

PERUVIAN AMAZON in 2021

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The large and increasing amount of proposals and decisions on large public infrastructures and use of natural resources of the Peruvian Amazon is not correlated with the very limited information that is available to society, including to the population that will be directly affected. The official information, if any, is fragmented, confusing, untimely, and invariably presents only the point of view of the promoters, whether they are governmental or private. In no case there is an effective opportunity to discuss the proposals. The lack of transparency is one of the main causes of the grave social conflicts that each time with greater intensity breaks out in the Peruvian jungle.

In order to inform society and stimulate a constructive debate regarding the future of the Amazon region, an effort has been made to gather disperse information on proposals of infrastructure and exploitation of natural resources that are presently being promoted and that, according to the sources, are foreseen as to be implanted between 2010 and 2021. Based on this material, a very preliminary analysis has been carried out to understand their rationale and to foresee its probable social and environmental implications.

Even though the information hardly compiled is not exhaustive, it fully confirms the hypothesis that the Peruvian Amazon (Selva) is entering into a new cycle of frenzied exploitation of its resources that, such as occurred in the past with rubber and petroleum, does not take into account the social or environmental consequences. The economic aspects, as in the past, seem to be seen merely from an immediate profit point of view. However, the difference with previous waves of exploitation is that now all natural resources are simultaneously targeted and that they are coupled by an exceptionally high number of ambitious infrastructures. This rush on the Amazon has no historic precedent. In effect, 52 of these stand out as being hydroelectric generation projects in the Amazon basin, 26 being in the Selva region itself, including the largest, such as those foreseen in the rivers Marañón, Ene and Inambari. At least two of these projects should be executed during the next decade, including their transmission lines. The search for hydrocarbons that already razed mainly northern Loreto, has now expanded beyond more than 70% of the Selva region and this can increase. There are already 7 lots with active exploitation contracts. Mining options covers more than 10 million hectares of the Amazon basin in the form of titled rights. Several of these are located in the Selva region itself, especially in Amazonas and San Martín. On the other hand, the informal gold exploitation has tragic characteristics in social and environmental terms in Madre de Dios and is in full expansion. Roads are an essential piece of development since the feasibility of natural resources exploitation greatly depends on. Officially almost 8,000 km. have been built however, considering the neighboring (municipal) roads and those that stem from private

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initiatives, this number can be doubled. The government foresees the construction of 880 additional km., the asphaltting of 2,089 km. and the improvement of another 1,517 km. These figures do not include the Interoceanic North and South highways. It is probable that many more will be built in the immediate future among which is the Central Interoceanic highway (Pucallpa-Cruzeiro do Sul). The construction of 4,200 km. of waterways is foreseen and several thousand kilometers of railways, three of which are supposed to be connected to the Brazilian system. In the agrarian sector, with the pretext of contributing to the reduction of the country's dependence on fossil fuels and lowering the greenhouse effect, the establishment of almost half a million hectares of plantations for biofuels has been proposed. And in the field of forestry, already 7.7 million hectares have been conceded for the formal exploitation of timber, but informal logging covers practically all the Selva region.

When the environmental and social implication of each project are checked, those belonging to each sector and their ensemble, the magnitude and severity of the social and environmental impacts that can be reasonably predictable, are huge. They would be even in the case that only between a third and half of the proposals being effectively completed in the term of a decade. The main environmental impacts would be the deforestation due to change of use of the land and the degradation of forests through agriculture, logging, mining, oil exploration and exploitation, and by their transformation into artificial lakes. The loss of rich natural biological patrimony of Peru's Amazon would be unprecedented. The waters of the Amazon will be heavily impacted by contamination by agrochemicals, the sequels of hydrocarbon and mining exploitation as well as by urban and industrial residues. The water cycle of the region may be severely affected by deforestation and dams. It is expected that Peru will enormously increase its contribution to climate change by CO₂ emissions and other gases due to deforestation and artificial lakes and, among many others, it is expected a radicalization of insidious and violent erosive processes, especially in the high Selva.

Direct social impacts will be considerable. These investments will accelerate and incentive migration to the Selva region and consequently will increase the urban population density without adequate services. New urban centers will appear due to the service areas of large projects. The rural population will increase but land availability will become locally insufficient or compatible with the use it will be given. Social conflicts will multiply within the ancient Amazon actors (indigenous, riverside and older occupants) and the newcomers, especially due to invasions and also within the Amazon population in general and the government, since sanitation, health and public security problems will increase considerably, including prostitution and slave and children labor. Indirect social impacts will be equally considerable or even more severe and will in their majority be associated to the environmental impact: fishing and hunting will decrease to even lower levels and will not meet the food requirements of the indigenous and rural populations; urban and rural

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population will suffer lack of water due to the destruction and contamination of the watersheds but will also have to bear much more violent and unpredictable flooding; the penetration highway's into the Selva will be interrupted more and more frequently by landslides and, among others, the greenhouse effect will presumably cause simultaneously dryer periods and stronger rainfalls. Considering the environmental and social impacts jointly, the projects with the greatest impacts are precisely those with the most probability of being executed: roads, timber exploitation, hydroelectric plants, mining and hydrocarbons.

As is well known, the Selva region has a considerable deficit of development infrastructure and it is not a question of suggesting that this 60% of Peruvian territory remain "untouched", which additionally would be impossible since at present not even the protected natural areas have that character. Doubtlessly many proposals that were examined are necessary and, prior checking should be carried out. What is alarming in the analyzed proposals is their isolated character as well as the absence of clear economic or social justifications as well as the absolute lack of consideration to the implications of each one on the others, and least of all, on their collateral effects. New roads are proposed without planning correlative rural development projects, migration is brought about without considering proportional improvements in education and health, ecotourism development is driven and in the same location illegal mining is tolerated and, to mention the most awkward cases, barely finished roads are built where a dam's great artificial lake is also to be created. The review of feasibility studies of many of the Amazon public infrastructure reveal that very often these are not really economically feasible and, by no means offer serious attention to the environmental or social impacts that, almost invariably, imply unaccounted costs. Society, not even local population directly affected, can become truly aware of project's implications. Worse, there are indications that those details are not even known by those who make the decisions. Natural resources exploitation project such as hydrocarbon, mining, timber and agriculture follow even less open paths since they answer mainly to private interests. In these cases, the only certainty is that they are profitable for investors but the benefits for Peru should always be carefully examined.

On analyzing the role of those actors responsible for the current "package" of projects that it not even presented as such by the Peruvian Government one sees, with surprise, that its most significant elements do not originate in Peru. The Government is barely "putting on sale" or offers "in auction" its natural resources as well as its apparent or real needs of infrastructure. A substantial part of the foreseen works in the Peruvian Selva stem from the Brazilian needs, whose satisfaction is carefully planned: access to Pacific ports to evacuate part of their production to Asia, opportunity to take advantage of Peruvian resources such as Bayovar phosphates, fulfillment of its electric energy requirements based on the enormous potential of the Peruvian Andean-Amazon and, of course, to

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expand its economic influence. On a more detailed level one discovers that precisely the public and private enterprises of said country are studying, financing, building, operating and obviously will benefit with the materialization of those projects. Brazil is certainly not the only actor in this proliferation of projects. Among others are the international investors who back oil and large mining operations and certainly, the local and regional governments are also important promoters of such investments. These governments wish to “work” whatever the costs are. They take advantage or even stimulate local popular outcries for “development”, especially when roads are concerned. Multilateral banks must also be mentioned amongst which are CAF who is taking a leading role in accepting to finance projects which BIRF and IDB are rejecting precisely due to their low profitability, deficient quality of studies and their socio-environmental implications.

Deepening the examination it becomes confirmed that the “package” of projects does not fit within any national development plan and even less with an expected Peruvian Amazon development plan. The reason is simple. Those instruments do not exist. This fact explains a large part or all the incongruous facts already mentioned that can be summarized with questions such as the following two, amongst dozens more: Why does Peru require simultaneously three roads, one waterway and three railways to connect with Brazil? Why must Peru concede its most viable Amazon hydroelectric project to supply its neighbor instead of preserving that option for itself? These types of questions have no answers because Peru is one of the few countries in the modern world that has not a national planning system. Each public sector, each region, plans independently. In other words, they do not plan. The initiative called “participative budget” that is developed locally is, beyond doubt, most positive but by no means it replace a much-needed national planning system. There is a public investment system that, within very narrow parameters approves or denies investments but, in fact, again, this is no planning since they are analyzed by their own merit and not in relation to other initiatives or as part of a national or Peruvian Amazon objective. Neither does it establish medium or long-term priorities or sequences of actions. Even worse if possible, there is no countrywide participative mechanism that legitimizes mega-infrastructure decisions or the use of natural resources over enormous extensions of the territory. Those are quite autonomous decisions of the authorities that happen to be in charge. Often, precisely due to the fact that there is no plan and no context, these authorities do not know the real consequences and implications of their decisions. Development that is not sustained by a transparent and participative planning process cannot fully attend the country’s interests since it creates serious and unpredictable risks and also, their cost will probably highly exceed its benefits.

The criteria that protected natural areas (16.5 million hectares) and native communities and indigenous territorial reserves (13.3 million hectares) are sufficiently large to ensure the conservation of natural patrimony and environmental services is not supported by

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facts. In effect, despite both types of areas cover 38% of the Jungle, only a little more than a fourth of this area (mostly national parks) correspond to legally fully protected areas. In all other categories direct exploitation of natural resources is to some extent allowed, including deforestation for agriculture and timber exploitation, hydrocarbons exploitation and others. In addition, 3.2 million hectares of this “protected areas” pertain to a transitory category whose final destination is uncertain, since a large part of same will likely be reverted for diverse use. On the other hand, the same lack of planning previously mentioned makes that these areas, often considered as “security valves for development” are mostly abandoned by the State, who does not give them a basic budget enough to preserve or develop them according to their respective management plans. In other words, these are threatened areas. The pessimistic scenario on deforestation and degradation of forests for 2041, which is the most probable, shows that the implantation of the proposed projects would affect 91% of the Jungle, in other words that a vast part of the protected areas that in theory should “serve as guarantee” for biodiversity and environment services will have lost their natural qualities.

One concludes that the manner in which the infrastructure of development and exploitation of natural resources in the Selva region is presently done and decided upon constitute a serious risk for the future of that region and Peru. Instead of promoting a sustainable and desirable development, it is provoking a situation where all loose, except those who build, finance and operate the infrastructures or exploit the resources, which in any event are a minority. Instead, an ample and democratic planning process, efficiently participative, should govern the development of the region. This is still to be created in Peru. It is strongly recommendable that a moratorium be established in relation to the decisions and regarding the beginning of the execution of new mega-projects, while awaiting this plan. The mechanisms of information and participation must also be strengthened. The subjects of environmental and social responsibility must be much more elaborate in terms of reference of each project, including externalities and their costs and also, the role of the environment sector in the process of approval of the project plan must be enlarged.

Lima, January 27, 2010