



## Notes from the Total Sudan Trip September 4-9, 2005

### INTRODUCTION

Total Sudan joined the Corporate Engagement Project (CEP) in December 2004. CDA and Total agreed to collaborate on the company's operations in Sudan in order to help the Total staff develop management options to ensure the company's operations have a positive, rather than a negative, impact on local communities.

The visit to Malakal and Bor looked at the options available to Total in re-establishing a base camp in Bor, Jonglei State. This camp was used during Total's presence in Bor in the early 1980's and has not been used by the company since it suspended its operations in 1984.

This visit was different from other CEP field trips. Because the CEP team accompanied the Total team, discussions with stakeholders were conducted as part of a larger group. As a result, the local people perceived the CEP team as Total's employees and not as independent observers. At the same time, being part of the Total team provided an opportunity for CEP to participate in internal discussions and to understand Total's way of operating in more detail.

The perspectives gained and observations made during this trip and an earlier CEP visit to Nairobi and Khartoum in June 2005 may be useful to Total's management in designing an engagement plan for Bor. However, the number of discussions we had were too limited to draw firm conclusions. Therefore, this document is not a field visit report but a note to Total management which identifies some of the aspects that CEP would look at in future visits.

The September visit consisted of a four day mission. Two days were spent in Khartoum speaking with community experts, journalists, international Sudan analysts and one southern politician. The other two days were spent in Malakal and Bor respectively, speaking with Government officials, SPLA representatives, the army, police, academics and various local residents. CEP used logistics provided by Total and was, in general, introduced as a member of the Total team. In meetings held separately from the Total team, we introduced ourselves as an independent organization working with (not for) the company.

### NATIONAL LEVEL OBSERVATIONS

#### Changing Political Context

The political context of Sudan is undergoing a radical transformation, which is far from being completed and which will have an impact on Total. The company will have to respond to these political developments as the SPLM, with whom the company has had limited contacts, now has become part of the political establishment. In Malakal and Bor, SPLM representatives were sitting side by side with the Intelligence and the Army commanders, although there still was some noticeable uneasiness about this new collaboration.

Total will need to develop contacts with the newly established Government officials both in the North and the South. The politically challenging context in Sudan implies that the company may have to choose the optimal, rather than the shortest possible, timeframe to commence activities. Especially within the SPLA, various groups and opinions exist which are not always yet synchronized. If attempts such as establishing a base camp or conducting a seismic survey are not cleared by all new powerbrokers (despite having the

legal rights), such actions may be perceived by the SPLM as a provocation and may, ultimately, backfire on Total's ability to operate effectively.

Also, as Total plans to operate in South Sudan, many practical aspects of operations need to be discussed in both Khartoum and in Juba, the new capital of South Sudan.

### **Options:**

1. As Total's office is located in Khartoum, there is the inevitable reality that the information (government and NGO contacts, media, staff) the company obtains is filtered through a northern perspective. Total plans on developing a strategy for knowing who is who in the new political context of Sudan. There are opportunities to pro-actively establish networks in Khartoum, Juba, Nairobi and Bor. IRIN has published a "who is who in Sudan" on the web at [www.irin.org](http://www.irin.org) and UN agencies (UNOCHA, UNDP). NGOs such as ECOS, Sudan Focal Point, Reconcile, and PACT Nairobi could provide names or may even be willing to facilitate introductions with certain people if such organizations are convinced that Total's activities are a genuine effort.
2. During the visit, several people suggested that Total employ a person ("shuttle-diplomat") who can establish and maintain contacts with various stakeholders on an ongoing basis. The importance of establishing face-to-face contacts and maintaining these was pointed out repeatedly by Southerners themselves.
3. The same people pointed out that opening a liaison-office in Juba would facilitate contacts with the new Government of Southern Sudan as well as demonstrate Total's effort to deploy a balanced and even-handed approach.

### **The White Nile Issue**

Total approaches the White Nile issue largely from a legalistic and rational perspective. In public, the company rightfully states it does not need a clearance to visit places like Bor and that, legally speaking, there is no problem. Whilst objectively correct, this perspective may insufficiently take into consideration other aspects of the reality in (South) Sudan that affects the company's ability to operate as early as possible.

*The legal aspects of ownership of the concession area need to be distinguished from obtaining a social license to operate.* There is some evidence that the White Nile issue has become a lightning rod that takes away attention from addressing underlying problems. To successfully operate, three stakeholder issues need to be addressed:

- § Solving the White Nile issue.
- § Obtaining the agreement (formally or informally) from the South Sudanese leadership.
- § Obtaining and maintaining support from local communities in Bor County.

This implies that "winning" the White Nile case does not, by definition, mean that the other two things happen and that the company can start operations unequivocally.

Discussions with SPLA members and Sudan analysts consistently reveal the prevalence of a widespread anti French Government sentiment amongst South Sudanese leadership, which has implications for Total. Apart from personal issues involving senior SPLA officials and the French Government in the past, two main actions by the French Government are consistently mentioned as having shaped this anti-French sentiment:

- § French support for the digging of the Jonglei channel in the 1980's.
- § The provision of satellite images by the French Government to the Government in Sudan in the mid 1990's used by the Government to conduct aerial bombings.

Whether such allegations are true or not is not relevant since, as one Sudan expert noted, “these actions are deeply engraved in virtually everybody’s mind in South Sudan.” At the same time, one Southern politician mentioned that people have not seen any action from the French Government to minimize the negative Southern perception of the French Government, although she noted a recent and “more positive” voting pattern of France in the UN Security Council.

It is essential for Total to acknowledge these sentiments and to accept these as part of the reality it will have to deal with, especially in a context where oral communication, a strong identification with history and lasting memories play such an important role.

On a local level, more information is needed about the existing perceptions of the company. In Bor, the majority of people we spoke with welcome the company or “anybody that can help us”. At the same time, some people may be skeptical of the company’s arrival. Local expectations need further analysis but will likely go further than expectations of community projects only (schools, clinics etc.) due to the following reasons:

- § Experiences with high salaried NGOs/UN expatriate staff have led to resentment of outsiders. These are perceived as using the resources (such as donor funds) that Southerners believe belong to them. Local communities will expect the company to provide local employment to them rather than to North Sudanese or expatriates such as Kenyans.
- § Strong attachment and ownership to resources (water, oil, cattle) means Southerners consider the oil as “theirs” and, consequently will need to see tangible benefits. After all, access to oil has been one of the main drivers of the civil war in Sudan.
- § The Bor-Dinka community is known for its strong identity, community cohesion, pride and low tolerance for threats to their culture and identity. This implies the need for Total to design its operation, from its conception, in a culturally appropriate manner to mitigate negative social impacts (introduction of a cash economy, courting of Dinka women, migration)

*It is vital for the company to start from the notion that permission from local stakeholders needs to be earned rather than to assume that local people can be persuaded to provide it to the company.*

### **Legacy of Oil Companies**

Despite the limited sample of people we spoke with on this trip, feedback from local villagers on the Total visit was positive; “I hope you come back soon.” At the same time, other oil companies in Sudan are rapidly building up a questionable legacy in the country. The following were mentioned as the negative impacts of oil companies on communities:

- § Land taken without proper, or any, compensation.
- § People forcibly evicted/displaced from their lands.
- § Human rights abuses committed by the (State) security forces perceived as working for the oil companies.
- § No employment for local people; some companies hire foreigners for unskilled labor.
- § No contribution to the local economy. For instance, rather than to buy multiple items on the local market, some companies buy one piece and make copies.
- § Perceived impact of oil activities on the ground water level.

### **Options**

1. Commissioning a report detailing what lessons can be learned from the experiences of other companies could provide useful insights. This can be a desk-top research.
2. Several people familiar with the impacts of oil companies on communities pointed out that Total could benefit from discussions with the Chinese, Malay and Indians about their local stakeholders approach. What were their biggest issues? What have they tried? What has worked and what has not?

3. One SPLM representative suggested that Total could organize workshops about business-ethics or corporate social responsibility. These would provide Total an opportunity for discussion and allow the company to explain its approach.
4. In order to design the most appropriate community development approach, the company could liaise with Government, UN agencies and NGO's to have a better understanding about existing initiatives and how Total could contribute to these efforts.

## **LOCAL LEVEL OBSERVATIONS**

### **The Malakal SPLM Meeting**

A Malakal SPLM representative offered the following suggestions:

- § "Minimize relocation of people due to seismic activities and take care of those you displace."
- § "Other oil companies neglect the interest of local people. We don't want a Nigeria experience and we do not want the need for another Ken Saro Wiwa."
- § "You are not here to only take care of yourself. Don't come with the mindset of an investor. If people do not want you or if they feel no ownership over your activities, they will oppose you."
- § "People need to know what your plans are and make up their minds about the Khartoum Government's influence on Total. Be transparent."
- § "Total should avoid having an avoiding attitude. The oil is made of the bones of our great grandfathers. Local people must benefit. Especially, ensure good relations with the local government."
- § "Plan for the disposal of environmental waste".

### **The Bor SPLM Meeting**

The meeting with the SPLM political advisor in Bor was aborted after he stated that he was not informed about Total's arrival by his superiors in Juba.

The following are some factual observations:

- § The rejection of Total in Bor came as a surprise to the Total delegation.
- § The statements of the SPLM representative left little room for interpretation.
  - "You'll have to renew your license with the South Sudanese government."
  - "This is not the time to come to Sudan and to operate, you need a mandate."
  - "It is illegal to talk to the people today."
- § The representative was not impressed by Total's constructive discussion with the SPLM representative in Malakal: "Malakal cannot decide for us; Jonglei is a different State."
- § The timing of the visit to Bor coincided with negotiations in Juba and Khartoum over the make-up of the new national Government and the South Sudanese Government which annoyed the SPLA representative: "The South Sudanese Government needs to be put in place first".
- § Upon return in Khartoum, the SPLM representative in Juba, who Total had informed about the upcoming Bor trip, stated he had forgotten to inform his colleague in Bor about the visit.

## Options

1. If the misunderstanding is confirmed, a follow up visit to Bor in the short term may provide opportunities to go beyond a courtesy visit and to deepen ownership amongst local stakeholders by discussing Total's plans. Local feedback on such plans may provide context specific insights and increase the chance of developing an appropriate approach.
2. Some political analysts in Khartoum suggested that Total could consider working with a political advisor, to make sure that the timing, the make-up of the team and the approach of future visits are most effective to achieve desired results.
3. Other stakeholders pointed out that the effectiveness of field visits in South Sudan would be enhanced, and in the interest of all parties (including Sudapet), if the mission would include a Southerner.

## **Bor Base Camp**

A next step in the Total process towards operations is the re-establishment and re-opening of the Total base camp in Bor, which the company left in 1984.

The way in which this base camp will be re-established will be critical in obtaining goodwill from local and regional stakeholders. The modalities of construction of the base camp will set the standard of how the company engages with local stakeholders in the future. From an external relations perspective, how the company establishes the base camp will be more important than the final result. To its credit, Total is well aware of this. During the visit, Total staff discussed various options to adapt existing plans and review them through a community-benefit perspective.

Although more interaction on the ground needs to be done to gain local perspectives, based on experiences from other companies in similar contexts, certain principles need to be taken into consideration in the design of the base camp.

- § Make, and be seen to make an attempt to provide maximal benefits to local people:
  - Choose manual labor over mechanics or pre-fab if possible
  - Split up larger contracts to allow local or regional contractors to bid.
  - Ensure maximum local employment by contractors (100% for non-skilled labor positions).
  - Make training and apprenticeships positions an integral part of each contract. The premium in price of some contracts should be considered as an investment in creating a stable and constructive working environment in the long term.
  
- § From a sustainability perspective, Total should avoid giving hand-outs or providing things for free as it would create a dependency right from the onset. Any infrastructural projects need to be based on a tri-partite partnership approach between the relevant authorities, the company and local people.
  
- § Support existing structures instead of replacing them. Given the scarcity of resources in Southern Sudan, it is tempting to set up new structures run by the company. For example, Total plans to station a doctor in the base camp. Instead of having local people visit the Total clinic (and substitute for government responsibility) it would be more sustainable, and respectful of communities, if the doctor would support the existing health structure.

## Options

*The following options are based on the experiences of the CEP working with other companies and are not based on feedback we received from local stakeholders.*

1. Define the meaning of "local" with the local population. For example, the community and the company could decide on a preferential hiring system by focusing on the following: 1) Bor town/county residents 2) Jonglei State residents 3) Southerners, 4) Northerners 5) international.
2. Conduct an assessment of available skills and resources in the area. Apparently, there are many skilled workers in Khartoum (Haj-Youssuf camp), Kakuma camp in Kenya and in Kosti. Hence, building a base camp using local labor would possibly be a feasible alternative to constructing pre-fab living quarters.
3. To avoid, or minimize, tensions between local residents and the influx of skilled Dinka's taking up employment, the most appropriate recruitment procedure needs to be discussed locally. One idea would be to encourage current Bor residents to invite some of their relatives to apply for a position with Total in Khartoum, Kakuma or Kosti, rather than assume that all Bor Dinka's are equally accepted by local resident to work in Bor.
4. Conduct an institutional baseline survey to identify existing structures (NGOs, CBOs, UN agencies, Government) and their capacity. If certain skills are not available locally but could be learned (housekeeping, cooks, drivers, welding, construction) Total could invite NGOs, Government agencies or other institutions specialized in vocational training to provide these courses locally. Various international NGOs have already indicated they have the funds and expertise to provide such training.
5. Consider having a liaison officer on site to monitor and coordinate activities and to liaise with local stakeholders and to provide Total with the cultural expertise needed to work in Bor. This person should have an intimate knowledge of the local context, should speak the local language and serve as an advisor/coordinator to the base camp supervisor.
6. Consider employing a local (neighborhood) content officer. This person would have a contracting/logistics background and should review all contracts and project design through a local perspective.
7. Include local content requirements in the tenders for work and give preference to the contractor who is best able, and has a proven record, to work with local communities.
8. Commission a context-specific cultural sensitivity training. Part of this could be a booklet with the cultural Do's and Don'ts.

### **Bor-Dinka characteristics**

- § People are relatively closed to outsiders and do not easily express their opinions.
- § Elders enjoy great respect within the community and represent community interests. They will be the channel of communication between Total and the community.
- § Bor-Dinka community cohesion is very strong. Apparently, there is no Bor interclan conflict.
- § Community decisions are made based on consensus. Once decisions are made, they are final.
- § The traditional structure, rather than the military or the civil, solves conflict.

### **Suggestions to be included in the tender for work for the seismic survey**

1. The contractor shall use locally available capacity as much as possible. This includes 100% local labor for non-skilled positions. The contractor shall provide a trainer to ensure that semi-skilled labor positions can also be filled by local people.
2. All non-Dinka/Nuer staff shall follow cultural awareness training.
3. All aspects of the work that can be done manually, shall be conducted in such manner (and thus need to be factored into the project design and its critical timeline).
4. Force majeure claims due to community unrest shall not be awarded if these, demonstrably, are caused by actions of the contractor.

***Luc Zandvliet, September 20, 2005***

## ANNEX A

### **CEP experience from Ghana**

One company participating in the Corporate Engagement Project has taken the following approach with regard to hiring and training of staff:

- § It established a labor pool for non-skilled workers. The number of people in the labor pool correlated with the number of people required for the project.
- § All community members living in the wider concession area (the “whole” community and not only the “host” community) were invited to provide the company with resumes and were explained how to write resumes.
- § A labor pool quota for each community was negotiated based on 1) population size 2) geographical proportion of the concession area, and 3) proximity from the site.
- § Selection of individuals was conducted through a public lottery. This was generally seen as a “fair” and transparent process which has avoided jealousy among the youth.
- § 10% of the jobs were ‘protocol jobs’ at the discretion of the chiefs, thus easing some of their pressure to “deliver” and to avoid bribery through selection committees.
- § Each staff member participated in a two-week preparation course on how to work in an industrial setting (arriving at work on time, safety training, following instructions etc.)
- § Each class has representatives from all communities to ensure an inter-ethnic mix during the training and to create a shared company identity.
- § The company designates workers for non-skilled labor positions to contractors instead of allowing contractors to bring their own staff.
- § Bussing arrangements allowed jobs to be spread throughout the concession area instead of favoring those who live nearby.
- § Contractual arrangements stipulated that contractors should hire local apprentices who work closely with skilled non-local laborers to gain expertise.