

## Shell in Nigeria

# Improving lives in the Niger Delta



Our main contribution to communities in the Niger Delta is through the taxes and royalties we pay to the federal government. The joint venture operated by the Shell Petroleum Development Company (SPDC) has contributed more than \$34 billion in the past four years (2005 – 2008). The Shell Nigeria Exploration and Production Company (SNEPCO) – which manages our offshore business in deep water – has paid nearly \$2 billion over the same period. This is a significant contribution to the government, which has the primary role to promote development, reduce poverty and support economic growth. Oil revenues can only go so far, though. Even with last year's record high oil prices, the energy industry generated the equivalent of less than a dollar a day for each person in the country.

### Development initiatives

In addition to our revenue payments, we support and finance community development initiatives in the Niger Delta. In 2008, Shell-run operations contributed over \$158.2 million (\$56.8 million Shell share) to the Niger Delta Development Commission as required by law. In the same year, operations run by SPDC contributed an additional \$84 million (\$25.2 million Shell share) directly to development projects, many delivered in partnership with others. These focus on a range of activities including small business and agriculture, training, education, health care and capacity building.

Small businesses play an important role in the economy. Our partnership with Nigerian telecoms company Globacom provides training in small-scale business management and helps people set up mobile phone enterprises. We have trained and helped more than 850 people since the project started in 2004 – 69 in 2008. That same year, this partnership financed a pilot project to help young entrepreneurs set up 12 call centre businesses in Delta and Rivers states. Members of the public can pay to use these branded kiosks to make phone calls and buy recharge cards.

Our global LiveWIRE programme has helped to train more than 2,200 young people in Nigeria since 2003, giving them skills to start their own small businesses. With the support of the Delta State Government, they have established more than 360 businesses so far. In 2008, one of the LiveWIRE graduates went on to win the Central Bank of Nigeria's Young Entrepreneur of the Year Award.

Agriculture is one of the main sources of income for Nigerians. SPDC is partnering with USAID Nigeria and the International Institute of Tropical Agriculture in an \$11.3 million project (\$2.25 million Shell share) over five years to develop cassava farming. In 2008, more than 3,200 farmers received training under this programme.

Training can help young people acquire the skills they need in life. During 2008, the SPDC joint venture spent more than \$2.1 million (\$630,000 Shell share) to train 492 youths in a range of skills including welding, pipefitting and carpentry, enterprise and leadership development, and conflict management. In collaboration with the Foundation for Ethnic Harmony in Nigeria, we supported the NDDC in training an additional 600 youths from the Niger Delta on non-violence and conflict management. NDDC paid for the training.



Education goes hand in hand with training. Last year, we awarded about 2,730 secondary school and 850 university scholarships in the Niger Delta region and other parts of the country. At any one time, our scholarships support some 13,650 secondary school and 3,400 university students.

Health care is one of the biggest challenges in Nigeria and the rest of Africa. We have a three-year, \$4.5 million (Shell share \$3.4 million) partnership with Africare to reduce the impact of malaria on mothers and children in the Niger Delta through awareness programmes and the distribution of drugs and mosquito nets. In 2008, almost 1,000 nets and more than 2,000 doses of anti-malarial drugs were given away at antenatal clinics.

In 2008, SPDC completed the \$2.2 million Niger Delta HIV/AIDS response project (Shell share \$1.55 million) in partnership with Family Health International. This was Nigeria's first comprehensive HIV/AIDS programme at primary health care level. In 2008, this pilot scheme trained more than 240 health care providers, tested and counselled more than 4,000 people, reached more than 1,350 pregnant women to prevent transmission of the disease to their children, and enrolled 730 people for HIV/AIDS treatment. The state-run national HIV programme will take control of this project in 2009.

We built three new community health care facilities in 2008. These bring the total number of Shell-supported health facilities in the Niger Delta to 32. More than 800 government-employed community health staff work at these facilities. In 2008 they treated more than 80,000 people and helped to deliver more than 1,800 babies. In addition, 40,000 people attended our health outreach programmes, which provided a range of services including health education, vaccinations, eye-testing, treatment of malaria and minor ailments, the distribution of mosquito bed nets, HIV screening and de-worming more than 5,000 school

children. In 2007 we started a pilot training programme for mid-level local government officials in Bayelsa State to support community development. The Living Earth Foundation and Pro-Natura International ran this project. Thirty-two people graduated from the programme in December 2007. Based on the success of this project, the Living Earth Foundation has launched another – supported with grants from Shell and the Delta State government – to train a further 60 government officials from local government authorities in Delta State.

More information on Shell's operations in Nigeria can be found at [www.shellnigeria.com](http://www.shellnigeria.com)



### > 'Bayelsan Silhouettes' communication project

To raise awareness of HIV/AIDS, SPDC launched a multi-media project to produce and distribute seven short films, a website and a youth magazine. We also collaborated with local not-for-profit organisations to produce 26 radio dramas. In both programmes, over 50 youths from Bayelsa State received training in script writing and drama. One of the HIV/AIDS films won the 2008 Pan African Film Awards for Best Short Drama and Best Producer. See website: [www.bayelsansilhouettes.org](http://www.bayelsansilhouettes.org)

### > A new approach

Over the years, development efforts by energy companies operating in the delta have had mixed success. In 2006, SPDC began testing a new approach to improve the way we engage with communities and the effectiveness of projects and to empower communities to make their own development decisions. We introduced new agreements – called Global Memoranda of Understanding (GMOUs) with communities, grouped together into clusters. Through GMOUs, the SPDC-operated joint venture provides secure multi-year funding for development projects and access to experts. The communities decide how to spend the money. By the end of 2008, the joint venture had funded a total of 80 projects using the GMOU model. For example, in March 2008, one cluster used the GMOU process to set up a micro financing and business training scheme targeted mainly at women working in the local markets. By the end of the year, more than 150 women had received support from the scheme with loans totalling around \$130,000. While still committed to the principles of helping communities make their own decisions, we have scaled back our plan for GMOUs due to funding shortages from our government partner and increased community disruptions of operations.