ARI 151/2009 (Translated from Spanish)

Date: 17/11/2009



The Amazonian Conflict: Biodiversity, Native Communities and Sustainable Development (ARI)

Luis E. González Manrique*

Theme: The resignation of the Peruvian Prime Minister, Yehude Simon, and the congressional repeal of two of the main legislative decrees that opened extensive Amazonian zones to commercial exploitation have provided a merely temporary relief to the reigning tension. The situation is similar, to varying degrees, in the other South-American countries that share the Amazon basin.

Summary: In an article published in the Peruvian Press ('El síndrome del perro del hortelano', *El Comercio*, 28/X/2007), President Alan García wrote, 'there are millions of hectares of timber idle and hundreds of mineral deposits that must remain in the ground, because we have fallen into the trap of considering that these lands –which would be productive if invested heavily in– are sacred, and that communal organisation is the original Peruvian form of organisation'.

The conflict is an old one, undermining García's allegations of foreign interference, made in veiled accusations against Venezuela and Bolivia at the protests headed by the Interethnic Association for the Development of the Peruvian Rainforest (*Asociación Interétnica de Desarrollo de la Selva Peruana*, Aidesp), which claims to represent 350,000 indigenous Amazonian people in 1,250 communities of 50 native ethnicities. Their leader, Alberto Pizango, was given political asylum in Nicaragua after the Bagua confrontations.

What is at stake is the introduction of a model for sustainable development. For international community the economic value of Amazonian biodiversity and the contribution of deforestation to global warming are so great that their protection must be made profitable to governments in the region, offset by schemes such as carbon credits, which must go to those native communities at the forefront of rainforest protection.

Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Venezuela and Surinam all share the largest river basin in the world: over 7 million square kilometres, containing over half of the world's remaining tropical forests, carpeting 4.9 million square kilometres, more than India, Pakistan, Bangladesh and Sri Lanka together.

The Amazon accounts for 20% of the total water carried to the ocean by the world's rivers, or more than the next eight largest rivers together. The Amazon basin also accounts for 10% of the primary production of organic material in the world and is home to perhaps 25% of all species. According to the Brazilian National Institute of Amazonian Research (*Instituto Nacional de Pesquisas da Amazônia,* INPA), if the Amazon forest were to disappear, some 77,000 million tonnes of carbon would be released into the atmosphere.

1

Independent analyst on the economy and international foreign policy and monetary affairs.

ARI 151/2009 (Translated from Spanish)

Date: 17/11/2009



Analysis: In 2008, García's government passed a law (the 'forest law' or *ley de la selva*) making it easier to exert pressure on communities to sell their lands to oil companies. The decrees, rejected by all parliamentary parties except the ruling APRA, established that an indigenous community could subdivide and sell its land if 50% or more of its members voted in favour, reducing the previous threshold of 66%.

García argued that his proposal would allow communities to dispose freely of their lands, set up companies to manage them, subdivide them and lease them out for development. However, the supposed beneficiaries were not convinced. Aidesep accused the government of granting multinationals *carte blanche* to plunder their ancestral lands and mobilised its supporters in Amazonas, Loreto and Cuzco. Militants blocked roads, occupied oil and gas facilities and demonstrated before hydroelectric plants and Camisea gas deposits.

According to the Ministry for the Environment, although 12 million hectares have already been titled to natives, their claims extend to practically the entire territory and its subsoil.

According to a study carried out by Matt Finer and Clinton Jenkins of Duke University, the oil and gas blocks zoned for hydrocarbon activities cover extensive areas of the Amazon, including national parks and lands used by peoples in voluntary isolation. The study further maintains that 64 of these blocks cover approximately 72% of the Peruvian Amazon (490,000 square kilometres) and that new access roads pose considerable threats to previously remote areas, including deforestation, colonisation, unsustainable hunting and illegal logging.

The repeal by the Peruvian Congress, in December last year, of the legislative decrees that would have allowed the acquisition of indigenous lands, after 10 days of protests by more than 10,000 members of 65 indigenous organisations, was the first serious setback to García's commercial openness policy. This year, 10 similar decrees were passed, unleashing even greater protests.

Aidesep called for international protest against the decrees of 31 May last, at the closure in Puno of the 4th Abya-Yala Continental Summit of Indigenous Peoples and Nations, which had attracted 7,000 delegates from indigenous peoples throughout the hemisphere.

Abya-Yala is a Kuna term meaning 'Continent of life' and has been adopted by the indigenous organisations of the hemisphere as an alternative for the name America. Puno saw the consolidation of a national movement to seek the repeal of the concessions for 7 July and the formation of a new indigenous political party to represent the 'Plurinational Peruvian Political Project'.

The protests began shortly after the indigenous summit, disrupting public transport to Machu Picchu, blocking roads in several parts of the country and occupying oil and gas facilities, cutting off fuel to generate electricity.

Yehude Simon, Prime Minister at the time, admitted that the government had ingenuously believed that plans for the development of the Amazon region could be implemented from the capital, without consulting the natives. The natives maintained that the legislative decrees violated their right to be consulted with regard to their lands, as articulated in Convention 169 of the International Labour Organisation on Indigenous and Tribal Peoples and the UN declaration on Indigenous Peoples, both signed by Peru.

ARI 151/2009 (Translated from Spanish)

Date: 17/11/2009



The Amazonas department, where the clashes took place, has 465,000 inhabitants and produces 0.65% of the country's GDP. The poverty rate of 59.7% is one of the highest in the country. The Amazonas department also has the worst deforestation rate, averaging at 35,500 hectares per year, double that of Ucayali and treble that of Madre de Dios.

In the 90s alone, 355,000 hectares were logged and burnt in the Amazonas department, compared with 27,600 in the neighbouring San Martín region. Figures show a huge migration of colonists to regions given over to illicit logging.

The current level of organisation among native communities means that, without their support, government plans for the region are unviable. In December 2008, the Congress Multiparty Commission declared that the decrees were unconstitutional, as they violated international treaties signed by Peru. Legislative decree 1090, now repealed, constituted a new wild flora and fauna act, which extended the agricultural frontier to allow the cultivation of biofuels and threatened the integrity of the lands of the indigenous communities.

According to the Peruvian Forum for the Ecology (*Foro Ecológico Peruano*, FEP), the main ecological NGO in the country, Decree 1090 would have affected 60% of the country's primary forests, amounting to 45 million hectares, abolishing their protected status as forest heritage and turning them into agricultural land capable of being bought and sold.

According to a survey carried out by Ipsos-Apoyo, García's approval rates have plummeted to 21% since the Bagua clashes. An overwhelming majority of respondents (92%) supports the cause of the indigenous Amazonians, considering that the government was wrong not to consult them before passing decrees opening the area to foreign investment. A majority of respondents (57%) blamed García for the massacre.

What convinced García of the existence of an international campaign to discredit him and destabilise his government was the almost instant credibility given abroad to claims of an indigenous massacre in Bagua. The accusation was repeated by indigenous associations abroad, NGOs, Internet bloggers and government officials in Venezuela, Bolivia and Ecuador.

The government has maintained its count of 33 dead (24 police and nine civilians) and over 155 civilians and 24 police injured. Aidesep has circulated a version in which the police tried to cover up the number of indigenous dead, throwing some bodies into the Marañon river and mass graves, and cremating others.

However, the Ombudsman, church representatives and independent journalists have found no evidence of bodies for these claims. James Anaya, UN Special Rapporteur on the Situation of Human Rights and Fundamental Freedoms of Indigenous Peoples, said after visiting the area that he had found no evidence of genocide or of any attempt to exterminate a people as such. However, the Peruvian Association for Human Rights (Asociación Pro Derechos Humanos de Perú, Aprodeh) reports that they have identified 61 persons known to have taken part in the Bagua protests and now gone missing.

A Shared Problem

Indigenous Amazonians make up only 1% of the Peruvian population, but live in scattered strategic enclaves in the forest, accounting for two-thirds of the national territory and

ARI 151/2009 (Translated from Spanish)

Date: 17/11/2009



covering 1.3 million square kilometres. Of the one million indigenous peoples living in the Amazonian basin, 300,000 are in Peru, almost 200,000 in Bolivia, 100,000 in Ecuador and 70,000 in Colombia, with the rest in Brazil, the Guyanas and Venezuela.

The threats facing all of them include deforestation, contamination of rivers by pesticides used in intensive agriculture and the violence that proliferates in remote areas where public authorities are absent and drug traffickers are ever present.

The drug trade is having a serious impact on Amazonian ecosystems. The FEP calculates that for every 1 hectare of coca planted, 4 hectares of forest are felled, and it considers that in the last 10 years 2.5 million hectares have been deforested. At this rate, some 200,000-300,000 hectares would have fallen victim to deforestation over the past 10 years.

In Brazil, two-thirds of the Amazon rainforest has no protection whatsoever. During the 90s deforestation may have accounted for some 10%-20% of all CO_2 released into the atmosphere. Another 2% of rainforest is lost every year, and increased road building could cause 30%-40% of the Amazon basin to become deforested by 2020, compared with the 15% by which it has been reduced since 1960. Eighty-five per cent of illegal logging takes place in the vicinity of roads.

In Brazil, home to 60% of the world's tropical forests, conflict between ecologists and desarrollistas, those in favour of increasing economic activity in the Amazon region, continues to escalate. The government's growth programme (*Programa de Aceleração do Crescimento*, PAC) plans to invest US\$240,000 million in infrastructure (roads, hydroelectric and thermal stations, gas pipelines, railways, basic sanitation and urban transport). The 80 planned dams alone would flood 12 million hectares, an area half the size of the UK.

Logging in the Amazons accounts for one half of all deforestation-caused greenhouse gas emissions, which, in turn, account for 20% of the total, according to estimates from the World Wildlife Fund. Because of this, Brazil is now the world's 4th emitter of carbon gases.

Over the past five years, the government has created 62 new natural reserves. At present, the area protected by law amounts to over 280,000 square kilometres, placing Brazil 4th in the world ranking of countries with the largest percentage of protected areas in relation to their total area.

However, there is no infrastructure in place to guarantee the effective protection of these areas. With just one federal agent for every 2,800 square kilometres, many natural reserves have been occupied by landless peasants, illegal loggers, farmers and miners.

Growing demand for food by emerging powers such as China has exponentially increased exports of meat, cereals and fruits from Brazil; from 1997 to 2003 meat exports multiplied by five. Eighty per cent of the increase was supplied by Amazon farms, where herds doubled to 57 million head in the 90s, to occupy 340,000 square kilometres of pasture.

Brazil is the world's second-largest producer and largest exporter of soy, one of the few crops that can grow in deforested terrain, speeding up the process for commercial exploitation in Rondonia, Pará and Matto Grosso. The soy boom is leading to what

ARI 151/2009 (Translated from Spanish)

Date: 17/11/2009



experts call the 'savannisation' of the Amazon rainforest and the wetlands of Matto Grosso (the so-called *cerrado*) where Brazilian soy production is concentrated.

According to the estimates of several environmental NGOs, voracious world demand for soy, mainly for cattle feed, is causing more deforestation than logging, ranching and mining together. Soy also consumes the soil's nutrients and requires enormous amounts of fertilisers, pesticides and herbicides, which then go on to contaminate the rivers. Deforestation is closely linked to the *Chicago Board of Trade* agricultural commodities index.

The latest environmental confrontation in Brazil focussed on two presidential decrees which ecologists maintain are a threat to the Amazonian ecosystem. The first grants title to the occupiers of public lands covering some 67 million hectares, the size of France, in the Amazonian region.

Just 14% of private land ownership in the area is backed by legal title, and environmentalists are opposed to the decree, believing it benefits squatters. The other decree creates more flexible regulations for the granting of environmental permits for the construction of federal highways crossing the tropical forest.

Rural pressure groups, on the other hand, maintain that the decrees will facilitate government control, preventing conflicts and indiscriminate logging. Carlos Minc, Minister for the Environment, had initially introduced measures to ensure that the final decision with regard to the granting of land titles and highway permits was included in his own remit, although certain of his colleagues rejected these amendments before putting the decrees before Congress, in the face of which Minc accused them of 'immorality'. Lula has promised that from now on he will coordinate environmental matters personally, giving Minc a level of support that his predecessor, Marina da Silva, never enjoyed.

Lula hopes to avoid having to appoint a new Minister for the Environment just months before the Copenhagen conference. Brazilian Amazonia is home to 20 million people (many of them dependent on the timber industry, 70% in the state of Pará, just to give an example) and no government is willing to condemn them to poverty in order to save the forests.

The Right to be Consulted

Indigenous Amazonians account for less than 0.5% of the Brazilian population of 186 million. The percentages are similar in Colombia, Venezuela, Peru and Bolivia, where these people are essential to the conservation of the rainforests, their natural habitat. According to Chico Mendes, the Brazilian ecologist assassinated in 1988, 'deforestation ends where indigenous lands begin'.

The national laws of most Latin American countries recognise the rights of their indigenous peoples to preserve their traditional lands. However, when these macroprojects are approved, governments and the courts almost invariably pronounce in favour of the 'best interests of the nation and economic development'.

Indigenous organisations are in the front line of resistance against environmental plundering. As the British historian John Hemming maintains in his book *Tree of Rivers* (2008), a history of the Amazon from the 16th century to the present day, native

ARI 151/2009 (Translated from Spanish)

Date: 17/11/2009



communities are miniature democracies, where everything is discussed, all the time. This is a stark contrast to their depiction by their critics as childish, malleable peoples.

According to Hemming, land is everything to the natives as it gives them game and fish, and a base for their beliefs, heritage and tribal identity. Hence, it is a buttress against destructive invasion and aggressive colonisation by religious sects, guerrillas, drug traffickers and other predators.

The Organisation of American States Inter-American Commission on Human Rights recognises the rights of indigenous peoples to their traditional lands and their right to free, prior and informed consent in all matters affecting their land and resources.

The growing organisational experience of these groups is beginning to bear fruit. In Brazil, 130 indigenous pressure groups backed by 30 environmental NGOs succeeded in getting indigenous reserves to cover 12% of national territory and 23% of Brazilian Amazonia. In 1982, Mario Juruna, a Xavante chief, was elected to Federal Congress, the country's first indigenous Amazonian congressional representative.

Conclusions: In Ecuador, President Rafael Correa is one of the greatest defenders of an imaginative scheme for reducing the emissions caused by deforestation: he has asked the international community for US\$5,200 million in exchange for Ecuador not exploiting its oilfields in the Yasuní biosphere reserve and national park, which could contain up to 920 million barrels of crude oil under one of the areas of greatest biodiversity in the world.

According to this scheme, Ecuador would sell certificates to governments and businesses, allowing them to issue greenhouse gases in proportion to the amount of carbon left in the sub-soil. These certificates could be traded on the Leipzig European Energy Exchange in Germany. His government estimates that the plan could prevent the 410 million tonnes of carbon dioxide from being released into the atmosphere.

Preventing deforestation through schemes similar to that proposed by Correa would be a central point on the Copenhagen summit agenda. However, measures to prevent deforestation are difficult to quantify. Neither is it clear who would receive the money from the credits, whether governments, local populations, native communities or a fund managed by international institutions to finance the protection of national parks, alternative energy projects and other environmental initiatives. A response must be found at Copenhagen.

Luis E. González Manrique

Independent analyst on the economy and international foreign policy and monetary affairs