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Managing Political Risk in the Oil & Gas Sector

INTRODUCTION

- The oil and gas sector faces a range of political risks at all stages of the business cycle. Strategic management of these risks can mean the difference between success and failure of a project and can make a material difference to the value realized. A 2014 McKinsey study suggested that up to 70% of earnings can be at risk from these types of risks.
- This training course on Managing Political Risk for the Oil & Gas Sector will provide participants with a thorough understanding of the assessment and management of political risk in the oil and gas sector. This training course will provide tools to identify and analyse political risks and the specific implications for your project or business. It will also provide strategies and tactics for managing political risk and creating win-win solutions.
- This training course will highlight:
 - Sources of Political Risk
 - The role of different political actors
 - Assessment strategies and tools
 - Approaches to political risk management
 - Successful Political Risk management strategies and tactics
 - Use of scenarios to anticipate and manage Political Risk
 - Collaboration with other functions to manage Political Risk

OBJECTIVES

By the end of this training course, participants will learn:

- Recent trends and developments in sources of Political Risk
- In-depth insight into how to analyse and mitigate political risks facing your business
- The ability to develop and implement a fit for purpose strategy to manage political risk to support your business needs
- Knowledge of a wide range of tools and tactics to use to improve your ability to manage political risks in a wide variety of situations
- The latest ideas and concepts to mitigate Political Risk
- Insight into how to create synergies with other functions within your organisation and with external parties

TRAINING METHODOLOGY

- This training seminar on Managing Political Risk for the Oil & Gas Sector will utilize a variety of proven adult learning techniques to ensure maximum understanding, comprehension and retention of the information presented. The daily workshops will be highly interactive and participative. The course will be based on interactive exercises and case studies drawn from a wide range of countries and situations.

ORGANISATIONAL IMPACT

- Enhance awareness of best practice in Political Risk management
- Improve the ability to analyse and mitigate Political Risk
- Improve the organization's capability for designing and implementing effective Political Risk management strategies
- Improve the organisation's capability to map and understand its stakeholders
- Improve ability to identify and implement win-win solutions to manage Political Risk

PERSONAL IMPACT

- Enhance capability of attendees to use a wide range of tools and strategies to manage Political Risk
- Increase knowledge of global trends in Political Risk
- Increase the knowledge of different approaches to analyzing and mitigating Political Risk
- Increase the skill to implement strategies for Political Risk management
- Enhance the capabilities of attendees to collaborate with other functions to implement win-win solutions to Political Risk challenges

WHO SHOULD ATTEND?

This training course is suitable to a wide range of professionals who are interested in learning about political risk management for the oil and gas sector:

- Country Managers
- Asset Managers
- Project Managers
- Operations Managers
- New Venture Managers
- Business Development Managers
- Finance and Tax Professionals
- Lawyers
- Risk Managers
- Government Relations Managers
- Political Risk Analysts
- Corporate Affairs Managers
- External Relations Managers

Course Outline

Introduction to Political Risk

- What is political risk? Introduction and definitions
- Political risk and ethics
- Ethics and principles
- Transparency and accountability
- Human rights
- Managing relationships with political actors
- Codes of conduct, standards and guidelines
- Political risk: threats and opportunities
- Global trends and developments
- Geopolitics
- Climate change
- Technology
- Oil and gas industry outlook
- Creating opportunities out of Political Risk

Sources of Political Risk

- Sources of Political Risk
- Government policy
- Conflict
- Political change and transition
- Social divides
- Ethnic and minority groups
- Populism
- Economic factors
- Black Swan events
- Sources of information and analysis
- Government
- Political actors
- Media and publications
- Academics
- Civil society
- Consultancies
- Human sources

Assessing Political Risk

- Assessment strategies and tools
- Making connections
- Working with incomplete information
- The 360 degree view
- Use of experts
- Introducing scenarios
- Red flags and showstoppers
- Identifying red flags
- Assessment
- Monitoring
- Capturing and communicating political risk
- Reports
- Risk matrices
- Metrics
- Presenting to leadership teams

Managing Political Risk

- Political risk management strategies
- What can you control, influence or ignore?
- Choosing the right approach
- Monitoring and feedback
- Building political capital
- Front end loading of goodwill
- Alignment with national priorities
- Proactive engagement
- Proactive management of political risk
- Early warning of policy changes
- Consultation and engagement
- Proactive and collaborative approaches
- Measuring success
- Organisation
- Skills and expertise
- Team structure
- Embedded teams
- Engaging the leadership team

Building scenarios

- What is a scenario?
- Purpose of scenarios
- Defining the scope
- Prediction vs anticipation
- Brainstorming
- Setting out the scenarios
- Worst and best case
- The status quo
- Likelihood vs impact
- How many scenarios?
- Using scenarios
- Managing instability
- Contingency planning
- Identifying opportunities
- High impact, low probability events
- Conclusion
- Summary

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