



World Business Council for  
Sustainable Development

## Case study

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# Statoil and BP The Akassa Community Development Project in Nigeria

In 1998, Statoil and BP formed an alliance to tackle development issues in the Niger Delta where it meets the Atlantic at Nigeria's southernmost point. The Akassa Community Development project brings together the two companies, along with Pro Natura International (PNI) and the Akassa community -- the 180,000 people who live in the area. Although great oil wealth is produced from the sea on their doorstep, the Akassa are very poor. The project aims at improving food security and the standard of living for the Akassa people through participatory community development.

A Statoil/BP funded Environmental Impact Assessment identified the area as the place most likely to be impacted by an accidental oil spill from exploration wells in Statoil partnered offshore blocks. As a newcomer to the Delta, Statoil wanted to establish a reputation as a good corporate citizen from the very beginning and sought to promote understanding between the company and its primary stakeholders. Statoil's involvement in the Akassa Community Development project was prompted by the desire to minimize negative impacts and be a force for good in this community.

Statoil is an integrated oil and gas company and a leading player on the Norwegian continental shelf. Statoil is one of the world's largest net sellers of crude oil, and a substantial supplier of natural gas to Europe. Statoil's activities also encompass delivering domestic and industrial energy solutions.



## Providing food security and improving living standards

The overall objective of the program is to achieve food security and improve living standards for the Akassa people. The Akassa project is an integrated development program with five main functional areas. Each of these areas requires both institutional development and capacity building to reach success. Although these sub-programs deal with separate aspects of the overall Akassa project, they are inter-related in operational terms. These sub-programmes include:

- Human resources development - to promote health, adult literacy, and women and youth development issues as they affect the Akassa people;



- Natural resources management - to make an inventory of the natural resource base of the area and to work out appropriate modalities for the management and conservation of these resources;
- Poverty alleviation/micro-credit - to institutionalize a homemade financial system aimed at mobilizing local savings for micro-credit delivery to participants engaged in micro-enterprise investments;
- Infrastructure/micro-projects - to provide basic health care, education and other infrastructure through execution of micro-projects;
- Institutional development/capacity building - to establish and/or strengthen appropriate development institutions in Akassa through training ("help for self-help" and self-government), most notably in health, education and the environment.

## The program

The Akassa Community Resources Management and Development Program (ACDP) was started under the belief that a group of stakeholders needed to run and manage the programme. Several groups have been incorporated in the funding, management, and operations on the ACDP program. The distribution of roles:

- The NGO Pro Natura International (PNI) conceptualized this community development model and facilitates the management of the project in Akassa;
- The Akassa people and community themselves own and manage the project drawing on support from both Pro Natura International and Voluntary Services Overseas – VSO. VSO is employed by the community to help with training, primary health care and marine-based natural resource management;
- Statoil/BP and lately also Texaco support the project primarily through a financial contribution. The companies otherwise keep a low profile and play a discrete monitoring role.

The Akassa Community Resources Management and Development Program uses a participatory approach with stakeholders, employing a methodology that is both interactive with the community and proactive in attempting to tackle problems. The community stakeholders, broken down into small interest groups called *ogbos*, give input and participate in the programs that the ACDP develops and implements. Both PNI and members of the Akassa community play significant roles in the various initiatives encompassed by the ACDP.

Initially, a study was completed to identify development needs, community resources and possible action paths. Solutions to certain problems were then explored, focusing on those that incorporated self-reliance and programs that could attract funding and support. Key features of the approach included a "bottom up" community-led development approach, a preference for small-scale and low-cost micro-projects as participatory learning activities, an awareness that programme benefits could be captured and diverted away from the disadvantage in society, whom the programmes are meant to target.

Each of the sub-programmes developed their own initiatives to address problems identified by sub-task members. These teams, or *ogbos*, work independently to accomplish the goals established by the team. Members of an *ogbo* share a similar trade, interest or hobby. There are separate *ogbos* for fishermen, fish-smokers, traders, dancers, etc. One aim of the *ogbos* is to save small sums of money on a regular basis. Most *ogbo* members save about one US dollar a week. Once a sufficient fund has





accumulated, the ogbos lend money to their own members. If its books are in order, an ogbo may apply for a loan from the ACDP. Micro-credit of this kind has transformed the local economy as for the first time people have access to funds to improve their livelihoods.

## A work in progress

Since the goals of the Akassa project are long term, the ACDP is a work in progress. A preliminary project evaluation was undertaken in late 2000 by a team of experts from the Rivers State University, Port Harcourt, Nigeria. The purpose of the evaluation was not to police the activities of the ACDP, but identify the project's strengths and weaknesses.

Significant accomplishments within the sub-programmes include the following:

- Human resources development - 18 health posts have been established and 32 health post attendants have been recruited;
- Natural resources management - An inventory has been made of the forest resources of Akassa and the Akassa Forest and Wildlife Regulation has been amended;
- Poverty alleviation/micro-credit - Successful registration of 60 micro-savings and credit groups with a 100% recovery rate in 2003-4; the micro-credit agency will serve the Bayelsa State and the UNDP as a micro-credit training and extension agency;
- Infrastructure/micro-projects - Rehabilitation of health centres, construction of wooden bridges, rehabilitation of primary school buildings all were achieved;
- Institutional development/capacity building - A number of development institutions have been established and its members have received training aimed at improving their capacity for good governance.

In addition, several research projects were spawned from the work of the ACDP. A research project to develop rice varieties that can perform in salty water has been initiated with technical assistance from International Institute of Tropical Agriculture (IITA) and The World Conservation Union (IUCN). Research to find more sustainable fishing methods and harvesting of alternative marine resources is being undertaken in collaboration with River State University of Science and Technology in Port Harcourt. And the community has also created people-oriented bylaws for consideration by Akwa Ibom State for the conservation of sea turtles.

Findings from the evaluative team include:

- Various sub-programmes have been successfully launched, coordinated and managed;
- Partnering with many local and international development agencies to derive technical and financial benefit has also been successful;
- Due to inadequate funding of the numerous sub-programmes, the project faces constraints including shortages of technical staff to manage the more technical activities of the sub-programmes (e.g. fishery, engineering, health) as well as a lack of equipment/inputs (refrigerator for vaccines, planting materials for demonstration farms, office equipment for the ACDP Management);
- In order to make the project truly sustainable, ACDP should ensure that local government eventually assimilates some of the responsibilities that the project manages as a lot of what the ACDP is doing would normally fall within their responsibility.

"Statoil has helped us to build up our capacity and resources so that we can maintain sustainable development," says Mr Amain, Project Manager, Akassa Development Foundation. "We've reached many targets, but this is a continuous process."

The main challenge of the project was to overcome the culture of dependency and irresponsibility in the Niger Delta, where oil companies for decades have been doling out cash to the local population in order to pacify people and ensure that production can go



on uninterrupted. This practice has functioned as a disincentive to work, genuine community involvement and sustainable development. Motivating the Akassa people has been achieved by ensuring that respected and genuinely interested elders are the driving forces of the project. Enlightenment campaigns, remuneration, interesting and challenging tasks as well as networking and partnering with many local and international development agencies have also been important motivating factors. Significant lessons learned include:

- Organizations with considerable experience in specific fields are valuable when planning an operation on the same scale as the ACDP;
- Community ownership and active participation are essential to ensure implementation and sustainability;
- A project of this kind, which is aimed at strengthening the Akassa community's capacity for self-government, requires patience and long-term investment; it cannot be assessed using the standard evaluation tools of business, as an evaluation in this case must focus on the process as well as on the end result.

This work with the ACDP has enabled Statoil to:

- Move beyond the traditional charitable approach in corporate social responsibility;
- Engage in community development in a legitimate and sound manner;
- Participate in a high-quality project through the quality and integrity offered by the Akassa community, PNI and VSO and other secondary stakeholders;
- Raise internal awareness.

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#### About the WBCSD

The World Business Council for Sustainable Development (WBCSD) is a coalition of international companies united by a shared commitment to sustainable development via the three pillars of economic growth, ecological balance and social progress. Our members are drawn from more than 35 countries and 20 major industrial sectors. We also benefit from a Global Network of 40 national and regional business councils and partner organizations involving more than 1,000 business leaders globally.

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