



In the Shadow of Asset Security: Corporate Social Responsibility Programme by the Greater Nile Petroleum Operating Company (GNPOC), Republic of Sudan

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ABSTRACT

This paper reports the findings of a study on the rationale for the provision of health services projects implemented by the Greater Nile Petroleum Operating Company (GNPOC), Sudan. The study was based on interviews with the related personnel in GNPOC, community leaders and patients. The interviews are complemented by observations made during field work on the various community development projects that have been implemented. It highlights the company's Corporate Social Responsibility (CSR) initiatives that have been over-shadowed by asset security mitigation concerns. While maintaining conventional security based on the use of paramilitary and security forces, GNPOC also initiated community development projects in the host communities. The objective was to foster a positive perspective among host communities of the company's effort on wealth sharing and to "win the hearts and minds" of the communities in order that they might protect the company's assets as their own. The paper concludes that the CSR initiatives by GNPOC are 'security driven' rather than spreading the benefits to other communities away from the oil pipeline.

Keywords: Asset security, Corporate Social Responsibility, health services projects, Greater Nile Petroleum Operating Company (GNPOC), Republic of Sudan

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INTRODUCTION

Companies are dependent on their stakeholders to obtain the necessary resources for their on-going concerns. The legitimacy of the companies to use these resources depends on their compliance with local rules and values (Freeman,

1984; Freeman, 2004; Friedman & Miles, 2006). They obtain a “license to operate” on condition of not being a predator of the natural and social environment (Eweje, 2006). By and large, the concern of local communities is that companies that seek to set up businesses in their locale create wealth for themselves but return little or nothing to the communities. This has led such companies to moderate this concern; one of the strategies to accomplish this is the creation of Corporate Social Responsibility (CSR) projects (Wells, 2008). In general, CSR focuses on the issue of companies’ contributions in meeting the social and economic needs of the communities in which they are established.

Globally, oil companies continue to be at the forefront in advocating Corporate Social Responsibility (CSR) activities. Compared to the past, oil companies today attach increased importance to the social and environmental dimensions of their business activities, and there is a marked increase in the frequency of engagements with local communities (World Business Council for Sustainable Development, 1998). Oil companies have sponsored and executed considerable numbers of community development schemes such as building schools and health centres and supporting youth development programmes. Effectiveness of CSR activities by business corporations notably in the oil and gas sectors have been increasingly scrutinized by various stakeholders. There has been allegedly a disparity between the declared plans of industry captains and what is happening on the ground. The current

situation in the Republic of Sudan is no different with respect to CSR or Community Development (CD) projects funded by the oil companies.

A case in point is the CSR initiatives funded and implemented by the Greater Nile Petroleum Operating Company (GNPOC). As part of the company’s corporate social responsibility, GNPOC has been actively involved in implementing various CD projects in the country. Beginning 1999, scores of CD projects have been implemented for the benefit of the host communities. The GNPOC’s CD projects are centred on provision of water, education and health services and facilities and community capability buildings. Such projects were implemented with the background of a multitude of tribal groups, cultures and traditions. The implementation of the CD projects comes with its fair share of problems, as experienced by the companies. Quite often these projects were implemented with limited understanding of the physical, political and socio-cultural environments of the target communities. Indeed, some of these projects did not have the desired effectiveness as expected.

The primary objective of this study is to investigate the rationale for the provision of CD projects implemented by the GNPOC, Sudan. It examines the driver of the company’s corporate social responsibility initiatives. However, any attempt towards comprehending the CSR or CD projects by the oil companies must be made in relation to the unfolding events in the petroleum industry in the respective host country.

RESEARCH METHODOLOGY

The research employed both primary and secondary data collection techniques. The primary data collection was based on interviews with the GNPOC's personnel, notably those in the Security Department and Community Development Unit and with Area Coordinators. During the field trips interviews through interpreters were also carried out with the Omdah (community leaders), patients and personnel manning the health clinics. These interviews were complemented by observations on the physical conditions of the clinics, the conditions of the equipment, facilities, the stock of medicines and vaccines, and the general hygiene of the clinics and its vicinity. Complementing the interviews, the observations by the researchers during field work related to the various community development projects and the surrounding communities also played an integral part in the data collection process. Field work was carried out from Heglig and Neem in the southern oil fields to Port Sudan. Apart from the field visits, the study also utilised available secondary information provided by GNPOC such as the company's reports and journal articles.

BACKGROUND OF CSR AND DEVELOPMENT IN AFRICA

Scholarly research that focused on CSR in Africa remained few and nascent (Visser, 2005). Literature on the development of CSR in Africa is largely focused on South Africa. A few similar studies are found in Cote D'Ivoire, Kenya, Nigeria,

Tanzania, Mali and Zambia. Most of the CSR activities were initiated by the extractive sectors, mainly the mining and petroleum industries (Hamann & Kapelus, 2004; Frynas, 2005; Visser, 2005). The CSR initiatives implemented by the companies in these industries are categorised into the following projects (Jenkins & Obara, 2008; Visser, 2008; Idemudia, 2010):

- a. Infrastructure improvements like constructing access roads, housing, community buildings, small business training centres, market stalls, provision of the supply of utilities such as electricity and clean water
- b. Social welfare initiatives such as offering health services to the communities that include constructing and equipping hospitals and health centres
- c. Education initiatives such as provision of scholarships, technical training colleges, building secondary and primary schools and supplying teachers
- d. Community foundations where funds are generated by companies and are channelled for social projects
- e. Supporting small local businesses whereby the companies give special preference to the local suppliers in their procurement policies
- f. Sustainable livelihood projects in developing sustainable employment opportunities for host communities
- g. Micro-credit finance schemes that can be used to launch new micro-enterprises, create jobs, and help

economies of the host communities to flourish. Micro-credit schemes are also aimed at empowering rural women and other disadvantaged groups in the communities.

It is apparent that the CSR initiatives in Africa cover a wide spectrum of activities from infrastructure development to micro-credit schemes. Such wide ranging parameters are clearly related to the level of development in the respective countries and the related needs of the people. This envisaged that the CSR priorities of the companies and the host countries are not expected to undergo drastic changes.

THE RATIONALE BEHIND CSR INVESTMENT

Generally, the main objective of a CSR programme is to accomplish the community's needs by providing equal opportunity to raise their living standards, equal opportunity to the access of healthcare services and quality education (Alias *et al.*, 2011; Sneddon, 2000). Previous studies have shown that approaches to community relations adopted by oil companies evolved through three phases. By and large, in the initial phase, these companies adopt the pay-as-you-go approach with the aim of securing right-of-way. This is portrayed by the simple relationship between the oil companies and the host government as described by Frynas *et al.* (2000). The foreign oil companies and the host governments depend on each other. The oil companies provide revenue for the states in the form of tax and royalty while the states provide the concessions to

the countries' natural resources by granting oil licenses and providing the regulatory framework that defines the terms and conditions of operations and the financial incentives for the oil companies. For this reason, CSR in past practice was given a rather low emphasis by oil companies and motivation did not go beyond merely respecting the legal obligations.

However, as the companies continue their operations, they progressively accept the importance of corporate social responsibility in securing the social licence to continue their operations. At this juncture, the strategy of community involvement was largely corporate driven. Community participation was at best minimal and projects faced sustainability issues. Overtime, as the number of projects increases, the cost of implementing the community development increased tremendously. Realising these facts, the companies now shift towards corporate-community involvement strategies in partnership with local communities and other oil operating companies. These oil companies share the decisions on community development projects with local communities to enhance the sustainability of the project and thereby, restrain the large increase in social investment (Idemudia, 2009a).

International petroleum contracts involve three parties, namely (1) host governments that own the resources, provide the legal, fiscal and regulatory frameworks and execute the applicable petroleum agreements with international oil companies;

(2) international oil companies (IOCs) that contribute the capital, technology and expertise in return for a reasonable return on investment to compensate for their risk; and (3) host communities that may put down claims to the resource and have expectations from oil and gas operations. Though the IOCs negotiate and execute applicable international petroleum contracts with host governments, they must contend with the demands of non-contracting parties, namely, the host communities that have little legal standing to peacefully engage in operations. Without the host communities, IOCs lack the social licence to operate. Failing which, the host communities feel that they do not get enough social and economic assistance even though the wealth is being extracted out of their neighbourhood. To make matters worse, in most cases, the host governments adopt a hands-off approach and insist IOCs address the needs and concerns of host communities. Hence, the mounting pressure on the IOCs to demonstrate their social accountability, especially those operating in politically and environmentally sensitive regions. Consequently, the IOCs have to devote significant resources towards appeasing the concerns and needs of host communities. Other business reasons as cited by Frynas (2005) and Spence (2011) include:

- CSR is a good strategy to manage external perceptions and maintain the good reputation of companies
- Maintaining a stable working environment by obtaining the host

communities' agreement to allow the company to operate

- Obtaining a competitive advantage as socially responsible companies are favoured by the host government

OVERVIEW OF THE OIL INDUSTRY IN THE REPUBLIC OF SUDAN

Oil exploration activity in Sudan began towards the end of the 1950s in the coastal waters of the Red Sea and the Sudanese continental shelf. The majority of proven reserves are located in the south in the Muglad and Melut basins. However, due to civil conflict, the activities of oil exploration were concentrated in the central and south-central regions of the country. Uncertainty caused by internal political unrest has forced many companies to withdraw their operations from the country. The deterioration in security conditions in the oil fields caused the remaining oil companies to suspend all operations in 1984.

In 1975, Chevron was granted a concession in the south and south-west of Sudan and the first oil discovery was made west of Muglad years later. Following that, more significant discoveries were made by the company in the Unity and Heglig fields. Nonetheless, in 1984, Chevron ended its 17-year involvement by selling its interests to the Sudanese company CONCORP Petroleum. This company took over the concession rights with proven reserves of 1.3 billion barrels of oil and later, sold the concession rights and assets to the Canadian oil corporation 'State Petroleum Corporation'. In 1994, Arakis Energy

Corporation purchased State Petroleum Corporation and started operating in Sudan. In 1996, Arakis, in the face of difficulties, sold 75% of its shares to the China National Petroleum Company (CNPC), PETRONAS (Malaysia) and Sudapet (Sudan) and formed the Greater Nile Petroleum Operating Company (GNPOC). Arakis subsequently relinquished its remaining share in the GNPOC to the Canadian company Talisman in 1998. Talisman later sold its shares in the GNPOC to the Indian Company Oil and Natural Gas Corporation Limited (ONGC) and left the scene.

The GNPOC made considerable discoveries and succeeded in constructing the 1,600 km pipeline linking the Heglig and Unity fields to Basha'ir Red Sea Terminal at Port Sudan. In 1999 the pipeline became operational and carried the first oil exports. Currently operating in Blocks 1, 2 and 4, GNPOC is one of the companies that are actively involved in the development of the petroleum industry in the Republic of Sudan. GNPOC operates three exploration and two development blocks. The concession area is located approximately 700 km south-west of Khartoum.

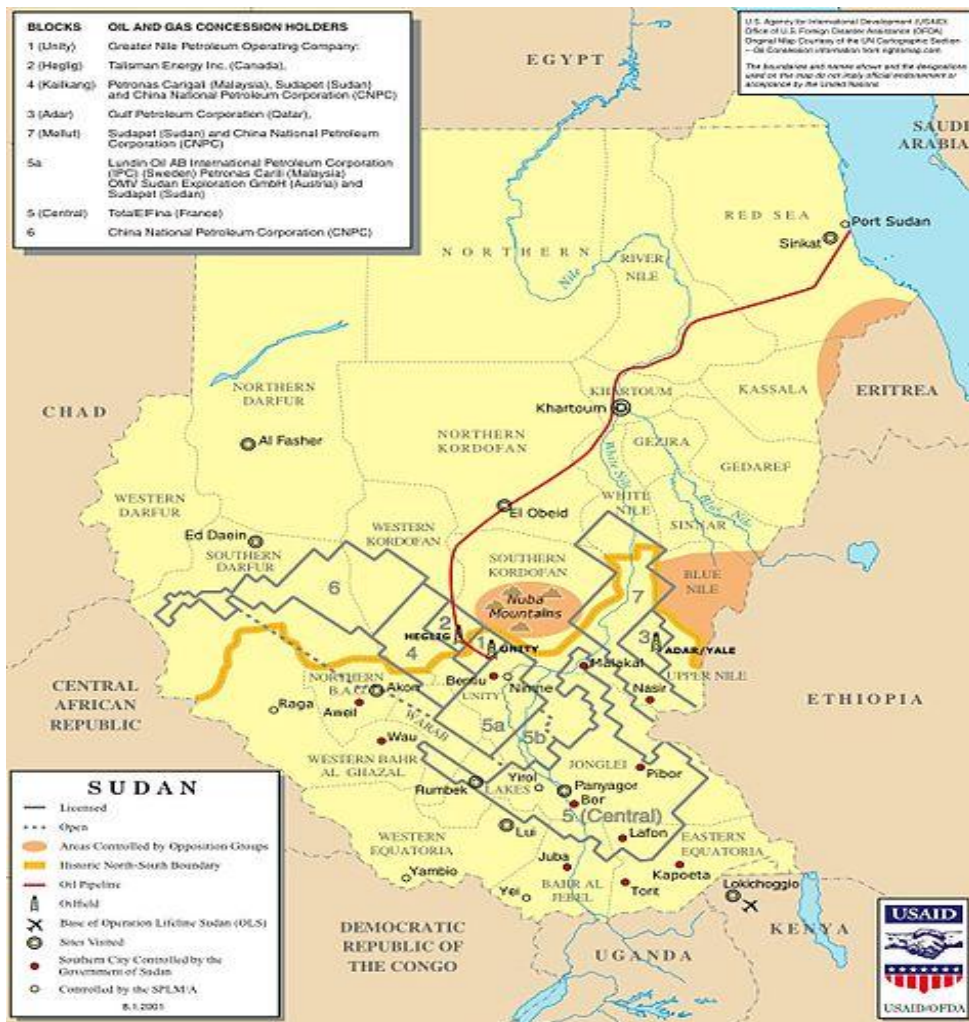
Undoubtedly, the development of the oil industry has changed Sudan's physical landscape and touched the livelihood of the people. The oil industry in Sudan has been dominated by two significant stakeholders namely the Government of the Republic of Sudan and the foreign oil companies. Current players in Sudan include GNPOC, Lundin Oil, PETRONAS, Sudapet, Gulf Petroleum Corporation and China National

Petroleum Corporation (PETRONAS, 2009). The third group of stakeholders, that is, the host communities, has been given less emphasis. The host communities can be categorised into three groups specifically i.e. the producing host communities at the vicinity of the oil exploration, transit host communities through which the oil pipelines pass and terminal host communities where the port or terminal facilities are located (Idemudia, 2009b). The route taken by the Greater Nile Oil Pipeline is shown in Fig. 1. Initially, the pipeline began at the Heglig oil field in South Kordufan State. Since 1999, the pipeline has been extended to the Unity State oil field. From here, the pipeline route covers North Kordufan State and the Nuba Mountains and passes the central region through Khartoum and the River Nile States. The pipeline extends to the eastern sector through the Red Sea State and ends at the Basha'ir Terminal at the Port Sudan.

The route of the pipeline spans diverse geographical features from almost equatorial jungle in the south to a sandy uninhabited dessert in the north. In terms of the people, large numbers of tribes who speak various languages and dialects peppered the oilfields around which were settled the host communities, transit host communities through whose territory the pipeline passes and the terminal host communities that stay around the territory of the port or terminal facilities. Some of the major tribes include the Messeriya Arabs, Nubians, Daju, Hawazma, Gawama'a, Bedairiya, Dar Hamid, Shanabla, Hawawir, Gamuiya, Gimaia'ab, Ja'aliyin, Shaiqiya, Hassaniya,

Rubatab, Rashaida, and Beja to name a few. Apart from the tribal groups and languages, diversity is also expressed in terms of religion. While the majority of inhabitants are Muslim, there are also Christian denominations and traditional local belief systems. The ecological and ethnic diversity is also matched, on the economic side,

with distinct patterns of adaptive strategies and livelihood activities. Some cultural groups are largely involved in agricultural activities as their adaptive strategy though others trek wide areas looking after large number of cattle, camels or sheep. There are also groups that combined cultivation with livestock husbandry.



Source: USAID 2001 Sudan Oil and Gas Concessions Map

Fig. 1: The route taken by the Greater Nile Oil Pipeline

OIL INDUSTRY AND CIVIL WARS IN THE REPUBLIC OF SUDAN

Sudan experienced its first civil war between 1956 and 1972. It was ended by the signing of the Addis Ababa peace agreement, with the south becoming an autonomous region. The second civil war broke out in 1983 as a consequence of the collapse of the Addis Ababa agreement. The oil discoveries made by Chevron in Sudan complicated the relations between south and north and has played a major role in re-igniting the second civil war. The oil related conflicts began in 1980 when the Sudanese government proclaimed a plan to change the borders between the southern and northern provinces. On the basis of this plan the oil-rich Unity State became part of the north. The plan met outright rejection by the southern leaders who alleged that the division plan was an attempt by the central government to control the oil areas and deny the south of oil revenues. Under the Addis Ababa agreement the southern regional government had the right to all profits on exports from the south region.

Another dispute revolved around the pipeline connecting the southern fields to Port Sudan. The south preferred a route that would not pass through the north and proposed an alternative route that passed through Kenya to the Indian Ocean. In addition there was also a dispute over building a refinery which the south demanded to be in its region. This demand was rejected by the central government and the refinery was built instead in the north. These disputes, all related to control over

the country's oil wealth, resulted in a deep crisis and an increasing lack of trust between the two parties. The central government's clear intention to seize full control of the oil violated the Addis Ababa peace agreement and increased anger and fear in the south, which eventually erupted the second civil war between the Sudan People's Liberation Army (SPLA) and the North.

The eruption of the war caused mounting challenges for the foreign oil companies to continue operating in Sudan. The SPLA targeted the oil fields to prevent the Sudanese government exploiting the oil resources. In 1984, the SPLA attacked the oil fields in the south, abducting and killing three Chevron workers. This unfortunate incident forced the consortium led by Chevron to suspend its operations. Likewise, the consortium led by Total suspended its operation the following year. Indeed, the SPLA announced that the pipeline, oilfields and oil company workers would be regarded as legitimate military targets. The first sabotage was conducted on 20 September 1999 where a section of the pipeline 350 km north of Khartoum was blown up. Consequently, the Sudanese government deployed 3,000 policemen to guard the pipeline, and paramilitary groups were deployed to the oilfields.

The SPLA lost considerable ground to the government forces over the next three years following the overthrow of the Mengistu regime in Ethiopia in 1991, a main ally of the SPLA. The majority of the oilfields once again came under control of the Sudanese government, and relative security prevailed. This new situation

attracted new foreign investments and led to the resumption of the oil exploration and development operations. The oil revenues, especially after 1999, altered the balance of power within Sudan as the Sudanese government gained the financial resources to modernise the army and make it more efficient in fighting the SPLA. This shift in the military balance of power did not bring the civil war to an end. The SPLA continued to receive support from its allies and continued to attack the Sudanese army and the oilfields. The civil war only ended officially in January 2005 after the signing of a peace agreement in Nairobi, on the basis of which the south was granted the right to self-determination in 2011. An important element in the agreement was the sharing of oil wealth, which would be divided equally between both parties.

It is quite apparent that GNPOC's experience in implementing CD projects in the rural communities in Sudan is rather different compared to that of other extractive industries. The historical specificity of the country, influenced by the wider social, economic and political forces has undoubtedly played a significant role in shaping the rationale of the company's CD programme. While CD projects carried out by corporations in other countries are implemented under relatively peaceful conditions, the same cannot be said about Sudan. The CD projects by GNPOC were formulated through civil wars and conflicts. A principal challenge facing GNPOC operating in conflict zones is the safety of their operations, assets and

personnel. GNPOC has a legitimate need to establish adequate security arrangement. The protection of assets and personnel necessitate direct engagement of state security agencies and also private security services. However, GNPOC recognises that the company cannot insure security at the expense of the host communities. The company has to include stakeholders on issues of security of operations, assets and personnel. Hence, the initiatives of the CD programme evolved through the security agenda of the company. The past and current organisational structure of the CD programme under GNPOC's Security Department and personnel is a logical and direct consequence of these political circumstances.

HEALTH SERVICES PROJECTS BY GNPOC

One of the most important questions for GNPOC is how to protect their operations, assets and personnel whilst ensuring that they also consider what may be rightly owed to the host communities. This is a key factor in the company's relationship with the host communities. In mitigating the security of their assets, GNPOC took the proactive step by forming their own security teams, providing another layer of security in their oilfields. While maintaining the conventional kind of security based on the use of paramilitary and security forces, GNPOC also focused on community policy that creates development for the people in the host communities. The objective is to encourage host communities to adopt a

positive perspective of the company's efforts towards wealth sharing while the company at the same time can protect its assets. This strategy has shaped the company's Security Department organisational arrangement. Those in charge of security operations are at the same time tasked with community development (CD) projects. The manager of security operations for the oilfields and pipeline also oversees health care, education development and freshwater supply projects. Consequently, the emphasis to meet social and economic priorities, as well as stakeholder management, is rather low.

In an interview, the Head of the Security Department stated that the implementation of CD projects in the host communities located close to the oilfields and along the 1,600 km pipeline spanning from Heglig and Unity State to Port Sudan reflected a massive effort by GNPOC to "win over the people" by protecting the prized possession and obtaining the 'social licence' for the company to operate. He stressed that millions of dollars was spent annually to implement projects relating to water, education and health services. Apart from these core areas, projects associated with agriculture are also carried out. Since the implementation of the CD programme from 1999 to 2007, a total of US\$25.5 m had been spent on various initiatives and an estimated US\$4m was budgeted for 2008. The overall project cost for 11 years (1999 – 2000) was close to US\$40 m. The projects include areas such as water, health, education, agriculture and others. A total of 1,135,000

people in the four sectors namely Heglig, Southern, Central and Eastern sectors have benefitted from the various CD programmes implemented in the above mentioned timeframe. Many more projects are being planned while some are in the process of implementation.

Table 1 highlights the health services projects that have been implemented between 2000 and 2008. The health services programmes have two components, namely, upstream, which covers the concession area, and downstream, along the pipeline. The primary motive behind the implementation of the health services projects and the serious social engagement by GNPOC with the communities is maintaining a stable working environment so that the company can continue its commercial operations. These community development projects are carried out in the concession area (Block 1, 2 and 4) in Heglig, which is about 800 km south-west of Khartoum, as well as in towns and villages along the 1,500 km underground export pipeline from the Heglig central processing facility up to the marine terminal at Port Sudan.

As at 2008, GNPOC has delivered 59 health services projects for the communities in the concession area and in the areas along the route of the underground export pipeline. The projects include the construction of new hospitals and health centres and the rehabilitation and maintenance of existing hospitals and health centres. The company also provided community medical care through the supplying of medicines and medical equipment to various hospitals

and health centres. In addition, GNPOC provided mobile clinics with doctors, nurses and medicines that go to the various health centres on a regular basis to supplement the services provided by the health centres.

Between the years 1999 and 2007, the health services projects had served 949,000 beneficiaries with a total investment of US\$7,166,188. Analysing further by sectors, during the period from 1999 to 2007, reveals that GNPOC has invested approximately US\$4,315,792 in the health services projects in the Heglig sector which has benefitted a total of 340,000 people in the surrounding communities. The Southern Sector has received health services projects worth US\$1,410,396 that benefitted 260,000 people. The Eastern Sector, on the other hand, was allocated a total amount of US\$850,000 for the projects, and 159,000 people benefitted from the health services. The Central Sector has received US\$590,000 during that period with a total

of 190,000 beneficiaries. Comparatively, the Heglig Sector has received the highest allocation of the community development budget for health services followed by the Southern Sector, Eastern Sector and, finally, the Central Sector. The high investment in Heglig is reportedly due to the building of hospitals and the comparatively high cost of construction.

Notwithstanding the above, there are a number of sustainability issues in the delivery of the health services projects initiated by GNPOC. The lack of involvement of the beneficiaries (local communities) of community development projects, the neglect of social dimensions such as the adaptive strategy of the local communities when designing the community development projects and the poor integration of the development initiatives into the larger development plan of the company have been perceptible. It is contended that part of the problem is contributed by the way the

TABLE 1
GNPOC Community Development Projects – Health Services

Year	Hospitals and Health Centres	Heglig Sector	Southern Sector	Central Sector	Eastern Sector
2000	8	4 HC	4 HC	-	-
2001	7	2 H	2 HC	1 HC	2 HC
2002	3	-	-	1 HC	1 HC, 1MR-H
2003	4	1 HC	1MR-H	1 HC, 1MR-H	-
2004	6	-	2 HC, 1MR-H	-	3 HC
2005	11	2 HC, 1 H	4 HC	1 HC	3 HC
2006	8	2 HC	1 HC	2 HC, 1MR-H	2 HC
2007	7	3 HC	2 HC	1 HC	1 HC
2008	5	2 HC	1 HC	1 HC	1 HC
Total	59	17	18	10	14

Notes: H – Hospital, HC – Health Centres, MR-H – Maintenance and rehabilitation of hospital

Source: GNPOC Community Development Report

health services projects were formulated, especially in understanding the communities that are pastoralist, agro-pastoralist or sedentary (World Bank Document, 2005). The consequences of misdirected or mismatched profiles prevailed in some of the health services project sites visited. Some of the observations include:

1. Effectiveness of the health centres depends on the adaptive strategy / adopting mechanism of the people. Health centres in the sedentary communities are better maintained than those located among the communities of nomads that frequently move.
2. Major problems faced by most of the health centres are the results of the insufficient role of the government in operate and maintain the health centers. However, it is a “business case” for

GNPOC to ensure those hurdles are overcome.

3. The project design needs to be redefined to include more participation from the community and the gap in terms of technical support, operation and maintenance needs to be addressed.

ORGANISATION OF COMMUNITY DEVELOPMENT IN GNPOC

Central to the motivation behind community development is the desire to win the “heart and mind” of the community to the objective of protecting the strategic assets of the company and the nation in general. Indeed the organisational structure for the management of the CD programmes is another illustration of the priority given to the security concerns related to the assets of the company as shown in Fig.2.

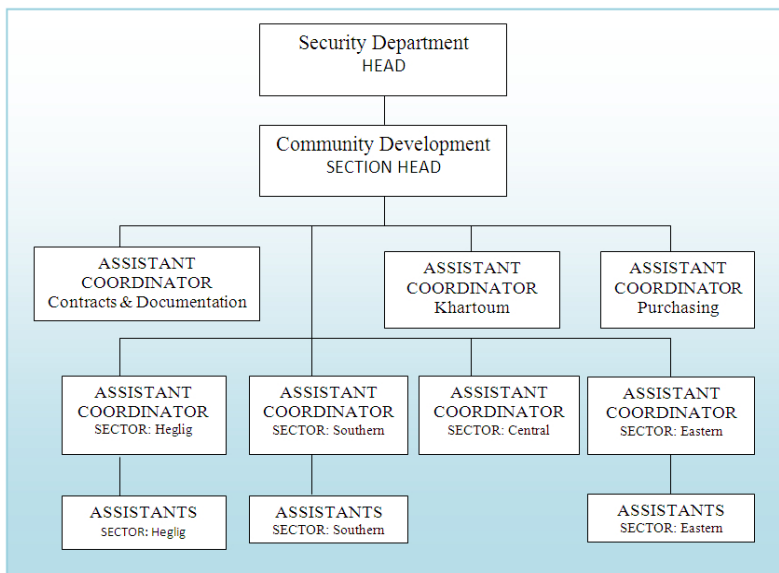


Fig.2: Community Development Section – Organisation Chart

The community development programmes are headed by a Section Head and supported by 20 staff. It comes under the Security Department, which is directly responsible to the President of GNPOC. The choice of the organisational structure reflects that the community development initiatives are driven by the security mitigation agenda of GNPOC. This is in concurrence with the view given by Brammer and Millington (2003). As such, the projects were managed by non-CSR professionals (*vis-à-vis* security professionals) and the initiatives were implemented with limited understanding of the physical, political and socio-cultural environments of the target communities. Due to the vast area of coverage, the CD projects are divided into four sectors and each sector is headed by an Assistant Coordinator. The first sector is Heglig sector which covers the oil concession area that includes Al-Wahda State, part of South Kordufan State, and part of Warab State. The second is the Southern sector, which covers Kailak Al-Buhaira and Um Balingi in the north of Al-Obeyid and part of the State of South Kordufan. The third sector is the Central sector, which is in the region between Um Balingi in the north of Al-Obeyid and Al Damar in the region of Atbara River, and includes the states of Northern Kordufan, Khartoum and River Nile. The fourth is the Eastern sector, which is located between Atbara and Port of Sudan. This sector covers the two states of the River Nile and the Red Sea.

CONCLUSION

GNPOC has and will continue to implement CSR projects through its community development programme. Over the years, scores of such projects dotted the countryside spanning from Port Sudan to the Heglig and Neem oilfields and further south. The projects, which include health services, education and water supply, are situated close to the 1,600 km pipeline from Port Sudan to Heglig. Two major findings from the study emerged. Firstly, the CD projects, due to security concerns, are located close to the principal asset of the company, namely the pipeline. The CD Unit, responsible for the implementation of such projects, is placed under the Security Department, which gives ample evidence that the CD projects are ‘security driven’, rather than based on social needs and spreading their benefits to other communities away from the pipeline. As far as GNPOC is concerned, the pipeline, the most-prized asset, must be protected at all costs. Apart from employing security forces to guard the pipeline, the company has resorted to implementing Community Development projects as a ‘disguise’ for the protection of the pipeline. Secondly, the CD projects were implemented with limited knowledge of the socio-cultural environment of the communities. This is partly due to the fact that the implementers of such projects are security personnel rather than CSR professionals and development specialists who have the expertise to spearhead a noble course to win the hearts and minds of the host communities.

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