

Sustainable Development: Tools for Identifying Risks and Opportunities at the Project Level

Luke Danielson, Domani, LLC, 1660 17th Street, Suite 200, Denver, CO 80202, phone: 303 232-0193, fax: 303 232-0394, almont@frontier.net

'Sustainable development' has repeatedly been identified as the shared path to a more promising future in which opportunities are more widely available while ecosystem limits are respected.

Particularly in the developing world, oil and gas companies that are aware of the deep and widely shared desire for a better material life, while protecting the essential supply of ecosystem goods such as air, water, and food crops, will find themselves and their investment more welcome. Companies that fail to understand these imperatives will find their operations are subject to higher levels of risks and uncertainties.

This is starting to be recognized in a number of markets that are essential to corporate success. Developing corporate systems for managing environmental, social and economic issues effectively can help:

- Protect company access to commercial credit;
- Ensure access to insurance on favorable terms;
- Limit the risk that equity investors will view the company's stock as an undesirable investment; and
- Protect the market for the company's products.

Developing management systems for applying these concepts rigorously in the company can lead to more successful operations in such areas as:

- Evaluating and acquiring concessions;
- Negotiating tax and royalty payments;
- Relationships with local communities;
- Operations of legal and accounting departments; and
- Marketing
