



Indigenous Peoples and the Oil & Gas Industry

*Results of the ARPEL Survey in
Latin America and the Caribbean*





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Background

The Regional Association of Oil, Gas and Biofuels Sector Companies in Latin America and the Caribbean (ARPEL) has been working on the subject of the relationship between the Industry and Indigenous Peoples since 1996. Some remarkable milestones of the work developed by ARPEL -that reach their member companies as well as other operators and the national associations from Bolivia, Peru, Ecuador, Colombia and Venezuela- include:

- Experience exchange workshops
- Development of best practices documents, including a guideline developed with the contribution of the Coordinator of Indigenous Organizations of the Amazonian Basin, COICA (Coordinadora de Organizaciones Indígenas de la Cuenca Amazónica)
- Representation of the Industry at the regional tripartite dialogue fostered by the Energy, Environment and Population project (EAP project) financed by the World Bank and the Canadian International Development Agency (CIDA). On this regional dialogue, the Latin American Energy Organization (OLADE) represented the governments and COICA the Indigenous Peoples.
- Development of the *“Reference Framework to Facilitate the Social-Environmental Normative Process: Tripartite Dialogue – Government, Indigenous Peoples and Industry in the Sub-Andean Basin”*, so far a unique example of consensual document among governments, indigenous peoples and the oil industry.
- Incorporation of a specific manual on indigenous peoples on the ARPEL Community Relations Management System.
- Dissemination of the results and experiences collected on this process in several regional and international multi-sectoral events.

Introduction and Objectives of the ARPEL Survey

Issues related with regulations of the rights of indigenous peoples and the management of the relations with them are very dynamic. Moreover, there is increasing investment and participation of several companies in exploration and production in Latin America and the Caribbean on areas where indigenous communities dwell. In addition, the beginning of Phase II of the EAP Project is imminent and OLADE and COICA invited ARPEL to perform a regional coordination of the oil and gas industry.

This situation led ARPEL to develop a survey to get a better understanding of the priorities of the companies operating in areas of the Region where indigenous communities dwell, as well as their expectations of working –gathered through ARPEL- in a collaborative context with officials of the energy ministries nucleated through OLADE and with one of the most representative indigenous organizations at a regional level: COICA.

The survey was developed with these objectives in mind, and the results are described in the following pages.



Participation

Sixteen responses were received of which 12 are from ARPEL member companies, 3 from non members, and 1 from an Association.

For the analysis of the results, those companies that do not have activities in areas in which indigenous peoples dwell were excluded. So, in the end, 14 answers were considered which are from companies operating in Ecuador, Colombia, Bolivia, Peru and Venezuela.

In almost all the cases, industry activities -where indigenous communities dwell- are of exploration and production, although in a couple of answers pipelines activities were mentioned and -in one case- refining activities.

Important Management Issues

Results of the question *“What is the importance that your company grants to each of the following topics related to Indigenous Peoples?”* are shown in Figure 1 on the next page.

In the same question it was requested to comment about *“international legislation”* on indigenous peoples. Comments made were the following:

- The importance given to international legislation is critical, because it establishes the commitments to be met by governments (providing the foundation for the effective/consistent implementation of local legislation) which have influence on hydrocarbon activities, as well as the implications of the international instruments on human rights and indigenous peoples.
- There is a lack of training to personnel on international legislation or it is partially known.
- It is important to know the legal framework regarding human rights, peoples living in voluntary isolation, precautionary measures and collective rights.
- The importance of knowledge and implementation of the ILO 169 Convention, UN Declaration on the Rights of Indigenous Peoples, and the World Bank (WB), the International Finance Corporation (IFC) and the Inter-American Development Bank (IADB) Operating Guidelines.
- Consider also the recommendations of the Organization of American States (OAS) – Harvard on U’wa people.
- In particular, it is important to analyze the 169 ILO (International Labour Organization) Convention because:
 - there are regulations related to that convention in each jurisdiction (e.g., prior consultation regulations in Colombia and Peru), and
 - the Convention establishes the right of indigenous peoples to preserve their cultural identity and their right to a territory.

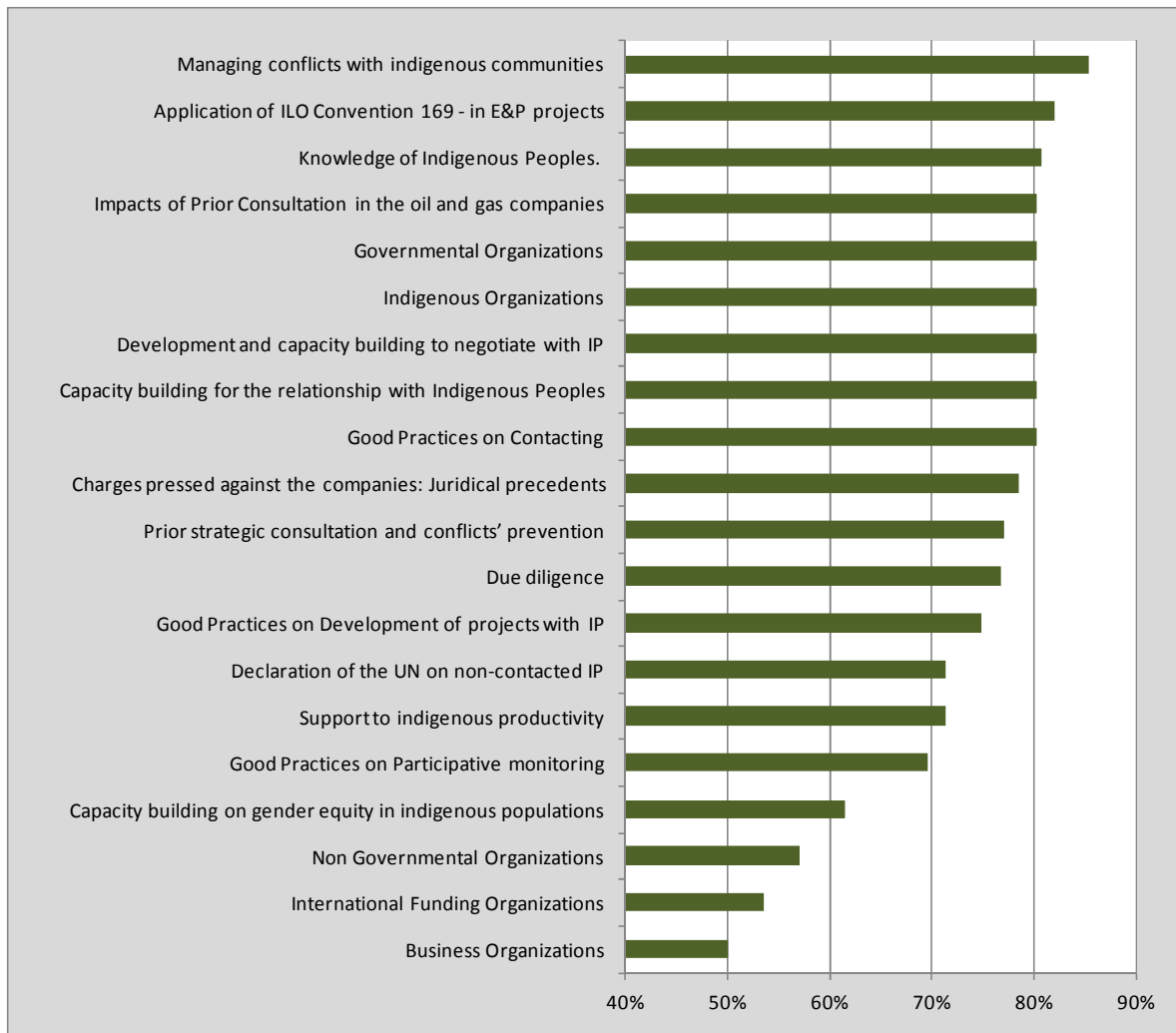


Figure 1: Average Importance given to topics related to indigenous peoples by the companies that answered the survey.

Tripartite Dialogue

All the answers to the question surveying companies' interest in resuming the regional tripartite dialogue through ARPEL were positive. However there are some topics that the companies were reluctant to treat on a regional tripartite level (see Figure 2). This information is important to prioritize the work to be developed on Phase II of the EAP Project.



Topic	Number of Companies willing to address the topic	Number of Companies NOT willing to address the topic
Prior consultation	14	0
Sustainable development of communities	14	0
Participatory monitoring of socio-environmental management	13	1
Application of ILO Convention 169 in the different stages of development of E&P projects	12	2
Prior, free and informed consent	12	2
Conflicts' management and resolution	12	2
Protected areas	12	2
Indigenous Peoples in voluntary isolation or in initial contact	11	3
Environmental liabilities	11	3
Compensations	10	4

Figure 2: Topics for the tripartite dialogue

ARPEL / COICA Documents

In an effort to know the willingness of the industry to advance in the development of best practices conjointly with one of its key external stakeholders, it was polled the opinion of the companies about the possibility of developing ARPEL / COICA documents on good socio-environmental sustainability practices on issues related to indigenous peoples.

All answers were positive, highlighting the following:

- It is an excellent opportunity for the development and implementation of tools and the development of capabilities that strengthen the sustainability of petroleum activities on ethnically sensitive regions, creating value in their stakeholders, and for ARPEL to remain on the vanguard of this issue.
- It is a good opportunity for the petroleum industry to unify the operation models that correspond to a systematic process, adaptable to the regional, social, economic and political particularities of the areas in which operations are developed.
- This initiative is important to strengthen the relation with COICA, but at the same time it would be advisable to design mechanisms to dialogue with groups or organizations that do not feel represented by COICA in order to expand and vary the scope of industry proposals.



- It is important to count with the good will of the organizations and with professionals with proved experience in the field.
- It is important to develop the work in the context of the ILO 169 Convention and other international standards.
- It would be necessary to have a common (prior) understanding about the sustainable development between the industry and the indigenous peoples, and make an effort to establish real ties and partnerships with indigenous peoples in relation to hydrocarbon activities, harmonizing the diverse interests.

Final Remarks

The survey helped to confirm that the relations with indigenous peoples is considered by the oil and gas industry operating in Ecuador, Colombia, Bolivia, Peru and Venezuela an extremely important topic for the sustainability of its operations. It was also possible to identify the priority issues.

Industry understands that resuming the regional tripartite dialogue through ARPEL on Phase II of the EAP Programme is one of the mechanisms to address an issue with many different aspects and particularities as the relationship with indigenous peoples. Although the tripartite dialogue states that the agenda to be dealt with has to be by consensus of the three parts, it would be good to consider how to address topics -at a regional level- in which there is no consensus in the industry. The above will be an issue to be discussed within ARPEL.

Finally, it is expected that the excellent disposition of the oil and gas industry to develop (and implement) documents on best practices with COICA -and other indigenous organizations- find the required reciprocity to advance on the achievement of common goals. Therefore, dialogue is important, and the industry and ARPEL (through its Social Responsibility Committee and the Indigenous Peoples Project Team) are willing to find the means to make this dialogue advance in the right direction.



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