

# 26<sup>th</sup> World Gas Conference

1 – 5 June 2015 – Paris, France



## *PGCE-3*

### **OVERCOMING STAKEHOLDER RELATIONS CHALLENGES RELATED TO A GAS PROJECT IN YEMEN**

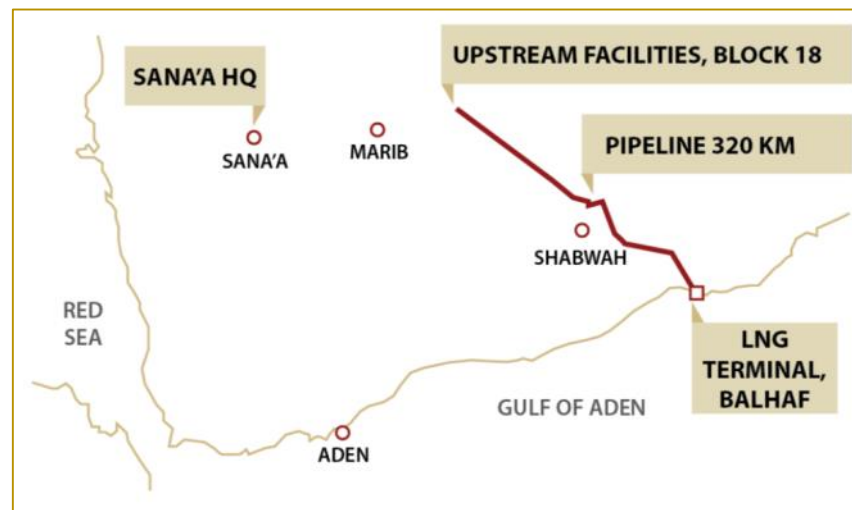
Dr. Jeanette Rascher

Yemen LNG Company, Yemen



# Background on Yemen LNG Project

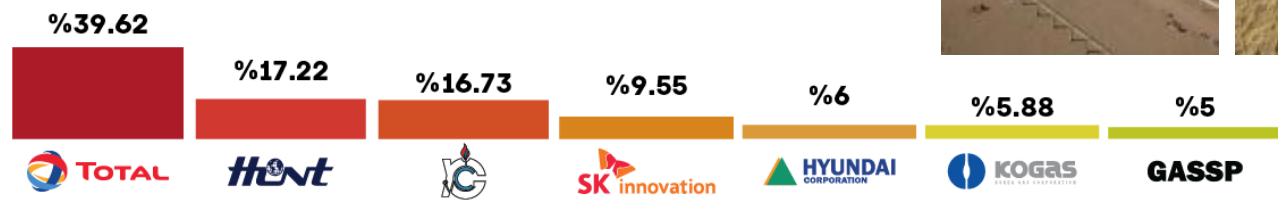
- Upstream facilities located in the Marib Governorate in central Yemen
- 320 km Gas pipeline
- LNG Plant at Balhaf on the Gulf of Aden
- 25 Year Project
- Largest ever industrial project in Yemen
- Shareholders:



UPSTREAM

PIPELINE

LNG TERMINAL



# Background on Yemen and Yemen LNG Neighbours

- Yemen: Poorest Country in Middle East
- 29 Project Neighboring Communities (with sub-villages)
  - More than 22,000 people
  - Tribal context with internal conflict/s
  - Gender sensitivity
  - High unemployment
  - High poverty, malnutrition, morbidity and mortality rates
  - Severe resource constraints



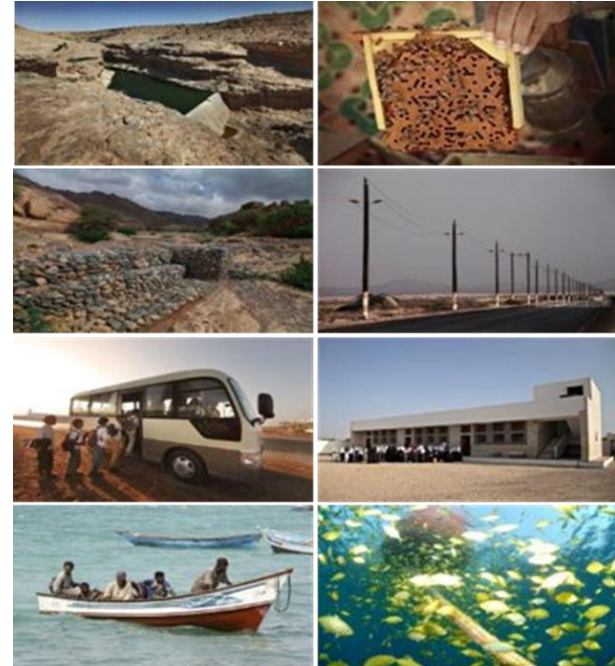
# Stakeholder Relations: Problems and Aims

- Right from Construction, stakeholder relations between Company and neighboring communities were challenged by
  - Company's lack of stakeholder knowledge and international best practice
  - Very high expectations from Company's neighboring communities
- Aim of presentation is to highlight methods established and implemented to
  - build good and long lasting relations with stakeholders, especially project neighbors
  - reduce social and security risks
  - sustain community development projects
  - maintain a social license to operate



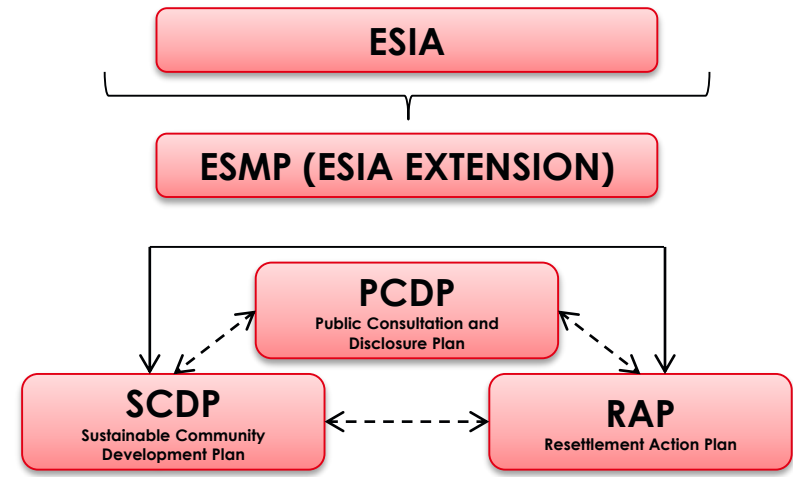
# Methods to overcome Stakeholder Relations Challenges

- Methodology to overcome challenges not developed overnight
- A step by step approach was followed over several years to comply with
  - International standards and best practice
  - Lender requirements
  - Yemen legislation
  - Company policies and procedures



# Methods to overcome Stakeholder Relations Challenges

- Environmental and Social Policy Framework adopted
- ESIA undertaken
- ESMP developed and implemented
  - PCDP
  - Two 5-Year Community Development Strategies
  - Resettlement Action Plan
  - Local Content Plan
  - Partnership agreements to sustain community development projects
  - Humanitarian support to people in times of need
  - A comprehensive M&E system



# Stakeholder Relations: Results

## ■ Lender Compliance

- Yemen LNG achieved unconditional lender completion and obtained the Environmental and Social Compliance Certificate in 2012 from its Lending Agencies

## ■ External auditors stated that

- “Yemen LNG’s achievements continues to be a benchmark and model for Yemen stakeholder relations and implementation of community development programs, and also serve as a global model for stabilization efforts in a conflict risk socio-political context”.

## ■ Stakeholders

- Especially project neighbours present the Company with certificates of satisfaction and letters of appreciation for sustainable development projects and other assistance



# Stakeholder Relations: Conclusion

- Important factors to bear in mind is that
  - that the greatest progress is often made through small steps as relationship building takes time
  - stakeholder relations is a dynamic, ongoing and ever-changing process
  - what works today, may change tomorrow, especially in a complex socio-economic and socio-political environment such as Yemen



Meeting with Shabwah Governor and Local Council



SME Training for Civil Society Organizations



Schoolbags for Marib Students