

Socially-Just Resettlement and Protection of Fragile Ecosystems.

In Latin America, the importance of protecting natural spaces such as National Parks and Scientific Reserves is reflected in laws established to enforce environmental preservation. Historically, environmental management of protected areas has focused on the scientific aspects of preservation and biodiversity. Unfortunately, preservation of protected areas is often undertaken without considering its effects on the populations living in the area. These populations are most often low-income ones that can be negatively affected when nationally protected areas are expanded. Ironically, they are displaced from their ancestral lands as societies attempt to preserve their national patrimony.

FLOE

Between 2000 and 2003 the Inter-American Foundation was to have committed US\$185,250 to the Loma Quita Espuela Foundation (FLQE). Counterpart funding from FLQE, Empresas Bon and other sources total US\$556,619. IAF funds were not disbursed due to the cancellation of the project.

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

Increasingly aware of this discrepancy, Dominicans agree on the need for sustainable environmental and community development but few are willing to address the challenges of integrating community and environment. The Loma Quita Espuela Foundation (FLQE), however, is making strides as a leader in this arena.

Innovation and Business Investment in Local Development.

In 1972, Alfonso Moreno Martínez established the most well known ice cream plant in the Dominican Republic, Helados Bon. Today, it is part of the Empresas Bon Group, along with two other companies, Distribuidora Bon and Bon Agroindustrial. With more than 30 years on the market, Helados Bon has remained the favorite of Dominicans and gained a significant share of the markets in Haiti and Jamaica. The company maintains its competitive edge through a commitment to innovation and environmentally friendly behavior. The goal of the Empresas Bon Group is to be a world leader in quality food products and services. Its productive sectors include agro-processing and food processing and the group generates 1000 jobs which represented a combined income of US\$33,708,000 in 2001.

In addition to his own personal vision and leadership as a successful entrepreneur, Alfonso Moreno Martínez felt a sense of corporate responsibility. Because of this, Empresas Bon Group looks beyond securing traditional market success. The Group continues to promote its family's commitment to sustainable social and environmental development as a means of promoting stable societies. Without a stable society, a company cannot prosper. This philosophy is further reflected by Jesús Moreno when he says, "if one does not work with the communities in earnest and over the long term, there will be social disasters, the environment will deteriorate, and violence and

delinquency will result, and this will hurt us. Our success has depended on working to educate and involve the communities in social projects."

Moreno's commitment to the environment is also personal as he was born in an area rich in bio diversity. Accordingly, Moreno established the FLQE to manage a Scientific Reserve of the same name, 15 km from the city of San Francisco de Macoris in the northern part of the Dominican Republic. This Reserve includes the most important rain and cloud forest in the country, and is the source of 60 streams that supply drinking water and water for irrigation to various cities in the region. It possesses great biological diversity to include serving as a refuge for important threatened species. FLQE's mission is to ensure balance between conservation and rational use of the Reserve's natural resources with the improvement of the quality of life of the communities that have ties to it. Today, the Foundation, like the Empresas Bom Group, is managed by Alfonso's son, Jesús Moreno.

FLQE programs focus on preserving, protecting, and managing the natural resources of the Loma Quita Espuela Scientific Reserve. It does so in a unique partnership with the Dominican Department of the Environment and Natural Resources. FLQE programs ensure a better quality of life to local residents by including them in the development planning of the area. Specifically, FLQE implements social projects in the 29 communities on the periphery of the Reserve. Since 1990, the FLQE has three main program areas: environmental protection; ecotourism; and environmental education, cooperation & scientific research.

FLQE projects have received support from various organizations and entities, such as local companies, the German Technical Cooperation Agency (GTZ), UNESCO, HELVETAS, the IDB, the MacArthur Foundation, German Agro-Action, Spanish NGOs, as well as a subsidy from the Dominican central government.

Vision of Social Responsibility.

According to the Moreno family, "one must conduct business to live, and to live one must support social initiatives that make socioeconomic development possible. Therefore, our businesses are not restricted to corporate activity."

Based on this vision, the Moreno family and the Empresas Bon Group have been involved in the "Twenty-first Century Rural Community Project." The program is designed to ensure that the protection of natural resources is compatible with the local population's subsistence activities as well as larger productive and commercial activity in the area.

The Partnership.

FLQE established a progressive relationship with the Dominican Government when it was allowed to co-manage the Loma Quita Espuela Scientific Reserve. This partnership, coupled with good community relations, positioned FLQE to have a successful tri-sector partnership. Together the partners decided to address the issue of resettling the local population living on the Reserve to equal or better conditions. The challenge was to resettle 25 families (230 inhabitants) from 94 hectares in the Community of Cuca, on the

periphery of the Scientific Reserve. Specifically, the partnership decided to construct 25 homes and a community center, as well as provide drinking water, electricity, and assistance in setting up agricultural micro enterprises for these families. The project was planned over a three-year period.

In 1995, FLQE contacted the Inter-American Foundation (IAF) resulting in an inter-institutional relationship that would continue to bear fruit years for years to come. The project needed a new participant with experience in participatory development. In 1999 the project, was awarded a grant from the IAF. The total project budget was US\$741,869: with US\$116,137.00 from FLQE, US\$185,250 from the IAF, US\$28,606 from the beneficiaries, and more than half of the budget, US\$411,869, from the local private sector.

Fragile Alliance.

Despite all these inter-institutional alliances and commitments, something unforeseen happened. The Dominican Agrarian Institute (IAD), the government entity responsible for agrarian reform and the management of state-owned land, underwent a personnel change as part of the transition to a new federal administration. The IAD's new management did not want to continue with the project in accordance with the commitment made by the previous administration. Unfortunately, the commitment to provide 94 hectares of land was critical to the resettlement project. Without that contribution, the resettlement project would be logistically impossible. As a result, the project had to be suspended indefinitely.

Despite this setback, FLQE stands firm in its decision to offer equal or better resettlement conditions to the local population. The private sector partners: the Empresas Bon Group, Grupo León Jimenes, and the Banco Popular Dominicano, among others, are also committed to the original resettlement goals and continue to dialogue with and propose alternatives among its partners.

The Future of the Rural Community.

Again, the idea behind the project is very much alive today. The partners continue to look for alternatives which, although more limited in scope, are aimed at achieving the initial objectives of a sustainable, environmentally friendly community. One of these alternatives is to introduce agricultural and ecological tourism as an alternate income opportunity for the community. This option would also reinforce FLQE's management mandate to maintain the Scientific Reserve as a protected area. Obviously, this initiative will be more limited in terms of having a smaller impact on improving the lives of the local population, but it is seen a viable alternative to all program partners at this time.

The Empresas Bon Group remains committed to corporate social responsibility. In keeping with the goals of FLQE, it has established a rotating fund for activities and crops that diminish the negative impact on the environment in the Reserve (hog breeding, honey production and organic production).

One crop in particular, organic cacao, is of special interest to both the local population and the Empresas Bon Group. Not only is it an environmentally friendly alternative to

the community's subsistence farming, it is a product that can be used by Empresas Bon Group for its ice cream production. The company is currently sourcing organic cacao from other small farmer groups in the country. The production of organic crops could be an important innovation for these local producers for both national and international markets. The Empresas Bon Group is currently working on a program to transfer technology for the production of organic cacao to the local producers and on developing a quality certification system for the crops. The intention is that these higher margin crops with niche markets will improve the quality of life for members of the community while at the same time ensuring that the Helados Bon Group has a supply of quality raw materials.

For the most part, this case demonstrates how a CSR program can be affected when an institutional or individual commitment is changed. In particular, it is important to encourage alliances, whether with an individual or an institution that can survive changes in administration. It would be equally important to maintain this same type of commitment in alliances with the multinationals, inasmuch as businesses historically rotate their management teams, with concomitant changes in their view of social responsibility.

Lessons Learned:

- It is essential to establish institutional and individual commitments when setting up a social responsibility program involving the three sectors;
- Project risks, as a result of unforeseen social and/or political circumstances, must be considered proactively so changes can be anticipated and adjustments can be made. Accordingly, diversification of funding can be key in projects with heavy infrastructure costs.

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