

## Green River Project: An Analysis of a Corporate Community Development Scheme

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### Abstract

Oil-bearing communities of the Niger Delta of Nigeria have experienced unimaginable degree of volatility in recent years. The advent of the loathsome *abduction economy* and other activities of militants have crippled the local economies; granted that the militants' angst is towards Government, the functionaries and facilities of the tenant multinationals are now the targets. Resultantly, corporate multinationals are constantly evolving new ways and means of constructively engaging their host communities towards improved community-corporate relationship. This paper evaluated the effectiveness of the Green River Project (GRP), which is an agricultural assistance project established by Nigeria Agip Oil Company (NAOC) Ltd under its corporate social responsibility (CSR) program. Based on a study of its activities over the twenty-eight years of its existence in the community, the paper observed that GRP has touched the lives of members of the social environment of NAOC positively. The paper concludes by recommending that there is the need to (1) establish a structure for consistent education of the people and members of the cooperatives established with the assistance of GRP on the benefits accruable from the project, best practices and good governance in the agriculture and agro-allied industry (2) encourage and guide them on how to take advantage of facilities from government agencies such as Bank of Agriculture, Bank of Industry, Federal and State Ministries of Agriculture etc and (3) make the annual Farmers' Day Celebration a populist event and give it wider publicity thereby creating greater and wider awareness amongst the people.

Keywords: Stakeholders, cooperatives, skills acquisition, micro-credit, farmers' day, awardees

## Introduction

One Tuesday in May, 2016, a community leader walked into the offices of the Stakeholders & Community Development Division Manager of Nigeria Agip Oil Company Ltd (NAOC) for a conversation on NAOC's relationship with his community; incidentally, the relationship had experienced an operational hiccup as a result of issues surrounding a mishap at one of NAOC's facilities in his community on June 28, 29 and 30, 2015. By happenstance, an entrepreneur who had been contracted to construct a cassava processing mill was there for directives on how to proceed; in the process of the discussion, the community representative interjected (intruded?) by querying the rationality and sustainability of the project if left in the hands of the community. His argument was premised on the realization that such projects usually fail if left in the care of a community, which, essentially, is in the hands of no one; so he suggested that they should donate the project to a cooperative society in the community. To his pleasant surprise, the NAOC functionaries said that the project is billed to be donated to "one of the cooperatives in our host community under the Green River Project;" "so NAOC has been working with cooperatives in the community" he soliloquized with great pleasure.

This effort is a product of the above chance encounter. The objective is to subject the CSR program and projects of NAOC to critical analysis within the framework of best practices in the field. Therefore, CSR will be discussed briefly; thereafter, the history and essence of the GRP will be reviewed, its approach appraised and analyzed; subsequently, the efficacy of the project by way of its effect on the communities that constitute the social environment of NAOC will be subjected to critical analysis and recommendations made.

## Theoretical Framework: Corporate Social Responsibility

Literature and opinions on CSR abound worldwide. In the wake of ethical consumerism and environmental activism, contemporary society now demands that corporate organizations operate based on sustainability, whereby businesses comply with the laws and ethical codes related to commerce while ensuring they do not endanger the environment or exploit the public. Also referred to as *corporate conscience*, *corporate citizenship* or *responsible business*, CSR includes use of renewable energy sources, proper disposal of wastes, mobilizing people on proper environmental habits and creating awareness on the rights of consumers and employees. (Gabriel and Wadike, 2013) CSR also requires that while an organization is driving its profit-driven objectives, it must operate cognizant of the needs of the social and physical environment.

Again, given the fact that the social environment of operation is a major factor in the life of any organization, corporations have become conscious of and sensitive to the mood of their social environment and have, therefore, tended to be socially responsible so as to operate successfully without violence arising from host communities; thus enhancing their public image. CSR, therefore, prescribes organizational responsibility to the community; it calls for binding actions towards ensuring that economic activities do not imperil the lives of the people and eco-friendly

actions that would aid in creating a better society by improving the standard of living in the host community. Companies are, therefore, challenged by stakeholders and activists to develop a blueprint for sustainable economic prosperity in their areas of operation while taking care of their employees and the environment.

It is this need for corporate bodies to “*sustain economic prosperity in their areas of operations*” as stated above that is the slant of CSR being discussed in this effort. In this regard, mainstream investors have been challenged to ensure that CSR issues are evaluated when analyzing companies; the call has also been made on institutional investors such as pension funds and insurance companies to ensure the integration of environmental, social and governance (ESG) issues into their investment decision-making and ownership practices. In the recent past, socially responsible investors have become key catalysts asking companies to develop a CSR agenda while mainstream financial institutions have also come to recognize and appreciate the value of CSR and insist on certainty of a verifiable program.

### **NAOC: A Brief History**

The first attempt of NAOC at oil exploration produced positive results as oil was struck in great commercial quantities beginning with the historic Mgbede 1 Oil Well. With this discovery, it started real oil exploitation in 1965 in the Egbema area with the construction of Ebocha Oil Center (EOC), following the drilling of about twelve oil wells within the area before the Nigeria Civil War in 1967. (Amugo, 1997)

Production in Egbema resumed in 1970 after the Civil War with a peak production level of 80,000 barrels per day recorded in 1979. Soon after Egbema, NAOC discovered and started drilling oil in Obrikom, Idu, Obiafu and Omoku in Ogba. This was to tremendously increase the volume of NAOC oil production in Ogba/Egbema/Ndoni Local Government Area (ONELGA), Rivers State. With time and under a joint venture arrangement with NNPC (60%), NAOC (20%) and ConocoPhillips (20%), NAOC’s operations expanded beyond the land area and ventured into the swamp areas of the Niger Delta and beyond, with concessions lying within Bayelsa, Delta, Imo and Rivers States; these concessions cover a total area of 5,313 sq. km comprising of four blocks OML 60, 61, 62 & 63 traversing numerous ethnic groups, cultures and geographical areas with implicit geological diversities. (NAOC Diary, 1982:1)

### **Green River Project: A History, Operations and Impact Analysis**

In 1986, the Federal Government of Nigeria directed multinationals to embark on agricultural support projects in their areas of operation. Harkening to that call, NAOC engaged Enichem Agricoltura of Italy, which has relevant experience in various countries, to study and offer recommendations on most suitable project to be applied in its oil concession areas. The study culminated in the establishment of the GRP, which was designed to be Modular Integrated Unified Extension System (MIUES) project. Following apposite baseline surveys and studies in 1986 by the Rivers State University of Science & Technology, the project was initially located in a part of Oil Concession OML 61 Rivers and Imo States; in 1992, it was set up in Delta State (OML 62) and later extended to OML 63 in the year 2000 to cover

Bayelsa State. GRP activities span 4 zones in the Land Area and 5 locations in the Swamp Area. In collaboration with its Technical Partners, GRP has been carrying out unified free Agricultural Extension Service Delivery over 28 years in the NAOC Land and Swamp Areas of the four States of its operations in the Niger Delta.

The objective of GRP is to increase agricultural productivity, enhance farmers' income, improve the quality of life of farmers through the adoption of improved and sustainable farming systems and therefore contribute to the improvement of the livelihood of households in NAOC operational areas. The vision of GRP is to develop a strong food production system backed by a broad technology base that is globally sustainable under present socioeconomic and environmental conditions, respecting the customs and cultural heritage of the communities. Expectedly, this would improve the living standards of the rural people through the promotion and development of agricultural schemes: Micro-credit (Greencard) Scheme, Skills Acquisition Scheme, Aquaculture and Livestock Production and PEDON Soil Laboratory services. Based on collaboration with International Institute for Tropical Agriculture (IITA), National Root Crop Research Institute (NRCRI), National Stored Product Research Institute (NSPRQ), West African Rice Centre (WARDA), International Livestock Research Institute (ILRI), Rivers State University of Science and Technology (RSUST), National Horticultural Research Institute (NIHORT), African regional Aquaculture Centre (ARAC), etc and driven by the zealous and zesty leadership of Stanley Akele PhD, GRP successfully emerged and remains the bedrock and arrowhead of agricultural activities in NAOC's operational areas.

During the period from 1990 to 1995, GRP efforts were centered on sensitization of farmers on the importance of Agriculture through the introduction of high yielding planting materials, fisheries activities, home economics training for women, introduction of multifunctional kits, formation of cooperative societies and capacity building activities. This made the Project very popular in the NAOC Operational Areas. Subsequently, attention of the youths, men and women in the area were shifted towards self-development and they were willing to practice agriculture with the support provided by the GRP. In furtherance of the objective, GRP commenced the micro-credit scheme in 2001. Over the years, this recorded remarkable successes in timely fund disbursement, utilization, business growth and loan recovery (between 85%-95%) consistently from beneficiaries.

Subsequently, special attention was paid to youths and women in the area of acquisition of technical and vocational trades. Since 1999, NAOC-GRP has trained 3,750 youths and women in woodwork, fashion designing, computer training, hair dressing, boat engine repairs, electrical installation (domestic), catering/events management, welding/pipefitting. Trainees are enrolled for Ministry of Labor and Productivity Trade Test and successful trainees are subsequently given starter packs to commence their business.

### **Social Impact**

In the following pages, we shall present statistical evidence of the impact of GRP's CSR in NAOC's areas of operation since the inception of the project; the impact is segmented into two: non-quantifiable and quantifiable.

### **Non-quantifiable**

- Recognition and Federal/State Government accolades to NAOC on effective CSR and NNPC, NAPIMS and partners' recognitions of GRP as the only sustainable developmental projects by the JV Partners and ENI worldwide.
- Complete acceptability of GRP by Communities thus having social license to operate in the communities and indirect generation/circulation of income through auxiliary service delivery etc.
- Overall human development and agro-technological transfer through training, orientation, skills etc.

### **Quantifiable Impact**

- Production and distribution of about 170,000 bundles of improved cassava varieties, 600,000 improved seed yam, over 1,200,000 fish fingerlings to farmers.
- Creation of over 226 viable cooperatives & women/youth association and assisted them in setting up processing units: towards enhancing their socio-economic frontiers e.g. complete cassava processing lines (30), oil palm processing lines/housing (10), sugar processing plant (1), water purification and packaging units (2), cassava chipping plants (2).
- Reduced drudgery, thereby encouraging youths in agriculture by providing 130 multi-functional kits for land preparation and transportation of farm produce.
- Development and provision of technical support through Agro-MOUs' between Company, Governments and Communities, at present (i) Burma Rice Farm, Bayelsa State (ii) Oguta Indoor Fish Hatchery in Imo State.
- Provision of over N145.5m micro-credit facilities to 265 Cooperatives for Women and Youth Associations.
- Interfaced with the HSE Division in re-vegetation of crude oil impacted soils, geo-database network system
- Assisted Nigerian Agip Energy (NAE) in handling their CSR programs and projects.
- Management of the integrated youths' vocational/technical training scheme aimed at equipping selected youths of NAOC host communities with relevant skills necessary for the establishment and efficient management of small-scale industries. Already 3,750 youths have been trained and successful entrepreneurs equipped with starter packs
- Over 35,000 farmers have been directly reached between project inception and now.
- Over the years GRP has produced reputable manpower who effectively manned ENI NAOC operations in various cadres ranging from Departmental Heads & Managers.

### **Farmers Day Celebration**

On October 10, 2015, people from all walks of life gathered at the GRP site at Obie in ONELGA; the occasion was the 19<sup>th</sup> Annual Farmers Day Celebration organized by NAOC. The President of the Federal Republic of Nigeria was ably represented by the Permanent Secretary, Federal Ministry of Agriculture, Mr. Sunny Echono and the Governor of Rivers State, His Excellency Nyesom Wike, was represented by the Deputy Governor, Her Excellency Ipalibo Banigo; Governors Seriake Dickson (Bayelsa State), Ifeanyi Okowa (Delta State) and Rochas Okorochoa (Imo State) were also weightily represented. On the part of NAOC, Massimo Insulla (Vice Chairman/Managing Director), Mrs. Funmi Goka (Deputy Managing Director), Paolo Carnevale (General Manager District), Dieneruo Dan-Jumbo (Stakeholders Management and Community Development Division Manager) Chief Emeka Okoromah (Social Projects Manager) and other functionaries were in attendance.

The community was also impressively represented: His Eminence Sir (Dr) C.N. Obi II, (OON, JP) Oba (Eze-Ogba) of Ogba Kingdom was represented by HRH Eze Louis Ajie (Eze Iyasara of Ogbaland); other traditional rulers in attendance were HRH Eze C.N. Ogor, Ogbagu II of Mgbede, HRH Eze Ignatius N. Ekezhia, Awoma of Aggah, HRH Eze Osoh, Ezeali Usomini of Ogbaland etc.

### **Annual Awards**

Beyond the explicit layout of an organizational structure and the prescribed operational mechanism that spell out duties, roles and responsibilities, organizational behaviorists emphasize motivation as a necessary measure for optimal functionality of individuals and the organization. Within the concept of optimal functionality of the organization, we find such issues as commitment to the realization of the organizational goals based on work ethic and the culture of the organization. Motivation pertains to personnel; it is considered a separate managerial function owing to its significance in the process of achieving organizational objectives; as it applies to organizational goals so it does to any collective human endeavor where individuals partake in a collective effort in which there are leaders and followers towards the achievement of certain group objectives. Motivation can be monetary or nonmonetary; in the latter case, it involves intrinsic show of appreciation for hard work, innovations, initiative and achievement; this appreciation is generally expressed through training programs, commendations, awards etc.

In line with the above, NAOC celebrates farmers annually; in the 2015 episode, which was captured briefly above, eighty farmers in the Land Area emerged Best Farmer in of various categories while forty-four emerged in the Swamp Area in various areas of specialization; each beneficiary received some farming implements that are relevant to the topography of the area. Under the category of Overall Best Farmer in Land Area, twelve farmers emerged in first position in various areas of specialization. In the Swamp Area, thirteen people took the first position in various crop specializations. In all, a total of one hundred and ninety-nine farmers received award in various categories while Clifford Onyeoyibo emerged as the Overall Best

Farmer; in all, two hundred farmers were celebrated and they went home elated and with various gifts.

### **Analysis**

Corporate organizations that embark on CSR programs do not always behave consistently in all parts of the world. Naturally, a particular focus or approach to CSR would not be acceptable in every social environment given the realities of diversity in human habitations, cultures, religion, folkways and mores. Between 1970, when the corporate-centric postulation perspective of CSR held sway and now (2016), a period of almost half a century, global corporate mood and attitude towards CSR have departed from the hardnosed profit-driven posture to incorporating the larger community in its sphere of responsibility realizing the utility of the physical and social environment in the success of an organization.

By focusing on agriculture and allied industries as its CSR target, NAOC has demonstrated a combination of realism and sensitivity to the actual needs of its areas of operation. With the volatility of the Niger Delta, the lingering armed militancy and persistent *abduction economy*, oil producing communities face dire circumstances and have had more than their fair share of volatility. With operations covering four states in the Niger Delta that have immense potential for agricultural activities, a focus on agriculture offers the promise of (1) employment for youths and women and (2) food security.

### **Conclusion**

Based on a comparative assessment of the CSR presence of NAOC and another major oil company operating in the same vicinity, Osai (2002) adorned NAOC in flying colors. In similar vein, Azaiki (2007:59) offers that NAOC “produces infrastructure like electricity, roads, and jetties in host communities. They also offer assistance to farmers and fishermen through the Green River Project.” These reactions are reflections of the numerous memoranda of understanding (MOU) NAOC had reached with its host communities and executed over the years; these MOUs cover all aspects of social infrastructure, education etc. Interestingly, the GRP with its activities and donations of equipment and processing plants to members of host communities is not part of the MOU package for the communities; this is illustrated by case of the cassava processing plant, which was billed for donation to “one of the cooperatives in our host community under the Green River Project” as captured in the introductory narrative of the project.

A major lamentation of political economists and close watchers of the Nigerian economy in a globalized world is the pitiable fact that Nigerians are unable to feed themselves irrespective of the vast arable land and weather conditions that belong in the dreams of farmers in other hemispheres. Worthy of note here is the fact that a relevant common denominator amongst the Asian Tigers is that their march to emancipation commenced with the battle against hunger; a fight for food sufficiency and security. (Osai, 2008; Osai, 2009)

Interestingly, in a letter dated August 3, 2016, NAOC wrote to the service provider in our introductory anecdote directing him to construct the Cassava Pro-

cessing Mill Factory at a land to be provided by a determined cooperative society in one of its landlord communities; the letter was duly signed by the Stakeholders & Community Development Division Manager. Worthy of note is the fact that this donation is over and above projects emanating from NAOC's periodized MOU with the community.

### **Recommendations**

Human development is a continuum; this presupposes therefore that every stage of human achievement and attainment no matter how highly rated requires a review and improvement. It is on this basis that the following recommendations are offered to further improve on the exploits and positive effects of GRP:

- Establish a structure for consistent education of the people and members of the more than two hundred "viable cooperatives" created on the benefits accruable from GRP, best practices and good governance in the agriculture and agro-allied industry; the word *structure* implies a unit within GRP or NAOC that would periodically invite professionals to update the farmers in agriculture and educate them in such areas as bookkeeping, invoicing, basic marketing, best practices and various relevant fields that would add value to their knowledge base and enhance their effectiveness in farming and agro-allied business.
- Encourage and guide farmers on how to take advantage of facilities from government agencies such as Bank of Agriculture, Bank of Industry, Federal and State Ministries of Agriculture, Niger Delta Development Commission (NDDC) etc; this service should be captured under the training/education program implied under 1 above
- Make the annual Farmers' Day Celebration a populist event rather than elitist and give it wider publicity utilizing the news media; this will create wider awareness and hold the potent promise of attracting more farmers into the fold of beneficiaries thereby expanding and enlarging NAOC's network of goodwill and enhancing the public image of the company.
- Develop a feedback mechanism and system that monitors beneficiaries of the various schemes over an appreciable period to ascertain progress and sustainability
- Other corporate bodies should borrow a leaf from the success story of the GRP towards lifting the standards of living in their areas of operation, combating hunger and expanding their network of goodwill



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