

# The Greater Gulf of Guinea Simulation

Maintaining Sufficient Stability to  
Enhance Economic Viability



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## Maintaining Sufficient Stability to Enhance Economic Viability

### Executive Summary

How can government, private sector, international organization (IO), and nongovernmental organization (NGO) stakeholders integrate their capabilities in new ways to maintain stability in and enhance the economic viability of volatile regions of the world? On March 14–15, 2006, the Business Council for International Understanding (BCIU) and Booz Allen Hamilton posed this question to more than 60 business, government, and civil society leaders in a simulation exercise that explored ways of influencing the global dynamics and local events shaping the Greater Gulf of Guinea.<sup>1</sup>

The simulation identified specific challenges to improved interagency and cross-stakeholder cooperation, including:

- Lack of a common policy framework to align business, government, and civil sector interests
- Incompatible institutional factors (operating procedures, cultural differences, overlaps and gaps in areas of responsibility, resource gaps)
- Conflicting or incomplete guidance from senior corporate and government policy makers
- Overly centralized decision making and insufficient support for in-the-field innovation

- Technological incompatibility and other information sharing impediments
- Lack of understanding of other stakeholders' roles and capabilities

The simulation enabled participants to identify, and gave them the opportunity to suggest, practical steps that would help senior leaders understand the operating environment, policy formulation, strategic planning, and execution in the Greater Gulf of Guinea and similar regions globally.

### Global Dynamics and Local Impact

Globalization has elevated the strategic importance of regions that developed industrialized nations once thought to be of minimal importance by connecting them to the political, economic, social, and security mainstreams. This connectivity is generating new opportunities but is also creating new risks. The Greater Gulf of Guinea is one region whose strategic importance is growing, particularly due to three global dynamics:

*Intensifying global competition for increasingly scarce energy resources is thrusting previously marginalized nations into geostrategic prominence.* As demand grows in both developed and emerging economies, escalating instability in the traditional oil and gas supplier nations (e.g., the Middle East, Venezuela, and Russia) is causing consumer nations to search for new, more reliable sources of energy. This search is creating new potential for cooperation or conflict in many parts of the

<sup>1</sup> Including Angola, Benin, Cameroon, Chad, the Democratic Republic of the Congo, Equatorial Guinea, Gabon, Nigeria, the Republic of the Congo, and Sao Tome and Principe

world. As an important source of energy supplies, the Gulf of Guinea stands to benefit—or lose.

*Expanding economic disparities increase the potential for conflict and instability.* As the gap grows between “haves” and “have nots” both within and between nations, have nots are increasingly channeling their frustration into violence, corruption, and crime. In the Greater Gulf of Guinea, kidnappings, piracy, and attacks on personnel and facilities have suggested an increased recourse to violence to raise awareness of, and to attempt to address, economic disparities. At the same time, global dynamics and international interconnectedness among energy markets, social trends, and political philosophies have given such actions significantly greater reach and impact. The price fluctuations rippling through global energy markets after each significant pipeline attack, kidnapping, or act of piracy in the Greater Gulf of Guinea have highlighted these tightening connections between global energy security and local conflicts. Unless the issues of economic have nots are substantially addressed, the consequences will include greater global energy insecurity.

*Non-state threats are intensifying because of the interconnectedness of globalization.* Increased global linkages among terrorism, transnational crime, and militancy provide each with growing strength while making it more difficult to isolate and attack individual targets. Conditions in the Greater Gulf of Guinea are among the most conducive to such interdependencies. In addition, as criminal elements infiltrate legitimate political and economic society and blur the lines of distinction, it is necessary to counter this threat to stability through increased security and attention to the underlying social conditions.

### The Challenge

Globalization is making the world more interconnected and spawning new global dynamics such as those shaping events and trends in the Greater Gulf of Guinea. Business executives, government policy makers, and civil society leaders are finding that traditional approaches to global issues and local events are no longer as effective as they once were. Business operations, government policy, and NGO strategies can no longer address issues on a case-by-case basis,

and the impact of foreign investments, development assistance programs, and military actions is diminished if planning or execution occurs in isolation from other stakeholders. Senior leaders face this challenge: How can they blend stakeholder capabilities in new ways to more effectively influence global dynamics and local events around the world?

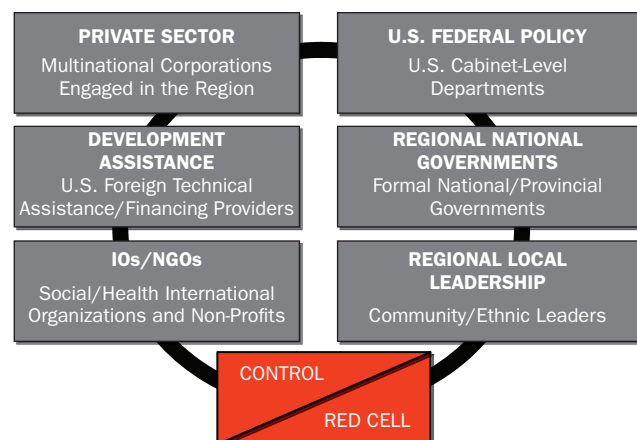
### The Simulation

To gain new insights into meeting this challenge, more than 60 business, government, and civil society sector leaders joined hosts Booz Allen Hamilton and the BCIU for two days to take part in the Greater Gulf of Guinea Strategic Simulation. This simulation focused participants on the development of practical solutions for maintaining sufficient stability to ensure economic viability in the region. In doing so, it aimed to:

- Identify interdependencies among the region’s issues and stakeholders that can enhance or diminish regional stability
- Explore possible solutions for strengthening regional stability and economic viability
- Develop practical new partnerships among stakeholders based on better understanding of their interdependencies and the region’s unique dynamics

Participants were divided into six teams (see Exhibit 1) representing separate stakeholder perspectives. Participants on each team were drawn from different

**Exhibit 1**  
Simulation Structure



Source: Booz Allen Hamilton

stakeholder perspectives to enhance the sharing of insights, to challenge assumptions, and to develop new, practical initiatives. A Control Team provided team facilitation and scenario development, while a Red Cell enacted the opposition strategies of militants, traffickers, and terrorist elements, adding realism as stakeholder teams addressed these threats.

The simulation unfolded through a series of moves, each of which challenged participants with an evolving scenario that described global and regional conditions. Teams conducted face-to-face meetings with each other to develop specific steps, timelines, and investments. In doing so, the teams experienced the difficulties that the decision makers in different stakeholder groups face in the real world. Through this process, teams found that communication challenges and other barriers to collaboration complicated their efforts to develop and implement new and more effective initiatives. Observations on these experiences provide insight into possible solutions and next action steps.

The simulation encouraged participants to be creative in tackling the difficult issues inherent to security maintenance and to economic growth. By allowing participants to experiment with different strategies, the simulation fostered a style of decision making that can be a model for the real world. The dynamic nature of the exercise ensured active engagement by all participants throughout the two days and focused them on achieving common goals.

The simulation was not intended to predict future events in the Greater Gulf of Guinea; however, the scenarios presented to participants did reflect current and plausible future conditions. Working through these scenarios, government, business, and civil society leaders aimed to better understand the potential consequences of decisions and actions intended to address stability and economic viability in the region.

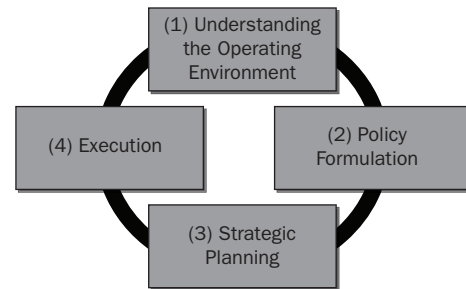
## Lessons Learned

### *Understanding the Operating Environment*

The simulation demonstrated the importance of a shared situational awareness of conditions in the Greater Gulf of Guinea and the global implications

## Exhibit 2

### Critical Operating Environment Elements



Source: Booz Allen Hamilton

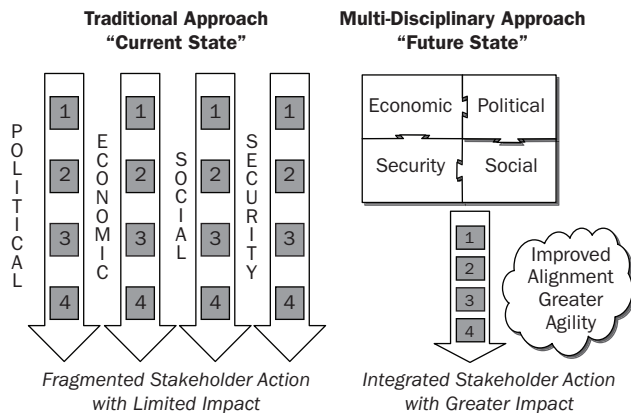
they might have. It also highlighted how difficult such a shared awareness was to build and sustain. For instance, stakeholders with limited and different perceptions of regional conditions often make individually rational but collectively counterproductive decisions. Knowing what information to share and how to integrate critical elements of the operating environment (see Exhibit 2) with unfolding events is an essential foundation for effective individual and collective stakeholder actions.

Building shared situational awareness is also hampered by misunderstandings about the causality behind the region's high-impact events and long-term trends. Many participants initially sought linear root cause-and-effect explanations for the scenarios in the simulation but came to realize that recognition of systemic patterns was often essential to effective action. Poverty, disparities in wealth distribution, and economic disenfranchisement often fuel regional instability, while instability in turn hampers efforts to build sustainable domestic economies and attract foreign investment. During the simulation, the participants endeavored to link security and development activities to ensure that they built on one another in a positive dynamic to counteract the negative dynamics already at play.

One example of the need for shared situational awareness centered on understanding the full scope of the challenge posed by youth in the region, including the growing number of orphans left by HIV/AIDS, who could gravitate toward criminal activities and accelerate destabilization in the region unless communities are able to respond by offering viable security and

### Exhibit 3

#### Traditional and New Multi-Disciplinary Approaches to Coordinating Stakeholder Action



Source: Booz Allen Hamilton

economic opportunities. Participants advocated establishing and fostering programs to provide economic opportunities for the region's youth. These programs were viewed as providing social structure and improving standards of living.

#### Coordinating Stakeholder Action

The simulation highlighted the need for government, private sector, IO, and NGO stakeholders to take an integrated, multi-disciplinary approach. Such an approach (see Exhibit 3) would help stakeholders improve their reactive capacity for pre-empting, protecting against, responding to, and recovering from the multiple security risks in the region, such as famine, piracy, and destruction of key infrastructure. An integrated approach would also help stakeholders proactively engage the regional leaders in promoting better growth and stability.

The simulation also addressed the importance of taking an integrated approach that employs the full range of resources available to stakeholders. Decisions and actions taken during the event showed that to strengthen understanding of the operating environment, policy formulation, strategic planning, and execution, senior executives and policy makers must integrate political, social economic, and security perspectives that are often treated separately or stovepiped.

#### Policy Formulation

Lack of a common framework and vocabulary among stakeholders was a serious impediment to establishing clear policies or adapting them with sufficient tempo to keep pace with events. This difficulty in synchronizing policy among stakeholders is an important element in explaining the limited impact of foreign engagement.

To address this difficulty, participants experimented with establishing a Gulf of Guinea comprehensive engagement framework (GCEF) to serve as a practical architecture for integrating security initiatives, humanitarian assistance, interagency coordination, economic development and diversification, and public-private partnerships. The GCEF architecture facilitated the decentralized decision making and coordination necessary to effectively balance adaptability with decisiveness, not a rigid, centralized blueprint and command-and-control structure.

Participants also discussed the importance of a communication campaign involving government agencies, NGOs, the private sector, and others to emphasize the importance of the region to key decision makers and the different stakeholder communities. Such a campaign could open new options for consideration in future policy dialogues.

#### Strategic Planning

Stakeholders expressed the view that it is difficult to prioritize actions in an environment such as the Greater Gulf of Guinea that is thick with interrelated risks and opportunities. It was thought that the inability to establish clear, shared strategic priorities and goals inhibited the alignment and rationalization of resources and undermined efforts to establish success criteria and achieve stated policy objectives.

One priority shared by participants was to increase pressure on regional national and local leaders to more equitably distribute the substantial wealth already available in the Greater Gulf of Guinea. The region has sufficient resources to self-fund larger and more productive initiatives that would yield significant improvements in poverty, crime, health care, economic opportunity, and effective governance.

### Barriers to Coordination

In the simulation, several barriers emerged to achieving the desired levels of cooperation to improve understanding of the operating environment, policy formulation, strategic planning, and execution:

- Lack of a common policy framework to align business, government, and civil sector interests
- Incompatible institutional factors (operating procedures, cultural differences, overlaps and gaps in areas of responsibility, resource gaps)
- Conflicting or incomplete guidance from senior corporate and government policy makers
- Overly centralized decision making and insufficient headquarters support for in-the-field innovation
- Technological incompatibility and other information sharing impediments

While stakeholders expressed their openness to increasing the aggregate amount of assistance offered to support regional stability and economic viability, they also emphasized that Greater Gulf of Guinea leaders must be convinced of the need to use their nations' resources productively to benefit of all parts of their societies.

A clear but under-addressed regional strategic priority is promoting economic diversification in industries to benefit local communities and expand the foundation for economic opportunity beyond oil and gas. To support diversification of local economies into agriculture, fisheries, power generation and transmission, sugar, and cocoa, it is essential to improve the integration of donor technical assistance with private sector experience and NGO initiatives.

Such integration could be advanced through better data sharing and tactical coordination, strengthening of linkages between technical assistance and foreign direct investment (FDI), and the embracing of local sourcing and other private sector initiatives that create wealth and jobs.

Participants also placed high strategic importance on strengthening the capacities of the judiciary, military, law enforcement, and related institutions in the nations of the region to increase domestic and international perceptions of fairness and security. These improvements would also build local leadership's confidence in national governments and strengthen the foundation for cooperation between the two.

### Execution

Tactical coordination of specific activities in the region is undermined by several factors, including the failure to establish clear objectives and weaknesses in measuring and monitoring impact. Execution challenges are further complicated for many organizations by internal operating models that do not optimize support for in-country staff or empower sufficient field-level decision making to reflect the realities of local conditions and fully capture the benefits of local innovation.

Significant improvements can be made to operating procedures, as well as to communication and information systems, to enable the private sector, IOs, NGOs, and government agencies to share more information more frequently. Stakeholders must also change their understanding of and assumptions about one another to remove cultural barriers to sharing critical information and to building shared interpretations of key events and trends. NGOs, in particular, face challenges in executing their programs. The large number of small, issue-focused organizations limits the leverage and impact of the NGO community. Participants suggested that NGOs consider establishing an alliance, forum, or other mechanism to enable other stakeholders to plan and tactically integrate with the NGO community at a comparable scale while reducing the effort required for coordination.

## Conclusion

Intensifying global competition for energy resources, growing economic disparities within and between nations, and intensifying non-state threats are elevating the strategic importance of the Greater Gulf of Guinea. The simulation participants characterized the new dynamism in the region as both a challenge and an opportunity. The Greater Gulf of Guinea Simulation emphasized the importance of a multi-disciplinary approach in integrating the capabilities of

business, government, and civil society to influence global dynamics and their impact on the region. To strengthen understanding of the operating environment, policy formulation, strategic planning, and execution, stakeholders must take steps to overcome specific barriers to cooperation. Escalating risks in the region compel senior leaders to intensify their focus on maintaining stability and enhancing economic viability in the Greater Gulf of Guinea.

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