

Social Investment in Culturally and Ecologically Fragile Areas.

Modern Venezuela owes its development to the country's natural resources, petroleum. From 1924 to 1989, Venezuelan's economic and social growth was driven by the state owned petroleum activities. Unlike other Latin American countries where the population itself contributed to the country's growth through tax payments or other non-financial payments to society, Venezuelans were dependent on the state for its economic wellbeing. In this context, however, not all Venezuelans benefited equally from the State's petroleum initiatives. In particular indigenous populations were at a significant disadvantage vis a vis reaping the benefits of Venezuela's petroleum riches. Either the vast distances separating these groups from urban areas or the meager budgets allocated to agencies responsible for advocating for them, led these groups to be excluded from the health and education benefits that the State provided to other Venezuelans.

FLASA

Between 1999 and 2002 the Inter-American Foundation committed US\$279,007 to FLASA. Additional funding from FLASA and BP-Amoco total US\$1,587,641.

*The scope of FLASA's activities goes beyond IAF funded projects.

In this context of unmet needs in contrast with petroleum gains, the private, public and civil sectors have come together to try to improve the quality of life for indigenous groups in Venezuela. An example of such a partnership is that among the Inter-American Foundation (IAF), the Amoco petroleum company (now B.P. Amoco), and the La Salle Foundation of Natural Science (FLASA). In 1998 the three partners initiated a program to improve the quality of life of three Warao communities on the Orinoco River Delta in the State of Delta Amacuro.

The Problems and the Project.

The program, *"Education, health, and generation of their own income: actions to improve the quality of life of the residents of the Orinoco Delta's Warao communities"* was inaugurated in mid-1998. Its objective was to improve the quality of life of the inhabitants of Kokuina, Makareo, and Mariusa on the Orinoco Delta in Venezuela. This basic program was essential for the communities, given the poverty and the fragile natural environment in which they live. The Warao' situation was made more vulnerable by the temporal infrastructure built by the state for oil extraction purposes. As a result of these constructions, much of the vast Orinoco River Delta water system was closed resulting in serious environmental damage. With the closing of some of this river's branches, the channels and land became salinized; consequently, a major famine broke out and significant out migration to large cities. This type of immigration has serious social and cultural problems associated with it.

With this context in mind, the partners considered how to address the most pressing issues facing the Warao ethnic group: lack of basic health care, lack of formal and bilingual education, and under-optimized fishing production. The program encompassed these basic needs and was based on profound respect for the ethnic

group's identity, always keeping in mind that processes must be participatory not forced, and must be executed according to the local perception of time, rationale, and motivation. This type of strategy was critical in order allow the communities to assume co-responsibility for improving their own quality of life.

Today, the program results are real. In the area of health, three comprehensive health centers were built and started up, and a mobile river medical care service is available. Some 770 residents received health training through bilingual lectures, and six people were trained in non-traditional medicine. With regards to education, two schools were built, and six Warao teachers were trained to deliver bilingual literacy classes and courses for adults. Finally, an array of educational materials was developed in the Warao language. With regard to micro entrepreneurs, a rotating fund was established. To date, 72 loans have been made to purchase nets and motors. Marketing channels for the Waraos' fishing industry products are currently being investigated.

As a result of the project, the Warao have measurably improved their quality of life and income levels. Moreover, there is an ongoing effort to recapture the Warao cultural identity thanks to implementation of the bilingual intercultural system in the schools. Despite these project results, the one thing that remains questionable is the project's *sustainability*. As each partner has finalized its funding commitment, the question is how will the community continue to benefit from the project. Like other geographically and culturally remote communities that participate in development projects, the Warao face a significant problem ... the lack of an exit strategy developed in conjunction with the partners to ensure the project management is transitioned over time to the beneficiary population. To understand this problem, we must first understand the parameters of the partnership and, more specifically, each partner's reason for participating in it.

The Partnership.

BP Amoco, IAF, and FLASA each had individual interest in establishing this partnership. While the collective motive was consistent - improving the living conditions of the Warao - the partner's individual, or self-interest, did not necessarily tie into the specific of the project.

BP Amoco. The Amoco Petroleum Company initiated exploration in the State of Delta Amacuro and, thanks to the merger with British Petroleum (B.P.), was working in Punta Pescador, the location of the project. BP Amoco's CSR motivations fell squarely into the corporation's global social investment plans. For B.P. Amoco, the project should reflect the commitment of all partners time and money to generate sustainable human progress among the Warao which could be quantifiable at the end of the project.

While the company was extremely interested in minimizing any potentially negative environmental impact and at the same time proactively improving the lives of the local communities, like most companies, it was motivated to do these things in order to maintain a stellar corporate image. In the opinion of Rosi Álvarez, B.P.'s current Manager for Corporate Affairs, and María Eugenia Fuenmayor, Amoco's former Manager for Corporate Affairs, this strategy was fundamental to a company that was developing, and continues to develop, a business niche with the potential downside

environmental risks in a particularly fragile area such as the Orinoco River Delta. That motivation does not detract from the corporation's contributions to the program, which came to more than a million dollars.

IAF. For the IAF, the project was an opportunity to continue to partner with the private sector in Venezuela in an effort to promote self-help, grassroots development amongst the poorest of the poor. Taking into consideration a successful eight-year partnership with PDVSA, the IAF made a grant to this project. The grant presented more logistical difficulties than most. As the IAF traditionally makes several monitoring visits a year to meet with the grantees, the Delta project with its physical distances and communication problems, made it more difficult to have a very close relationship between donor and grantee. Development of a social program in such an isolated area with a population that had such a unique worldview would generally require more of a physical presence by IAF and BP-Amoco in addition to the follow-up monitoring by both.

FLASA. FLASA, from an institutional standpoint, had and continues to have in-depth knowledge of the Orinoco Delta region and its people. Since 1939, it has been working to classify the local flora and fauna and work with the local indigenous populations. The organization has a special knowledge of the geographic and ethnographic characteristics of the Orinoco Delta region. At the same time, however, this project presented a learning curve for FLASA as it was the first time the organization would manage a micro credit program with an indigenous community.

In summary, BP-Amoco sought to improve living conditions in the Warao communities that live near its center of operations and to optimize its institutional image. For IAF, it was important to establish new alliances with private organizations and serve disadvantaged populations, being true to its commitment "to reach populations that other donors do not reach." Finally, FLASA, a Venezuelan NGO with a long history in the region, was interested in further promoting the development of the Delta and the research it has been carrying out for more than 60 years. These motivations came together in the alliance that funded and implemented a three-year program, which effectively achieved its goals, but did not optimize the alliances. In short, the motivations of each partner shared a common interest in participating in a project to improve the standard of living of the Warao. However, they were not clear on their long-term vision for the project beyond the three-years.

Lessons Learned:

- Partnering for the sake of partnering is not enough. Partnerships should be made on the basis of a solid foundation so that not just economic resources come together in the project, but also the knowledge and expertise that each partner can contribute;
- Each partner should take time to understand its individual and collective motivations in order to ensure that the two are not mutually exclusive;

- Working in geographically and culturally remote communities requires more human, financial and time commitments in order to ensure that the program is successful within the local context.

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