

Abstracts

**Corporate Roles and Rewards in Promoting Sustainable Development:
Lessons Learned from Camisea**

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Abstract

The prevailing corporate vision regarding energy resource development in the tropics has emphasised immediate financial gain over long-term societal benefits. This view is changing as corporations increasingly view their competitive advantage as being linked both to proactive relations with host communities and to adequate protection of fragile ecosystems.

In the past, due to neglect by both government and energy companies, native communities in the path of major gas and oil projects in the tropics often remain powerless, dependent, exposed to environmental risks and poverty stricken. What was once "sustainable" may then become "unsustainable".

This case study documents Shell's attempts to do business differently in the Camisea gas field of the Peruvian Amazon. The study has three intertwined objectives:

1- Describe corporate-community relations in Camisea in light of concerns that have arisen from major energy projects in fragile environments of the developing world; 2- Assess the extent to which Shell's consultations and partnerships with community, government and non-governmental organizations (NGOs) were constructive to project design and to prospects for sustainable regional development; and 3- Systematize the lessons learned from this experience that can guide related energy developments in the Amazon and other developing regions.

The study thus seeks to provide the business and NGO communities with details of innovations and cautions from Camisea that may be applicable to future projects. It refers to events leading up to a major private investment decision (which as we now know was negative). Insofar as good design may be indicative of prospects for good implementation, this assessment can suggest industry-wide best practices suitable for the planning phase in other projects of this nature.

The study highlights efforts to incorporate stakeholder concerns made by Shell's national subsidiary, Shell Prospecting and Development Peru (SPDP), developer of the Camisea gas project. SPDP undertook these efforts through a comprehensive program of consultation, participatory processes and the consequent translation of emerging issues into technical and design decisions.

Consultations to surmount these concerns laid the groundwork for longer-term strategies toward "social capital" and sustainable development through partnerships with regional government and NGOs. These strategies aimed to strengthen local capacity to improve social welfare and to ensure conservation and wise use of biodiversity. Such capacities and partnerships would serve local communities in good stead during and beyond the 40-year period in which SPDP expected to operate its gas facility in the region. They remain valid even in the absence of a gas development project in Camisea.