



## **Somaliland Non State Actors Forum**

**Location:** Jigjga-yar, Badda As, Behind WHO Office

**Tel:** +252-(0)-63-570536, +252-(0)-63-4414335

**Website:** [www.sonsaf.org](http://www.sonsaf.org)

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# **Civil Society 2<sup>nd</sup> Position Paper on the Extractive Sector:**

In line with SONSAF's policy, dialogue and advocacy initiative around the extractives sector, SONSAF hosted a consultative meeting with community members affected by oil exploration on 12 March 2015. 40 people from Burao, Ainabo and Erigavo, including chiefs, religious and traditional leaders, women and youth took part in the consultation forum, which provided space for them to freely discuss their experience and perspectives around exploration, governance and resource management. Their views have informed SONSAF's policy recommendations on how best the sector can meet the needs of communities and Somaliland more broadly.

The meeting follows on from the first Somaliland Extractives Sector National Forum, held in December 2014 in Hargeisa hosted by SONSAF, which brought together civil society and government, including the Ministry of Mining and Energy and Ministry of Interior to discuss the future of the sector.<sup>1</sup>

## **1. Community Perspectives on Oil Exploration:**

Participants were given the opportunity to present the views of the communities they represented during the meeting. Many participants felt oil exploration is a necessary step for the exploitation of natural resource in the country. One participant said "we are not against the process of oil exploration at the community level". Participants took a balanced view, stating that they are not against government initiatives to exploit natural resources within the country for the benefits of Somaliland citizens.

They said "we are ready to welcome oil companies and the government for the implementation of an oil survey". However such support is tempered by a need for

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<sup>1</sup> Civil Society Position Paper on Extractive Sector, January, 2015

strengthened community engagement, measures to address damage done to date, and in the future, fair, transparent and equitable access to procurement and employment opportunities. Despite this overarching support for exploration and development of the sector, there were also concerns and grievances as a result of experiences to date:

## **2. Security and Conflict**

Communities are in agreement in principle that exploration should take place in a safe and secure manner for all concerned parties – communities, government and companies. But how this should be done is still to be fully understood and the communities are keen to learn more about proposed ideas to better inform their opinions. Any security mechanism proposed should be developed in consultation with communities and should have clear legislative frameworks, oversight and accountability mechanisms that sets out its powers and limitations, in line with Somaliland's constitution.

Participants felt uninformed about processes and how exploration would take place. They felt that the government should be taking an active role in mediating or at least being an interlocutor and dialogue facilitator between oil companies and communities. Where communities do have grievances, they feel that a greater presence by the government would assist in negotiating and enforcing agreements or ways of working between communities and companies.

## **3. Environmental Concerns**

Some participants felt that oil companies had made an initial consultation with them over how their local environment would be protected, however the companies had violated the terms of the agreements. Communities emphasized the importance of protecting trees as a matter of priority to prevent soil degradation and to prevent surface run-off.

Where surveyed areas were anticipated either destroyed trees or damaged surface run-off protection mechanisms, they emphasized the need to either be compensated, or to have damage repaired. Participants however, also highlighted that equipment belonging to oil companies could help communities, reduce flooding by diverting the main dry valleys and promoting water catchment while present in the area.

Such initiatives from companies would be highly valued by communities and would be well within the means of the oil companies, utilizing their existing skills and equipment to ensure damage is mitigated or repaired and boost communities' livelihood and environment.

#### **4. Community Engagement**

Participants felt that where oil companies are surveying in or near communities, which at times is destructive to their land and property, companies should build effective community engagement to support communities with much needed social services.

Many participants raised the need for transparent and open tender competitions for procurement and contracts. Staff and senior managers of oil companies should not allocate such contracts according to their own discretion- such practices had been witnessed by some participants and the communities, and this may deteriorate the relationship between the community and companies involved.

The majority of people felt that there was a lack of clear and credible information about the extraction process, governance, rights, responsibilities, resource management and resource distribution. Information was either lacking in its entirety or coming through external channels such as the Diaspora community.

Such lack of clear information is problematic, limiting the ability of individuals and communities to assess the ways in which they will be affected by extractive activities in the long-term, and reducing their ability to negotiate solutions to concerns. They wished to see the government perform its role as the primary entity responsible for information sharing and community liaison on exploration.

Moreover, participants requested the government laws on the extractive sector must to ensure equitable access to benefits associated with survey activities such as improving social services and livelihoods. Participants from the respective communities complained oil companies are not consulting with communities and not fulfilling their promises to communities, resulting in a breakdown of previously good relations.

##### **a. Oil Companies**

Participants raised their concern at damages to date and their eligibility for compensation or reparation. They felt that companies need to be clear about compensation policies and practices for damage caused in the process of exploration. Participants also pointed out that oil companies should listen and consult with the community prior to embarking upon exploration activities to ensure that all are in agreement over what to expect and how.

In addition, any promises and commitments made, need to be fulfilled and enforced. Participants also felt failure by oil companies to comply with their promises and commitments to communities were creating both distrust and discord. They felt that a

more proactive attitude to engaging communities, to fulfill promises and act in a spirit of cooperation could improve community-company relations and with this, exploration could be resumed.

### **b. Government**

Participants believed the government should fulfill its role in the oversight and management of the exploration process. The government should fulfill its roles around security and protection for all affected parties through inclusive of communities, regional actor and oil companies' representatives.

Participants indicated that currently the role taken by the government has been inadequate and called the government to increase its intervention at the community level to create a more consultative process of work that would mitigate conflict and promote good relations between the regions, districts and communities.

The community supports in principle the creation of protection mechanisms and security for all parties affected and involved in oil exploration. Nonetheless, any security mechanism deployed must come with a suitable legislative framework that clearly sets out the powers and limitations of such mechanism, ensures the protection of human rights and the environment must have clear avenues for oversight and accountability.

## **5. Recommendations:**

### **a. Government:**

- Ensure a greater role in the oil exploration processes and the associated, security and protection for all parties involved or affected.
- Lead the development and implementation of a transparent and fair process for addressing individual, community and environmental damage linked to extractive activities, in consultation with affected communities.
- Engage communities in the development of security provision and policing structures that are to work with extractives companies and communities. Any security structure should be legislated with their powers delineated with suitable oversight and accountability measures, in line with the constitution.
- Conduct a civic education campaign to raise awareness about issues related to oil exploration and extractive activities, including on consultation processes, security and complaints mechanisms.

- Ensure community, district and regional level consultations to ensure the exploration and development of the extractives sector is done as conflict sensitive manner.
- Establish a mediation office at district level to address emerging issues between communities and companies.
- Conduct effective monitoring of how exploration companies conduct their work notably around equal access for job opportunities.
- Complete current draft legal framework where the CSOs and community actors should be primarily considered their arguments and participation

**b. Civil Society:**

- Continue initiatives for widening consultative meetings at all levels.
- Take an active role in promoting community engagement and awareness raising
- Continue to play an active role in promoting and increasing community education and community engagement in the extractive industry in Somaliland, including through supporting processes of consultation at national, district and local level.
- Ensure and advocate the protection of human rights and environmental degradation
- Conduct regular monitoring and oversight over the activities of the exploration
- Conduct conflict sensitive and risks assessment surveys
- Undertake multi- stakeholder dialogue in order to advocate and advance both accountability and community engagement activities
- Empower communities in the affected areas through inclusive and participatory manner
- Promote transparent and accountability measures through all phase of the exploration and surveys

**c. Oil Companies:**

- Respect national laws and regulations.
- Conduct regular consultations with communities and establish structures for community consultation and information sharing, including on plans, activities and processes
- Conduct a conflict sensitivity assessment before beginning any exploration or operation, mitigate against any potential conflict risks emerging from the assessment and monitor the impact of activities for any unintended consequences.
- Establish transparent, clear and accessible compensation procedures for complaints about damages to be made and addressed.
- Take action for the needs of community (Community development) in consultation with the communities.
- Respect the principle of DO NO HARM