2012-2015 Triennium Work Reports

Public Acceptance of Natural Gas Projects

The Golden Age of Gas? Not In My Backyard!

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Public Acceptance of Natural Gas Projects

The Golden Age of Gas? Not In My Backyard!

By Study Group 3 of the International Gas Union
Programme Committee E (PGC.E3)

June 2015

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2 Thank You

This report addresses a topic that is a vital part of our business: local public acceptance of our infrastructure plans.

We want to thank the study group members of BGE, Econgas, Gas Natural Fenosa, RWE, Sedigas, Total, UnionFenosaGas and Union Gas for their engagement, discussion and contribution. It was great to be on this *mission* together. You have all made this report a rich source of insights.

A special thanks to Alfredo Ingelmo, Chair of the PGC Marketing and Communications, for his continued support.

We hope this will be a valuable read.

Hansch van der Velden, Chair

Dimitri Schildmeijer, Co-Chair

Image 1 - The Study Group on Public Acceptance visiting a shale gas site in Pennsylvania.

The study group has been as careful as possible in ensuring information, examples, cases and quotes are correct and reflect the situation. We hope we have succeeded. We can't be held responsible for errors in the text - but do let us know if you feel strongly about it.

For more information or questions, a copy of the report or to invite us to speak on the topic, please e-mail to dschildmeijer@wpntworld.com.

3 Executive summary

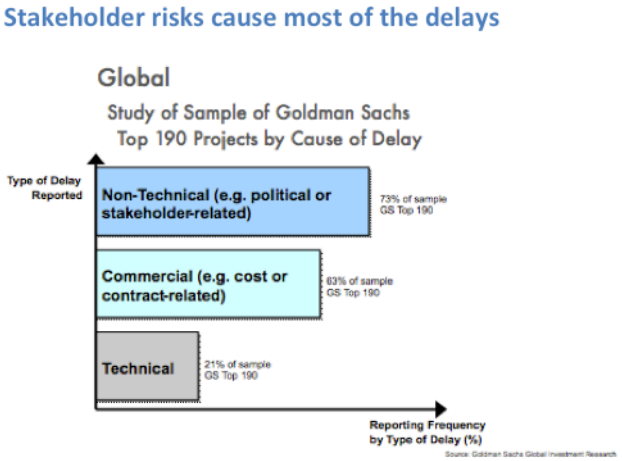
3.1 Without Public Acceptance There is No Business Case

Natural gas can transform the way the world produces and uses energy. To do that, the sector will need to build pipeline systems, onshore and offshore production sites, compressor stations, carbon capture facilities, shale gas drilling pads and LNG terminals.

But building infrastructure means neighbours will be impacted, and getting their buy-in is increasingly challenging. Protests against gas infrastructure projects are widespread, from shale gas in Pennsylvania, a pipeline in Ireland, an LNG terminal in Spain to CO_2 storage in the Netherlands.

Public acceptance is a pre-condition to the success of many gas infrastructure projects. And acceptance won't come from technological prowess or government assurances to the public. It will require a pro-active industry that invests in public consultation, negotiates a social licence and engages communities to gain their trust.

The business case for social licence comprises much more than anecdotal protests. Project managers in the oil and gas industry understand the importance of these "non-technical risks". A Goldman Sachs study looked at 190 oil and gas projects in North America, South America, Europe, Africa, Asia Pacific and the Middle East. It found that 140 out of 190 *delayed* projects were delayed as a result of political and/or stakeholder-related risks, not technical or commercial risks. In short, public acceptance is critical to success.



Local concerns about a project in a community are nothing new. Concerns around traffic, jobs, health, local benefits, air quality, preservation of nature and lifestyle are legitimate and understandable and change – social, cultural, economic or environmental change – can be challenging. The *process* of change – how am I approached and are my concerns heard and recognized – is also key.

Several factors play a key role in getting communities to accept change. The rationale of the project, of course, has to be solid and able to weather harsh criticism. Equally

important, if not more, is the way communities are included in the process, values shared and concerns and feelings acknowledged. Scientific reports do not suffice when citizens feel they are threatened or at risk, or when a project seems to be driven by a different set of values. And no matter how much companies want to stay in their comfort zones and play the rational card, a paradigm shift is needed to negotiate a social licence.

3.2 Public Acceptance Needs Trust, Co-Creation and Conversation

The key to gaining public acceptance is the ability for the project partners – public or private – to combine three elements in their approach: trust, value co-creation and conversation.

- Be a trustworthy partner: Do project partners give proof of integrity, intent, capabilities and delivery of results (past and future) that together build credibility and trust with stakeholders?

- Co-create value: Do project partners design a project that allows value to be *co-created* by seeking input early on?

- Engage in conversation: Do project partners engage and communicate about the project with stakeholders in an open and effective way; do they seek a conversation, and listen and address the concerns?

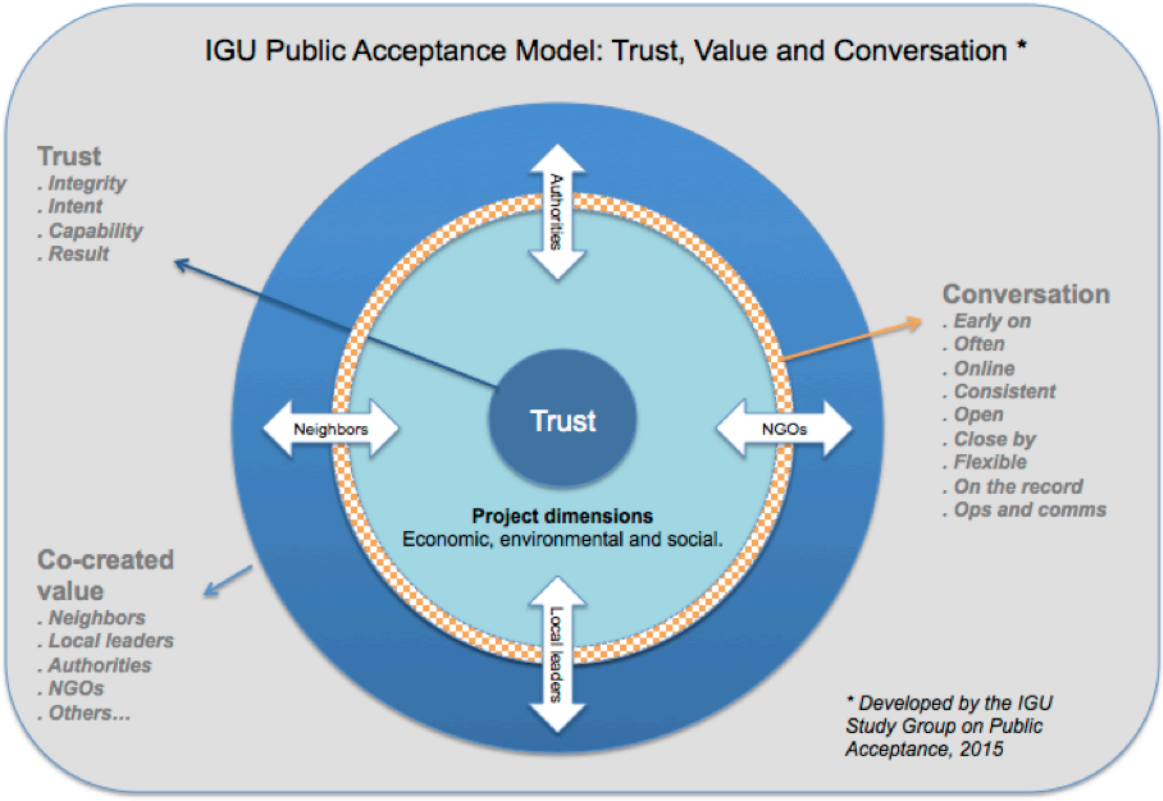


*Figure: the IGU Study Group's **Public Acceptance Model** highlights the importance of trust in project partners, value co-created for and by the relevant communities and engagement through open conversation.*

3.3 Hardware and Soft Skills

Operations and communications are complementary in many ways. Our *hardware has to come with soft skills*. Citizens are sensitive to the process of change and their involvement in the consultation process. Engaging stakeholders in a transparent, credible and meaningful manner is key to the success of a natural gas project. If you want citizens to trust the process, than they will need to be part of the process. Sending a fancy brochure will no longer do: Companies must engage in real conversation.

The "golden rules" of stakeholder engagement are captured in these guiding principles:

- Engage early: Engage audiences early in the process. Waiting until decisions are made and all questions answered is too late and fundamentally counters the co-creation model.

- Communicate often and online: In a networked world, communication has to be almost constant. Social media has given people a platform to communicate. It has also raised expectations towards companies to be direct and fast. Social media provide a unique opportunity to listen to citizens and engage with them directly: Use the tool to your advantage.

- Be consistent but not dogmatic: Consistency in messages being communicated and the people communicating them will help your case. Yet to build a relationship you also need authenticity, which comes by trusting your people and letting them use common sense.

- Be open and transparent: Including with bad news: Ensuring you and your representatives are open and transparent is critical to establishing integrity and trust. Often a lack of clarity on a project will by default be assumed as negative intent on your part.

- Be close to your community: You must have boots on the ground. Being close to the impacted community is key. Understand and acknowledge what is going on there.

- Be flexible as well as strategic: Your communications strategy should be flexible and match the project phase. You have to be flexible in setting goals and adjust constantly to the project.

- Be on the record: Put in place a proper system to record, document and store information relating to each individual stakeholder engagement. Records related to any regulatory and/or approval processes that play an essential role in the overall project life cycle are also critical.

- Break down barriers in your company: This is easier said than done, but communications and operations must work together to build trust in the organization, make the conversation meaningful and create value in project design.

A business case cannot be built without public support. Investing in stakeholder engagement to gain public acceptance will provide opportunities for our industry to grow.

4 The Business Case for Public Acceptance

Natural gas can transform the way the world produces and uses energy. To do that, the sector will need to build pipeline systems, onshore and offshore production sites, compressor stations, carbon capture facilities, shale gas drilling pads and LNG terminals. Building infrastructure means neighbours will be impacted. Things will change.

Communities are increasingly vocal and more willing to say “No” or “Not in my back yard!” when a project is proposed. Public acceptance is becoming the deciding factor in the success of many large infrastructure projects. Without public acceptance the success of these projects become questionable, and the business case very difficult. Yet to address public concerns – or slay the NIMBY dragon as some put it – you first need to understand it and see how it can impact your plans.

Central to the concept of social licence to operate is the proposition that, even if fully compliant with laws and regulations, activities that are particularly intrusive or perceived to carry significant risks can be vetoed by a hostile public through campaigns, legal actions, demonstrations or other democratic pressures. Such industries **must negotiate a “social licence”** with their community to conduct their business (EASAC, 2014).

For example, the EASAC published a report in October 2014 on shale gas in Europe, concluding: "Public acceptance is seen as a fundamental precondition for large-scale shale gas development." The report further states that this will not be gained through industry claims of technological prowess or through government assurances that environmental effects are acceptable. It requires trust to be built in the industry and the regulatory system under which it operates, as well as transparent and credible monitoring of environmental impacts (EASAC, 2014)."

This is the foundation of our approach. Companies will have to work hard to get public acceptance, negotiate their social licence. The battle is not won once the permits are in place. There has to be a process where three elements are combined (Council of Canadian Academies, 2014):

- Communities and other stakeholders have an informed understanding of the project and the associated risks, impacts and potential benefits; they are also informed about the management and regulatory processes that are used to manage these risks.

- Proponents and regulators of these technologies have an informed understanding of, and demonstrate respect for, the concerns and perspectives of various stakeholders.

- Different parties are able to engage in constructive dialogue with each other and work towards agreed outcomes, or at least an accommodation of differences.

4.1 Protests Against Gas Infrastructure are Widespread

The gas industry has certainly seen plenty of evidence of the huge difficulties is getting approval for infrastructure projects:

- In Ireland, protests against the Corrib pipeline by the Rossport Five have become almost mythical and resulted in over a decade of delays in bringing gas onshore and to a processing plant (see case study).

- In the Netherlands, the community of Barendrecht near Rotterdam said no to a CO_2 storage facility that was green and safe ... on paper.

- In West Burton, the group NoDashForGas camped up two 80-metre-high chimneys for a week protesting gas-fired power plants.

- In Sagunto, Spain, the community fiercely opposed an LNG facility.

- In Wijngaarden, Netherlands, the town took action against a compressor station in a green zone.

- In Pieterburen, Netherlands, the community turned against GDF to protest a gas storage facility.

- In May 2013, protesters in China fought against building a refinery and petrochemical plant that would have used gas as feedstock. Protesters went head to head with the mayor of the City of Kunming, saying the plant would have polluted the air, used too much water, and was dangerous.

- In 2013 in Balcombe in the U.K., anti-fracking protests took place. The same happened across Europe in France, Spain, Ukraine, Austria, Poland, Denmark and elsewhere. In the Netherlands, water companies are now joining the debate stating they are against (Vitens). In Germany the German Brewers Association is calling for a ban on fracking. In Austria and Spain, wine makers are supporting the call.

Clearly, lack of public acceptance can seriously hamper all major gas infrastructure developments – in every part of the chain.

4.2 Public Acceptance Holds the Key for Company Projects

At the World Gas Conference in Kuala Lumpur in 2012, the importance of public acceptance started to take centre stage. There was a growing awareness that public acceptance was going to be the key to success in the unconventional natural gas revolution. Let's face it, they argued, many companies can drill a well. Negotiating a social licence is what will make a difference and ensure success.

This is no surprise. For example, one U.S. based oil and gas company is working on one of the largest oil and gas developments in the world – in a resource area where industry was expected to invest $ 30 billion US and add 40,000 jobs in 2013 alone. This development isn't in the Middle East, Australia, Angola or offshore Brazil. It's in Eagle Ford, Texas, an area only a few hours away from Houston, where there are ranches,

where two cars at a stop sign used to be a traffic jam, and endless space. Today, towns like Floresville, Kennedy, George West and Yorktown are becoming the boomtowns of the gas industry.

This shift has changed companies' critical functions: instead of arctic capabilities, the challenge now is local trust. And in addition to engineers, companies are now hiring local teachers and public figures to help build relationship with farmers, ranch- and landowners, local church groups, volunteer fire departments, the county judge and the Rotary club. Instead of offshore helicopter safety, companies are focused on local road safety, sponsoring local events such as the annual Turkey Race and investing in community projects such as rebuilding a theatre.

Three CEOs of Big Gas (the companies formerly known as big oil) – ExxonMobil, Shell and Total – all addressed the importance of public acceptance in their speeches at the 2012 World Gas Conference. Christophe De Margerie (the late CEO of Total) said: "I believe stakeholders will be the main drivers of change. Our business is not sustainable if we are not responsible operators, accepted by all stakeholders, including civil society." (De Margerie, 2012)

Large-scale shale gas exploration is relatively new and is literally in people's backyards. So it's no surprise people have a lot of questions and concerns. This requires a different communications approach as well. Former Shell CEO Peter Voser has called upon industry to do a better job of listening to these concerns (Voser, 2012). Herbert Heitmann, Shell's former EVP External Communications, was a firm advocate of more local dialogue: "Shale gas happens in the backyard. Therefore we need people on the ground that speak the local language, that understand the communities and that are connected." In Shell's own onshore operating principles, the commitment to inform and engage with local communities features prominently (Heitmann, 2012).

Openness and transparency seem to be the message. Rex Tillerson, CEO of ExxonMobil, said his company learned in North America about "the importance of open communication with government leaders at all levels as well as local communities". For a company that has traditionally been more conservative in communications, this signalled an important culture shift (Tillerson, 2012).

And as important as what we say is how we say it: our tone and style of communications. WGC 2012 Panel chair Hansch van der Velden, Corporate Communications Director at NV Nederlandse Gasunie, called for more investment in communications: "It's not rocket science, but we need to get smarter about what we say, how we say it, and whom we engage. A shale gas project needs a communications plan, just like it needs a drilling plan." (van der Velden, 2012)

Finally, more recently Shell Australia chairman Andrew Smith has called on "authenticity in (corporate) leadership" to ensure the next generation of greenfield projects overcome "inevitable waves of protest". He warned, "Activism, boosted by digital communication, is fast becoming one of the greatest challenges facing Australian growth". Addressing a breakfast in Perth, Smith said it was incumbent on corporate leaders to build "coalitions of support" and acknowledge the information age meant they had to engage with communities and "cast egos aside". He pointed to increased opposition to major infrastructure projects from "activists who prefer alternative paths to development – or sadly no development at all" (Andrew Smith, October 2014).

He calls upon industry to provide leadership: “Too often the blame for these circumstances is placed at the feet of well organised NGOs and fringe activist groups,” Smith said. “Groups that the business community likes to marginalize. But this is far too simplistic, and ignores the fact that effective leadership is about building coalitions of support.”

4.3 The Cost of Project Delay

There is an intense desire to quantify the cost of the public not accepting a project. Jeremy Bentham, Shell's VP for Global Business Environment, and the person responsible for Shell's famous Future Scenarios, said in an interview in *Het Financieele Dagblad* (the Dutch Financial Daily) that Shell's biggest risk is to fail in acknowledging the non-technical risks - and to not acknowledge external factors are increasingly important for the development of our sector. He refers to relationship with society. Others have called this the Above-Ground Risk (FD, 2012).

Here is great one example. Below is a slide from a report by Goldman Sachs. In 2008, it did a study of 190 oil and gas projects operated by the major international oil companies in North America, South America, Europe, Africa, Asia Pacific and the Middle East. The study showed that the time taken for projects to come on-line had nearly doubled in the past decade, causing significant increases in costs. The study also looked at the average delay of the 190 projects – which was about 12 months – and the cause of the delay (Goldman Sachs, 2008).

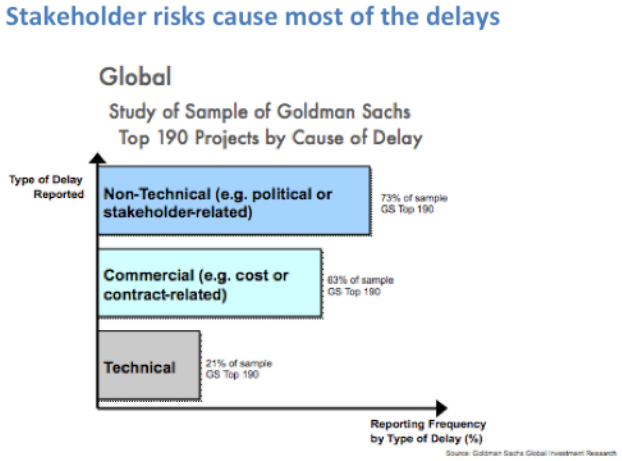


Figure: a study by Goldman Sachs confirms that the main reason for project delay in oil and gas projects because of non-technical risks.

By far most frequent were delays of non-technical nature: political or stakeholder-related delays were much more common than commercial delays or technical challenges. Non-technical risks accounted for nearly half of the total risks faced by these companies, and stakeholder-related risks constituted the single largest category (Davis & Franks, 2012 and Ruggie 2010). Out of 190 projects, approximately 140 were delayed as a result of non-technical risks.

The importance of managing stakeholder relations is neither a big surprise, nor unique to the industry. At **Wharton Management School** a similar research project into gold mining found that the value of the stakeholder relationship was worth about twice as much as the

value of the actual gold in the ground (Wharton Management School, 2011).

More work in this area was done in the mining sector. A paper by Rachel Davis & Daniel M. Franks (David & Franks, 2011) on conflict with communities clearly shows the potential of conflict leading to serious costs for the companies involved – as well as to the communities themselves, governments and broader society. The paper aims to build knowledge about whether and how extractive companies assess, aggregate and understand the costs of conflict with local communities around their operations and the potential loss of value where they do not do so.

In terms of lost productivity, the paper confirmed that a major, world-class mining project with capital expenditure of between $ 3–5 billion US would suffer roughly $ 20 million US per week of delayed production in net present value terms.

The most frequent costs identified by interviewees were the costs arising from lost productivity due to delay. The greatest costs were seen as the opportunity costs arising from the inability to pursue future projects and/or opportunities for expansion or for sale, as a result of company community conflict. The costs cited by interviewees as the most often overlooked were those resulting from the additional staff time needed when conflicts arise or escalate.

Finally, the Project Management Institute is the world's leading not-for-profit professional membership association for the project, program and portfolio management profession. The PMI global standards provide guidelines, rules and characteristics for any project. These standards are widely accepted and help achieve professional excellence. In the new fifth edition of PMI's *Project Management Body of Knowledge* – the Bible of project management – PMI has now added a tenth Knowledge Area: Project Stakeholder Management. This new area expands upon the importance of appropriately engaging project stakeholders in key decisions and activities (PMI, 2014).

4.4 Policy Makers Realize the Importance of Public Acceptance

These examples tell us that to develop gas infrastructure, we need to engage effectively. Policymakers also understand this.

Janez Potocnik, former European Commissioner for the Environment at a summit in 2013 said: "The issue of public acceptance must be tackled", (Potocnik, 2013). He calls for transparency, safeguards and policies to address environmental risks and gain "a social licence to operate". In the proposal for Trans-European networks, the European Commission stated "the main identified obstacles are problems related to permit granting (lengthy and ineffective permit granting procedures, along with public opposition), regulation and financing" (COM 2011 658).

We also know we have some way to go. In a survey done in 2013, three quarters of the population of the European Union said they would be worried about a shale gas site in their neighborhood (Potocnik, 2013). In the U.K. – where the potential seems greatest – there is more support, but no free rides. A recent U.K. survey commissioned by the newspaper *The Guardian* found 40 per cent of respondents would support shale gas near their homes, 40 per cent would not. Both camps are equally strong today (The Guardian, 2013).

Finally, Maria van der Hoeven, executive director of the International Energy Association,

has experienced the power of public resistance first hand. She was the Dutch Minister of Economic Affairs in 2009/2010 when the Dutch state, together with Royal Dutch Shell, tried to convince the small community of Barendrecht (near Rotterdam) to accept CO_2 storage in a depleted gas field under its feet. The IEA has made public acceptance an important prerequisite of shale gas development in the Golden Rules for a Golden Age of Gas (IEA, 2012).

The Study Group concludes that you need public acceptance to make a business case.

5 Understanding Public Acceptance

Local opposition against new projects is nothing new. Citizens protect their neighbourhoods and will push back when projects impact their communities and their families. Whether they are confronted with plans for nuclear power plants, wind farms, cell phones masts, power cables, waste facilities, large-scale infrastructure, roads, railways or industrial sites, they have concerns about what it will mean for them. The same goes for projects from the natural gas industry. Public acceptance is about the need to establish local support for a project.

The more narrow term NIMBY is usually given to opponents of a development - that are not against the development as such, yet argue the development should not take place in their own neighbourhood.

NIMBY	Not In My Back Yard
NUMBY	Not Under My Back Yard
SOBBY	Some Other Bugger's Back Yard
BANANA	Build Absolutely Nothing Anywhere Near Anyone
NOTE	Not On This Earth
NIABY	Not In Anybody's Back Yard
'CAVE-MEN'	Citizens Against Virtually Anything
YIMBY	Yes In My Back Yard
PIMBY	Please In My Back Yard
OIIO	Only If I Own

Box: The rationale for community opposition or support has been captured in many colourful abbreviations.

NIMBY is sometimes referred to as the *Florian principle*. In an ancient German prayer to Saint-Florian – a former commander of the Roman imperial army who was responsible for organizing the fire-fighting brigades – one would pray the fire would go to someone else his house: “O holy Saint Florian, spare my house, kindle others.”

The term public acceptance or social licence captures the situation more clearly – making change, both impact and benefit, satisfactory to an impacted community.

5.1 Legitimate Concerns About Change

The first step to understanding local concerns and building support is to engage and listen. Companies have been hesitant to do so, for different reasons. Sometimes they are afraid to provoke reactions before there is certainty about a project. They don't want to promote opposition-building at an early stage when plans can still be influenced. Sometimes a company wishes to manage a community’s unrealistic demands and expectations by first having more certainty about a potential outcome.

But to anticipate opposition and therefore minimize communications at an early stage comes with great risk as well: The risk of missing a window of opportunity.

When Dutch gas infrastructure Company Gasunie wanted to build a nitrogen station to mix in gas coming from Russia and Norway, it wanted to use an old salt mine in Heiligerlee, near Winshoten. In early consultation with the residents, it learned noise was a key issue, so the company placed noise reduction panels around the site and changed the traffic routes. Adjustments were at a cost, but the company ended up receiving a prize from the community for “Exceptional Communications”.

In the early 1990s, a large oil and gas company in the U.K. planned to bring gas from fields in the North Sea via a gas pipeline that would make landfall south of the River Tees. The processing terminal was located where there were important bird-breeding areas. As was typical, the terminal would have boundary fencing with pebble stones. As part of the permitting consultation process, the company was in touch with a local environmental group. With its local knowledge of breeding and habitats, the environmental group advised the company about the size of the pebble stones and a minor modification was made to the specifications, making water control more efficient, meaning it would encourage breeding rather than impacting it. By listening and adjusting its plans, a genuine win-win was achieved for both parties – and most importantly for the wildlife. (Neil Chapman, communications specialist)

In the mid-1990s, a gas company was planning a major pipeline route near the U.K.’s Norfolk Broads, a protected area – starting at Bacton where North Sea gas is landed, to a new power station at Great Yarmouth (approx. 30 kilometres). The company held a series of village community meetings along the pipeline route to explain the project. At one such meeting, a resident was upset about the potential impact on wildlife. She was convinced the pipeline work could threaten the habitats of badgers and otters in particular. She represented a group deeply concerned that so little was known about the wildlife population. The company listened and responded, by offering to work with the group and fund a wildlife survey to help understand the variety and wildlife population in the area as a valuable initial protection measure. The citizen was surprised that such a company would want to work with her, not against her, and the reaction changed her perception.(Neil Chapman, communications specialist).

These cases make a point: You may actually find more support than you had anticipated by listening, and rethink your plans to meet concerns. Dialogue has to be genuine, with companies willing to adjust and act on local concerns. It is much more promising than the traditional “hold-up” strategy. Trying to get a permit before you engage is certainly a recipe for confrontation and ever lower success rates. For example, the CO_2 storage project in Barendrecht (NL) had all the paperwork in place, yet it was never built.

Susan Sakmar, adjunct professor of law at the University of San Francisco, has also seen the importance of support in the United States. She looked at the local opposition in the liquefied natural gas (LNG) sector a decade ago in the U.S.: “If the local community doesn’t want it, it’s very difficult to operate. Not one LNG terminal was built.” (Van der Velden en Schildmeijer, 2012).

Image - In 2014, the small town of Aujac (Ardêche, France) named a street after Josh Fox, the director of Gasland, for his efforts to raise awareness on the dangers of shale gas. The Ardêche was one of the first regions to protests shale gas developments in France.

Every project will have different issues that drive the opposition or support of a project, whether social, economic or environmental.

Researchers David & Franks investigated the mining industry to identify categories of issues by indicating what **drivers of change are issues of dispute**. Below you will see an overview of issues that they came across in reviewing 25 cases of company-community conflict in the extractive industry. Cases were located in South America (9), Oceania (9), Asia (3), Sub-Saharan Africa (3) and Central America (1). The commodities targeted for extraction included gold (11), copper (8), coal (2), platinum (1), diamonds (1), uranium (1) and oil shale (1) (David & Franks, 2011).

They identified four categories of potential conflict:

- Social and cultural change
- Economic change
- Social-environmental change
- The process of change

These categories provide useful insight into where the highest friction can be expected, and are transferable to natural gas projects:

- Community health and safety
- Benefits
- Pollution
- Access to resources
- Communications and consultation

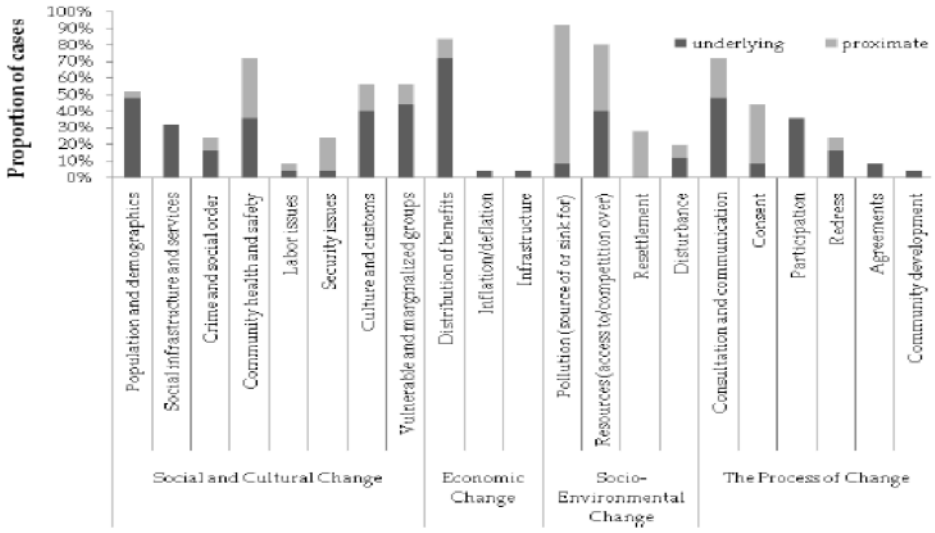


Figure 1 Issues in dispute

For our paper, communications and consultation is of specific interest. For mining this is clearly a top-ranking source of conflict. In **two out of three disputes, communications is an "underlying issue"**, and bad communications is contributing to the conflict.

5.2 The Arguments to Convince People

At the heart of the conversation efforts is whether a project can argue your case. Winning the argument is not a goal in itself, yet your opinions will have to have strong backing. A deeper analysis of the argument used on both sides, helps understand the situation and prepare.

For example, In the case of Barendrecht (see case study on CO_2 storage), there was a big debate between the proponents and opponents of the project. It was a complex exchange of arguments – backed by studies, experts and examples. Yet, the counter arguments are straightforward.

PRO CO_2 STORAGE	Barendrecht is close to the Shell refinery; transport is easy.	We need to achieve our CO_2 targets, and CO_2 storage is a key solution.	Partnership of big oil company and the government will ensure this is safe.	It will be a great business case. NL will be a pioneer.	There is CO_2 we can't get rid of, therefore storage is a solution.
	Why here?	Why now?	Why you?	Why this way?	Why at all?
CONTRA	We need to look at better locations.	No reason to rush into this, it will do very little.	Are you capable? Are you not biased to say it's safe?	CO_2 storage is not a great solution.	There are better ways to lower CO_2.

Figure: Arguments about Barendrecht CO_2 storage focused on key questions: why here, why now, why you, why this way, why at all?

5.3 Logos versus Pathos

And even if you are confident you have the facts right and can provide a rational argument, there is no guarantee of public acceptance. Gaining a social licence is a negotiation. In addition to providing a solid rationale for the project, the way you approach citizens and show respect for the values they hold dear is equally important. In the words of Aristotle, you'll need pathos, not just logos.

Shell's handling of the 1995 Brent Spar incident is a classic example of this. The Brent Spar was a floating oil storage tank. The company had a permit to decommission the tank and sink it. Shell had done its homework and was confident that sinking the installation was the best rational solution in terms of safety, industrial health and the environment. Yet, the environmental organization Greenpeace started a worldwide protest against the company. Greenpeace occupied the facility for three weeks and mounted an international campaign against the company. The key to Greenpeace's position was focused more on values than it was on finding a good technical solution.

In a powerful statement, Greenpeace compared Shell's tank solution to: "[dumping] a car in a wood – moss would grow on it, and if I was lucky, a bird may even nest in it. But this is

not justification to fill our forests with disused cars." Disgruntled and frustrated about the turn the debate had taken, Shell was forced to abandon its plan to sink the tank. "Shell's position as a major European enterprise has become untenable. The Spar had gained a symbolic significance much larger than its environmental impact. In consequence, Shell companies were faced with increasingly intense public criticism, mostly in Continental northern Europe. Many politicians and ministers were openly hostile and several called for consumer boycotts. There was violence against Shell service stations, accompanied by threats to Shell staff." (Shell Brent Spar, 1995). Against Shell's logic, Greenpeace had put something stronger: emotional appeal and values that fueled concerns.

A 2013 study by the think tank the Rathenau Institute concluded that scientific studies do not suffice for controversial topics, like shale or CO_2 storage. This will not surprise gas industry executives, many of whom have experienced first hand the public's rejection of logical solutions or arguments. The Rathenau Institute study found that scientific studies will always contain some uncertainty, and that not all questions will have an answer. Opposition groups will continue to oppose because they don't trust the process and the intentions of a company – and therefore scientific rationale has little weight, regardless of how many reports pile up. Only if there is a broad debate on the process of reaching a decision will citizens be willing to accept some scientific uncertainty.

Our own case study on CO_2 storage in Barendrecht (NL) provides more insights into this. In the table below are all the arguments used by opposition to the project. On the right is what feelings were behind the comments made.

What people said about the process	**How it made them feel**
This is pushed down our throats.	They are not respecting our rights.
There is too little communication on the project.	They are patronizing us.
They knew about this well before we bought our house.	They have been lying to us.
Behind the backs of the residents, preparations continue as we speak.	They are dishonest and hiding information.
They turned a blind eye to critical voices.	They don't respect us.
They picked us because it's the cheaper solution for Shell.	Money is more valuable that people's lives.
They are testing this out on us to see whether they can get acceptance.	They jeopardize our livelihood.
They are using our city as a waste dumping ground.	They don't CARE about us.
What people said about risk & damage	**How it made them feel**
We don't know what CO_2 will do underground in the long term.	Uncertain
Not everything is 100 per cent clear regarding the safety of project.	Fearful Anxious

CO_2 in high concentrations is deadly. This has never been tried before. Property prices will suffer. Potential earthquakes - a French project stopped because it was causing light earth shocks. The proponents have a vested interest and will not be objective.	Angry Betrayed Lied to (cover up)
What they said about the rationale We can get results with a much smaller pilot. There are safer locations. Other countries avoid CCS near populations. Other countries stopped the project because of public acceptance. The costs of CCS are too high anyway: This makes no sense. This is keeping fossil fuels in the game.	**How this made them feel** This is just unnecessary. Their idea is stupid. They think we are stupid. They are trying to manipulate us. They are out of touch. They are only thinking about themselves. They don't get it.

Box: Many groups opposed the Barendrecht project used different arguments to build their case. Arguments are often driven by feelings provoked by the project.

5.4 What Makes People Angry?

Lawrence Susskind and Patrick Field (1996), both worked at the MIT-Harvard Public Disputes Program. In their book *Dealing with an Angry Public* they advocate a mutual gains approach in dealing with an angry public. The book is written to deal with a crisis, but the principles can apply to handling a public angered by gas company plans or projects (Susskind and Field, 1996). The model identifies five areas of potential anger:

Anger & Hurt

People are angry when they are directly hurt or impacted, whether it's an injury, damage or a financial loss. For the gas industry, examples include air emissions, traffic, noise, relocation, losing income, losing customers for hotels and restaurants, access to nature or compromising a community's way of life.

Anger & Risk

People are angry because they are afraid they may be hurt in the future, especially in times of uncertainty. For our industry, think about incidents like potential gas pipeline explosions, spills or releases, declining property prices, earthquakes or water contamination.

Anger & Weakness

People are angry when they are they are confronted by an organization that is much more powerful. They feel small and insignificant and frustrated because they can't influence events. For our industry, think about the David & Goliath feeling with Big Gas perceived as pushing through solutions, lobbying governments for permits, or offering proponents benefits.

Anger & Lies

People are angry when they feel they have been lied to or when they are not told the whole truth. When information is kept from them, people think there is something to hide. For our industry, think about scientific reports that only come out later in the process, "insiders" who say a company can't be trusted, academics who challenge the rationale of the proponents.

Anger & Values

Finally, anger emerges when an event does more than just hurt or threaten, but when it collides with beliefs of right and wrong. Think about dumping waste versus storing, not being straightforward, not being open and transparent, about putting profit before people's livelihood.

In the next chapter, we will present a framework for stakeholder engagement that will increase the chances of success.

6 Public Acceptance Needs Trust, Co-Creation and Conversation

First we addressed the business case for communications. Next we talked about key elements that drive public acceptance. Now we want to present an approach that helps businesses succeed.

From all the case studies we have done, and the experience of the study group companies, we believe the key to the approach is the ability for the project partners – public, private or public/private – to combine three key elements: trust, value co-creation and conversation. In other words:

- Be a trustworthy partner: Do project partners give proof of integrity, intent, capabilities and deliver results (past and future) that together build credibility and trust with the stakeholders?

- Co-create value: Do project partners design a project that allows value to be co-created by seeking input early on and offering flexibility and the willingness to adjust plans?

- Engage in conversation: Do project partners engage and communicate about the project with stakeholders in an open and effective way? Do they seek a conversation and listen and address the concerns?

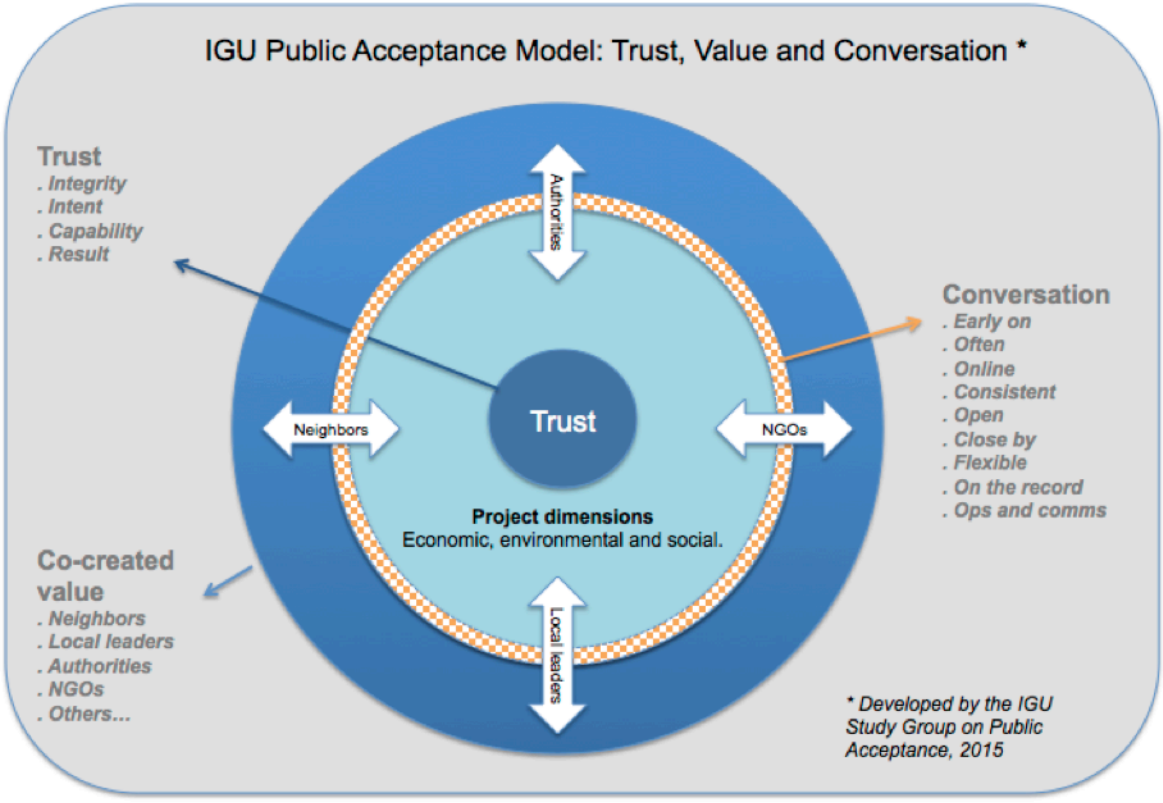


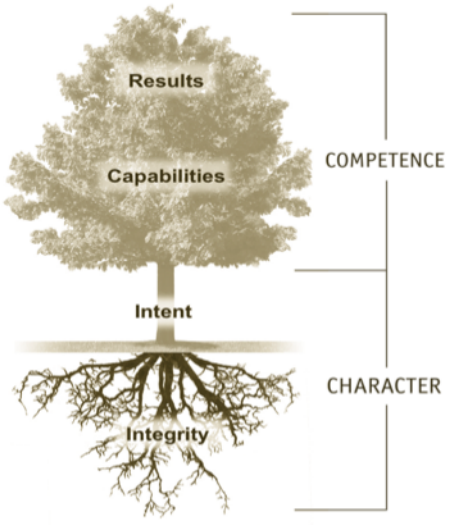
*Figure: The IGU Study Group's **Public Acceptance Model** highlights the importance of trust in the project partners, value co-created for and by the impacted communities and engagement through open conversation.*

6.1 Be a Trustworthy Partner

The nucleus of the model is the company's ability to gain trust and be a trustworthy partner. This provides the company with the ability to engage with stakeholders.

It is a notion that has been around for centuries. Aristotle himself talked about ethos (credibility), or ethical appeal, meaning convincing people through character. Therefore, a project team has to be a group worth listening to. In other words, building a gas pipeline starts with building the credibility and qualifications of the project partners.

The public's acceptance of an infrastructure project is ultimately built on trust. Stakeholders support an infrastructure project based on the premise that they trust both the project and the partners.



In Stephen Covey's model, "The Speed of Trust" (Stephen Covey, 2007), the key elements of establishing trust are demonstrated by one's character and competence. The same is true for corporate entities.

In the case of major natural gas infrastructure projects, the project partners will have to demonstrate character (intent and integrity) and competence (results and capabilities). These are the building blocks of trust.

The Speed of Trust model applies to natural gas projects as well. A project team has to reflect competence and character to gain trust from stakeholders:

CHARACTER	
Integrity: Honesty: About the project, the impact, the risks. Congruency: Are the actions in line with stated values? Humility: Is the company looking out for the good of others? Courage: Will the company do the right thing, even when it is difficult?	**Intent:** Motive: What motivates you to take the actions you take, to do what you do? Are the motives just? Agenda: Are you actively seeking what is good for others? Behaviour: Are you showing evidence that your actions are in line with your values?
PROOF: Are you openly communicating on the chemicals used in fracking? Do you name risks? Are you actively listening to input from community? Do you take responsibility for mistakes?	*PROOF: Did you discuss the planning before you got the permits?*

COMPETENCE	
Capability: Do you have the talents, skills, knowledge, credentials and qualifications to do this?	**Results:** Are the results there? What will you accomplish in the future?
PROOF: Company track record in similar projects, testimonials from other communities, independent reports on the benefits.	*PROOF: Benefits in economic, environmental and social dimensions, such as protection from noise, jobs for the community and a revenue-sharing plan.*

6.2 Co-create Value

Co-creation is a strategy based on the Harvard-developed Mutual Gains Model. In a co-creation environment, stakeholders are engaged not to simply communicate benefits but to have the stakeholder take a real role in creating them. This approach is already quickly endorsed in mass-produced consumer products where customers are playing an increasing role in the actual product development and design. As it relates to major infrastructure projects, the nuance is found in how a corporation engages with stakeholders to understand, develop and improve on a project to increase overall benefits and reduce risks. It assumes that creating a project together not only increases the acceptability of the plan because stakeholders were involved in its creation. It also assumes the total value to be shared is greater. In other words, you are not just jointly developing an agreement on how to split the pie; you are also making the pie larger so there are more benefits to share.

Co-creation takes place between a company and its stakeholders. The three dimensions of the project – Environment, Economy and Society – are the areas where value is to be created.

For example, in our case study on Shell, co-creation of value is demonstrated on many fronts. Shell operates on three guiding principles that exemplify this intent; community involvement, environmental stewardship and sustainable development. Shell engages the community to ensure road traffic safety by setting out designated trucking routes for heavy traffic zones, conducts operations over and above legal requirements and reviews possible future gas collection and uses for flare gas to reduce the environmental impact.

6.3 Conversation

Co-creation and trust building both depend a great deal on how you communicate and interact with stakeholders. Operations and communications are complementary in many ways. Our *hardware comes with soft skills* and therefore the way we communicate and engage is the third pillar of public acceptance.

Engaging stakeholders in a transparent, credible and meaningful manner is key to the success of a natural gas project. If stakeholders are to “co-create” the solution, they must be given a role in defining the solution, and have to be heard. If they are to trust you, they will need evidence of your character and competence. If you engage them, you have to be open and honest and provide the information people need to make decisions. If you want

citizens to trust the process, then they will need to be part of designing the process. Sending a brochure will no longer do: you must engage in a conversation.

The traditional one-way “customer notice” style of communication is now insufficient. Our case studies show that interaction, discussion, forums, in-person meetings, town halls and meetings must be used to engage communities. Project leaders have to be present in the community. Citizens want to be taken seriously and expect information to be immediate and appropriate. Our hardware must come with soft skills.

We therefore believe the “golden rules” of stakeholder engagement are captured in these guiding principles:

6.3.1 Engage early

From what we have seen in our case studies, it makes sense to engage audiences early in the process. Waiting until decisions are made and all questions have an answer is too late and fundamentally counters the co-creation model. You can't know what will convince communities to buy into a project until you have asked them.

6.3.2 Communicate often and online

In a networked world, your communication has to be almost constant. Social media has given people a platform to communicate. It has also raised expectations for companies to be direct and fast. Social media provide a unique opportunity to listen to citizens and engage with them directly: Use the tool to your advantage.

Our case study of the new Amsterdam Metro Line showcases the transit authority’s unique approach to communication. For example, it has a Facebook page for each one of the new stations on the metro line. This means that communication is hyper-local, focusing on the 500 metres of track. The sites have plenty of pictures, small contributions and everyday news. They use the builders, planners and diggers as their faces and spokespersons. The sites address citizens directly and talk about daily work in plain language.

6.3.3 Be consistent but not dogmatic

Consistency in messages being communicated and the people communicating them will help your case. It provides clarity about the project and provides an opportunity for people *to get to know you*. To build a relationship you also need authenticity, which comes from letting people keep their personality when they engage. If they become PR robots, credibility will disappear. Therefore, you can agree on the framing of the project, but then ensure you are not micromanaging communications. Give your people clear guidelines and trust they will do the rest correctly.

6.3.4 Be open and transparent - also with bad news

Ensuring the company and its representatives are open and transparent is critical to establishing integrity and trust. Often a lack of clarity on a project will by default be assumed as a company’s negative intent.

In our case study on the Amsterdam metro, the project team communicated all the risks, described them, put them online and then showed the mitigation measures. Instead of trying to imply that the project had no risks (completely safe), they talked about a complex project that needed to be managed with great care.

People are very sensitive to spin, which includes trying to minimize risk ("It's only one per cent."), compare to worse ("What about nuclear waste?"), deny ("We've done it for 40 years."), criticize risk perception ("A million wells have been drilled safely.") or patronize ("You don't understand."). Instead, risk should be discussed in an adult fashion: "There are risks and this is what we are doing to keep things safe."

6.3.5 Be close to your community

When talking to Shell in Pennsylvania (see case study), one thing became crystal clear. You must have boots on the ground: Be close to your communities. As one Shell community manager put it: "Proximity to the community is key. You can't be in Houston to manage a community here."

A job description for a community relations expert for a gas company should probably sounds much more like this: *"Profound knowledge and understanding of local culture, local way of life, local values and habits. Great listener. Unique ability to communicate with empathy and humanity. Honest and open. Strong interest in building roots in the community. Knowledge of the energy sector a plus."*

6.3.6 Be flexible and strategic

Your communications strategy should be flexible and match the project phase. You have to be flexible in setting goals and adjust constantly to the project. You should combine fixed values with flexible plans.

The communications director of the Amsterdam metro used an interesting model to develop its strategy: At the start of the project, communication was aimed at the larger societal benefits and macro-scale arguments gave weight to the debate. In the implementation phase, the focus was very much on the local project environment: my street, my garden, my road, my job, my business. Finally, whenthe project was running, communication again broadened out to macro benefits.

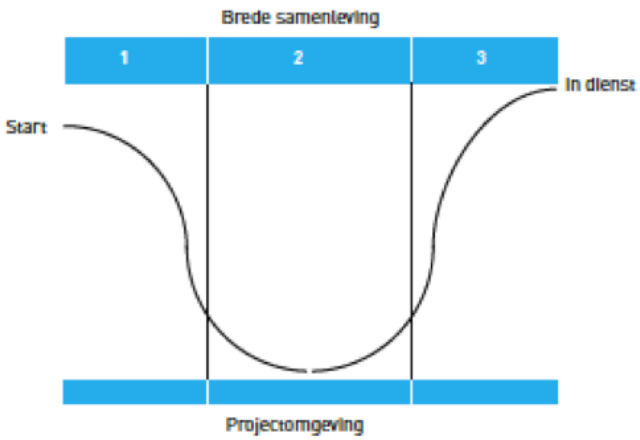


Figure: Communication model used by Amsterdam metro communications director, the focus of which followed project phases.

Another strategic approach is to follow the Five As. The Five As identify strategic goals as a project progresses:

Awareness – Awareness of a proposed natural gas project is achieved through a wide range of communications tools in an integrated and co-ordinated fashion. It is important that any awareness raising activities happen in the context of a wider campaign.

Appreciation – Upon raising awareness there is an opportunity to develop an appreciation of the issues that are relevant to the project. For this to be achieved, communications tools that provide for a "technically sound" exchange of information will be essential. The credibility of the message and how it is delivered will play an important part in building understanding.

Acceptance – Building widespread public acceptance for a natural gas project is the key objective of the stakeholder engagement plan. To achieve acceptance, stakeholders will effectively place their trust in the organization and the specific project to deliver on its commitments. Building on awareness and understanding, the key to developing and co-creating value is in developing stakeholder partnerships. As critical external stakeholders begin to accept key messages and endorse the broader initiative, their value in the co-creation model is exponentially increased.

Action – While a smaller overall audience ultimately reaches the point of taking action, it is at this stage that some key stakeholders within each segment are able to influence the outcome of the project. Policy makers enact decisions to move the project or key milestones forward, customers and communities begin to actively, and ideally publically, support the project. As this critical point is reached across the stakeholder base, momentum swings in favour of the project and key deliverables to facilitate the project are received (e.g. permits, right of ways, regulatory approvals).

Advocacy – The fifth and final stage of stakeholder engagement is creating project advocates. Early identification of potential advocates is essential as it will guide plans to build upon and further develop strategic relationships in advance based upon the project's overall timelines. Stakeholders who embrace and support the co-creation of the project as advocates provide significant overall value to both the company and other stakeholders.

6.3.7 Keep excellent records

A simple yet critical task is to put in place a proper system to record, document and store information relating to each particular stakeholder engagement. Records that relate to any regulatory and/or approval process that plays an essential role in the overall project life cycle are also critical.

For example, in our Shell case study, the company kept a record of all the questions or complaints coming in on its toll-free number. This data became a very powerful tool to help understand what was happening and to make the case that the project was being responsive to community needs.

6.3.8 Break down barriers in your company

Finally, this approach will only work when barriers break down in your own organization. Communications and operations need to work together. Have the pipeline fitter talk about safety, and the lands officer talk about the best pipeline route. Make sure the communications director has a seat at the table in the project leadership team and that project managers have a role in the conversation with communities. Get away from the model where the project team makes project decisions and let the communications team deal with the fallout. Promote a culture where conversation is driven by what people want to know, not by what you decide is "need to know". Again, this is much more complicated than it looks.

Gaining public acceptance for new projects is increasingly challenging. We advocate an approach that combines building trust with creating value and engaging in a real conversation. These are steps in negotiating a social licence – and without it, there is no business case.

7 Case Studies on Public Acceptance

In the annex, the study group is presenting the following case studies on public acceptance:

Proximity is the First Promise – Shell (U.S.A.) and Onshore Natural Gas Production in Pennsylvania

Communication Holds the Key – SAGGAS (Spain) and the Regasification Plant of Sagunto

The Battle of Ethos, Pathos and Logos – Barendrecht (Netherlands) and the Storage of CO_2

Communication Starts with Listening – Gasunie (Netherlands) on the North-South Pipeline

Communities Fighting for a Way of Life – Shell (Ireland) on the Corrib Pipeline

Companies are No Match for a Well-Oiled Protest Machine – Shale Gas (France and Austria)

Communicate Often and Online – The Amsterdam Metro (Netherlands) and the New North-South line

Combine National Interest with Local Handshakes – Net4Gas (Czech Republic) on the Gazelle Pipeline

Respect Your Neighbour, Wherever They Are – Sonatrach (Algeria) on Pubic Engagement in the Rhourde Nouss

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9 Annex: Case Studies on Public Acceptance

9.1 Proximity is the first promise – Shell (U.S.A.) and onshore natural gas production in Pennsylvania

IN A NUTSHELL

The exploration and production of natural gas from the Marcellus Shale has included huge efforts by the company to work with local communities. In October 2013, Shell invited the study group to visit Shell upstream operations for the Appalachia region in Pennsylvania.

Thank you Shell for hosting the IGU Study Group on Public Acceptance in Pennsylvania!

Figure 1: Study Group IGU on Public Acceptance met with Shell in 2013. From left to right: Dave Simpson (Union Gas, Canada), Hansch van der Velden (Gasunie, Netherlands), Dimitri Schildmeijer (WPNT, Belgium), Luis Pinto (Shell, Netherlands), Jamie (Shell, in hard hat), Scott Scheffler (Shell, USA), Dave Konvalina (RWE, Czech Republic), Barbara Jinks (Australia), Guy Broggi (Total), Jeurg Ryser (Energie Wasser Bern, Switserland).

BACKGROUND*

The Marcellus Formation or the Marcellus Shale is a unit of marine sedimentary rock found in eastern North America. Named for a distinctive outcrop near the village of Marcellus, New York in the United States, it extends throughout much of the Appalachian Basin. The shale contains largely untapped natural gas reserves, and its proximity to the high-demand markets along the U.S. east coast makes it an attractive area for energy development.

Shell's upstream operations in the Appalachia region are headquartered in Sewickley, Pennsylvania. It employs more than 300 employees in the area with approximately 50 employees located in its biggest operational area of Tioga County. Shell owns or leases over 900,000 gross acres of Marcellus rights in the Appalachian Basin. Shell is one of the top five operators in the Marcellus and is the third largest operator in the area after Chevron and Range Resources. Others in the area include ConocoPhillips.

Obtaining leases over gas reserves and gaining public acceptance is not cheap. For the calendar year 2014 Shell has allocated approximately $ 250 million US in costs to obtain leases in the area. Shell commenced activities in the area in 2010.

** 2013 information*

Figure 2 - Shell shale gas well pad after the well has been drilled. Pad sites are typically about the size of a soccer field.

Figure 3 - A view from the Shell well pad near Slippery Rock, Pennsylvania

CHALLENGES TO PUBLIC ACCEPTANCE

Road safety and noise

Drilling the well is an operation that typically takes 30 to 45 days. This period is when the impact from traffic on the roads and vehicle movements on the land is highest. Heavy trucking is conducted 24 hours a day with associated higher noise, safety risks and dust in the dry seasons.

Revenue schemes

The current shale gas exploration success in finding gas reserves is 15 to 20 per cent. Even when a well shows initial high rates of gas production, during well testing, flow rates can reduce dramatically in a short period of time, or the flow can be sustained for a long period; it is relatively unpredictable. Shell will continue to emphasize that drilling a well is not the same as producing gas from that well. This introduces variability in negotiations with landholders over the expected amount of return expected from production wells on their land.

Royalties are typically in the range of 12 to 15 per cent of final profit from the well. Royalties are only paid for gas from under the leasehold, estimated using a unit area calculation method. The courthouse maintains the documentation of land tenure over a gas reserve and therefore the percentage of royalty rights; it is public information.

Way of life
Some communities and residents are very critical of the impact of onshore production to their way of life. One example is Maggie's movement (see below).

Operations
Shell conducts operations over and above legal requirements such as testing water sources for consumption within a 4,500-foot radius of a well – the legal requirement is 3,000 feet – and conducting post-drilling water sampling – where there is no legal requirement. All activities are conducted inside bunded areas (see image below) and back flow fluid is removed from site in an enclosed cycle process.

Figure 4 - Well site under construction showing *bunded* area.

Gas is flared during well testing for safety and to allow the gas flow to be measured. Flare tip incinerators can be used to reduce greenhouse gas emissions. Possible future gas collection and use includes fuel gas for drilling rigs and small-scale LNG at the wellhead.

Chemicals
Of the mix that is pumped into a drilling hole, about 30 per cent flows back up to the ground surface and is treated. The rest remains in the shale fissures underground. The mix pumped in is 99.5 per cent sand/water and 0.5 per cent chemicals. This can still be a sizable amount. Shell believes the depth of fluid injection – up to 8,000 feet – into the shale makes it impossible for those chemicals to comeback up and ever contaminate water resources. However opponents of hydraulic fracturing or fracking challenge this.

Organized opposition
Maggie Henry, an organic farmer from Bessemer, PA, hosted a grassroots protest movement against Shell. Henry raises organic eggs, poultry and pork, and fears that Shell's gas drilling and production will hurt her business and animals. Henry believed her property contained abandoned oil wells, which posed unreasonable risks if hydraulic fracturing was pursued in those areas. According to then active Shadbush Collective: "Highly explosive methane gas has been known to leak from Marcellus wells into old abandoned wells and up to the surface" (Marcellus Protest, 2012). Henry also feared that her groundwater could become contaminated. The protest at the Shell well pad (see image on the next page) was part of the Shalefield Justice Action Camp, a weekend-long boot camp held on Henry's property to plan non-violent direct action to put an end to hydraulic fracturing and similar methods of natural resource extraction that some say are harmful to the environment.

Shell's policy regarding public opposition consists of treating the general public opposition at a group level, while the local Shell team deals with local opponents.

Figure 5 – Organic farmer Maggie Henry leads a grassroots protest movement against Shell. The pig symbolizes protection of her way of life. Protestors want farms, not fracking.

STAKEHOLDER ENGAGEMENT

Shell's onshore operations follow three interlocking principles: community involvement, environmental stewardship and sustainable development.

Road safety

Safe operations are important to Shell workers and the community. The key problem is road safety. In one case, a new well being drilled near Slippery Rock needed a full water truck to be brought in every four minutes for days. A production well can use up to 60 truck-loads of equipment. Moving heavy equipment and water to the site presents a real impact and safety risk for the community. The company minimizes the impacts by setting out designated routes, repairing or preparing routes where needed, even putting up fences along pavement sections for school children to cross safely if there is no other way to bypass the school, or avoid sensitive parts altogether by driving around the area. Drivers used on Shell operations are bound by very stringent safety guidelines and there is zero tolerance for the contravention of the 12 Life Saver Risks. Using a cell phone while driving is one. The rule is clear: One strike and you're out!

Community engagement

Shell employs the services of third parties as subcontractors to acquire leases, on a confidential basis. without telling this to the landowner. However, once the lease is signed, Shell engages the community well before drilling. Typically Shell will try to engage for the first time six months ahead of any before any drilling. Apparently, some other companies won't talk to the community until they start operations. It is one area of attention: what lif Shell is a JV joint-venture partner, but not an operator. Shell operator, Shell representatives will approach elected officials in the town and identify it the company as the lease owner. The A first meeting is arranged to introduce the company, explain who they are they are and then leave a contact number.

Shell has three communications roles in these situations:

- Liaison officers are first in line. They are supported by a communications representative for the area.
- A case manager is assigned to an issue or project if more support is needed.
- A government relations group deals with state legislators or broader communications/ advocacy issues e.g. dealing with the shale gas debate.

Shell is never sure what it will find in a community. There are citizens who will say “Drill, baby drill” or PIMBY (please in my backyard) and others will say NIMBY (not in my backyard) and will never support drilling. Shell’s broader efforts typically focus on the “rational middle”, those who will listen to arguments and make up their mind as they weigh options.

Shell has a toll-free number for questions or complaints, which is used on a daily basis. Over the two years of the project, over 2,000 calls have come in. Half the calls concern financial arrangements and revenue plans. Environmental questions make up 7 per cent of the calls; 10 per cent are about drilling operations and 7 per cent concern seismic testing. Shell has an open door philosophy to complaints handling, as Scott Scheffler's Shell team stated: “If they can't reach us, they will get upset. If they share it with one person and that person shares and so on, you will soon have thousands of people upset.” All calls are registered. Shell will try to be helpful and look at mitigation. Some calls are “red flagged” and get immediate attention, for example any calls that deal with public health (someone feels sick), or a blockade. If Shell needs to be present, they will. “"If something goes wrong, we'll fix it.”" One new area of concern is air quality, now that the science on water quality is maturing.

Shell donates to good causes in the area. Preferred projects are close to the areas that are affected by the operations and always focused on activities that will minimize impact. For example, Shell supports education for future engineers, community safety training and the development of road safety programs.

Shell has several community liaison officers in the area. They are the company’s point of contact. Face-to-face contact is key: “If people learn about us from the internet, we are a horrible industry. When you meet us face to face, your mindset changes,” said a team member of Shell., “Proximity to the community is key. You can't be in Houston to manage a community here in the more remote areas.”.

Communications staff reports directly to the operations manager. If issues come up, operations staff will often be involved in the solution. Examples include: changing routes, changing schedules, building a fence, put residents up in a hotel when the noise is not bearable.

Quotes Scott: “If we don't treat the environment right, we're not welcome here and in the next town … We'd be out of business, if we would not do this right … Our approach has got to be consistent across our operations, otherwise we'll start getting questions.”

Shell pre-tests water on a land parcel both before drilling and afterward (randomly at 10 locations). Water tests are interesting; some landholders dislike them because if the readings indicate the water quality on their property is poor, their property value may go down. Others are pleased, for example, if Shell finds something wrong such as contamination from sceptic tank leakage.

Shell prefers an open house format over a town hall style for meetings as the former provides the hosts with an opportunity to speak one on one with all visitors. Also, larger groups in a town hall are harder to manage and can provide a podium for opponents. Poster sessions/open houses can attract between 40 and 1,000 attendees. Protesters may be local or from larger cities and come to community meetings to express their opposition. In one protest (Maggie Henry above) most protesters were *not* local.

Shell has no pre-planned and extensive stakeholder plan because it doesn't know what it will find in terms of community needs and views until it engages. Shell focuses on being open, flexible, sticking to its commitment to engage and listening first.

Online and social media

Shell monitors local newspapers, blogs and social media. Social media has not been the most effective tracking method, as most of the residents in the area are older and do not use tools like Facebook and Twitter frequently. However, Shell is conscious that everything it says or does can be on Twitter instantly.

Build Trust	**Co-create value**	**Engage & communicate**
Proximity to the residents; be present in the area. Open about potential revenues / or not.	Repair roads. Sponsor local projects on safety and jobs. Go in, listen and see what you can do to mitigate.	Importance of face-to-face contact. No complaint unanswered. Present Shell well before production starts.

SOURCES

** Note: This is a report by the IGU study group on Public Acceptance. It is our best attempt to capture what we have heard during our visit of Shell operations, meeting with Scott Scheffler and his team. Information cannot be directly attributed to Shell.*

More information on Maggie's protest movement against Shell:

- http://ecowatch.com/2013/04/01/farmers-struggle-protect-land-fracking-industry/
- http://pipeline.post-gazette.com/news/archives/24909-bessemer-residents-protest-shell-drilling-on-local-woman-s-farm
- http://protectingourwaters.wordpress.com/2012/11/19/three-day-training-culminates-in-protest-at-shell-fracking-site-in-western-pa/
- http://www.marcellusprotest.org/event_calendar/2012-11-10/shalefield-justice-action-camp

9.2 Communication Holds the Key – SAGGAS (Spain) and the regasification plant of Sagunto

IN A NUTSHELL

In 2001/2002, Union Fenosa's Saggas LNG plant met with massive local opposition. Local citizen groups, unions and politicians took to the streets to stop the plant from being built. Through massive communications efforts by the company, stakeholder opinion was turned around slowly, but steadily.

BACKGROUND

In 2001, Spain was the fastest growing European market with a gas demand that tripled between 1993 and 2001. There was a broad consensus among industry experts on the urgent need to build new infrastructure to meet the growing gas demand foreseen for the coming years. It was a matter of national interest but also a sound business opportunity for energy companies. Union Fenosa led a project to construct and commission the Sagunto LNG regasification plant (near Valencia), also known as the Saggas LNG plant.

The Port of Sagunto was thought to be an ideal site for installing the LNG plant, thanks to its privileged position on the Spanish Mediterranean Arc, the meteorological conditions of the area, the operability of the port terminal where the plant was situated and its status as an industrial area and communications hub.

Saggas LNG plant

Start building in 2003
4,000 (mostly local) workers
Investment over € 325 million (first stage)
Start April 2006
Storage capacity today 600,000 m^3 (four tanks)
Nominal regasification capacity today: 1,000,000 Nm^3/h

The plant is located in Sagunto, a town with a long industrial and cultural tradition, 30 kilometres north of Valencia. In 2001, Sagunto had a population of 57,000. The industrial tradition of the city began with blast furnaces in the early 20th century, which helped Sagunto become one of the most relevant industrialized centres in Spain. Today, it hosts one of the biggest industrial parks in Europe.

CHALLENGES TO PUBLIC ACCEPTANCE

Because of the industrial culture of the area and the energy deficit of the region, the project was expected to find a “friendly” social environment. However, as soon as the project was announced in 2001, there was strong grassroots opposition, consisting of most of the residents of Sagunto and the surrounding towns. They were joined by trade unions, environmental NGOs and left-wing political parties then in the opposition.

Varios niños con un pancarta en la protesta de ayer contra la planta regasificadora de Sagunto. / JOSÉ JORDAN

Cerca de mil vecinos de Sagunto protestan contra la regasificadora

L. GARRIDO, Valencia

Alrededor de mil vecinos se manifestaron ayer por las calles del Puerto de Sagunto en contra de ras, Esquerra Unida, PSPV y Unión Valenciana (partido que gobierna en coalición con el PP en Sagunto). Al final del recorri- Generalitat sobre el impacto ambiental que una instalación así provocaría en el Puerto de Sagunto y que "no ha considerado".

The demonstration focus included the impact on air quality. Here children are holding a sign saying: "Children want clean air!"

COMUNIDAD VALENCIANA

NEGATIVA AL PROYECTO DE UNIÓN FENOSA

Sagunto se manifestará en contra de la regasificadora

La plataforma cívica decide hoy la fecha para protestar contra el proyecto energético

A diferencia de Sagunto, la planta de Castellón cuenta con el respaldo social

AGENCIAS | SAGUNTO

La plataforma cívica compuesta por CCOO, PSOE, BNV, EU, Acció Ecologista Agró y las AAVV de Sagunto, en contra de la instalación de una central térmica y una planta de regasificación, proyecto encabezado por Unión Fenosa, ha anunciado para hoy una reunión extraordinaria para planificar las acciones inmediatas de este colectivo, afirmó uno de sus portavoces, Ricardo Ruiz.

La plataforma estudia la posibilidad de convocar una manifestación para finales de noviembre en el Puerto de Sagunto, explicó el secretario comarcal del BNV, Quico Fernández, para "demostrar que la ciudadanía se opone rotundamente a que en su término se instale una empresa que puede tener efectos desastrosos tanto para la población como para el medio ambiente".

Los componentes de este colectivo ya han repartido panfletos en los principales lugares de la ciudad para "crear el caldo de cultivo y el estado de opinión que en el caso de la carretera fue capaz de movilizar a miles de ciudadanos en forma de manifestaciones y protestas", indicó Fernández.

La plataforma anuncia que "ha llegado el momento de endurecer las voces de protesta después de conocer los informes de impacto ambiental que la propia empresa ha remitido".

Ayer, el presidente de Acció Ecologista Agró, Víctor Navarro, presentó en el Ayuntamiento de Sagunto las alegaciones al estudio de impacto ambiental de la planta térmica y en ellas ca, entre otras razones, instalación "va contra el colo de Kioto, ya que sup un aumento del 1% anua emisiones globales de Es

El proyecto de Unión en Sagunto compite dire te con el de Iberdrola en to de Castellón, proyecto timo que cuenta con un respaldo social, a diferen caso de Sagunto.

El incremento del consumo de gas natural recomienda la construcción de una regasificadora.

In 2001, more than 2,000 people demonstrated against the regasification plant, claiming it would do more harm than good.

STAKEHOLDER ENGAGEMENT

Communications strategy

Union Fenosa's communication plan by was aimed at keeping the project on track for a 2006 opening. This would require a 180-degree turn in the public's perception of the LNG plant. The company was faced with emotional and angry messages that were directed at SAGGAS ("the plant could explode and kill thousands of people…", "the environment will be destroyed by the emission of harmful particles…", "the surrounding Mediterranean flora and fauna will be adversely affected…"), SAGGAS's efforts were focused on balancing the debate and fully involving the local population. The concerns expressed showed that people were fearful and also did not know exactly what was going on.

Massive public affairs and educational exercises were undertaken with regional opinion leaders: key journalists, citizen groups, environmental NGOs and organizations related to the economic activity of the region (trade unions, agricultural, fishing and business associations). The project was explained to them in depth, providing realistic and reassuring messages (see below). Some of the activities the company undertook included:

- Ongoing meetings with the media, including press conferences and information and training seminars about natural gas and the plant. The company estimated that in the three years leading up to the opening of the terminal, they had spoken to about 1,000 media contacts, held six media technical and training seminars and six media special events (one every six months, before summer holidays and Christmas).
- Full immersion in the community to defuse the lack of confidence and gain support for the project. This included meetings with local associations of all kinds, presentations at schools, promotion and sponsorship of local initiatives with regard to cultural and sport events, etc., to underline tits commitment to being a new, responsible and committed (corporate) citizen.
- Providing information on the project that was extremely pedagogical and in-time (aligned with all the requests).
- Staying in close contact and being open and transparent, even if the news was not positive. The focus was not to deny or minimize risks and problems during the construction phase or to debate people's feelings. Management's position was that when dealing with the community leaders, the company would give correct and concrete answers and explain how to reduce or eliminate potential damage or impact.
- Approximately 600 personal meetings in the last three years of construction with political, economic, social leaders and key environmentalists, and continuous visits to the work site were undertaken.

Also, SAGGAS introduced a brand image for the plant (SAGGAS). The creation of this local brand identity helped the project be accepted in several ways. It:

- Established a simple brand name that helped the media and stakeholders identify and increase awareness of the project. In addition, the brand name linked the city to where the plant was going to be located → Sagunto = Sagunto-gas = saggas.
- Created a unique and single "personality" beyond the promoters (remember: major energy companies = shareholders).
- Created a new brand to represent not only the tangible elements (the plant facilities, the technical infrastructure), but also the intangible elements of the project based on everything management was saying and doing (values and beliefs).
- Created a brand close to the people – one that could help to inspire trust, a sense of excellence and develop community pride.

Strategic messaging

The primary communication goal was to change perceptions and opinions. To do that, the company chose to focus on the following pro-active themes and messages, which highlight the main benefits of SAGGAS to the energy system and for its surroundings:

- Necessary infrastructure for the national energy system.
- Driver for the industrial rebirth of Sagunto: overall contribution to economic development (direct and indirect) and support of the local industry.

- Technical expertise and financial solidity (among the shareholders were Spain's top three utilities: UnionFenosa, Endesa and Iberdrola).
- Full involvement with the local community: social and environmental responsibility.
- Pride of belonging to Sagunto.

⇨ All these key messages worked well, but those related to *"reassurance of the safety of the plant"*, *"economic and social development",* together with *"community engagement activities"* worked best.

Acceptance of the plant

The campaign lasted four years – from February 2002 to July 2006. This period covered the entire process of developing and building the plant: permitting, licences, construction, tests, opening and institutional inauguration.

Little by little, the local community's opinion began to become more positive. The political parties initially opposed to SAGGAS started to see the project more as an opportunity than a threat to their own interests.

The official inauguration event in June 2006 illustrated the real support – political, economic, social and environmental – that SAGGAS would enjoy from that moment on. Over 200 guests were invited and attended the event and most of Spain's relevant mass media covered the official opening.

Visita de mujeres a Saggas. La Asociación de Mujeres de Sagunto, Salud y Ocio, han visitado las instalaciones de la regasificadora de Sagunto. Con mucha ilusión, estas vecinas han posado junto con el director de la planta, Santiago Alvarez. Tras tomar un tentempié, han podido visitar las obras del tercer tanque, los vaporizadores donde se pasa el gas del estado líquido a gaseoso y la planta de odorización. /PACO BONO

Visita a Saggas. La Asociación Valenciana de Agricultores, Ascosa-AVA Sagunto visitó la semana pasada la planta regasificadora. El director general de Saggas, Santiago Álvarez, les explicó el funcionamiento de la planta y la situación actual del sistema gasista en España. También hicieron un recorrido por las instalaciones y vieron las distintas zonas del proceso del gas. /LP

One key instrument in communications was the Open Door Days, where citizens could come and express their concerns. Top management was available to address these in an open, direct and personal way.

MAKING THE MODEL WORK

The Sagunto regasification plant is today a symbol of Sagunto's industrial rebirth and an important piece of basic energy infrastructure for Spain, as it satisfies to up to 25 per cent of the country's gas demand. It was clear from the beginning of this project how important

it was going to be to develop and implement a broad, tailored-made and effective communication plan. Consider the challenges: strong initial local opposition; the strategic importance of the investment – a major piece of energy infrastructure for the Spanish gas system and indispensable for the industrial development of the region – and its total cost (initially € 325 million; after different expansion projects up to € 537 million. **Today, there is no doubt that without a strong communication plan, the project would not have been completed successfully.**

The model applies in all three areas:

Build Trust	**Co-create value**	**Engage & communicate**
Build credibility by involving top management. Always do what you promise, no matter how small. Openness and transparency in talking about risk. Local Saggas brand to create loyalty and proximity.	Support the local economy and local jobs.	1,000 media responses, 600+ meetings. Open Door Days to give people direct answers and alleviate fear of the operations. Saggas wanted to "be immersed" in the community and be present. Full engagement locally by top managers meeting residents locally.

SOURCES

- JULIO CÉSAR GUTIÉRREZ FEO, Marketing & Communication Manager, Union Fenosa Gas

9.3 The Battle of Ethos, Pathos and Logos – Barendrecht (Netherlands) and the Storage of CO_2

IN A NUTSHELL

From 2007 to 2010, the Dutch state, together with Royal Dutch Shell, tried to convince the small community of Barendrecht (near Rotterdam) to accept CO_2 storage in a depleted gas field beneath its feet. Despite experts reporting on the safety of the project, the government finally abandoned it because of a "complete lack of local support". Communication was heavily criticized.

PROJECT BACKGROUND

In July 2007, the Dutch state selected Shell to develop an underground CO_2 storage field in Barendrecht, a town near the Port of Rotterdam area. Shell was to use the field to store CO_2 from its nearby Pernis Gas refinery. The Minister of Environment Cramer contributed € 30 million to the pilot costs. The original plan was to start in 2013 with three years' injection at 1,700 metres. The second phase would see 25 years' injection at 2,700 metres. Injection would be of 0.4 MT/Yr or 10 per cent of the refinery's emissions. The two depleted gas fields near the Pernis Refinery have a combined capacity estimated at over 10 million tons.

CHALLENGES TO PUBLIC ACCEPTANCE

In 2009, an Environmental Impact Study (MER) concluded that the CO_2 storage project in Barendrecht complied with all safety standards and that risks were equal to risks associated with any of the other facilities in the Rotterdam area. However, city council voted against the project and did not want to give it a licence. Ministers Maria Van der Hoeven and Jacqueline Cramer (Economic Affairs and Environment) decided the project should go ahead anyway, overruling the local decision. Citizens started to protest and express their serious concerns and doubts about the safety of the project. They were supported by several influential environmental NGOs supporting the protest because "dumping CO_2 is not a solution for the climate problem." (Greenpeace). The protests were followed by a heated local and national debate, with many stakeholders and points of view on the topic. The centre of attention continues to be the residents, however numerous political parties, experts, NGOs and other opinion leaders took sides.

Source Zembla Documentary (clockwise): An angry citizen vows "Not one litre of CO_2 will be stored here" at a town hall meeting with Ministers of Economy and Environment; A test shows how CO_2 pushes oxygen away; An ambulance goes to the rescue after CO_2 release in Monchengladbach; Barendrecht residents protest.

Key Arguments in Public Acceptance

The opponents of the project were mainly concerned about the potential risks and damage and were deeply frustrated by the process. The group included citizens of Barendrecht, the city council, the province of South Holland, opposing experts, the Green party, environmental NGOs including Greenpeace and Milieudefensie (Friend of the Earth Netherlands). Their arguments are great examples of what any project can expect to deal with:

<u>Attack the ethos: Challenge the values and integrity of the pro camp</u>

- Citizens don't want this. It is pushed down our throats.
- There is too little communication on the project. They are patronizing us.
- They knew about this well before we bought our house.
- They turned a blind eye to critical voices.
- They picked us because it's cheaper for Shell to do it close by. Money is more important than people.
- We feel like guinea pigs. They are testing this out on us to see whether they can get acceptance.
- They are using our town as a dumping ground.
- Behind the back of residents, preparations continue as we speak.
- The proponents have a vested interest and will not be objective.
- Some residents are upset and feel betrayed. Now that they have moved there, suddenly they hear about this: "If we would have known before, we would not have moved here".

<u>Highlight the potential risk and damage of the project</u>

- Any concern about the potential consequence of a release of CO_2 – even if it is found to be very small by all parties – as long as there is no absolute guarantee.
  As one expert explains: At concentrations above 15 to 20 per cent, CO_2 is deadly for humans. When it is stored, the CO_2 is at 100 per cent. The chances of a problem are small, however if you look at the potential consequences these are huge in a situation where a CO_2 release takes place near an area with 50,000 residents. The case of Monchengladbach (2008) comes up. There a release of CO_2 at an installation leads to 98 people with problems breathing, 13 people sent to hospital. The incident saw a

cloud of CO_2 spreading over a residential area, keeping low on the ground, making it even more dangerous.

- Uncertainty in responding to an incident.
  As one expert put it, the models can't predict the worst-case scenario – a release at no or very low wind speeds – which is the most dangerous situation for CO_2. One documentary shows that dykes enclose the CO_2 storage facility so that a potential release of CO_2 can only flow directly towards houses.

- Don't know what CO_2 will do underground in the long term.
  Not everything is 100 per cent clear regarding the safety of project in the long term.

- Property prices will suffer. As property value is a reflection of trust – the reputation of the area – the potential risk will push property value down.

- Actual damage, for example potential earthquakes, pointing to a French project that was stopped because it was causing light earth shocks.

Source: A Zembla documentary on Barendrecht, "CO_2 Bomb Under Barendrecht", showed how a potential CO_2 cloud would spread in the direction of the town.

Attack the logos: Better alternatives exist

- Large-scale storage is not needed; we can get results with a much smaller pilot.
- There are safer locations, for example at sea, or away from populated areas.
- Other countries avoid CCS near populations.
- Why would you experiment where people live?
- Other countries stopped the project because of public acceptance.
- The costs of CCS are too high: This makes no sense. There is no market for CCS.
- This is just keeping fossil fuels in the game.

STAKEHOLDER ENGAGEMENT

Shell and the government led the coalition in favour of the project. Parliament also voted in favour of the pilot in Barendrecht. This was a majority vote.

- Safety is guaranteed.
- Experts have verified the safety of the location.
- This will reduce emissions. We need to make our climate targets.
- This creates a new business model; NL as a CO_2 hub.

- Infrastructural projects will boost economic recovery.
- This is a logical place: Barendrecht is close; it is a simpler solution and a good test case.

In the end, the residents of Barendrecht won the battle. In 2010, the entire Cabinet of Ministers resigns for other reasons. The new Minister of Economic Affairs Maxime Verhagen reviewed the project and decided in early November 2010 to drop the project all together because of “the complete lack of local support”, as a government press release stated. The minister then tried to get the project accepted by several provinces in the north of the Netherlands, but quickly realized that it was a lost battle.

MAKING THE MODEL WORK

Learnings from the strategy of the pro-camp

From the external sources on the outreach efforts by the pro camp (Shell and government), there are several notable events that seem to have contributed to the situation becoming unmanageable.

1. **One critical report was ignored.** A geologist asked by the government to investigate, had recommended better alternatives to Barendrecht. His report was not made available to parliament, and the government had asked him to make changes to the report to look more favourable. Immediately, this was framed by an opponent as a culture of “group pressure”, where a coalition of proponents has a vested interest in CO_2 storage and no longer had an objective view.

2. One city council member complained about **the way Shell informed the community.** At a meeting, the company simply dismissed concerns on safety. When one council member talked about the risks of high concentrations of CO_2, she felt Shell had been patronizing her: “They dismissed the risk. They talked to me like I was a child – a simple housewife – not realizing I have studied chemical engineering," she said.

3. **One citizen – a former employee of Shell – joined the protest:** “I have always had a good feeling with Shell. But with this project, I have lost this good feeling … We have to prevent this project.”

4. In a move to speed up the process, the government **tried to circumvent procedures**. The Dutch government added Barendrecht to a list of infrastructure projects that would get a fast-track approval as part of a new crisis and recovery law that pushes through infrastructural projects to boost economic recovery.

5. Environment Minister Cramer **made a weak impression in a TV interview.** She said she didn't know about a critical report. She appeared very unsure and stumbled over her words.

6. Shell in an interview admitted that **Barendrecht was a test case:** “If Barendrecht works, other projects will be easier.”

7. Economics Minister Van der Hoeven and Environment Minister Cramer conducted a town hall in Barendrecht, where they made it clear the **decision was already taken.**

The model applies in all three areas:

Build Trust	Co-create value	Engage & communicate
Attacks on the ethos of the pro camp: hiding information, hidden agenda, dishonest, disrespectful of the common opinion.	Value of the project is national, no local benefits. Alternatives defuse power of the societal benefits (why here?).	Pushing through a decision. Condescending tone. Poor media performance by Minister.

SOURCES

News clippings by Gasunie on Barendrecht.

ZEMBLA documentary on Barendrecht
http://zembla.incontxt.nl/seizoenen/2010/afleveringen/28-03-2010

The Carbon Capture and Sequestration Technologies Program at MIT
http://sequestration.mit.edu/tools/projects/barendrecht.html

NBC News: “Carbon Storage? Dutch Town Says Not Here”. (November, 2009)
http://www.nbcnews.com/id/33837127

9.4 Communication Starts with Listening – Gasunie (Netherlands) on the North-South Pipeline

IN A NUTSHELL

Gasunie is building a 90-kilometre extension of its North-South pipeline in the Netherlands (total pipeline length is 500 kilometres). The route is challenging: protected nature, an airport landing strip and densely populated areas. The company pioneers a new "strategic community management" strategy that aims to gain public acceptance and minimize project delays. The key is early engagement with those most impacted, and a smart combination of online and offline communications.

BACKGROUND

Gasunie is a European gas infrastructure company based in the Netherlands. The company transports natural gas and green gas in the Netherlands and the northern part of Germany. Gasunie also provides the market with gas storage facilities (EnergyStock), a pipeline to England (BBL) and the LNG terminal gate at Maasvlakte.

CHALLENGES TO PUBLIC ACCEPTANCE

The extension of the North-South pipeline runs from Beverwijk to Wijngaarden, or just west of Amsterdam to just east of Rotterdam. The pipeline extension is 90 kilometres long. The pipeline runs through 12 communities in some of the most densely populated area of the Netherlands.

The pipeline had to cross the Schiphol airport, one of Europe's busiest airports. Part of the project challenge was to lay the pipeline underneath a landing strip without disturbing air traffic.

STAKEHOLDER ENGAGEMENT

Engaging Wijngaarden

The first and toughest challenge in public acceptance came at the beginning of the project, with the compressor station in Wijngaarden. Wijngaarden is in the "green heart" of the Netherlands, a protected nature area where building permits are very restricted and the topic of building is sensitive. For practical reasons, the company had no other option for building. However, the village of about 800 citizens was angry and upset over the plans - that were being imposed upon the small community. For example, the facility's footprint was larger than the entire village centre, and a group of residents fiercely opposed the plans and started protesting.

Figure 6 The community of Wijngaarden protested against the new compressor station.

To get communities on board, Gasunie created a "sounding board" group comprising residents, local NGOs, the province and the village to give advice and guidance on project execution. The company asked the residents to come up with very specific ideas on how they wanted to integrate the station into the landscape well before it was built. In the end, the facility was surrounded by lots of trees, water pools and walkways for hiking. At night, lighting was adjusted so as not to disturb local star-watchers.

The company also contributed to community projects to compensate for the project's environmental impact. It helped built a new information point/gate for a nearby nature reserve park and contributed financially to several smaller projects in the village. Finally, the company was sure to be visible in the area; to been seen by residents and be approachable.

Communities along the pipeline

For the final piece of the pipeline, Gasunie's strategy to engage communities along the pipeline was twofold. While the company did not have a permit, its strategy was low-level and responsive. Once the project was approved, the company became much more pro-active. It wanted to keep people informed and engaged at all times, and used the construction team as communicators, rather than the corporate staff. It had learned from Wijngaarden than intensive and frequent communications can really help. The traditional advertisements and brochures were therefore complemented by a new, online platform.

The platform included a dedicated website. On this website, every interested stakeholder was able to see exactly what was going on, how the project was progressing and what the local impact would be. In the past, only milestones would be celebrated, but in this case, the public was informed of many smaller steps.

Figure 7 A dedicated *Gasuniebouwt* website shows project progress in real time.

Gasunie also launched a Facebook page, Twitter feed and YouTube channel. On all channels, people could get a "live" sense of events. Posts and Tweets told people exactly

what was happening that day. The channels allowed people to react immediately, so that concerns did not become issues. And the channels allowed for “micro-casting”, being able to inform a small group of interested people about the small part of a big project that was important to them.

On Facebook, a lot of the pictures, posts and stories came from the construction crew themselves. On Twitter, the advantage was that every message could be easily linked to Tweeter handles and hashtags of important stakeholders (@POLICE, #CITY). Finally, YouTube videos gave a visual sense of the care and complexity of the project and got people more emotionally attached to the project’s success and helped create admiration for the execution, instead of fear or frustration.

Figure 8 Gasunie used a dedicated website, Twitter, Facebook and YouTube to communicate about events as they happened.

MAKING THE MODEL WORK

The model applies in all three areas:

Build Trust	Co-create value	Engage & communicate
Gasunie put forward the actual pipeline builders to communicate with the public through social media. They have a high degree of trust, as they work on site every day.	Gasunie discussed and implemented several measures to reduce or compensate for the environmental impact in Wijngaarden.	By being honest and pro-active, the company was able to create a positive atmosphere. Online presence complemented offline communications. Gasunie stayed visible and events were reported “live”.

SOURCES

- Gasunie corporate communications department
- www.gasuniebouwt.nl
- www.facebook.com/gasuniebouwt

9.5 Communities Fighting For a Way of Life –Shell (Ireland) on the Corrib pipeline

IN A NUTSHELL

Shell encountered a lot of public opposition against a pipeline and onshore processing plant project in Ireland. The protest ran from 2002 to 2012. The arrest of the Rossport Five protesters in 2005 became national news. It resulted in project delays of over 10 years. Start up is now expected in 2015.

BACKGROUND

The project includes extraction of the Corrib gas field and construction of the natural gas pipeline and a gas processing plant. The project is controlled by Shell E&P Ireland (SEPIL) as operator of the project, in co-operation with Statoil Exploration (Ireland) Limited, and the Vermilion Energy Trust. In total, the project had 83 kilometres of offshore pipeline, and nine kilometres of onshore pipeline that connect to a gas processing plant.

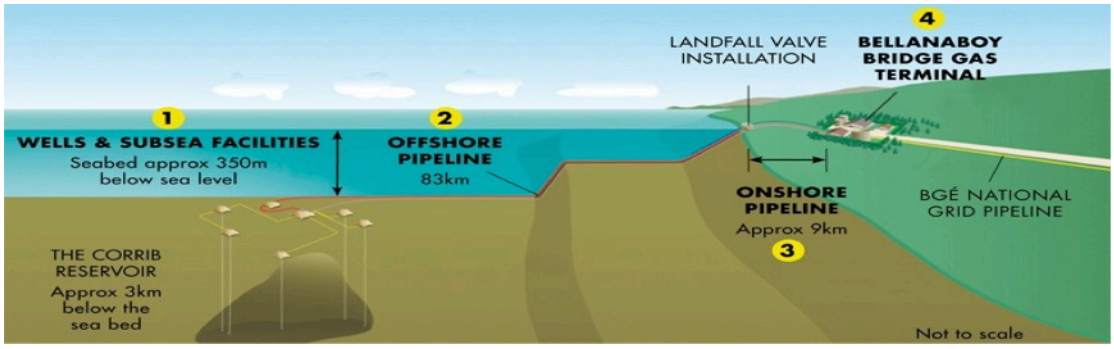
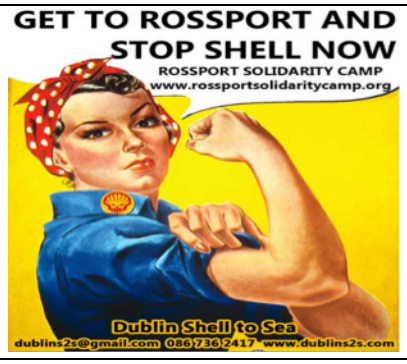


Figure 9 The Corrib gas project development includes gas production, onshore and offshore pipeline and a gas terminal.

CHALLENGES TO PUBLIC ACCEPTANCE

The documentary *Pipe Down* provides insight into the protests against the Shell project. It starts off with residents telling their stories that for generations their families have lived off the land and sea and “Now, Shell is coming to try and take it away from us.” (Willy Corduff, one of the lead protesters).



In the documentary, the key concerns expressed by residents include the safety of the pipeline and water quality. The community of farmers and fishermen of County Mayo – where the pipeline comes onshore – expressed deep frustration about the project, making it clear they did not want it in their area. A series of events led the project to attract one of the most visible public protests in Ireland.

On April 4, 2005, Shell obtained a high court order restraining protesters from restricting access to its Rossport compound. On June 29, Shell sought a committal order against five people for breaching the temporary injunction. This led to the imprisonment of the five men who became known as the Rossport Five. The arrests backfired. They caused protests against Shell all over the country, including at Shell service stations. The NGO Shell-to-Sea organized the protests. The company ended up asking for the release of the five protesters. The Rossport Five were in jail for 94 days.

Image : - The Rossport Five address a rally in Dublin after their release.

In 2009, Willie Corduff – one of the Rossport Five community leaders – laid down under a truck to stop construction. In his testimony, he states he was attacked by guards who tried to remove him. He said they took off his boots, twisted his toes and beat on his ankles. One guard said to Willie: "We'll cut your leg off". Willie responded: "You can do .. you'll only have my leg." It became an international human rights issue, as Archbishop Desmond Tutu called for an investigation. In a comment, Willie said: "We had no choice. Our homes. Our lives. Our families were at stake."

Image - Willie Corduff says security guards abused him as he was protesting against Shell's project.

Risteard O'Domhnaill, director of another Corrib documentary called *The Pipe* stated "The people were not anti-development, but the way it was (introduced) they had no option but to stand up for themselves." (Source: http://www.youtube.com/watch?v=1QEHeAqTtxk).

STAKEHOLDER ENGAGEMENT

The company seems to have learned many lessons from the project. Today, on Shell's Corrib project website, the company openly admits it made mistakes in dealing with the community (Source: Shell Ireland website, 2014):

> *"While many will still note the mistakes that were made at the outset – as we also acknowledge them – they recognise the genuine efforts the company has made to be more communicative and transparent and to listen more attentively. These mistakes gave rise to the jailing of the Rossport 5 for which SEPIL has unreservedly apologised."*

From what we can find on the project from public sources, today Shell uses multiple avenues to work with communities:

Telling the Shell side of the story

Shell videos and website talk about community needs, jobs, extreme environmental care, natural gas needs for Ireland and revenues ($ 3 billion US). The company acknowledges that it needs to balance national and local needs. It also promotes the use of local suppliers and shows the names of these suppliers on its website.

Image 2 - Shell videos focus on people at work at its facilities.

Community liaison officers

The company today employs five full-time community liaison officers whose day-to-day work is focused on listening to the queries and concerns of local people and responding to them in a timely way as well as providing them with information about upcoming work. They do door-to-door calls in the areas closest to projects, make phone calls, produce project update letters, take appointments and respond to calls on a toll-free number. They also organize site tours and have a clear and transparent complaints process.

Direct local benefits

An additional important benefit of the Corrib project is that several towns in Mayo and Galway counties have been connected to the national gas grid by connection to the Bord Gais Networks Mayo Galway gas pipeline, which will carry gas from the terminal to the gas ring main.

MAKING THE MODEL WORK

Important lessons can be learned from the way the Corrib pipeline discussions have unfolded over the past 15 years. When we look at our model, here are a few observations based on publicly available information:

Build Trust	Co-create value	Engage & communicate
Apologize and admit mistakes were made. Use locally credible people to engage.	Local towns connected to the grid. Local jobs. Develop and use local contractors. Sponsoring.	Five community liaison officers. Open house and site tours. Clear complaints process.

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Willie Corduff, June 2009 on YouTube
http://www.youtube.com/watch?v=Ans2ehmD3gM&NR=1&feature=endscreen).

9.6 Companies are No Match for a Well-Oiled Protest Machine – Shale Gas (France and Austria)

IN A NUTSHELL

The discussion on shale gas in Europe has been heavily debated. Concern about water protection has been especially sharp in areas where groundwater is used for consumption. Citizens are showing they are extremely resourceful and coordinated in their protests.

BACKGROUND AND CHALLENGES TO PUBLIC ACCEPTANCE

France

Protests against shale gas started in France following licences for exploration given in 2011 to GDF SUEZ, TOTAL and several other smaller companies. On Feb. 26, 2011, an estimated group of 10,000 to 20,000 people joined a protest in Villeneuve-de-Berg in the Ardeche, one of the villages where a national licence for exploration was given without consulting local communities. The protesters called for a moratorium on shale gas to better understand its impact on the environment. The protests were fed by the events in Canada, where an accident had taken place at a shale gas well. The protest also begat the Collectif07, a group of anti-shale gas groups that today has 125 members comprising local protest groups, unions, associations and political parties. The coalition collectively fights shale gas across the country, wherever it sees activity.

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<td>The positioning of the Collectif07 is consistent: “Stop shale gas and oil. Not here, not anywhere. Not now, not tomorrow.”</td>
<td>The Collectif07 has a hotline for citizens who see seismic trucks in the area to ensure immediate mobilization. The poster says: “Be vigilant. If you see these trucks, call the Collectif.”</td>
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</table>

	
The Collectif07 offers a complete campaign kit for local groups to start protests. The campaign toolkit includes logos, poster templates, post cards, masks, information boards, and videos. See: stopaugazdeschiste07.org	*In June 2014, protesters in Angeliers, France, wanted to stop seismic exploration in the Languedoc-Roussillon area. The campaign kit of the Collectif 07 was clearly used.*

Austria

Late in 2011, OMV announced plans to explore shale gas potential in Lower Austria. The area had shown a huge potential for gas exploration and it was estimated that success could have met Austrian demand of 8 billion cubic metres for two or three decades. The company proposed clean hydraulic fracturing, meaning it would not use chemicals, and wanted to spend up to € 130 million ($171 million US) plus development costs to search for shale gas near the town of Herrnbaumgarten. The company committed to use only an environmentally friendly way to explore shale gas and be fully in line with the International Energy Agency “Golden Rules” on shale gas development (IEA, 2012).

The region that the company was targeting is known as the Weinviertel, or wine district, for its expanses of vineyards. Strong opposition from citizens’ groups and non-profit organizations developed in the region, as well as in parts of the federal and provincial government. Local residents opposed the idea, worried about the effects on both the environment and the area's economy, which is based around farming, with a growing eco-tourism sector.

The citizen initiative Weinviertel Statt Gasviertel (Wine district, not gas district) launched a petition against the project and collected 15,000 signatures. Key concerns were water contamination and the impact on tourism. The group launched a website and a Facebook page. They organized protest events. One additional concern was the bad image the exploration would have on the wine from the region: "Even if it were proven that the drilling had no effect on the wine, who wants to buy wine out of a gas field?" said Sabine Randl, a member of Weinviertel Statt Gasviertel.

The protesters got support from Greenpeace, which came to the area to help local opposition activities. However, the group also took a strong stance on what it did support: renewable energy. Greenpeace got involved, highlighting the risk for chemical pollution, water usage and climate change. There were also concerns about fracking triggering earth tremors and contamination of areas around the drilling sites.

Today, the group is still active, providing updates on shale gas opposition and renewable energy success from around the world. In its last event (a tree planting), it appeared only a handful of people remained part of the core group that directs opposition.

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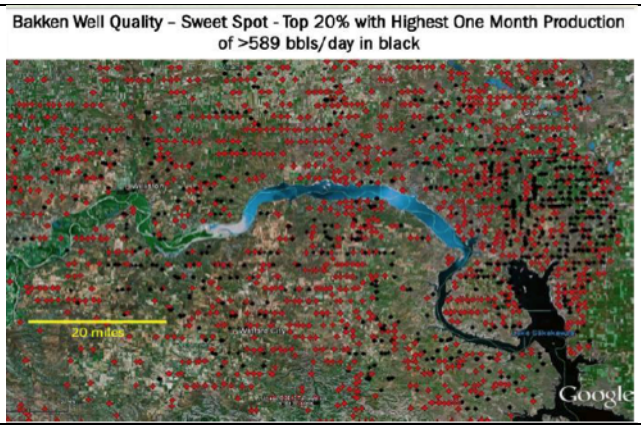
<td> 
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<td>Citizen group "Weinviertel statt Gasviertel" (wine-district, not gas district) protests against the development of shale gas in its wine region.</td>
<td>In a presentation by the citizen group, the image of Bakken (a U.S. shale gas development) is used to illustrate what might happen to its own region if shale gas development is not stopped.</td>
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<td>• 17 Substanzen sind klassifiziert als toxisch für aquatische Organismen,
• 38 Substanzen als toxisch für die menschliche Gesundheit,
• 8 Substanzen als karzinogen,
• 6 Substanzen als vermutlich karzinogen,
• 7 Substanzen als mutagen und
• 5 Substanzen haben Effekte auf die Reproduktivität.
www.weinviertelstattgasviertel.at</td>
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<td>Focusing in on what chemicals in hydraulic fracturing fluid can do, the group makes the point that eight substances are classified as carcinogenic.</td>
<td>The Österreichischer Rundfunk (ORF), the Austrian national public service broadcaster, starts off a program on OMV plans with images from the U.S. film Gasland.</td>
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<td>In a local protest, a coffin full of glasses is buried to imply residents will never be able to drink the water again.</td>
<td>Greenpeace gets involved: Arguments about water pollution and climate change are used to challenge OMV's plans.</td>
</tr>
</table>

The Austrian Economics Minister supported the project, pointing out that it could mean energy security. The Environmental Minister was against the project. In the end, opposition to hydraulic fracturing in the Weinviertel became so strong that politicians pushed through a bill in parliament to require an extensive environmental impact study before giving permits. OMV subsequently decided to cancel its plans, stating there was no longer a business case.

MAKING THE MODEL WORK

The model helps us understand how public opposition to shale gas is organized and how it formulates arguments.

How opponents use the model

Build trust	Co-create value	Engage & communicate
In France, pointing to permits given before the local town was informed, challenges honesty and points to big companies making deals over the head of the people. Trust is broken.	Pointing to revenues from eco-tourism and wine making, the economic argument is undermined. The value creation is gone.	Collectif07 will stand side by side with anyone who will fight the industry. It has a campaign machine to help engage and communicate locally.

SOURCES

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stopaugazdeschiste07.org

Controverses sur le gaz de schiste, wikipedia
http://fr.wikipedia.org/wiki/Controverses_sur_le_gaz_de_schiste

Mayor of Villeneuve-de-Berg at the protests of 26 February 2011 speaking to opponents of shale gas at an event in his town.
https://www.youtube.com/watch?v=y8oTrlkOgLM

Presentation of structure and activities of stopaugazdeschiste07.org
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OMV abandons Austrian shale gas plans (Reuters, VIENNA, Sept 17 Mon Sep 17, 2012)
http://www.reuters.com/article/2012/09/17/omv-shale-austria-idUSL5E8KHHDG20120917

OMV Drops Plans for Shale Gas Exploration in Austria (Natural Gas Europe, September 18, 2012)
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http://www.uma.or.at/assets/userFiles/Veranstaltungen/Fachdialoge2014/Schiefergas/RandlVortrag.pdf

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9.7 Communicate Often and Online – Amsterdam Metro (Netherlands) and the N-S line

IN A NUTSHELL

The new Amsterdam metro line was close to being abandoned while already under construction. One key area of improvement was communication with residents, which had been deemed completely inadequate. A new approach based on openness, frequent communication and the use of social media was used turn the tide.

Image: "Let me introduce myself" posters showcased members of the on-site construction team to humanize the project.

BACKGROUND

The Amsterdam North-South line is a new 10-kilometre metro line connecting the north of Amsterdam, via the old Amsterdam city centre, to the business district in the south. It is estimated it will have as many as 180,000 passengers a day once finished. It has 3.8 kilometres of twin tunnels and will connect eight metro stations. Construction started in 2002.

CHALLENGES TO PUBLIC ACCEPTANCE

Five years ago, construction was at a critical junction. The project ran overtime and over budget and old Amsterdam houses along the construction route were starting to subside and show cracks in the walls. The project was under such fire that abandoning it altogether was considered. The city considered finding a different transit solution, and citizens lost interest in the big picture. The focus was on damage, the impact to local businesses and the daily nuisance of construction. Nobody was interested in the great promise of a metro line that was five to 10 years away.

The project began in 2002, but its licence to operate was fragile from the beginning. Many promises were made that turned out to be completely unrealistic. Eventually, the projected opening of the line was 10 years later than originally planned, the cost skyrocketed from €1.4 billion to 3.1 billion, and the promise that disruption to the community would be minimal was seen as a joke. Huge construction sites existed for years. The project lost all technical credibility in 2008, when groundwater leaking into one of the metro stations caused older houses near the site to subside. The houses were badly damaged and people had to leave their homes as a precautionary measure.

Angry residents were forced out of their homes when the metro line construction caused homes to subside. On the right, the construction manager of the line faces an upset resident who felt she was talked down to as experts continued to tell her everything was under control.

The residents called for an inquiry to determine whether the project should be continued and if so, what measures should be taken to make the construction process safer and more controlled. The municipal ombudsman concluded that accurate and sufficient information was not provided, in particular about risks and setbacks. The execution of major parts of the project was put on hold for more than a year to determine a path forward.

STAKEHOLDER ENGAGEMENT

The new metro line was at this point a much-hated project. The purpose of the incoming communications team was huge: transforming the project from the city's worst nightmare into a safe and respected project, one that could even make the city proud one day. In the words of communications manager Alex Sheerazi: “Going from being seen as a national whipping pole to being trusted and seen a safe as a Volvo.” A communications team of eight people anchored a new communications strategy around five core principles:

Being open, transparent and respectful

The team’s first major decision was to be transparent about the project. Except for some contractual financial details, nothing was a secret. Project information was open and accessible. One way the team brought this to life was to introduce a huge red arrow on the streets saying: “Here we are now!” (see image below). The arrow indicated exactly where drilling was taking place each day. The project’s engineers reacted to the arrow with scepticism at first: “What if we don't progress because of a problem?” The possibility that the arrow’s progress might stall or be slower than anticipated was okay with the communications team, as its approach was to be completely open even if there was bad news to deliver or difficulties to overcome. Transparency allowed the team to underline the complexity of the project, and what was being done to solve problems.

Image 3 - A big red arrow indicated how the tunnels were progressing.

This approach pushed the project from being closed-off to being open, even when there were problems. It moved communications from an engineering project to a people project. Instead of defending the project at all cost, the team shared the problems it was tackling, giving it more humility and humanity.

Reposition the project from a technical masterpiece to a challenging project

A much bigger challenge was *rebranding* the project so that it would have a completely different feel. The chart below shows the movement needed to make the project more acceptable to the public. The key idea was to move it away from technical arrogance and sender-driven communications, to a project driven by human relations, conversation and mutual respect.

Image - Rebranding the project to better relate to the residents

- The project had to become much more sensitive to the needs and concerns of residents, and stop sounding dismissive about the risks.

- The project had to move from communicating using scientific researchers, who felt distant and somewhat detached from residents, to everyday craftsmen who were doing the work.
- The project had to move away from hoping residents would have blind faith in the technology, to involving residents by explaining the extremely challenging and difficult project.
- And the project had to move away from being a closed-off site where nobody was welcome to being an open project, where residents could visit. The underground platform at the Rokin Station, for example, had stairs and a panorama platform from which to watch ongoing work. More than 350,000 people visited the site and the attraction even made it into the *Lonely Planet City Guide*.

Talk about risks as adults

One key question was how to communicate construction risk. The condescending tone of earlier communications, combined with the damage to houses, had outraged residents. The new strategy was to be open and transparent.

One of the first steps the project team took was to proactively communicate risks, by posting them prominently on the website and by highlighting them in letters, stickers, meetings and individual consultations in the areas close to the building sites.

In addition to talking openly about what the risks were, the team also said what was being done to combat them (mitigation measures, alertness as a major cultural element into the organization), and what contingencies were in place in case of an incident (emergency drills, arrangements for providing emergency accommodation etc.).

Instead of *talking down* to people, the team shared what could go wrong, even the possible worst-case scenario, and also what would be done in response. The simple fact of acknowledging there were plenty of risks helped residents feel they were being treated with respect. It also built more tolerance for things not going smoothly. People finally felt they were treated like adults.

The new approach was also a relief for the team. It is unnatural for operational people to not to discuss risk, as much of their training is focused on is how to keep things safe in a hazardous environment.

At one point, the project had equipment failure resulting in a very significant leak underground. The leak was far away from the public eye, and could easily have been dealt with quietly. Despite that, the project team decided to communicate, knowing it was of interest to people following the project. “It gets interesting when you get a stomach ache,” says Alex Sheerazi, Communications Director of the North-South line, “But when you are the one coming with the news, at least you get to frame it. In addition, it also gave us a great deal of credit among the media. Not only were we claiming to be more open, we had just proved that we actually were.”

The Return on Reputation ROR

If experience in these kinds of projects teaches one thing, it is that incidents will happen. And with the high profile and high visibility of the project even small events can have an

impact on reputation. The project had plenty of critics, including the local *Het Parool* newspaper, who would jump on any event. Therefore, the communications team knew it would have to build a buffer of goodwill, in the event something were to happen. It would make the project less vulnerable. In addition, the project team had also learned that a bad reputation not only causes public embarrassment, it also gets proponents uninvited from meetings where decisions are taken. Finally, a stronger reputation strengthens the pride and commitment of personnel working on the project.

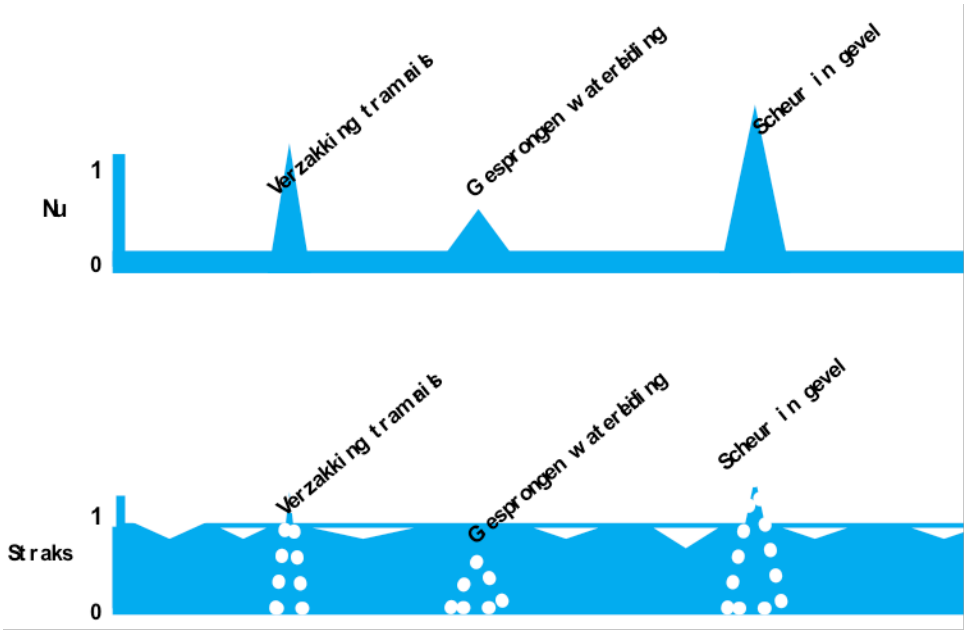

Image 4 - The principle of Return on Reputation is that you build a reputation buffer to help soften the blow should things go wrong.

Another interesting way the project built its reputation was to connect with the citizens of Amsterdam in many different ways. For example, construction provided opportunities for art projects to use the huge spaces underground as a backdrop.

Engage communities online

Social media provided a unique opportunity to listen to citizens and engage them directly. The project took a unique approach to this. For example, every one of the new metro stations on the metro line had its own Facebook page, so that communications would be about the street in front of your house. The website and pages has plenty of pictures of ongoing works, people at work, cultural events, visitor impressions, human interest stories and other events. Most were small contributions with everyday news such as where work would be, how children could go for a tour, art competitions, discovery walks, and new stairs arriving on site. In one article titled “Did you spot him yet?”, children had to spot a diver who was working in the canals as part of a safety inspection.

The Twitter feeds and Facebook comments also used the builders, planners and diggers as spokespersons. They would address the citizens directly and talk about their daily work in simple language.

September 2011: A tunnelling crew poses in the tunnel built by the boring machine 'Noortje' on the western side of the Damrak. The image reinforces pride, experience and craftsmanship.

The social media team consisted of two people. They created a platform for all social networks and web activities and community contacts and construction workers would also contribute to the flow of information. The reactions and conversation were central in the approach. Increased credibility is a result of dialogue, transparency, cooperation and co-creation.

There was no moderation or censorship of the answers. The rule of thumb was "don't be stupid", and common sense was assumed to direct the team's responses. Ninety-five per cent of questions were answered this way. Sometimes questions were escalated. And if a mistake was made? The person would admit the mistake and apologize. This approach again was rooted in a firm belief that people don't listen to you because of your authority, but because they think you are open and authentic.

Today, the website also has a LiveCam to show daily progress. Over time, the project has built a substantial network and community of followers, fans, critics, journalists and politicians.

Choose your spokespersons by not choosing your spokesperson

Finally, the people who engage are key. The project had assigned community contacts for every metro station. The project would get huge credit if an upset resident would call and have someone at their doorstep in a few minutes to see what was going on. The project never trained any of the professionals in engaging with the public and the media and as a result, journalists respected them and did not go after them.

"My final advice is to do this work with a smile," Sheerazi concludes. "You are much more sympathetic when you can do things with smiles and don't take yourself overly seriously."

Image - The project team was forced to reroute a sewage pipeline above ground to continue drilling. The sewage pipe would be extremely visible and go over a square and past a restaurant. The project team invested in decorations, making it a trail of green and light instead of a big nuisance.

MAKING THE MODEL WORK

The model applies in all three areas:

Build Trust	Co-create value	Engage & communicate
• No more secrets - the information was accessible. • Craftsmen on the project as spokespersons. • Show humility: this was a complex project.	• Raise interest in the challenge of the project by showing everything that was going on. • Connecting the project to art, photography, children's entertainment and tourism.	• Constant online communications using social media. • Every metro station had own community relations person.

SOURCES

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- Vision document on the web strategy of the North - South line by Alex Sheerazi and Freddy Elink Schuurman, 11 June 2013 http://www.noordzuidlijnkennis.net/noordzuidlijn-web-strategy-opportunities-and-obstacles/
- www.hierzijnwij.nu website and Facebook pages.
- All pictures courtesy of Alex Sheerazi.

9.8 Combine National Interest with Local Handshakes – Net4Gas (Czech Republic) on the Gazelle Pipeline

IN A NUTSHELL

The Gazelle high-pressure pipeline brings gas from Russia to the Czech Republic. Through an outreach program for local residents, the highest level government support and smart planning of the route, the pipeline project went ahead smoothly.

BACKGROUND

Gazelle is a high-pressure pipeline project of gas transmission operator NET4GAS in the Czech Republic. This new route connects the Czech Republic to Russian gas supplies coming into Europe by the "Northern Route" - i.e. the Nord Stream pipeline running along the bed of the Baltic from Russia to Greifswald, Germany. This then connects to the OPAL pipeline, which will run as far as the village of Brandov on the German-Czech border. The Gazelle pipeline is 166 kilometres long and crosses the northwest part of the Czech Republic. It does not cross any city or densely populated area.

NET4GAS is a key part of the strategic energy infrastructure of the Czech Republic and enhances security of supply and reliability in the whole CEE region. NET4GAS provides international as well as domestic transmission and annually transports over 40 billion m3 of natural gas. NET4GAS operates more than 3,600 kilometers of pipelines. Since the crisis between Russia and Ukraine in the winter of 2009, energy security became a topic priority for politicians as well as the broad public.

PROJECT

The interconnection of the northern and southern routes by the GAZELLE pipeline further reinforces the security, while at the same time raising the strategic importance of the Czech Republic on the European backbone route bringing natural gas from Russia to the West. The countries of the European Union are dependent on imports for more than half their fuel and energy, and by 2050 this proportion is set to rise to as high as 80 per cent. For this reason, EU countries are jointly searching for ways to increase the security and reliability of their supplies. This new high-pressure pipeline in the Czech Republic is one of them.

The construction designer of the new pipeline is ILF Consulting Engineers, s.r.o. RWE Plynoprojekt was handling negotiations regarding property rights and public hearings in relation to the construction. The project started on Oct. 14, 2010 (laying of the foundation stone) and was brought in the operation in winter two years later (the opening ceremony took place in January 2013). This project was managed on time and on budget. Total project investment is roughly € 400 million.

CHALLENGES TO PUBLIC ACCEPTANCE

Since the very beginning, the project was well accepted and supported by politicians as well as general public. “Gas pipeline Gazelle increases energy security not only for the Czech Republic but also for the EU countries. This project proves that interconnection of energy routes has a future,” said Prime Minister Petr Nečas at the opening ceremony.

Image: Prime Minister Petr Nečas at the opening ceremony

The project plans ensured local benefits for communities and a revenue scheme:

Advantages for the towns and villages were available along the Gazelle project and municipalities had the opportunity to draw various subsidy schemes. For example, the city of Bor received 250.000 crowns to build a multipurpose sports area on the estate and to rebuild the control building at the bus station. The village of Přimda was able to replace the windows in the school. The village received additional funding for the sale of land to the project.

There were about 1,000 landowners who were affected by the pipeline construction. The company publicly communicated rewards granted to land owners and offered a specific bonus for fast contract signing.

Figure 4: Pipeline construction in Western Bohemia

There was very little opposition to the project. According to RWE, this was mainly due to a general understanding of the importance of the project; a positive image in the media; political support and a well-planned route for the pipeline.

From the very beginning, the project had the support of the government parties, as a tool to increase security of supply in the Czech Republic. Everyone in the country remembered the gas crisis in 2009, therefore there was hardly anyone saying the new pipeline was not needed.

Also, there was proactive communication about the project importance by the politicians as well as by the investor. Methods to communicate included meetings with journalists and city mayors (face-to-face meetings) as well as public hearings with representatives of 50 towns and villages. Also, the company prepared leaflets for the public.

There was no need to employ social media, just information on NET4GAS website.

MAKING THE MODEL WORK

The model indicated several project characteristics that have helped in its success:

Build Trust	**Co-create value**	**Engage & communicate**
Endorsement by the government. Publicly communicated reward for landowners.	Well-planned pipeline route. Local grants. Revenues for landowners.	Media engagement. Public hearings.

SOURCE

David Konvalina, Czech Gas Association, member of the Study Group on Public Acceptance.

9.9 Respect Your Neighbour, Wherever They Are –Sonatrach (Algeria) on engagement in Rhourde Nouss

IN A NUTSHELL

Sonatrach, the Algerian oil and gas company, has a huge natural gas production site in the desert. The Tuareg nomads live in this area. Sonatrach has been engaging Tuareg to explain and inform about operations.

BACKGROUND

Sonatrach, the Algerian national oil and gas company, is the largest oil and gas company in Africa. The company operates in exploration, production, pipeline transportation and marketing of hydrocarbons and by-products. Algeria's economy is largely running on the production of oil and gas.

Southern Algeria is an area the size of France, and is essentially a desert. About 50,000 Tuareg nomads live in the area. The area of Rhourde Nouss is about 1,000 kilometres south of the capital, on the Libyan side of the country. Sonatrach operations here include a gas processing plant for four nearby gas fields, a CO_2 processing plant and a pipeline network.

Tuareg tribes are Berber Muslims, with a nomadic lifestyle. They travel through the area with camels and tents. They are highly respected in Algeria. They have freedom to move. Tuaregs have matriarchal families, meaning the mother is at the head of the family.

Sonatrach's Rhourde Nouss gas fields are about 1,000 kilometers south of the capital.

CHALLENGES TO PUBLIC ACCEPTANCE

In 2008, company operations in the Rhourde Nouss region got a subtle message from a Tuareg group travelling through the area. They put up a tent near the construction site. There was no direct protest or confrontation, yet the tent did signal the discontent of the

Tuareg over the ongoing operations.

One of the oldest Tuareg tribes started to ask questions. They wanted to know what was going on. They also had specific concerns, for example about trucks and equipment, and the roads, which were having difficulty accommodating the traffic.

STAKEHOLDER ENGAGEMENT

The key decision was to go meet them. The Tuareg were upset and angry about the process. They understood that natural gas feeds the country, yet they wanted to be involved. They felt that operations were happening on their land and nobody was telling them what was going on. They had no intention of stopping the project, but wanted to be heard.

The company started to invest in communication by the field staff with the tribes. At first, this was particularly challenging. Habib El Mehdi of Sonatrach explains: “In the beginning the technical people would ask me why all the trouble: *There is nothing out there, just sand*, they would argue.”

Habib started spending considerable time with the Tuaregs. He has met with the tribes at least 30 or 40 times, drinking tea and talking about the project. “It is an obligation to see them face to face,” Habib says. “Otherwise they will not respect you. The only expectation is that they are respected and that you tell them the truth.”

The Tuareg are hugely spiritual and expect the same from the people engaging with them. “Even when you talk about a gas project, you have to find a spiritual link,” says Habib. He always starts by asking about how they are doing, talks about their family, then goes on to talk about how a project is important for human beings, its utility and necessity and argues that what is good is not always perfect. The conversation links to the Tuaregs’ spiritual values, including their sense of empathy. This approach is not always well understood by managers. Yet Habib is convinced it is key: “A technical project is first of all a human project.”

Today, the company is committed to keeping the tribes continuously informed. For example, the chiefs now get regular updates from the company via e-mail. The updates include information about production details, ongoing work, explanations about why things are different from plans or why work is not progressing. “Discussing the problems faced in operations tells Tuareg we are human, not just a unanimous company of rich people.” The company also tells them what they want to know. They can visit the plant and are invited to have lunch or dinner there, which shows that the company is open. “Hiding facts is the major reason of problems,” says Habib.

The Tuareg also have some special privileges. For example, if there is a request for a job in operations, Sonatrach will provide a position for the person.

Photo: Habib El Mehdi (giving the thumbs up) and his team at Sonatrach meet with the Tuareg to drink tea and discuss operations.

A process for stakeholder relations

Today, the company's relationship with the Tuareg is much improved. And Sonatrach took the experience a few steps further. Today, stakeholder engagement is an integral part of the operations policies that the company has in place. Informing the Tuareg has become part of the regional procedures for gas development.

Change inside the company

One of the biggest challenges was within the company. Sonatrach did not have a tradition of community engagement. The key to changing the way things ran inside the company was twofold. The first part was to change the way things worked in the field, ensuring local managers were engaged with communities and saw the value.

The second step was to involve managers at headquarters. Within the corporation, the approach was to find managers who supported change. "The positive managers that are ready to change are in every organization," says Habib. He has focused on this group to champion his new approach: "Focus your energy on the people that want change."

MAKING THE MODEL WORK

The model applies in all three areas:

Build Trust	Co-create value	Engage & communicate

• Core principle: "Just tell people the truth, and they will believe you." • Get managers and engineers in the field to explain what is going on. • Find the managers in HQ that support change.	• Find the spiritual value of accepting the project. • Offer jobs for the Tuareg people who want to change their life and be hired into the company.	• Engaging the Tuareg elders face to face. • Keep them updated on project details. • Have them visit the site.

SOURCES

- El Mehdi Habib, Petroleum Geologist, Sonatrach, discussion in October / November 2014. Pictures courtesy of El Mehdi Habib.