Peru: Ex-Im Bank rejects funding Camisea Project

In 1980 the Shell Company, logging companies and Evangelical missions forced contact with the Indigenous Yora people, causing the death of approximately 50% of the population due to epidemics. Indigenous organizations requested the government to set up a reserve, which they finally obtained in 1990. In the State Nahua Kugapakori Reserve, in favour of peoples in voluntary isolation and initial contact, inhabit peoples such as the Yora and Chitonahua identified in the Pano linguistic family, the Nanti peoples and various Matsigenka subgroups with linguistic varieties classified among the Arawak ethno-linguistic group. There are also Indigenous Peoples in isolation that have not yet been identified in the upper Serjali and Timpia.

In the year 2000, the Peruvian government granted exploitation rights of lot 88 to the oil consortium Pluspetrol Peru Corporation S.A. for a 40-year period. The site, located on the river Camisea, is in the heart of the tropical rainforest of the Urubamba and three quarters of it are in the Nahua Kugapakori Reserve. In other bulletins we have already referred to the enormous damage this project has caused, both to the communities and Indigenous peoples of the zone, and to the rich biodiversity of unique primary tropical forests (see WRM Bulletins 56 and 62) and we disseminated a call for action launched by Oilwatch in this respect, see http://www.wrm.org.uy/alerts/Peru0703.html (only in Spanish).

The Camisea Project does not have effective plans to monitor the welfare of the villages under impact during the life of the project, nor does it have contingency plans in case the situation becomes worse. The incidence of crime, prostitution, sexually transmitted diseases and alcoholism has increased with the immigration of workers and settlers to already established communities. Furthermore, the presence of a market economy distorts the self-subsistence economy, changing consumer patterns and upsetting the Indigenous Peoples' food chain.

The enormous pressure on natural resources as a consequence of opening up primary forests to build the oil pipeline, camps, plant, seismic lines, access roads and pipelines between wells and the plant, opening up of routes of access to the zone facilitating the movement of people inside the primary forests, contributes in the long run to fragmentation and deforestation and in addition, is an enormous threat on the local communities' natural resources.

The Indigenous Peoples demand, among other things, the project to be halted and the withdrawal of the contracting companies, compliance with ILO Convention 169, respect for the rights of Indigenous Peoples in isolation to decide the time and way of interacting with others, that mechanisms for direct indigenous participation in the independent control, assessment and monitoring of the project be ensured, the establishment of a Fund, with direct Indigenous participation, aimed at the environmental management of the Amazon forest in the area affected by the Camisea Project, that sanctions be imposed regarding irreversible ecological damage and to demand measures of prevention and compensation.

Within such context there is at least one good news: the board of directors of the U.S. Ex-Im Bank, which was to provide 270 million dollars to the controversial project, has decided against funding. The

decision is a cloud hanging over a credit of 75 million dollars for Camisea from the Inter-American Development Bank (IDB), whose board of directors has not addressed the issue for the third consecutive time.

It is evident that the pressure against the project for environmental reasons has weighed here. There are also sectors in the United States that do not share the idea that IDB should support this much questioned project that mainly benefits large companies suspiciously linked to people who are firm contributors to President George Bush's campaigns. Such is the case of Kellogg Brown & Root (KBR), a branch of Vice-President Dick Cheney' old company, Halliburton, which now has the business of reconstructing oil facilities in Iraq.

It is hoped that this Ex-Im Bank decision will contribute to halting the project and that IDB will adopt a similar decision.

Article based on information from: "Declaración de los Pueblos Indígenas en Defensa de la Vida, el Territorio y el Ambiente", sent by Correo Indígena, N° 33 - Lima, 28 August 2003, e-mail: coppip@amauta.rcp.net.pe ; "Financing for Peru's Camisea Project Voted Down by U.S. Ex-Im Bank", press release by Amazon Watch, Friends of the Earth, Bank Information Center, Environmental Defense, Amazon Alliance, Institute for Policy Studies, 28 August 2003, sent by Atossa Soltani, e-mail: asoltani@igc.org ; "Bush, the rainforest and a gas pipeline to enrich his friends", The Independent, http://news.independent.co.uk/world/americas/story.jsp?story=428887 , sent by Amazon Alliance, e-mail: amazon@amazonalliance.org