is a National Committee on compensation, which has branches in each oil field. The branches work under a national umbrella which sets rates for each category of asset. Subcommittees visit each location, make recommendations and get agreement from the National Committee. Often however these rates are below the rates actually paid. Community development projects are quite separate from compensation; the tariff for these is set out in the contract between the oil company and the Government. Again, often the community projects have much greater value than in the agreement.

It was clear from this discussion that there is a widespread lack of understanding of the roles and responsibilities of different players in relation to the oil sector.

- **Culture of war, culture of peace.** The culture of war affected the behaviour of both oil companies and communities. It's still strong in many places. The only way this will change is through communities and oil companies jointly building a new culture of peace.

Commentary by Irene Gerlach, expert resource person

Irene drew on experience of working in the oil sector, with BP for 13 years, and then as an independent consultant, looking at oil and community relationships in Africa and elsewhere.

She praised the thoroughness of the work in S Kordofan for raising such a comprehensive list of issues. She stressed the importance of good security, without which it is impossible to conduct a meaningful environmental or social impact assessment.

She emphasized that the primary role of the oil companies is to contribute to the creation of a safe environment for all, and to adhere to legislation. They need to work within a framework where there are publicly owned performance measures, which can be monitored.

She reminded the group that Shell had spent millions of US\$ on community projects in the Niger Delta, yet their operating environment has never been as bad as it is now. There, trust and communications have broken down and will be very hard to restore.

By contrast, there is an opportunity in Sudan to build trust, through operating transparently across all areas, not just compensation.

E Report on mobilisation in South Sudan

The work in the South has several dimensions, not all of which have been completed.

a) Dissemination of the first SOHSI report – this was printed in full in the South Sudan Post, and presented in individual meetings with key stakeholders, including John Luk, whose support for SOHSI was given after the first meeting, all the ten State Governors, and members of the Energy and Mining and Peace Committees in the South Sudan parliament; and the Land and Natural Resources committee. In all some key members of the Legislative Assembly have had meetings, and all agreed to support a forum in Juba.

The interest is such that it has been suggested that SOHSI principles should be incorporated in legislation at GOSS and SSLA level.

b) Widespread dissemination to State Governors and Commissioners – this was due to take place to coincide with the Governors Forum in March. This

was not possible, and the Juba Forum has been reconceived in the light of experience – see below.

c) Community mobilization in 6 Payams in Ayod – the discussion of the first SOHSI report with community leaders displayed a lack of in depth knowledge about the oil sector. Generally people felt positive about oil, but they want a different approach in which they would be included, consulted and involved. It is important that relationships between oil companies and communities are in the open, and that certain key people are not picked off, and the rest excluded.

In discussion, the issue of 'Whose oil?' was raised. As the South emerged from war, people had high expectations. Communities feel that the oil is theirs, and they don't appreciate the value added by exploration, development and processing. Hence one oil company suffered an attack on one of its employees, in which their car was stolen. The attackers justified the attack by saying 'This is our land, therefore our oil, therefore our car.' Irene commented that this exactly parallels a conversation she had with a young man engaged in 'bunkering' i.e. tapping the pipeline in the Niger Delta. He saw himself as simply claiming what was his, because he did not see his community getting any benefit from the oil in any other way.

Hence the need for community leaders to educate the mass of people about the way those communities should be deriving benefit from 'their oil'.

Commentary by Irene Gerlach

Irene introduced the idea of the Voluntary Principles on Security and Human Rights in the oil sector. These principles state that all companies should undertake a thorough risk assessment based on up to date information from a wide range of sources. This information can only be accessed in collaboration with civil society, among a number of other sources. This information is likely to be most effective if shared with other companies, concerned civil society and governments.

The Voluntary Principles have 14 recommendations concerning company dealings with private security forces, and 14 with public security sources. The Voluntary Principles provide an opportunity for more inclusive security arrangements. SOHSI could become the lead forum to launch and help implement the Voluntary Principles at the local level and could help provide training and independent monitoring.

The Principles are only voluntary, but 16 of the world's largest oil and mining companies have already signed up to them. Oil companies particularly appreciate the idea enshrined in them of security as a service, not an enforcer.

F) Group discussion of the way forward

The group reflected on how best to hold the Juba Forum, which was the main action left over from the first SOHSI action plan. The main recommendations were:

- The oil companies operating in the South should all be invited to the Juba Forum, as they are key players. Also it is important that they should be in at the beginning, so that they can feel a real ownership of SOHSI.
- The Juba Forum should be used as a springboard to a High Level Forum in Khartoum at the end of the year. This is key to SOHSI moving forward, and it should involve senior officials, relevant Governors and Ministers. Hence it will be important to also invite the National Petroleum Commission and representatives of the Ministry of Energy and Mining in both Khartoum and the South to the Juba Forum.
- There is also a need to build links with other relevant civil society forums in the South, such as ENVIRO, which is dealing with community security and arms control. The meeting of civil society organizations on 16th April will be a good opportunity to spread awareness of SOHSI.

TUESDAY 25TH MARCH

A) Discussion of priorities for SOHSI in the next period

A proposal was presented as follows:

Hold Juba Forum in early May

Use Forum to initiate pilot projects, and other work streams as follows:

Pilot of participatory risk assessment and social and environmental impact assessment. Results to be shared through a programme of capacity building	Pilot of the application of the Voluntary Principles to security in a Sudanese context. Results to be shared through a programme of capacity building	Preparation for the High Level Forum at end 2008	Media strategy	Resource mobilisation
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Hold High Level Forum in late 2008

The point was made that unless SOHSI could show some results on the ground, which would validate that Human Security principles could be applied in a Sudanese context, it would not have credibility with the senior decision makers at the High Level Forum. Therefore it is of critical importance that at least two pilot projects are initiated following the Juba Forum, by partnerships of oil companies, communities and local government.

The findings from these pilots could also be used in the media strategy in the run up to the High Level Forum.

This proposal was accepted, see below.

B Presentation by Dhia Al Deen, Senior Environmental Engineer, Petrodar

This session, not in the original programme, offered an opportunity to understand how environmental issues are managed within an oil company. The presentation was very comprehensive, covering the laws under which Petrodar operates, the Government arrangements for monitoring adherence to standards, and the internal management practices that Petrodar uses in relation to health, safety and the environment. Petrodar's goal is to achieve two important international standards, ISO 14001EMS and ISO 18001 OHS in the course of 2008.

The issue of dealing with 'produced water' ie water that comes as a byproduct to oil and gas was discussed in some detail. The current method used is to re-inject water into dry wells, which can have the additional benefit of increasing oil yields. However, Petrodar have commissioned a bioremediation plant, working with international contractor Ocean. This will have the advantage of producing clean water for use in a community forestry project that will generate employment and income opportunities for the local community.

There followed a Q&A session, which focused on the safety of returning 'produced water' to dry wells, ie how the risk of contamination to the water table is dealt with, the processes followed when a community needs to be relocated from land needed for oil exploration or development, the availability to third parties of the environmental impact assessments carried out by Petrodar.

Participants expressed their gratitude to Petrodar for making such a full presentation and taking questions. This was considered a good step on the way to building trust.

C Allocation of responsibilities for delivery of the next stage action plan

Discussion mainly focused on the logistics of the May Juba Forum. This needs to be held between the end of the census period and the beginning of the SPLM gathering.

It was agreed to aim for a Forum of 80 participants, drawn from:

- Vice President of GOSS
- Minister of Industry and mining (GoSS)
- Minister of the Environment and natural resources
- National Assembly Members, particularly from the Energy and Mining Committee, SSLA, Land, Peace and Natural Resources Committees
- Governors and Commissioners
- Chiefs and religious leaders
- Women, young people, NGOs/CBO's
- Universities (for technical expertise in SEIA's)
- Oil companies, ideally representing community development, PR and environment, together with their counterparts in community and local government
- National Petroleum Commission
- Media

The letter of invitation will emphasize the purpose of the meeting being to:

- Present the SOHSI initiative and the reasons for it
- Gain responses and recommendations from the participants in how best to carry it forward
- Secure participation in the proposed pilot projects on participatory SEIA's and on the application of the Voluntary Principles on security
- Build momentum for the High Level Forum later in the year

The budget for the event will cover 3 nights accommodation for 40 participants, the presence of Irene Gerlach as resource person, and the hire of a hall for two days and refreshments. It is hoped that participating oil companies will provide transport for their counterparts in community and local government.

Responsibilities for the delivery of the action plan were allocated as follows:

Overall co-ordination

Rasha Ahmed assisted by Julia

Planning and delivery of the Juba Forum

Reverend James Kwong Ninrew, Paul Biel Ottong, Taban Kiston, Acien Wal, Lony Ruot and George O'Ngoha

Support to pilot projects

Irene Gerlach

Media strategy

Abdul Raouf, Irene Gerlach, supported by the British Council

Resource mobilisation

George O'Ngoha, Carolyn Hayman

Preparation for High Level Forum

Rasha Ahmed, with support from all

Annex – List of participants

Name	organization			
1. Carolyn Hayman	Peace Direct			
2. Irene Gerlach	Independent consultant			
3. Amna Rahama	WEPD, Steering Committee, Collaborative			
4. Lony Rout	SALF			
5. Rasha Ahmed	Collaborative, SOHSI			
6. Sahuddin Karim	GNPOC community development			
7. Abd Elaziz El Haj	Higleig Petroleum			
8. Mohamed Elneil	SOHSI Kordofan			
9. Rev James Ninrew	Nuer Peace Council			
10. Dhia Al Deen	Petrodar			
11. Amir Mohamed Elzobair	Petrodar			
12. Abdulraouf Ali	Petrodar			
13. Paul Biel	NHDF			
14. Taban Kaston	SSLS			
15. Mahmoud Hamid Ali	Animal resource administration			
16. George O'Ngoha	SWIDAP / Collaborative for Peace			
17. Abdul Rahman Karroag	UN			
18. Acien Wal	SCDA			
19. Hon Gath Luok	National Assembly			

Annex – Original Programme

Oil Seminar-II

First day 24 th March 2008

8:30 Welcome

9:00 Introducing each other (oil companies and community leader)

9:30 Back ground about the first Seminar

10:00 Introduction from the ministry of Energy & Mining

10:30 Break

11:00 Report back from kordofan (Community mobilizations)

11:30 Report back from south (Community mobilizations)

12:00 Irene Gerlach (Facilitator)

12:30 Lunch Break

1:30 Case study of positive relations that mobilize that met during their mobilizations- kordofan

2:00 Case study of positive relations that mobilizer met during their mobilizations- south

2:30 Group discussion on the above case

3:30 End of session- report on outcomes and recommendations

4:00 End

Second day 25th March 2008

8:30 Back ground on the first day

9:00 Benefit that we gain from the first seminar

9:30 Irene comments (Facilitator)

10:00 What we aim to achieve from this meeting (oil company, ministry) (community leader)

10:30 Break

11:00 What we aim to achieve from this meeting (oil company, ministry) (community leader)

12:00 Elect the new committee that will hold SOHSI (Sudan Oil & Human Security Initiative)

12:30 Schedule for regular meetings to share experiences

1:30 Plan of action for next stage (discussion group)

2:30 Feed back for the group discussion

3:30 End of session- report on outcomes and recommendations

4:00 End