

Cases of Relations with Indigenous Peoples

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EXECUTIVE REPORTS

This document attempts to present cases of relations with indigenous peoples as a way of conveying experiences, lessons learned and best practices that may be useful for companies operating in the region. It embraces the vision of experts who have been managing this issue in their companies for many years.

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Chevron Petroleum Company – Colombia

PRELIMINARY CONSULTATION PROCESSES WITH THE NATIVE WAYÚU COMMUNITY (Colombia)

1. Introduction

The case presented below describes the experience of Chevron in its relations with indigenous communities in Colombia within the framework of preliminary consultation processes. Specifically, it is a process of relations of the company with the Wayúu community of the indigenous reservation of Middle and Upper Guajira in the jurisdiction of the municipality of Manaure in northern Colombia.

Background

In recent times, Colombia has experienced a boom in mining and energy activities, which has overwhelmed the response capacity of the government institutions and the communities located in the areas of development of these projects. This situation has not been unrelated to the activities of Chevron in the country, whose main challenge is focused on advancing planned projects in compliance with the applicable legal framework, and on maintaining the “social license” to operate.

It is important to highlight, in terms of legislation, that Colombia ratified the indigenous rights through its Constitution of 1991. It is thereby provided that the Ministry of the Interior is responsible for ensuring the right to preliminary consultation of indigenous peoples pursuant to article 2 of Law 21 (1991) by which the country approved ILO Convention 169.

2. Description

The Wayúus are an indigenous people living in the Guajira Peninsula, the most northeastern part of Colombia bordering Venezuela. This community of matriarchal structure has adapted to the harshness of a desert climate of natural landscapes in front of the Caribbean Sea. The Wayúus are organized in clans or families, and each of these has dominion over a part of the territory of the reservation. This territorial domain is defined by special conditions, such as the site where they have their cemetery.

One of the first actions taken by the company was to identify the communities settled in the territory, their natural, traditional chiefs and leaders, to perform a proper socio-economic baseline where potentialities, threats, strengths and weaknesses were identified. Networks were created where transparency, inclusion, respect, openness, clarity and feedback between the community and the company were key.

An open and timely articulation between Chevron and the State entities responsible for supporting communities and those responsible for monitoring and controlling the activities was achieved. In this way, it was possible to maximize actions of community benefit and collective impact, and build trust and appropriation of knowledge in communities on topics such as the consultation process, citizen oversight, social control, etc.

The actions implemented allowed us to carry out preliminary consultation processes that were comprehensive, participatory and with involvement of all stakeholders (community,

government, control entities and company), developing all steps of the process in the established timeframes and achieving fulfillment of all arrangements and commitments agreed upon.

3. Lessons Learned

- Performing extensive calls, with sufficient time in advance
- Ensuring the assistance of process guarantors
- Involving the communities in the logistics processes required
- Holding open meetings and ensuring the translation into the native language (in this case, wayuunaiki)
- Having sufficient teaching material to support and improve the understanding of the communities
- Having a team in the field to meet community requirements regarding the process and follow up on the agreements arising from the consultation
- Managing compensations in a collective manner, and never individually or in cash
- Not delegating the consultation process to contractors; this process must be led by a representative of the company. On the other hand, in this record of lessons learned, we inquire about those aspects in which this experience contributed to the design of similar strategies in the future. In this regard the following aspects were identified:
- Including consultation processes from the phase of identification and assessment of the opportunity of the projects
- Having team members who are fluent in the language and provide transparency and guarantee to the processes
- Involving representatives of public and government affairs as part of the project leading team

Conclusions:

In the case of Chevron, the consultation with the community is a vital part in the planning and implementation of projects, as an element for integration of stakeholders' interests and concerns, recognizing preliminary consultation as a right of the communities involved.

With this purpose, it is important to ensure that State entities act as guarantors of this process, and clearly identify the valid interlocutors recognized by the community.



Ecopetrol Colombia

STRATEGIES AND TOOLS FOR PRELIMINARY CONSULTATION PROCESSES U'WA CASE

1. Introduction

In 2004, when Ecopetrol formed a multidisciplinary team to conduct exploration activities in the Sirirí and Catleya blocks, in the Sarare region of northeastern Colombia, it had to deal with the pre-existing conflict between the U'wa indigenous people and the hydrocarbon activity associated with the former Samore block. When the boundaries of this block were redefined, the above-mentioned blocks were created. Such confrontation acquired international importance by the end of the 1990s, in an area marked by armed conflict.

Background

The U'wa people are located in the region of Sarare, dispersed in several departments of oil interest. Currently, the population is approximately 4,500 inhabitants who are mainly farmers, an activity that is complemented by fishing, hunting and gathering. This is a territory inhabited by indigenous communities, and considering the above-mentioned background, Ecopetrol took into account the recommendations made by the OAS-Harvard Commission. Additionally, it began a Preliminary Consultation Process in accordance with the Colombian national and international regulations, as it understood that such process guaranteed the fundamental right of participation of indigenous communities, and that it was in line with the principles of good faith, respect and recognition of the rights and freedoms of the U'wa people, furthering the development of oil projects without undermining their ethnic, cultural, social and economic integrity.

2. Description

In addition to substantiating the ethical principles of the process, the consultation strategy involved the design of specific tools:

- Developing a legal roadmap: This allowed identifying the Colombian legal instruments and jurisprudence in force and the relationship with international agencies (IACHR, ILO, UN).
- Guaranteeing the fundamental right to participation:

With this purpose, a kit containing culturally adapted educational material for the Preliminary Consultation was prepared in order to ensure the transmission of the contents that the authorities and communities should know ("Thinking Toolkit"), participatory environmental studies were prepared and the Ministry of the Interior of Colombia opened an Office of Citizen Participation in the vicinity of the U'wa territory to manage any type of requests related to the actions of the company and the government.

- Social Investment: Contribution to the formulation and implementation of Plans of Life.
- Information, communication and media strategies based on: Information Program addressed to leaders, traditional authorities and communities (meetings and information and training workshops), Information Program addressed to governmental institutions and Media Plan (press, broadcasting, print media, television, etc.).
- Strengthening the institutional framework of the process on the basis of coordination with the national, regional and local government, and actions before international organizations, among others.
- Incorporation of professionals specialized in various themes: Human rights, international and aboriginal law, conflict resolution, legal anthropology, etc.
- Adaptation to cultural consultation times and patterns: Respect for the ritual calendar and the spatial delimitation of territories of communities, and adaptation and translation of content to the U'wa language (for members selected by the leaders of the communities).

This Preliminary Consultation Process was carried out in each of the blocks with the associations politically representing the U'wa communities: ASOU'WA in both blocks and ASCATIDAR in the Catleya block.

Despite the efforts of Ecopetrol for performing this process properly, the results were mixed:

ASOU'WA (Siriri and Catleya Blocks).

Seventeen U'wa communities participate in this association. Since 2004, the Office of Ethnic Affairs (Government of Colombia) repeatedly invited this Association to participate in the Preliminary Consultation Process, and it refused to participate

(arguing that the acceptance of the consultation implied a prior consent to the project). In view of this, the Honorable Council of State of Colombia made a decision about this issue, stating that the unjustified reluctance to participate in the Preliminary Consultation Process did not affect the legality of the exploration project. Thus, by the end of the process, Ecopetrol was requested to develop a Socio-Environmental Management Plan, on which the Government did not make any statement. Ecopetrol then decided not to execute its seismic exploration project in U'wa territory.

ASCATIDAR (Catleya Block).

Seven U'wa communities participate in this association. Since 2004, the Government and Ecopetrol participated in introductory meetings, meetings to agree on the consultation methodology, and then workshops, as part of the Preliminary Consultation Process itself. Although the communities finally decided to oppose to the project, the Government approved its execution, as it considered that the Preliminary Consultation Process and the Environmental Management Plan that was presented and assessed guaranteed indigenous rights and did not violate the ethnic and cultural integrity of the U'wa people. In addition, the Government recommended an Action Plan for the development of the communities members of ASCATIDAR which includes health, educational, housing and sanitation aspects. In view of the opposition of the U'wa indigenous communities to the development of the seismic acquisition project, Ecopetrol decided not to execute it.

3. Lessons Learned and Conclusions

Based on the particular characteristics of this case, some general conclusions may be drawn. Firstly, the social component and the generation of a link with the communities must be considered from the early stages of any project, especially when entering unexplored areas. Secondly, it is necessary to highlight the importance of the participation of the State not only to ensure the consultation process, but also to legitimize it in front of the communities and the society in general. Finally, while the “legal license” is sufficient to be able to execute a project, it is not a total guarantee for its implementation. Therefore, the “social license” must also be considered, especially in the territories of ethnic communities.



Petrobras Energía Perú SA

CITIZEN PARTICIPATION IN THE DEVELOPMENT OF HYDROCARBON PROJECTS

1. Introduction

Petrobras aims to promote the active and inclusive participation of communities in environmental licensing processes from the initial stage of its projects. The following is a specific case of relations of the company with indigenous people located in the surroundings of the operations in the District of Echarate, Province La Convención, Department of Cusco (Peru).

Background

Citizen participation is defined as a set of systems or mechanisms through which the civil society as a whole can take part in public decisions, or influence them, so that those decisions represent their interests. In Peru, the mechanisms of citizen participation in public affairs of the State are established through the Constitution of 1993 and the Law on Participation Rights and Control Rights of Citizens No. 26300, and for the hydrocarbon activity, the specific legal framework of Supreme Decree No. 012-2008-EM "Regulations on Citizen Participation in Hydrocarbon Activities," and Ministerial Resolution No. 571-2008-MEM/DM "Guidelines on Citizen Participation in Hydrocarbon Activities." It is also important to mention the existence of social liabilities arising from the hydrocarbon activity in the Peruvian Amazon in the 1970s. Due to these liabilities, the baseline is a great mistrust by the communities living in the area with respect to the hydrocarbon sector in general.

2. Description

The environment of the project developed by Petrobras in the Peruvian Amazon is the home of sixteen native communities and four rural settlements. The total population is approximately 6,500 people, and the present indigenous ethnic groups correspond mostly to Machiguengas and Asháninkas.

The first challenge was to carry out a change of paradigm as regards the management of community affairs by the company. This learning process led us to shape a new philosophy of work that currently shows a joint management with communities. A pitcher (native craftwork) was identified as the symbol of trust that represents a new process and that both parties, the company and the community, should take care of, keep and prevent from breaking.

Work was done to implement a relations strategy that consisted of:

- Carrying out meetings and overnight visits in each community, with prior permission and consent by their authorities. In each of these meetings, project information was provided, at the same time collecting interests, observations, suggestions and comments from the population, which were later reflected in the subsequent proposals of the project.
- Studying specific topics that were always potential situations of conflict, such

as identification and assessment of impacts, negotiation and strategy for environmental management. To address these specific issues, workshops called “Learning Together” (in addition to Workshops on Legal Compliance) were conducted. Their objective was to share knowledge and experiences to and from communities, and achieve a product agreed by both parties.

- Defining, within the framework of transparency, the participation of community researchers in the Environmental Impact Assessment. Internships were also carried out in the locations to verify on site the development of activities.
- Providing audiovisual support in the language of each community: videos, models, web pages, identification of mythical characters of the area.

3. Lessons Learned

- When the same formula is applied, the same results are obtained. In order to bring about changes, it is necessary to opt for new proposals with a focus on transparency and inclusive participation of the population from the beginning of the entire process.
- Guided visits (internships) in facilities were included in the Regulations on Citizen Participation (Supreme Decree No. 012-2008-EM) as a complementary mechanism of participation. Petrobras implemented it before the regulations were approved as a good practice.

Conclusions:

The involvement of the population in early stages of projects through mechanisms of citizen participation is a key point for their continuity and also as a basis for the development of an environment of trust and transparency with stakeholders. For this purpose, it is essential to form an empathetic multidisciplinary team which handles an assertive communication and integrates local collaborators in the area of direct influence.



From these processes, it was possible to establish as main challenges:

- Complying with the tight schedules of the environmental licensing processes
- Complying with project schedules
- Making project times compatible with the times required for social processes
- Investing in resources to implement the strategy

Petroperú Perú

JINTA WAKÉAMU - "GUIDELINES ON RELATIONS AND CONFLICT MANAGEMENT WITH NATIVE COMMUNITIES"

1. Introduction

In more than 45 years of developing activities in communal lands, the rapprochement efforts made by the company have failed to integrate it with its neighboring communities. Social programs have not been well received or have not been sustainable, conflicts have become more frequent, measures of force, such as closure of roads, taking over of facilities, arrest of employees or contractors, are becoming usual. We ask ourselves what our mistakes are, if, despite applying the Peruvian regulatory framework, industry guides, and the company's policies, procedures and practices, we have not been able to overcome the gaps that separate us.

This question has led our decision to identify, through the indigenous eyes, a response that allows developing tools to achieve the desired rapprochement with native communities. Consequently, a consultancy specialized in Community Relations with Indigenous Peoples of the Amazon was conducted in charge of an awajun professional.

Following are the main responses of the consultancy:

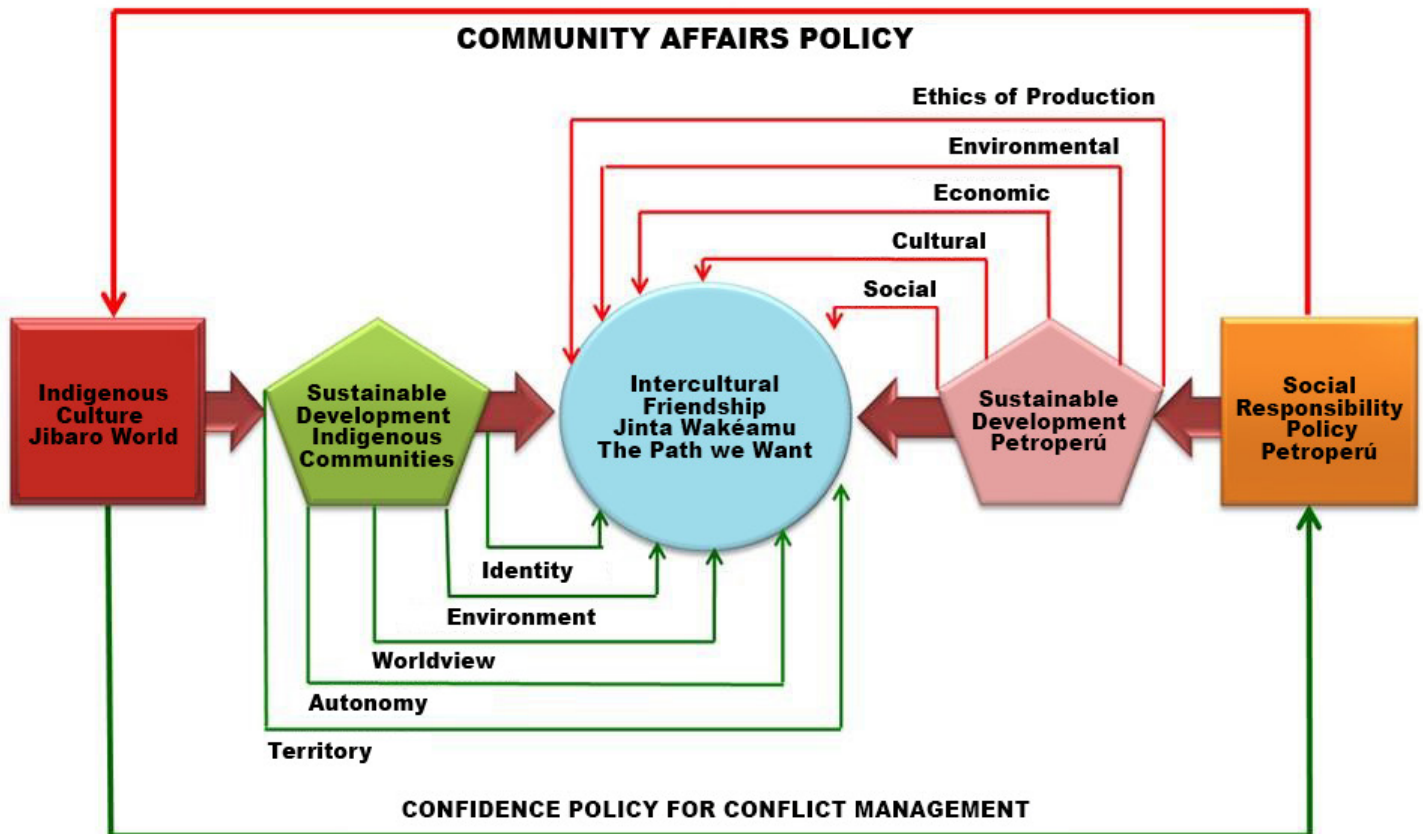
- Communities fail to understand why PETROPERÚ develops social programs for them because these programs have not been sufficiently explained, and therefore they are not understood, well received, nor sustainable.
- Getting to know a community is not only visiting them or living with them; it is understanding the worldview that still reigns in their ways of life and their perception of nature, as the space of wisdom, interdependent divine, magical and spiritual powers, their cultural principles, and establishing the relation of all this with the oil industry.
- The cultural syncretism has to be established as a fundamental basis of the Community Relations Plans.
- Sustainability implies new ways of relations: The State, companies and indigenous peoples have had limitations when doing so, because the policies, management tools and procedures have been developed with a Western view, ignoring the vision of the main stakeholder: the indigenous peoples.
- The mechanisms of communication, participation and dialogue should be reconsidered incorporating multiculturalism in them.

Background

This situation has led us to evaluate the different phases of relations that we have followed since we set up as a hydrocarbon company. The Good Neighbor Policy prevailed during the first phase. The Policies on Community Relations and Environmental Protection were established in the second phase on the basis of a national multicultural and policy framework. Finally, the third phase consisted in New Environmental and Social Standards under which Global Principles are adopted to improve the interaction of the company with the communities. However, conflicts have continued to increase. Taking as a reference that "the indigenous culture is not only a factor of conflicts related to material resources or negotiable interests. ... and that "in the resolution of intercultural conflicts, it is necessary

to understand how the hydrocarbon activity affects culture as a whole,” we are faced with the challenge of developing new tools of engagement with indigenous populations, especially to address conflicts. (1) ARPEL. With this purpose, through participatory and culturally appropriate methodologies, we conducted a survey of information to strengthen “relations” and build “confidence,” and build the path of intercultural friendship we want between the company and the native communities. On the basis of Global Principles, such as the Universal Declaration of Human Rights, the Convention on Indigenous and Tribal Peoples in Independent Countries, the United Nations Declaration on the Rights of Indigenous Peoples, the principles of the United Nations Global Compact, the Guiding Principles on Business and Human Rights, the Equator Principles, the principles of the Organization for Economic Cooperation and Development and the Cultural Principles, such as the identity, solidarity, individuality, worldview, autonomy, respect for nature and belonging to a territory, we were able to develop the process required to establish a syncretism between the business culture of PETROPERU and the culture of the indigenous peoples, specifically of the Jibaro world that encompasses the indigenous peoples Achuar, Awajum, Candoshi (Shapra-Murato), Wampis- Shuar and Shiwiar. We have called this syncretism “Jinta Wakeámu” or “the way we want”.

PROCESS OF INTERCULTURAL FRIENDSHIP FOR THE “PATH WE WANT” “JINTA WAKÉAMU”



2. Description

Based on the work done, it was possible to develop the Guidelines on Relations and Conflict Management with Native Communities to be used in regular and emergency situations and/or socio-environmental conflict. These guidelines are based on the myths and oral stories compiled by the consultant with cultural representatives of the Jibaros, and on the

field information collected in the native communities surrounding the North Peruvian pipeline, on the northern branch, and around El Miraglo refinery, where the native communities of the Jibaro language family are located.

These guidelines may be adapted to other indigenous peoples of the Amazon, because they are in an area of tropical forest, whose knowledge and practice of the use of forest resources and other natural resources are shared between cultures, with the differences imposed by a greater or lesser level of engagement with the national society.

THE OBJECTIVES OF THESE GUIDELINES ARE:

- | | |
|----|---|
| a. | Strengthening the management of the company's community relations with the native Amazon communities within the sphere of influence of its projects and activities. |
| b. | Defining a conceptual framework for a common language on community relations between the company and the native communities. |
| c. | Identifying the global and cultural regulatory principles that guide the community relations between the company and the native communities. |
| d. | Contributing to the articulation, communication and coordination of interests between the company and the native communities. |
| e. | Contributing to the prevention and reduction of risks of social and environmental conflicts. |

THE STRUCTURE OF THE GUIDELINES INCLUDES



3. Lessons Learned

- Understanding how cultural principles are defined from the indigenous vision:

- **Oral tradition**
- **Pride of community members about their ingenuity to solve problems**
- **Firmness about their self-reliance and strength about their personal freedom**
- **High self-esteem (they only rely on the help of others in the event of a vital need)**

- Despite time, technology and the Internet, the spirit of the organizational principles of the Jibaro society is still alive as an essential part of the way of being of its members.

- To support the economic and social development of native communities, we must be aware that it is deeply interwoven with the relations of public and private stakeholders whose activities have an impact on the communal life of the indigenous peoples, and that it is the lack of understanding between stakeholders that generates social conflicts.

- Frequently, the solution of conflicts is not only the economic compensation, but there must be actions aimed at achieving harmony and peace through the respect for indigenous cultural principles. During field work, claims were received regarding “the need for community relations programs with a high cultural content to our way of life and care for nature, which contains fish, trees, animals, and fruit. Respect for nature is the indicator of respect for our way of life.”

- To be able to share a common language between company and native communities, ten conceptual terms have been selected: social responsibility and community relations; indigenous and native communities; territories and indigenous lands; plan of life and intercultural relations; preliminary consultation; establishment of agreements; indigenous participation; risk, emergency and disaster; environmental and social monitoring; impact, conflict and socio-environmental conflict. Each term is defined taking into account the indigenous cultural perspective so that the company takes into account this perspective in the management of community relations with native communities and management of socio-environmental conflicts. We believe that the socialization of these terms will allow sharing, between members of the native communities and the company, key concepts related to hydrocarbon activities and their impact on their lives; it will also contribute to strengthening dialogue, friendship and confidence.

Conclusions:

We believe that the strength of “mutual trust” will be materialized when actions of shared responsibility that meet mutual interests of the company and native communities are promoted.

We hope that the application of these guidelines is the beginning of the path that will lead us to social peace allowing us to develop our activities and contribute to the sustainable development of the native communities in our environment.

1. Introduction

Companies must devote time and resources to develop smooth communication channels with the institutional structure of the community, respecting their uniqueness and peculiarities, mainly in order to know their culture and worldview, as a way to promote their recognition and respect. They must have appointed and empowered interlocutors. The communication channels will help anticipate and resolve any potential impacts.

In this regard, the system of relations between Repsol and the Itika Guasu indigenous people in Bolivia is based on corporate policies and procedures that are part of the management system and are founded in a culture of respect for the rights of indigenous peoples on a permanent basis, which is shared throughout the organization and its value chain.

Background

In the framework of the hydrocarbon nationalization process, on October 28, 2006, Repsol E&P Bolivia S.A. (Repsol) signed a new operation contract with YPFB to carry out hydrocarbon exploration and exploitation activities in the Caipipendi area.

The integrated communities in the territories known as Community Land of Origin Itika Guasu (TCO Itika-Guasú) prepared a report in 2005 on the basis of information collected by the independent indigenous monitoring team of APG-IG, where the Assembly recommended Repsol to:

- *Have a policy to safeguard the rights of indigenous peoples*
- *Review all the agreements made so far with the indigenous peoples of Bolivia and make any changes required for them to comply with the laws*

- *Implement social and environmental standards in line with international systems*

- *Learn to interact with local communities in a framework of multiculturalism and respect for human rights*

- *Conduct independent environmental and social studies prior to developing any type of operation, making them public, adapting them to the sociocultural contexts of the area*

The population in the area of influence of the operation is mostly made up of Guarani indigenous peoples of the Community Land of Origin (TCO) Itika Guasu (Zone 3). The 36 indigenous communities that belong to the TCO Itika Guasu are located in the provinces O'Connor in the Department of Tarija, and Sud Cinti and Hernando Siles in the Department of Chuquisaca.

3. Description

Over recent years, Repsol has met the expectations of the community with the following specific actions:

- In 2008, the company adopted the Policies of Relations with the Community and Relations with Indigenous Communities in order to establish common guidelines on the subject and formally incorporate these issues into its management models and decision-making process. In 2009, Repsol approved the Regulations of its Policy on Relations with Indigenous Communities. In its regulations, Repsol undertakes to respect and observe the rights of indigenous peoples and the existing international treaties and agreements on this issue, in particular C169 - Indigenous and Tribal Peoples Convention of the International Labor Organization (ILO). In the preparation of the drafts of these policies, an extensive process of consultations with NGOs and external experts in the field was carried out.

- In 2010, a social study was conducted in the Caipipendi area in Bolivia through an independent third party to analyze the degree of alignment of the social performance in operations where indigenous communities were present with the corporate regulations adopted in previous years.

- Based on the recommendations of this study, in November 2011 an Action Plan was developed and made public on the web site of the company with the purpose of aligning the performance of the company with its Policy on Relations with Indigenous Communities. Some corrective measures of this plan were the modification of the structure of the area of community relations, the development and implementation of a plan of relations with communities, indigenous federations and associations, and the conduct of training workshops for employees and, among them, more specifically for people holding positions related to community relations.

- In 2012, also based on the recommendations of the study carried out in 2010, a socio-economic study was conducted in order “to know, understand and record the socio-economic structure of families living in the communities neighboring the fields of operation, with the ultimate goal of being able to design and determine appropriate and sustainable strategies in each community.” All the actions listed above have been of importance, but it can be said that undoubtedly the most relevant milestone in the relations between

Repsol and APG-IG took place in December 2010, when the **Friendship and Cooperation Agreement between the Assembly of the Guarani People of Itika Guasu and Repsol** was signed for a 20-year term. This Agreement put an end to the differences between APG IG and Repsol on the interpretation and implementation of their mutual relations.

4. Lessons Learned

- Designing tools that allow building confidence, knowing and respecting the worldview of the indigenous population, while respecting their customs and traditions, valuing their legitimate desire for development on the basis of their own programs and priorities, recognizing their legal existence and respecting their internal structures.
- Imposing no criteria, and promoting the enjoyment of their human rights and fundamental freedoms without discrimination.
- Knowing the potential positive and negative impacts of the project to develop and setting up participatory baselines with the community.



Conclusions:

Reaching an agreement with the indigenous community Itika Guasu helped to establish a methodology of engagement applicable to diverse cultures, ethnic groups and communities, obtaining the same results, so this becomes an important tool that helps to create harmonious relations, develop projects and foster confidence between the parties, in addition to managing the risks identified in a timely manner.

While the agreements establish rights and obligations of the parties, it is necessary to develop methodological tools for monitoring and control to ensure compliance. In addition, these mechanisms should be integrated to the quality systems of the company, in such a way as to allow monitoring and early detection of risks at the level of relations.

In the particular case of the agreement signed with the Itika Guasu community, in addition to the direct communication channels, periodic socio-environmental audits have been established in the form of semi-annual meetings where the company informs them of the activities that are developed within the Community Land of Origin (TCO) Itika Guasu. In addition, a system of complaints and claims has been developed and is available in the community for timely management of potential impacts and to promote confidence building, which is an asset that must be maintained due to its importance in the creation of spaces for dialogue and resolution of conflicts.

On the other hand, the guiding principles on business and human rights in the framework of the United Nations have been taken into account to “protect, respect and remedy,” to implement processes of due diligence on human rights in order to identify and evaluate possible impacts in the areas of operation in line with the policies adopted by the company which are of a public nature. All the activities, related to both operations and studies, are informed in advance to the community. Developing a culture within the company that ensures the respect for and protection of the rights of indigenous peoples through policies and awareness campaigns. It is strategic to build and maintain confidence between the parties. (The loss of confidence is one of the greatest risks in the sustainability of the relations processes).



YPFB Chaco S.A.

SOCIO-ENVIRONMENTAL MONITORING IN BOLIVIA

1. Introduction

The socio-environmental monitoring in the operational areas of influence with indigenous peoples has shown that the oil industry is not opposed to the interests of these peoples, but rather allows establishing long-term partnerships with the indigenous groups showing that the interests of both are compatible with the development of the industry and the communities. In El Dorado field, area of influence of the Captaincy of Takovo Mora (TCO - Takovo Mora) of the Department of Santa Cruz de la Sierra, Bolivia, YPFB Chaco S.A. is developing several drilling activities in five wells, their collection lines, and access roads.

Background

Due to the lack of a specific regulation, Bolivia has no standardized socio-environmental monitoring processes and, therefore, each company implements the socio-environmental monitoring from their experience and best practices. Within the framework of implementation of its CSR Policies, YPFB Chaco has successfully incorporated the socio-environmental monitoring to date.

Originally, the TCO Takovo Mora was a territory where the Guarani did not allow the company to enter to develop its projects due to a lack of knowledge and trust. In 2008, YPFB Chaco S.A. suffered a stoppage of its activities because the indigenous population demanded monetary compensation from the company.

2. Description

During 4 months the company was blocked by the communities of the area of influence who established an alliance between the Mayor of Cabezas, the rural producer organization Central Campesina of Cabezas and the TCO Takovo Mora or Captaincy of Takovo Mora, while demanding compensation.

In this situation, the company had to redesign its strategy and was able to overcome the blockade without the payment of such compensation through a negotiation process that, although quite critical, allowed creating many opportunities for improvement and lessons learned

In addition, a 3D seismic project with an area of 265 Km² was developed, which included social investment projects. Through the seismic project, YPFB Chaco S.A. generated cohesion with the indigenous group building local capacities. Among them, the training of the population on health, safety, environment and social issues given by the Bolivian Chamber of Hydrocarbons, allowing those who were trained to be accredited to work in the sector and, in particular cases, to work in the socio-environmental monitoring activities of YPFB Chaco S.A.

During the seismic project, jobs were created, services were hired locally and a social investment plan was developed. Currently, the area of Percheles - El Dorado, where there are indigenous and rural populations, is where the company has gained credibility, respect and trust with its stakeholders.

3. Lessons Learned

- The work team formed in YPFB Chaco realized that the social problem was not an issue exclusively linked to the Community Relations Unit, but it was a subject of interest throughout the company, and that tasks, contributions and responsibilities were shared by the different groups of YPFB Chaco.
- Looking from YPFB Chaco S.A. to environmental, safety and social issues with a sense of social responsibility and everything that this concept involves.
- Involving stakeholders in the activities of the company and the planning of ongoing projects. (consultation and participation, and socio-environmental monitoring)
- Maintaining open and transparent communication with indigenous and rural stakeholders.
- Working with stakeholders to understand their positions and interests.
- Implementing the socio-environmental monitoring program

Conclusions:

It has been demonstrated that the oil activity is compatible with the interests of the indigenous peoples and the rural population.

- When sufficient confidence has been built, political players and external advisors stop having influence.
- Where the State participates, everything becomes viable.
- If there is no commitment by the management and the project leader, nothing can be done by the Social Unit of the company.



Pluspetrol

COMMUNITY ENVIRONMENTAL MONITORING PROGRAM OF THE LOWER URUBAMBA-PMAC BU-

1. Introduction

The Community Environmental Monitoring Program (PMAC, under its acronym in Spanish) is the result of a broad participatory process developed between the company and the indigenous communities of the area of the Lower Urubamba, Cusco, Peru, through a strategic alliance with Pro Naturaleza, a Peruvian non-governmental organization.

The purpose of the Program is to develop knowledge and take advantage of the knowledge of indigenous communities in the area of influence in order to monitor the environmental and social impacts that the activities of the company could cause in Lots 88 and 56. In addition, it allows the local population to participate in the verification of compliance with the environmental commitments of the company.

Background

The regulations on citizen participation for the implementation of hydrocarbon activities were established in Peru in 2008 by Supreme Decree No. 012- 2008-EM. The Citizen Monitoring and Oversight Programs (PMVC, under its acronym in Spanish) were created as mechanisms for participation during the operation of any hydrocarbon project, through self-appointed representatives of the local population who monitor and control the impacts that this activity could have in the area. Before these new regulations were approved, PMVCs had already been developed regarding other hydrocarbon projects in Peru. The first of these was the Community Environmental Monitoring Program of the Lower Urubamba (PMAC-BU), referred to the operations in Lots 56 and 88 within the framework of the Camisea megaproject, which laid the basis for the development of the laws in force.

2. Description

The Camisea Gas Project is developed in the area of the Lower Urubamba, Cusco, Peru, an area known for its high environmental and social sensitivity. As part of the project design, Pluspetrol implemented an intensive process of consultation with the local indigenous population which took place in 2001.

As a result of it, the population stated its concern about being able to monitor the activities of the company. To respond to this concern, Pluspetrol convened a group of NGOs to carry out participatory monitoring proposals, and the proposal of the NGO Pro Naturaleza was selected. Through a participatory process with indigenous communities in the direct area of influence of the project, this organization designed the Community Environmental Monitoring Program that is being implemented since 2003.

The PMAC-BU comprises nine native communities, two settlements and three indigenous federations: the Federation of Yine Yane of Native Communities (FECONAYY), the Association of Machiguenga Native Communities (CECONAMA), and the Machiguenga Council of the Urubamba River (COMARU). The operational team is composed of 22 monitors, while the representatives of the federations make up the Coordinating Committee.

THE PROGRAM COMPRISES FIVE COMPONENTS:

1. Training: Focused on continuously strengthening the technical capabilities of the monitors and the members of the Coordination Committee

2. Environmental Monitoring: Focused on transferring skills and technical criteria to monitors with the aim of ensuring the quality and objectivity of the registration of the variables within the working areas of the company

3. Social Monitoring: Focused on the registration of social variables

4. Environmental Education: Focused on the promotion of environmental education among the PMAC participating communities

5. Communication: Focused on strengthening the oral and written skills of the monitors and their capabilities to perform properly in the spaces of coordination within their community and with the company

4. Lessons Learned:

- Valuing the outcome of the consultation process in response to a concern arising out of it.
- Importance of the participatory process for the design of the Program that allowed the population to take charge of it, ensuring its continuity.
- Participation of a technical body which made it possible to strengthen the capabilities of the local population, in this case the NGO Pro Naturaleza.
- The development of a good practice allowed the establishment of a relationship of trust and transparency with the local population, laying the groundwork for future legislation on community-based monitoring.
- Having an effective and independent program allowed the government bodies responsible for the audit (OSINERMIN) and monitoring of the Camisea Project to consider the PMAC as their local reference in periodic evaluations.

Conclusions:

- The program collects information with objectivity and disseminates it within their communities, the civil society and the Government of Peru.
- More than 50 monitors have been trained throughout its 14 years.
- Transferring knowledge within the communities by the monitors, contributing to an improvement of their environmental quality.
- Strengthening the leadership capabilities of the local population.
- Contributing to the continuous improvement of the socio-environmental practices of the company.
- Improving the mechanisms of communication between indigenous communities and the company.





EXECUTIVE REPORTS

Cases of Relations with Indigenous Peoples



REGIONAL ASSOCIATION OF
OIL, GAS AND BIOFUELS SECTOR COMPANIES
IN LATIN AMERICA AND THE CARIBBEAN

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