



“GROWING TOGETHER”

CORPORATE SOCIAL RESPONSIBILITY PROGRAM

PENÍNSULA PAPAGAYO

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November 2008

INTRODUCTION

Corporate Social Responsibility is a concept the importance of which is growing in business circles. It refers to a set of ethical and legal commitments, obligations and visions with respect to the economic, social and environmental activities of businesses and organizations.

The definition under discussion part of ISO 26000 norms characterizes Corporate Social Responsibility as an organization's acceptance of its responsibility for the impact of its decisions and activities on society and the environment by acting in an ethical and transparent manner that:

- a. Is consistent with sustainable development and the general welfare of society;
- b. Considers stakeholders' expectations;
- c. Complies with applicable legislation and is in accord with international norms of behavior;
- d. Is integrated throughout the entire organization and is practiced in its relationships.

In the year 2000, the shareholders who assumed control of the Project *Península Papagayo*, understood this responsibility and decided to adopt a philosophical framework to guide their business decisions in all milieus, and, in addition, to adhere to the vision of the Republic of Costa Rican regarding the *Polo Turístico Golfo de Papagayo*.

A MODEL FOR SUSTAINABLE TOURISM AND REAL ESTATE DEVELOPMENT

The *Península Papagayo* Project is being executed by *Península Papagayo*, as part of the Republic of Costa Rica's tourism development center titled "*Polo Turístico Golfo de Papagayo*," which is supervised by the *Instituto Costarricense de Turismo*

(ICT). This tourism development is situated in Costa Rica, Central America, in Guanacaste Province, Liberia municipality, Nacascolo (fourth) district.

Península Papagayo defined as its mission the creation of a world-class tourism development model, sustainable over the long-term. To achieve this, they established a business policy based on four principles: i) quality, ii) respect for national legislation, iii) respect for the environment and iv) building of stronger community relationships.

As a concessionaire for a state-sponsored project, *Península Papagayo*, must comply with a Master Plan that was prepared by the ICT, which was established several decades ago as part of a vision for development of the country's tourism industry. The Master Plan for this concession requires the construction of nine hotels, three golf courses, a marina, 2,000 residential units, as well as additional components. This infrastructure must comply with environmental, architectural, legal and financial requirements as stated within the Master Plan framework. In addition, the firm decided to incorporate a Social Responsibility policy and a Community Relationships Program, which has become a vital component to bring together visions from communities, public institutions, universities and other organizations regarding the development of the Project's zone of influence.

THE PHILOSOPHY OF *PENÍNSULA PAPAGAYO* AND ITS PROJECTS

For *Península Papagayo*, the concept of being socially responsible means more than fully complying with obligations set forth in the country's legal framework and the Contract for Concession entered into with the Government of the Republic. The company's strategic framework seeks to go beyond this, basing its decision-making on a series of principles and values that have been incorporated within its philosophy. The firm made the decision to invest in human capital, the region and the strengthening of transparent relationships, in order to generate the necessary synergies for an integral development of the region where the project is being carried out, leaving a development model that establishes laudatory standards for the tourism industry at large as a legacy for the country.

Península Papagayo believes that corporate social responsibility should be structured within a voluntary integration and cannot be understood as, nor can it be a substitute for, the law or the roles played by enterprise and other sectors. From our point of view, corporate social responsibility builds bridges between the Public and Private Sectors to implement actions in an agile and dynamic fashion which allows for firms to have more favorable setting within which to develop their businesses. A new term has been recently coined for this relationship, public-private alliances, and as is the case with social responsibility, such alliances are gaining greater currency.

It is worth noting that the corporate philosophy of *Península Papagayo* was implemented four years prior to the existence in Costa Rica of the Corporate Social Responsibility Model that INCAE developed at the request of the Businessmen's Development Association (AED, *Asociación de Empresarios para el Desarrollo*), with financing from the Dutch Foundation for Cooperation (HIVOS).

The firm deals with different areas of social responsibility, including legal,

environmental, labor and community. In this latter aspect, the *Creciendo Juntos* program stands out; it was established as an initiative by the firm to form a link between the Project and development in communities neighboring the Project.

CRECIENDO JUNTOS

Enterprise must strengthen its ability to identify development opportunities in order to participate in catalyzing the community processes that lead to development. Based on this vision, while undertaking the infrastructure works contemplated in the 28-year concession contract between *Ecodesarrollo Papagayo* and ICT, the firm implemented a study of the communities surrounding the project in order to obtain information about the characteristics of these communities, the challenges that tourism development would pose to these communities, and the perceptions of these communities regarding tourism.

By means of this study, it was possible to identify the primary community challenges that would need to be addressed by the neighboring residents in order to take advantage of the opportunities generated by increased tourism in the region.

In order to empower individual abilities, access to education and training was clearly identified as the main challenge for the communities. Therefore, *Ecodesarrollo Papagayo* decided to develop its community relations program for the *Península Papagayo* project based on the desire to improve community access to both education and training.

The *Creciendo Juntos* Community Relations Program grew from this desire and has now been in operation for seven years in the 19 communities neighboring *Península Papagayo*.

Creciendo Juntos has as its mission the promotion of self-sustaining programs in communities near the Project which are focused on education for overall environmental, social and economic improvement. These programs will foster abilities that allow both individual community members and communities as a whole to be agents of their own change, seeking a better quality of life.

For *Península Papagayo* it was essential to guarantee that the development of its project would not take place without addressing community needs; to the contrary, it was to be a process that would also benefit the local communities. In addition, the community programs were to involve more than simply setting up a philanthropic, donation-based aid program for the communities or other similar efforts; they were meant to rise to the challenge in such a way as to guarantee sustainability and continued success.

Methodologically, the model set up by the firm comprises the integration of a triad: **Company, Community and Institutions**. These are linked by a single objective: to seek comprehensive development of the local communities and their positive integration into the development process in the region. This mechanism tries to make the most of available resources, avoid duplication of actions and the waste of resources, as well as to guarantee the sustainability of the many efforts undertaken by the State.

The *Creciendo Juntos* strategy is built on the execution of the Program and strategic actions established in cooperative agreements with public and private institutions.

We started working on our vision in 2001. During the first phase, we laid the foundations for the Program with continuous and open dialogue with the communities and a search for positive and transparent alliances with institutions. Hence, throughout the years, the *Creciendo Juntos* Community Relationships Program has managed to bring together in important joint ventures the following institutions: Ministry of Public Education, *Universidad de Costa Rica*, *Universidad Nacional*, *Instituto Nacional de Acueductos y Alcantarillados* (Water and Sewer Institute), *Instituto Nacional de Aprendizaje (INA)* (National Training Institute), *Área Conservación Guanacaste* and Ministry of Culture and Youth. Specific efforts with other organizations have been initiated as well.

PROGRAM AREAS

The *Creciendo Juntos* Program comprises four key educational areas: formal education, non-formal education, leadership and organizational training and strengthening of cultural identity.

Community participation, identification of needs and commitment to learning and training activities have been intense and of high quality. To date, there have been **265,000 participants** in courses, workshops and training activities benefiting children, adolescents, adults and senior citizens; this has generated a broad range of additional training opportunities, community institution building, youth leadership and entrepreneurial capacity, which has begun to broaden the horizon of job opportunities and self-employment and to provide productive links for the residents of the region.

ACHIEVEMENTS IN FORMAL EDUCATION

For seven years, under an alliance with the Ministry of Public Education, the *Creciendo Juntos* Program has carried out an intense **teacher training plan**, as well as special programs for students, in order to contribute to the improvement of the education system within the project's area of influence. This initiative has carried out training activities for teachers in cooperation with the *Universidad Nacional* (UNA) of Costa Rica, which has provided training in the areas of mathematics, English, pedagogy, as well as numerous other fields.

A group of 100 teachers and directors from regional educational centers received training over a consecutive five-year period, which had a significant impact on their teaching quality. As a follow-up to these efforts, in February of 2008, *Península Papagayo* signed an agreement with **ADA** (Association of Friends for Learning, *Asociación Amigos del Aprendizaje*), based on a Harvard University program, for providing training to teachers from five schools about learning techniques. The target population for this initiative is 1000 students, and its aim is to improve reading, writing and critical thinking skills for children from kindergarten through the third grade.

As of October 2008, in the formal education program there have been 3,487 training processes for teachers and 17,370 for students, as well as 16,276 activities for students and 30,759 special support actions. Everyone involved in the process has been integrated, including Parents and Board of Education members constitute another 1,020 participations.

Although the efforts with the Ministry of Education are not aimed at infrastructure improvements, the needs of the region are so important that the Program decided to support initiatives such as the construction of the a high school for Guardia, a community that, thanks to this effort, today has a secondary education institution serving a population of 600 students.

Furthermore, in alliance with the *Área de Conservación Guanacaste (ACG)*, an **eco-literacy** campaign has been launched in order to make children aware of how to protect the environment and how to adequately use natural resources. This biology education program has an annual scope of 2,500 children in fourth, fifth and sixth grades in 49 schools in Guanacaste province.

ACHIEVEMENTS IN NON-FORMAL EDUCATION

Since 2003, *Creciendo Juntos* has organized an **intense program of technical training courses, together with INA**, to train community members so they can access quality employment in tourism and related service sectors.

In order to insure the feasibility of these initiatives, a decision was made to build a **training center** at a central location so that the local communities could benefit. This has made it possible for 39 types of training to be carried out, such as English, computing, office management, virtual customer service, business planning, metal embossing for handicrafts, costume jewelry, dressmaking patterns, first aid, massage, cosmetology, naval mechanics, and coastal tourism guiding, among others.

The courses given in alliance with INA are of two types: short or annual courses. Annual courses have registered 11,307 participants and there have been 21,711 participants in courses with a duration of 40 or more hours, as well.

ACHIEVEMENTS IN LEADERSHIP

One of the key challenges in the local communities has been the difficulty of overcoming the employment barrier, that is, to consider self-employment and entrepreneurship. This means breaking cultural and educational barriers that have been deep-rooted for decades, thereby helping the population transform their vision of themselves and empowering them through introducing them to productive networks related to tourism.

In the first stages of the process, *Creciendo Juntos* has worked primarily in conjunction with the INA, but also has been able to count on the participation of specialized entities.

Since its inception, *Creciendo Juntos* has promoted the development of **120 micro-entrepreneurs**, working in 20 small enterprises, as a product of the educational effort carried out in the pivotal areas of fostering leadership and informal education.

The 20 microenterprises that have been created are diverse and respond to opportunities identified by the new entrepreneurs. Currently, there are enterprise initiatives in areas such as cosmetology, handicrafts, painting, textile dyeing, student transportation, food industry, recycling, child-care and anthropological and folkloric artistic shows.

There have been 7,265 participants in youth leadership training programs, as well as 1,307 in adult community leadership programs. Furthermore, there have been 3,748 leadership participants among senior citizens. *Creciendo Juntos* understood right from the get-go that the population of senior citizens had to be assisted in a special way, in order to provide to them a better quality of life. Thus, many of the efforts have been aimed at establishing activities for healthy living, manual dexterity, cultural expression and social interaction.

There have been 109,925 participants in communications and information programs, about 644 in workshops and 40,398 in training programs for sports activities.

During 2004, *Península Papagayo*, together with the *Municipal Liberia* soccer team (currently *Liberia Mía*), the Liberia Parish and the Liberia Lions Club founded the **Escuela de Formación Integral (EFI)**. Its goal is to assure that elementary and high school students with sports aptitudes can better use their leisure time, receiving complementary education in diverse fields of culture, civics and urbanity, integrating sports and recreational training.

Sports activities are further strengthened in different communities by means of weekly activities with children, adolescents and adults, who are encouraged to see sports as the best option for a healthy and active life. Older adults participate in activities whose aim is to foster self-esteem, exercise and recreation.

On the other hand, at the end of each year an **Expression Competition** is held, where children from schools and high schools near the Project compete in oratory, painting, spelling, reading, reciting and singing contests.

For regional journalists, *Creciendo Juntos* grants the **Camilo Galagarza Award** to the regional communications media that has best promoted dissemination of educational topics.

ACHIEVEMENTS IN CULTURAL STRENGTHENING

The Cultural Strengthening component of the *Creciendo Juntos* program has among its main collaborators the University of Costa Rica and the Ministry of Culture, thanks to cooperative agreements established for that purpose.

As part of the cultural strengthening axis, *Península Papagayo* created an editorial seal called "**De Guanacaste**", which has sponsored production of books and compact disks that safeguard Guanacaste's culture. At present, the collection includes the following books: "*Al Reencuentro de los Ancestros*", "*Música Tradicional*

de Guanacaste", "*Cuentos guanacastecos*", "*Me lo dijo el Río*", "*Diccionario Chorotega*" and disks: "*Del tope a las montaderas*", "*Música de Marimbas*" and "*Voces Ancestrales*".

Similarly, the Project has promoted the formation of several groups, such as *Papagayo* Dance Group, *Grupo de Zancos de Sardinal*, *Voces Ancestrales*, *Colegio de El Coco* Theater Group and *Tierra Sardinal* folklore group, among others. With the Ministry of Culture, work has been carried out to rescue and promote Guanacastecan culture in different yearly events, such as festivals of [autochthonous?] and artistic displays from other regions in the world. Groups from Africa, Venezuela and Colombia have recently given shows.

To promote the community and to encourage local talent, in December of 2007, a campaign of values was launched, titled "***Soy la bomba***". Its objective is to promote education and rescue local culture, by empowering children and youths who, only when aware of their own values, can continue within the educational system and can feel secure in order to take advantage of opportunities being generated in the province and, as stated by the campaign, "grab opportunities by the horns," making the most of this popular Guanacastecan expression. Children and youths with leadership skills, good academic performance and, above all, who were proud of their origins and made it obvious through various cultural expressions, were models for the campaign.

Soy la Bomba has become a transforming stimulus that encourages children and adolescents to want to stand out due to their values and leadership

AWARDS RECEIVED

Without this being the intention of the *Creciendo Juntos* program, it has been granted several awards in recognition of its achievements and to acknowledge its work in the communities.

The first of these awards, granted by the International Center for Human Development through *El Financiero* during the First Social Responsibility Forum in 2003, recognized the *Península Papagayo Creciendo Juntos* Program as the most complete social responsibility program in education.

The following year, *Península Papagayo* received the CERESO 2004 Corporate Social Responsibility Award from the Costa Rican Chamber of Commerce; while in 2005, the National Tourism Chamber awarded the Social Responsibility Prize.

The most recent recognition was the 2006 Great Contribution to Community Award, granted by the American Chamber of Commerce in Costa Rica, AmCham.

Finally, just a few days ago, *Fundación ALIARSE* called on *Creciendo Juntos* to present its working model before a national audience seeking to identify good practices in the area of community relations and Corporate Social Responsibility.

These incentives stimulate the vision and commitment of *Ecodesarrollo Papagayo* and its project *Península Papagayo* with the impetus of a tourism and resort development unique in the world, combining quality, nature, culture and social responsibility.

The challenges are continuous and every day more formidable, but they constitute the core motivation for those of us that are responsible for providing Costa Rica with a project that future generations can be proud of.