

THE CORRIENTES RIVER CASE: INDIGENOUS PEOPLE'S
MOBILIZATION IN RESPONSE TO OIL DEVELOPMENT
IN THE PERUVIAN AMAZON

by

GRACIELA MARÍA MERCEDES LU

A THESIS

Presented to the Department of International Studies
and the Graduate School of the University of Oregon
in partial fulfillment of the requirements
for the degree of
Master of Arts

December 2009

“The Corrientes River Case: Indigenous People’s Mobilization in Response to Oil Development in the Peruvian Amazon,” a thesis prepared by Graciela María Mercedes Lu in partial fulfillment of the requirements for the Master of Arts degree in the Department of International Studies. This thesis has been approved and accepted by:

This manuscript has been approved by the advisor and committee named below and by Richard Linton, Dean of the Graduate School.

November 30, 2009

Date

Committee in Charge: Derrick Hindery, Chair
 Anita M. Weiss
 Carlos Aguirre

Accepted by:

© 2009 Graciela María Mercedes Lu

An Abstract of the Thesis of

Graciela M. Lu for the degree of Master of Arts
in the Department of International Studies to be taken December 2009

Title: THE CORRIENTES RIVER CASE: INDIGENOUS PEOPLE'S MOBILIZATION
IN RESPONSE TO OIL DEVELOPMENT IN THE PERUVIAN AMAZON

Approved: _____
Derrick Hindery

Economic models applied in Latin America tend to prioritize economic growth heavily based on extractive industries and a power distribution model that affects social equity and respect for human rights.

This thesis advances our understanding of the social, political and environmental concerns that influenced the formation of a movement among the Achuar people, in response to oil exploitation activities in the Peruvian Amazon. This study is based on a political ecology analysis and a review of existing literature on local and global relations of environmental issues. The Corrientes River case reveals how Amazonian indigenous people gained competence to demand recognition of their collective rights to health and citizenship. The Achuar people's mobilization was a result of frustration of sterile dialogue with the authorities, the oil companies, and the pressure exerted by local people

on their leaders. This mobilization resulted in an agreement that otherwise would likely not have been reached.

CURRICULUM VITAE

NAME OF AUTHOR: Graciela María Mercedes Lu

PLACE OF BIRTH: Lima, Peru

GRADUATE AND UNDERGRADUATE SCHOOLS ATTENDED:

University of Oregon, Eugene

Universidad Nacional Mayor de San Marcos, Lima, Peru

DEGREES AWARDED:

Master of Arts, Department of International Studies, 2009, University of Oregon

Bachelor of Science, Pharmacy and Biochemistry, 2001, Universidad Nacional Mayor de San Marcos, Lima, Peru

AREAS OF SPECIAL INTEREST:

Political Ecology

Development and Social Movements in Latin America

Environmental Health and Toxicology

PROFESSIONAL EXPERIENCE:

Environmental Research Scientist, Environmental Law Alliance Worldwide (ELAW) U.S. office, 2003 to date

Environmental Science Advisor, Environmental Law Alliance Worldwide, (ELAW), Lima, Peru, 1991-2003

Technical Coordinator, APGEP-SENREM Project (USAID), Peruvian Environmental Law Society-SPDA, 1997-2000

Research Assistant of Pharmacognosy, School of Pharmacy and Biochemistry, Universidad Nacional Mayor de San Marcos, Lima, Peru, 1989-1991

PUBLICATIONS:

- Lu, M. (2009). *La industria petrolera, efectos en el ambiente y la salud humana*. Derecho, Ambiente y Recursos Naturales (DAR). Environmental Law Alliance Worldwide (ELAW), Lima, Peru.
- Lu, M. (2009). *Guía metodológica para la aplicación del módulo de capacitación actividades de hidrocarburos y derechos de los pueblos indígenas* (reviewer). Derecho, Ambiente y Recursos Naturales (DAR). Environmental Law Alliance Worldwide (ELAW), Lima, Peru.
- Lu, M. & Mayorga, P. (2001). *Manual para el uso de la prueba en casos de contaminación hídrica*. Instituto de Derecho Ambiental y Desarrollo Sustentable (IDEADS).Guatemala.

ACKNOWLEDGMENTS

I would like to express sincere appreciation to Professors Weiss, Hindery, and Aguirre for their encouragement, and support for the completion of my Masters Degree. Thank you Professor Hindery for your patience and guidance in conducting the research for this thesis. I am particularly grateful to Lily La Torre López and Martí Orta for the helpful information they provided for my research. I am especially indebted to my friend Diana Bermudez Sokolich, who provided invaluable support and encouragement to enable me to achieve my goals.

This thesis is dedicated to the memory of my parents, Romulo Lu and Graciela De Lama, and to my siblings Romulo and Lili for their love and support throughout the years.

TABLE OF CONTENTS

Chapter	Page
I. INTRODUCTION	1
Purpose of the Study	1
Objectives	2
Area of Study	3
Indigenous Groups in the Area	4
II. LITERATURE REVIEW.....	5
Oil in the Peruvian Amazon: The Promise of Development	5
Nature, Environment, and Natural Resources.....	5
Influence of Identity on Social Mobilization in the Corrientes River Case.....	8
Cultural Politics in the Context of the Corrientes Case	10
Brief Historical Background of Conflicts Between Amazon Indigenous Groups and Extractive Industries.....	11
III. SOCIAL MOBILIZATION IN THE CORRIENTES RIVER CASE	15
History of the Conflict: Occidental Petroleum Corporation of Peru and Pluspetrol Norte S.A. 1970s–October 22, 2006.....	15
Factors That Influenced Indigenous Peoples’ Organization in the Corrientes River Case.....	22
Early Organizing of the Indigenous Groups in the Corrientes River Basin	23

Chapter	Page
Evidence of Contamination and the Effects on the Achuar Indigenous Peoples	30
Influence of Non-Indigenous Groups: National and International Non-Governmental Organizations (NGOs)	37
Role of the Peruvian Government.....	44
Oxy and Pluspetrol Norte S.A.	51
IV. CONCLUSIONS AND RECOMMENDATIONS	55
APPENDICES	
A. MINUTES OF THE AGREEMENT BETWEEN THE INDIGENOUS COMMUNITIES OF THE CORRIENTES RIVER (FECONACO), THE MINISTRY OF ENERGY AND MINES, MINISTRY OF HEALTH, REGIONAL GOVERNMENT OF LORETO, PLUSPETROL NORTE S.A., AND THE OMBUDSMAN, OCTOBER 22, 2006.....	65
B. MAPS	74
C. ACRONYMS	79
BIBLIOGRAPHY	80

LIST OF TABLES

Table	Page
1. Summary of Key Events Related to the Corrientes Case: February 2004– October 2006.....	18
2. Reports with Assessments of Oil Contamination in Block 1AB.....	32
3. Results of Analysis of Lead in Blood by DIGESA (2006).....	35
4. Results of Analysis of Cadmium in Blood by DIGESA (2006).....	35

LIST OF MAPS

Map	Page
1. Corrientes River Basin.....	74
2. Block 1AB	75
3. Indigenous Groups in Block 1AB.....	76
4. Indigenous Communities, Protected Areas and Hydrocarbon Concessions in the Peruvian Amazon.....	77
5. Hydrocarbon Concessions in Peru (2008)	78

CHAPTER I

INTRODUCTION

Purpose of the Study

Power conflicts today between Amazon indigenous groups, government authorities, and corporations over land and nature are more acute than ever. Global oil and natural gas demand has increased steadily in the last 30 years, making its exploitation more attractive to governments and oil corporations which are actively pushing into remote Amazonian ecosystems. The oil wells in the Corrientes, Tigre, and Pastaza rivers in the Department of Loreto in Peru started operations in the 1970s, and were the first in a succession of oil concessions throughout the Peruvian Amazon. The Achuar people of the Corrientes River went through a process from being 'invisible' in the 1970s to leading a movement resulting in the recognition of their rights to clean water, health, and territory in an October 22, 2006 agreement with Pluspetrol Norte S.A. (a subsidiary of the Argentinean oil company Pluspetrol) and Peruvian authorities. This study examines the factors that account for the Achuar mobilization and the nature of their demands. As the case is still ongoing, a more detailed analysis of the events after the agreement would exceed the scope of this study.

The struggle of indigenous societies affected by oil exploitation in the concession area called Block 1AB contributes to understanding the conditions that can empower or

weaken indigenous peoples facing dominant societies that control their lands and resources. Considering the rapid proliferation of extractive industries in the Peruvian Amazon and the violent responses that occurred in the last year, there is an urgent need for research, evaluation, and analysis of these aspects of social-environmental conflicts.

Objectives

Using an analysis of interrelations of the actors involved in this case (indigenous federations, national and international non-profit organizations, government authorities, and oil companies operating in the Corrientes River basin (Map 1)), I examine the following questions in relation to key events that occurred from the 1970s to 2006:

- How were the outcomes of the mobilization by indigenous groups in the Corrientes River basin shaped?
- What factors influenced indigenous groups of the Corrientes River to organize in response to oil and gas development?
- How did local, national, and international groups influence the outcomes of mobilization?

I use political ecology as a framework for this study. Paul Robbins (2006) defines political ecology as “the empirical, research-based explorations to explain linkages in the condition and change of social/environmental systems, with explicit considerations of power” (p. 12). I use environmental identity and social movement thesis (Robbins) for the analysis of factors that influenced the Achuar of the Corrientes River and to explain that their struggle against oil activities in their territories was primarily a result of an

imperative need to secure their right to health, achieve political representation, and demand citizenship. The mobilization of the Achuar of the Corrientes River basin took place in the midst of emerging perceptions of nature as a resource, development, and culture that provide a basis for a political ecology framework focused on difference. This approach guides my overall intent to articulate these concepts in a broader context both locally and globally.

Area of Study

This study comprises the territories of the Achuar and Quechua people affected by oil activities in Block 1AB (located in the Peruvian Amazon's northern border with Ecuador, between the districts of Trompeteros and Tigre in the Province of Loreto, located in the Department of Loreto) and the district of Andoas (Province of Alto Amazonas, Department of Loreto). The study focuses on those Achuar communities that live on the approximately 200,000 hectares of forest that are most affected by oil activities, part of whose territory is in Block 1AB (total area: 497,027 hectares) shown in Map 2. The study area is located in the Amazon basin, the world's largest tropical rainforest, and is subdivided into two terrestrial ecoregions: the Amazon River's floodplains, and the rainforest of Napo.¹ Both ecoregions were included in Global 200, an analytical tool developed by World Wide Fund for Nature (WWF, see Appendix C for a list of acronyms) to identify 200 (out of 825) ecoregions whose conservation would

¹ An ecoregion is a relatively large unit of land with a distinct assemblage of species with high representation value and are therefore worthy of greater attention. (Olson and Dinerstein, 1998; WWF 2000).

achieve the goal of saving a broad diversity of the Earth's ecosystems. These ecoregions include those with exceptional levels of biodiversity, such as high species richness or endemism, or those with unusual ecological or evolutionary phenomena.

Indigenous Groups in the Area

The population of the Corrientes River basin is almost exclusively indigenous, belonging to the Jibaro-Candosa and Quechua linguistic families. The Jibaro family comprises the Achuar, the Candoshi, the Huambisa-Shuar, and the Zarpas; the Quechua family comprises the Quechua Lamista, the Quechua del Napo, and the Quechua del Pastaza and the Tigre. People of the communities in this study area belong to the Achuar linguistic family.

The Achuar territory spans across both sides of the Peruvian and Ecuadorian border. In Peru, the Achuar population of 12,500 is distributed among 77 communities in the basins of the Pastaza, Huasaga, Huitoyagu, Morona, and Corrientes rivers of the Department of Loreto. There are approximately 4,750 Achuar in 12 communities in Block 1AB. They are organized into two federations—the Federation of the Indigenous Communities of the Upper Tigre (FECONAT) and the Federation of the Native Communities of the Corrientes River (FECONACO)—which represent the five communities most affected by oil activities.

CHAPTER II

LITERATURE REVIEW

Oil in the Peruvian Amazon:

The Promise of Development

Nature, Environment, and Natural Resources

The concept of nature is complex and often contradictory. Global transformation of nature wrought by industrialization and “modernization” has created dominant views of both the physical and intellectual aspects of nature. This experience filters out old, incompatible conceptions of nature and precipitates new ones. Much as the growth of a tree adds a new ring each year, the social concept of nature has accumulated innumerable layers of meaning in the course of history (Smith, 1984). Nature has different meanings for indigenous peoples, environmentalists, states, corporations, development agencies, and non-indigenous urban or rural dwellers from different social classes. These meanings are based primarily on the particularity of the social, political, and economic relations within which people live out their lives (Bender, 1993). These diverse notions of nature coexist in specific social settings and according to particular historical moments (Ulloa, 2005), but the old concepts of nature are co-opted by the present purposes and by the dominant voices. The meaning of nature has therefore shifted throughout history according to cultural, socioeconomic, and political factors (Escobar, 1999). Neil Smith

(1984) calls it “the ideology of nature” and talks about *dualist* views. On one hand is the concept of nature as *external* (the realm of extra human objects and processes existing outside society); on the other hand is nature viewed as *universal*, which includes the human with the non-human. External nature, according to Smith, is “the raw material from which society is built, the frontier which industrial capitalism continually pushes back” (p. 2). Industrialization has brought with it the notion of nature as a “resource” for economic growth—a resource that could be managed, directed, and engineered. These narratives have always been presented as “rational” and “objective,” where the modern concept of the environment and economic growth could be reconciled. These dominant perceptions of nature view it merely as a source for economic growth.

The Report of the Brundtland Commission, *Our Common Future* (1987), prepared by the World Commission of Environment and Development, which was convened by the United Nations, launched the concept of sustainable development and delineated environmental principles that influenced much of the *ethos* of the environmental movement. The Brundtland Report highlighted the link between poverty and environmental degradation, which is particularly relevant to the focus of this thesis. The report proposes sustainable development as a great alternative for the eradication of poverty and the protection of the environment in one single approach.² One of the key arguments of the report was that “poverty itself pollutes the environment, creating environmental stress” (8th paragraph), and it explicitly recommended an annual growth

² “Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” *Our Common Future*, Report of the Brundtland Commission, 1987. Oxford University Press.

rate of 3% for countries in the south and north (to accommodate higher exports from the south). These arguments appear contradictory regarding the Amazonian indigenous people, who live under the poverty line; but at the same time, many consider their traditional way of life a model of living in harmony with the planet. The development of ecological consciousness that accompanied the rapid growth of industrial civilization also affected the transformation of “nature” into “environment” (Escobar, 1995).

Governments, multinational corporations, and international organizations claim advocacy of the “protection of the environment” as a source of “natural resources” for economic growth, a view radically in conflict with the integrated notion of a social ethnic group based on land and nature. These divergent views and aspirations are an underlying conflict in cases such as those among the indigenous groups in the Corrientes River basin, the oil industry, and the government.

Several of the modern principles defining environmental influence, to some extent, many mainstream environmental groups and organizations in which Western science and knowledge is presented as speaking for the environment, capable of proposing the best means of managing natural resources to the exclusion of non-western discourses, including those of Amazonian indigenous groups. This dominant environmental discourse assumes that non-Western perspectives, whether from a Nepalese peasant, a rubber tapper from the Amazon, or an African nomad, would have nothing significant to say in this regard (Escobar). Ironically, and despite different perceptions of nature, environment, and natural resources, there is an important interplay of views of nature and the environment that permeated and influenced social mobilization

in environmental conflicts, such as the one between the indigenous groups in Block 1AB and the oil industry. This wide schism in environmental perception influenced identity formation among the Achuar from the Corrientes River basin, national, and international environmental groups supporting them, and gave a common ground between indigenous and environmentalists on which to coordinate efforts and build national and international support networks for the indigenous people.

Influence of Identity on Social Mobilization in the Corrientes River Case

A two-fold process influenced social mobilization of the people in Block 1AB. One is how and why international environmental and human rights organizations constructed representations of indigenous peoples and subsequently integrated them to the environmental movements and discourses. The other process is how the indigenous peoples in the Corrientes region have responded to, appropriated, or negated such processes, representations, and discourses. This interplay was crucial to building national and international alliances that had a key role in the local organization's capacity to mobilize, produce political power within indigenous groups, and influence the outcome of indigenous peoples' social mobilization in the Corrientes River case.

Indigenous peoples' collective identity with nature, territory, and tradition was a critical factor in developing specific actions against the oil industry in Block 1AB. Since the 1970s, indigenous peoples' political actions and processes of identity construction have been related to modern ecology, environmentalism, and conservation (Conklin, 1997; Conklin & Graham 1995; Ulloa, 2005; Varese, 1996). This identity often takes the

form of images and representations that invoke indigenous peoples as stewards of nature—eco-heroes who protect the environment. Such stereotypes are, for the most part, independent of indigenous peoples' traditional systems of knowledge and current political goals (Ulloa, 2005). At the same time, since identity is a process of self-differentiation, indigenous peoples also respond in relation to and sometimes opposition to the conferred identity as part of the power/knowledge relations that imply negotiations and conflicts. In the case analyzed in this thesis, with respect to indigenous peoples' relations with environmental and human rights groups (national and international), indigenous peoples participated in the interplay of reconstructing differences as a strategy that challenges their social locations. The participation of indigenous communities in Block 1AB with environmental groups helped define a collective identity that enabled their political actions and interactions with multiple agents, especially at the international level. The indigenous peoples' understanding of their own collective identity as a result of historical and contemporary social, political, economic, and cultural dynamics is far from any stable or unitary holism presupposed by Western discourses of primitivism (Ulloa). The “native” defending the “environment” is not only a stereotype, but also a useful and effective means of indigenous self-representation in non-indigenous arenas. This has allowed indigenous peoples to construct flexible political strategies articulated to ecological practices in a manner that promotes respect for their ethnic identity and enables them to respond to the ever-changing political relationships of culture and territory. In the latter half of the 20th century when global industrialization and the environmental movement emerged, indigenous peoples' claims increasingly focused on

the political autonomy they need to control and manage the natural resources in their territories. This change occurred in large part due to the new economic value of nature in a global economic and political order that again challenged their cultures, identities, and claims to local political sovereignty. Since the 1990s, their political claims have focused on environmental interests, thereby influencing and changing their own ideas of nature, territory, autonomy, and identity (Ulloa). Social movements such as the indigenous mobilization in Block 1AB are not isolated. The Huaorani in Ecuador, the Ogoni in Nigeria, and other indigenous peoples mobilizing where there are cultural and political conflicts with extractive industries, are contributing to the creation of new solidarity networks resulting in extra-local power bases.

Cultural Politics in the Context of the Corrientes Case

Wickstrom (2001) defines “cultural politics” as “the promotion of indigenous values, beliefs, knowledge, ecological practices, and socioeconomic organization in development, the responses such promotion elicits from existing political systems and the conflicts that then ensue” (p. 16). Alvarez, Dagnino, and Escobar (1998) argue that identity construction and cultural politics allow indigenous peoples to propose new ways of doing politics, and influence the dominant political culture:

The process enacted when sets of social actors, shaped by and embodying different cultural meanings and practices, come into conflict with each other. This definition of cultural politics assumes that meanings and practices—particularly those theorized as marginal, oppositional, minority, residual, emergent, alternative, dissident, and the like, all of them conceived in relation to a given dominant cultural order—can be the source of processes that must be accepted as political. (Alvarez, Dagnino, & Escobar, 1998, p. 7)

From this perspective, the indigenous peoples in Block 1AB are contesting their marginal position through political actions; they aim to be recognized such, as is stated in the Peruvian Achuar website:

The objective is that the Achuar people be recognized at the national and international levels. We want to spread knowledge about our culture, traditions, and way of life. (from <http://www.achuarperu.org/es/index.htm>)

The indigenous peoples in Block 1AB are primarily demanding recognition of their collective rights to health and citizenship. They demand respect for their territories, way of life, and cultural differences based on the recognition of their differences as peoples (Rappaport & Dover, 1996).

Brief Historical Background of Conflicts Between Amazon Indigenous Groups and Extractive Industries

The Amazon is a vast territory of almost 3.7 million square miles (6 million square km) shared by Brazil, Peru, Bolivia, Colombia, Ecuador, Venezuela, Suriname, and the Guyanas (Encyclopedia Britannica, 2008). Peru has the second largest area of Amazon forests, after Brazil. Today, the Peruvian Amazon occupies 60% of the country's national territory, with roughly 783,000 km², from the eastern slopes of the Andes *selva alta* (high rainforest) to the *selva baja* (low rainforest), less than 800 meters above sea level. Because of its varying altitudes, the Peruvian Amazon is marked by exceptional biological diversity. Currently, 20% of this vast territory is under some form of natural protected area (ANP—*Area Natural Protegida*) status, with nearly 11 million hectares

corresponding to titled native communities, and 2.8 million hectares of territorial reserves for indigenous people in voluntary isolation.

The Peruvian Amazon has a population of more than 300,000 indigenous peoples belonging to 56 ethnic groups and 17 linguistic families (Common Good Institute – IBC). Map 4 shows the location of Amazonian indigenous communities, oil and natural gas concessions in Peru. Despite the size and biodiversity of the Peruvian Amazon, and the existence of roughly 60 indigenous federations, these groups, until recently, have been relatively insignificant and invisible on the “national” level. Influences in the contemporary Amazon movement stretch back to the mid-century, and range from missionary organizations and international aid to foreign researchers and international non-governmental organizations.

Among the first documented cases of conflicts for resources between indigenous and non-indigenous peoples in the Peruvian Amazon are those from the rubber era in the late 1800s and early 1900s. Roger Casement’s Putumayo reports, submitted to the British Foreign Service in 1913, described a series of atrocities against indigenous peoples working on and living near rubber plantations. Casement was sent to the Putumayo due to the public outcry aroused in 1909 by a series of articles published in the London magazine, *Truth*, depicting the brutalities of the Peruvian Amazon Company, known as *Casa Arana*, a rubber company located in Putumayo. There are reported accounts of tortures, slavery, and deaths among the Huitoto and Ocarina people in the rubber latex field owned by Julio Cesar Arana. These are called the “Putumayo crimes” (Taussig, 1987). Arana and other rubber companies along the Putumayo claimed to be the first to

“conquer” (as the common phrase had it) the Putumayo. These *conquistadores* had been establishing themselves along the rivers with their *derechos de conquistar*—their rights to conquest (Taussig).

The first references of oil exploration in the Peruvian Amazon are in 1911 when J. A. Douglas, a British geologist, explored the territory of the Arasaeri indigenous groups in Inambari, Puno, in southeast Peru. Later, Douglas explored the central Amazon territories of the Ashaninka people of the Perené valley. These first references did not mention the existence of indigenous territories; they were reported as empty lands (La Torre, 2004). The first commercial oil deposit was in 1929 in the Shipibo territory, near the Pachitea river, and started operations nine years later by the Ganzo Azul company. The Shipibo people had to relocate from the nearby areas to the oil operations. For several decades, the inhospitable natural conditions made it difficult for oil companies to continue explorations in the Amazon, despite a legal framework adopted in 1952 called the Petroleum Act No. 11780 (*Ley de Petróleo*) under President Manuel Odria. This Act facilitated oil concessions on 16 million hectares with mixed results—not oil explorations were successful. In 1959, Fernando Belaunde (an aspiring politician at that time, who later became President of Peru for two terms, 1963–68 and 1980–85) wrote a book entitled “*Peru's Own Conquest*,” in which he argued that the solution to Peru’s pressing social and economic problems lay in the vast Amazon region (Smith, 1982). The aforementioned discoveries of vast amounts of very profitable resources, legal developments, and writings were designed according to a center/periphery dialectic found in Colonial America, where the indigenous peoples were ignored, not considered

beneficiaries of the profit accumulations of the center. This model was conceived to enhance capital accumulation of the groups in power in Lima, which ultimately aimed to consolidate their political and social control over the periphery (Smith). The positions of these governments regarding development must be understood in the historical context of modern colonialism.

CHAPTER III
SOCIAL MOBILIZATION IN THE
CORRIENTES RIVER CASE

**History of the Conflict: Occidental Petroleum
Corporation of Peru and Pluspetrol Norte S.A.
1970s–October 22, 2006**

Since the mid-1900s, the Amazon has been considered a region with high potential for oil and gas production. In February 1969, the military government of President Juan Velasco passed Law 17440 declaring oil exploration for “national interest.” Oil production, mining, and public services were expropriated from foreign private companies. Oil activities were controlled by the state-owned company PetroPeru, which included contracts with multinational oil corporations. On June 22, 1971, one of the largest U.S. oil and gas companies, Occidental Petroleum Corporation of Peru (Oxy) signed an agreement with the Peruvian government, and in 1972 drilled the first exploratory well, named Capahuari Norte 1-X, considered today the location of the first oil found in the Achuar, Quechua, and Urarina territories. Today the oil concession area is known as Block 1AB (497,027 hectares) operated by Oxy from 1972-2000. The state-owned oil company Petroperu operated Block 8 (182,348 hectares), and 8X (697,254 hectares), also located in the basins of the Corrientes, Pastaza, and Tigre rivers, in the

provinces of Loreto and Alto Amazonas in the Department of Loreto (La Torre, 1998). This study will focus on the oil operations in Block 1AB. Commercial production of crude oil in Block 1AB started in 1975. Oil was transported on small boats to the city of Iquitos, then to the village of San Jose de Saramuro, and from there by boat to Manaus in Brazil. In 1978, Oxy started to deliver the crude oil to the state-owned oil company, Petroperu, in the gathering station in Andoas del Ramal Norte through a pipeline connected to a pumping station along the North-Peruvian Oil Pipeline (*Oleoducto Norperuano*), which brought the crude to the oil refinery of Bayovar on the north Pacific coast (Orta, 2007). Occidental Petroleum Corporation S.A. (Oxy) received the concession in 1996 after its privatization, and in May 2000 the Argentinean company, Pluspetrol, acquired the all the rights to the concession.

Oxy drilled approximately 230 oil wells in Block 1AB since the discovery of camp Capahuari Norte in 1972 until 2000, when Pluspetrol Corporation S.A acquired the concession (Oxy, 1999). Oxy also built a network of 484 km of roads for its own use and installed an 856 km long oil pipeline (*Oleoducto Nor Peruano*) with a cost of \$ 1 billion. Facilities included a main campsite, a crude oil collection station in Andoas, nine production camps, oil transport pipelines, a small airport, helipads, and refineries (Earthrights, 2007).

Oxy undertook intensive activities in the Corrientes in Block 1AB. In 1979, Block 1AB was the largest oil producer in Peru, with 109,000 barrels of crude oil per day. Environmental guidelines for the oil industry were almost non-existent in Peru when operations started in the mid 1970s. Therefore, Oxy had no legal obligation to control the

contamination caused by toxic effluents such as produced water³, drilling muds, hazardous wastes from equipment and other maintenance, solid domestic wastes, crude oil spills, air pollution from petroleum storage tanks, gas venting, gas flaring, and energy generators, among others. In 1984, the National Office for the Assessment of Natural Resources (ONERN) declared Block 1AB “the most environmentally damaged region in Peru.”

The General Directorate of Environmental Affairs of the Ministry of Energy and Mines (DGAA) reported on the contamination of rivers and sediments in Block 1AB and described the extensive spread of contamination, which contained heavy metals, hydrocarbons, and chlorides. The agency further detailed air pollution as well as various other environmental and social impacts.

In 1996 one of the communities of the Pastaza, *Alianza Capahuari*, sent a letter to President Alberto Fujimori that described the serious health problems and contamination caused by the discharge of toxic effluents by Oxy. The Commission on Ecology and the Amazon of the Peruvian Congress requested the Ministry of Energy and Mines to comment on the matter. The Ministry responded that the water samples from the freshwater sources were within the national water quality standards.

Numerous meetings and key events between the Achuar leaders and the authorities took place between early 2004 and October 2006, as summarized in Table 1.

³ Produced water is water trapped in underground formations that is brought to the surface along with oil or gas. It is by far the largest volume byproduct or waste stream associated with oil and gas production. The physical and chemical properties of produced water vary considerably, but include oil and grease, salt, high temperature, heavy metals. Most produced waters are more saline than seawater. They may also include chemical additives used in drilling and producing operations and in the oil/water separation process. Metals typically found in produced waters include zinc, lead, manganese, iron, and barium. Metals concentrations in produced water are often higher than those in seawater.

Table 1

Summary of Key Events Related to the Corrientes Case: February 2004–October 2006

Date	Event
February 2004	Representatives of indigenous federations went to Lima to denounce health and environmental problems and propose solutions. Met with Congressional representatives, the Ombudsman Office, and the media.
2004	Release of the documentary “Death in Sion,” about the contamination and its effects in the Corrientes area. Obtained Honor Mention in the VII Festival of Indigenous Peoples (Chile 2004) and was part of the Official Selection of the Anaconda Prize 2004.
October 2004	Denouncement filed with the Commission of Amazonian, Indigenous, and Afro-Peruvian Affairs of the Peruvian Congress. Representatives of the affected indigenous peoples, Occidental Petroleum Corporation S.A., and Pluspetrol were invited to participate in a session of the commission.
January 2005	Members of the community protested against Pluspetrol for the lack of compliance with the agreements. A high-ranking official signed an agreement with the community to comply with the agreement. Five months later the oil company continued not to comply with the agreement. The community took over the road for 3 days.
May 2005	The regional office of the Environmental Health Office of the Ministry of Health carried out water sampling.
May 2005	The Achuar, Quechua, and Urarina people of the Corrientes met with the health authorities in the area, prepared a memorial, and demanded urgent action by the state to cleanup the contamination. Official recognition of 75 areas contaminated by oil activities in Block 1AB.
June–July 2005	Inspection of Blocks 1AB and 8 by a congressional commission. Water sampling. Meetings with representatives of Pluspetrol and the Ministry of Health took place in order to analyze biological (human), water, sediment, and soil samples. The results were given to the communities 11 months later (May 2006). They revealed that 66.21% of blood samples from children under 18 years old exceeded the Centers for Disease Control level of concern value of 10 µg/dl. 98.65% of them had cadmium blood levels above the limit value (<0.1 µg/dl). 79.2% of blood samples from adults tested exceeded the limit value for lead. 99.2% of blood samples from adults showed cadmium levels above what is found in tobacco smokers (although this is not a habit in the area). 64.8% of blood samples from adults exceeded the biological tolerance level for cadmium.
November 2005	Given the lack of compliance and results, a general assembly of communities of the Corrientes basin members of FECONACO demanded the closure of oil activities. This was the first time the local people expressed total opposition to oil activities and demanded to stop them.
January–February 2006	Armed Achuar members took over Pluspetrol’s airports in Blocks 8 and 1AB demanding attention to their claims.
June 2006	Given the results of the health reports, the regional branch of AIDSESEP in Iquitos, ORAI, demanded to stop oil activities in the region of Loreto. The regional government of Loreto drafted a plan to address the environmental contamination and health effects on the indigenous community of the Corrientes River.
July 2006	The results of the health assessment by the Ministry of Health caught the attention of the national and international media. The regional health authorities created a plan to address the health and environmental problems, and also created water quality surveillance and control plan in the Corrientes area.

Table 1 (continued)

Date	Event
August–Sept 2006	Results were released from the first samples taken under the water quality surveillance and control plan. The results confirmed negative impacts on freshwater resources by oil activities. Meetings occurred with representatives of the Achuar communities and the Ministry of Health.
October 2006	More than 300 Achuar took over oil campsites Jibarito, Huayuri, and Dorissa for 13 days; 40 workers were detained. The Achuar, Pluspetrol, and governmental authorities signed an agreement that states that Pluspetrol comply with a comprehensive list of demands made by the local people. The 9-point agreement is described below and a copy is in Appendix A.

Source: (Orta, 2008)

The indigenous communities in the Corrientes, which did not see any tangible changes in years of meetings, agreements, commitments, and promises from Pluspetrol Norte S.A. and the government, pressured leaders of FECONACO and AIDSESEP. On October 4, 2006, after the government officials failed to show up at a meeting with indigenous leaders to discuss solutions to the health problems in their communities, 30 Achuar traditional authorities from FECONACO called for immediate re-injection of produced water and a meeting with the Peruvian government and Pluspetrol. “The Achuar people have stood up,” the indigenous leaders said, “and we have said calmly but firmly: Enough, we ourselves are going to stop pollution in our communities” (Amazon Watch, 2006). Four days later, the Achuar took over the oil wells of Block 1AB and blocked road traffic to the site. Conflicting media reports surfaced about the occupation, blaming the Achuar for violence and hostage taking, which the Achuar denied. One report of 40 hostages taken turned out to be oil workers who could not leave the area because of the road blockade. The Peruvian government sent in 150 troops, but the Achuar refused to leave Pluspetrol’s facilities, and the troops left the area. On October 15, the Achuar leaders sent a proposal to the government requesting to re-inject produced

waters in the future; create new decision-making mechanisms and schedules; provide health care, temporary nutritional support, and safe drinking water; and remediate the environmental damages (FECONACO, 2006). On October 19, the Minister of Energy and Mines, Juan Valdivia, issued a warning that a shortage of oil could occur with “grave consequences for the region and for the Amazon in general” if the Achuar continued their occupation. Crude oil from Block 1AB accounted for 50% of the total national oil production. On October 21, a delegation of authorities including representatives of the Ombudsman office, Ministry of Health, the Ministry of Energy and Mines (MINEM), and journalists met with the Achuar leaders in Pluspetrol’s facilities in the Corrientes.

On October 22, 2006, representatives of FECONACO, Pluspetrol, AIDSESEP, MINEM, the Ministry of Health, and the Ombudsman office signed an agreement that included commitments to:

- Re-inject 100% of the produced waters in concession “1AB” by December 2007 (Pluspetrol had originally committed to re-injecting 15% by 2010);
- Re-inject produced waters in the neighboring Block 8 by July 2008 or compensate the communities if not done by the deadline;
- Start the implementation of an Integrated Health Plan conducted by the Ministry of Health during the year 2006, with a budget of over \$ 10 million paid by Pluspetrol;
- Build and supply a rural Hospital in Villa Trompeteros, the capital of the Trompeteros district, in the Department of Loreto, with the support of the

Ministry of Health, and the Regional Government of Loreto, financed by Pluspetrol;

- Supply 1 year of emergency food for affected communities given that the river fish and game were highly contaminated; and
- FECONACO would implement a community-based environmental monitoring program. Pluspetrol would create a fund to cover the costs. Information obtained from the environmental monitoring would be readily available to community members and FECONACO (Appendix A).

The Achuar called off the blockade, which had closed down the rainforest oil facility and shut down 50% of Peru's oil production. FECONACO stated that the media distorted the events portraying the blockade as violent (FECONACO, 2006): "We have achieved 98% of our demands, and won recognition of our rights," said Andres Sandi, President of FECONACO, the representative organization of the Achuar people of the Corrientes River. "This victory is the result of the strength of our people who came together and pressured hard and would not abandon our demands."

Another indigenous organization in the region, the Federation of Indigenous Peoples of the Low Corrientes River (FEPIBAC), rejected the occupation of the oil company's facilities by FECONACO, saying they welcomed oil, wood, and mining exploitation as good economic opportunities for the indigenous peoples, but that they wanted more control over the process (Indiancountry, 2006). Javier Echeverria, legal advisor for AIDSESEP, and FECONACO claim FEPIBAC, and its supporting national indigenous organization Confederation of Amazonian Nations (CONAP), are funded by

oil companies to create dissension within Amazonian peoples affected by oil drilling (Garrigues, 2006).

Factors That Influenced Indigenous Peoples'

Organization in the Corrientes River Case

This section describes national and international influences on indigenous peoples' mobilization in the Corrientes River case. Given the lack of systematic and continuous registries of events by the communities in the Corrientes River basin, and their representatives, this description is based on accounts of facts described by Orta (2007), La Torre (1998), AIDSESEP, FECONACO's public statements, and my participation as technical advisor to the non-profit organization Racimos de Ungurahui from the mid 1990s until late 2006. First, I describe background related to Amazonian indigenous organizations in Peru; actions by or concerning indigenous peoples that led to the mobilization of natives in Block 1AB; and actions by or concerning non-indigenous actors that led to the agreement between FECONACO, the Peruvian authorities, and Pluspetrol in 2006. These relations are closely intertwined; they are described separately in order to facilitate examination. This is not an exhaustive analysis of all the actions and combinations. Rather, I focus on the key factors and their influence on indigenous people's mobilization and signing the agreement of October 22, 2006.

Early Organizing of the Indigenous Groups in the Corrientes River Basin

It is important to understand the difficulties that Amazonian indigenous peoples living in Peru face to get organized and to coordinate any mobilization. The roughly 300,000 indigenous peoples in the Peruvian Amazon (IBC, AIDSESP) are among the poorest and least served by the Peruvian government. Charts on poverty of Amazonian indigenous peoples produced by the National Institute of Statistics (INEI) have only three categories: misery, extreme poverty, and poverty (1995). The most populated category is that of extreme poverty, according to INEI's poverty indicators based on access to health, sanitation, education, and income to cover basic food costs. Thirty-two out of the 56 Amazon ethnic groups are classified as living in misery and extreme poverty (INEI). This is important to consider in order to realize the difficulties they have in obtaining an identity document, carrying out a transaction at any public office, traveling for several days to the closest town to the public registrar's office, or doing any simple paperwork considered easy by any other citizen. Such efforts require major effort and costs for a citizen living in the middle of the forest. In addition, other significant barriers exist:

- Most of indigenous community members speak only their native language, and have limited capacity to express themselves in Spanish.
- Many of these citizens have not had access to formal education.
- There are conflicts at the local level among several actors over the management and control of natural resources.

- They have to interact with regional and national authorities and multinational corporations about concepts, terms, and matters with which they are unfamiliar.

Bebbington and Scurrah (2008) note that Amazonian indigenous organizations gained force with a national scope. AIDSESEP was founded in 1979, soon after some problems with organizational capacity and internal conflicts since 1992 weakened it temporarily. AIDSESEP went through a deep crisis that led to the creation of another organization, CONAP. Contrary to the common perception in the Western imaginary, not all Amazonian indigenous people are opposed to modernization. In this case in particular, CONAP is closer to the concepts of modernization and development of an urban dweller than imagined. In contrast, AIDSESEP prioritizes a distinctively different form of development that is more critical and reactive toward extractive industries, while CONAP leaders not only support, for example, oil development, but also would even travel with the state-owned oil company Perupetro S.A. around the world stating that they are partners and support their work. In the late 1990s, Amazonian indigenous organizations in Peru became more active, although there has always been a lingering question about the term “indigenous” and who identifies with it. Many Andeans do not consider themselves indigenous; it is a term still used more commonly when referring Amazonian indigenous peoples. Throughout history, attitudes toward land have differentiated and distanced Peruvian Amazonian and Andean peoples. Even some Amazonian indigenous leaders have stated that Andeans prefer dividing the land into agricultural parcels while Amazonian indigenous peoples prefer collective land use. In any case, Bebbington and Scurrah believe that, while Andean people defend their land as family and community

managed, Amazonian people defend their land in broader terms, as an integrated part of their ethnic group. These factors are useful in understanding the complexity of problems that native peoples face in the context of organization and mobilization (Soria, 2002).

The military government of General Juan Velasco enacted the Native Communities Act (*Ley de Comunidades Nativas No. 20653*) on June 18, 1974. This was the first law to acknowledge land ownership and territorial rights for all indigenous peoples in the Peruvian Amazon, and started a process of land titling for some communities. The most important of the law's 19 articles pertaining to indigenous communities are Article 7, which defines native communities, and Article 9, which defines the new social unit called "Native Community," which stipulates membership (described below). One important nuance is that the law uses the term "indigenous" for Amazonian indigenous peoples.

Article 7: "Native Communities have origin in the tribal groups of the rainforest and high rainforest whose members are families sharing the following elements: language or dialect, cultural and social characteristics, collective use, and permanent residence in the same territory either as nomadic or sedentary."

Article 8: "Members of Native Communities are people born within and those incorporated to them as long as they comply with the Native Communities' Statute. A person can lose the status of community member if he/she resides outside of the territory for twelve consecutive months. Exceptions are cases where members are absent due to: proven studies or health reasons, relocation to another native community and members in military service."

Articles 3 to 6 of the aforementioned law guarantee the integrity of native community territory and the government mandate to issue a land title to each legally recognized community for its communally held lands. In 1978, the government replaced Law 20653 with Law 21175 to facilitate granting of large land and forest concessions in the Amazon to private investors (Smith, 1982) regardless of the native communities' property rights.

Before the Native Communities Act, Amazonian indigenous peoples were organized within their communities and basins. The Ashaninka, Amuesha, and Aguaruna of Alto Marañón in the Central Amazon created the first indigenous federations in the late 1960s and early 1970s. The first national Amazonian indigenous organization, the National Coordinator of Amazonian Native Communities of Peru (COCONASEP), emerged in 1979, and in 1980 changed its name to AIDSESEP. This national organization was formed as a result of the legal requirements stipulated under the Native Communities Act, especially to enforce Article 6, which requires that the government legally recognize indigenous communities. In 1979, the military government of Francisco Morales Bermudez called for elections of a Constitutional Assembly that, by rewriting the nation's Constitution, would establish the basis for a return to civilian government. The new document granted legal recognition to the native communities of the Peruvian Amazon and declared their lands inalienable, unless a two-thirds majority of any community agreed to dissolve their communal land holdings. This was perceived as a double-edged sword because there were constitutional grounds for dissolving the

communal land base of any indigenous community, which could have occurred by unscrupulous interests (Smith, 1982).

The creation of legally recognized indigenous organizations emerged at the same time as intense deterioration caused by the discharge of toxic effluents into rivers, open disposal of solid wastes, and oil spills were being documented by the government and international organizations. The emergence of “environmental awareness,” especially in the northern hemisphere, aimed at protection of biodiversity, influenced global perceptions of the Amazon as an idyllic, “untouched” paradise inhabited by indigenous peoples living in harmony with nature. As mentioned, the social and political context in the early 1970s was also favorable to the creation of indigenous organizations. Social rights movements around the world, the Universal Declaration of Human Rights, and the emergence of the environmental movement contributed as external influences on the formation of indigenous federations.

The influence of national and international policies aiming to guarantee the protection of human rights, indigenous peoples, and natural resources is reflected, for example, in AIDSESEP’s organizational objectives:

- 1) Represent current and historical interests of all the Amazon’s indigenous peoples.
- 2) Guarantee the conservation and development of cultural identity, territory, and values of each one of the Amazon’s indigenous peoples.
- 3) Make it possible for indigenous peoples to exercise self-determination within national and international legal frameworks.

- 4) Promote human development in a manner that is sustainable for indigenous peoples. (Retrieved from: <http://www.aidesep.org.pe/>)

AIDSESEP is recognized as the largest national indigenous organization, representing 1,340 communities from 48 federations and organizations of 64 indigenous groups from the Peruvian Amazon.

The indigenous people in Block 1AB from the three basins (the Corrientes, Pastaza, and Tigre rivers), started to organize in the early 1990s with the creation of three organizations: the Federation of Natives of the Tigre River (FECONAT), the Federation of the Quechua Indigenous of the Pastaza River (FEDIQUEP), and FECONACO. The Achuar, Quechua, and Urarina communities in Block 1AB are represented by FECONACO, which was created during a General Assembly in the native community of Pampa Hermosa on June 10, 1991. It represents 30 native communities of the Quechua, Urarina, and Achuar groups of the Corrientes River basin, from the district of Trompeteros in Loreto. The organization's objectives are "To defend indigenous peoples' rights, promote the defense of indigenous culture and values, and the development of its people." (Retrieved from <http://www.achuarperu.org/es/10organizacion/FECONACO.html>)

In 2000, the Achuar decided to create a national organization, FENAP, formed by the local Achuar federations Achuar Together (ATI) and the Chayat Achuar Organization (ORACH), which coordinates with its equivalent in Ecuador, the Achuar Nations of Ecuador (NAE).

The Achuar population perceived Oxy and Pluspetrol to be oil corporations that to some extent act like the State, but which is not authorized by their communities to be present in the area. This relationship subordinated indigenous inhabitants because the oil company provided transportation, health care, and support for small specific needs, such as power generators, education materials and the like. This kind of relationship strongly influenced the initiatives undertaken by the Achuar people that created their own federations demanding their rights. Oxy's response (Oxy operated the oil concession in Block 1AB from the 1970s–2000) to the creation of indigenous federations was to reduce the emergency health services it provided, including support for air transportation for those who were seriously ill.

In 1996, a local resident, Fabriciano Sangama Napuchi (who later became Mayor of Trompeteros), filed a complaint with the National Prosecutor against Oxy and the state-owned oil company, Petroperu, for contamination of the Corrientes River. At the same time, FECONACO requested the formation of a special commission, formed by a representative of the Ombudsman office, the National Congress, International Labor Organization (ILO), AIDSESEP, and FECONACO, to carry out an environmental audit and an assessment of the contamination of the Corrientes River. Simultaneously, FECONAT tried without success to file claims against Oxy, and to persuade government authorities to declare the Tigre River in a state of emergency. FEDIQUEP filed the same claims on behalf of affected people in the Pastaza River basin.

The communities living in Pastaza basin, in the town of Alianza Capahuari, filed a petition to President Alberto Fujimori describing the serious health conditions of the

people and the contamination caused by the company's discharge of toxic waters. The Commission of Environment, Ecology, and Amazon of the Congress requested that the Ministry of Energy and Mines comment on the situation. The Ministry's response stated that the results of water samples from the river complied with the national water quality standards. These samples were taken and analyzed by Oxy as part of periodic reporting that oil companies submit to MINEM.

During 2002 and 2003, the Achuar leaders held meetings with high-ranking officials of Pluspetrol, the Ministry of Energy and Mines, members of Congress, and the First Lady (Eliane Karp), among others. They resulted in the company granting minor compensation to the affected communities. Moreover, the state did not pay much attention to Achuar demands.

Evidence of Contamination and Effects on the Achuar Indigenous Peoples

Human health was the first concern that led the Achuar to demand that their citizen rights be recognized. In the 1990s, delegations of Achuar members travelled to Lima to tell the authorities and Amazon indigenous organizations that the water they were drinking was causing disease and death, mainly among the Achuar people living along the Corrientes River basin. There are no documented records of the incidence of diseases related to environmental contamination in the area. I have met with Achuar leaders in Lima on various occasions since the mid 1990s, when they described the rivers, soil, and streams contaminated with produced water, oil, and industrial wastes from the

operations. These pollutants, either individually or collectively, when present in high concentrations, can present a threat to aquatic life (a major source of protein consumed by the local people) when they are discharged, or to people who drink water from the rivers and have direct contact when swimming. Depending on the physical and chemical properties and the nature of exposure, produced water can have serious health effects, such as heavy metal poisoning, cancer, and skin diseases, as well as liver, kidney, and digestive problems. As the amount of produced water increases, the amount of produced water constituents entering the water increase, even assuming concentration discharge limits are met.

Produced water comprises approximately 98% of the total volume of exploration and production waste generated by the oil and gas industry, and is the largest volume waste stream generated by the industry. The U.S. Department of Energy reported that oil wells could produce an average of more than 7.5 to 20 barrels of produced water for each barrel of crude oil (Veil et al., 2004).

FECONACO's demands for the intervention of public agencies such as the Ministry of Health's General Direction of Environmental Health (DIGESA), the Supervising Organism for Energy Investment (OSINERG, created in 1996), the Ombudsman Office, and MINEM brought controversial results. OSINERG and DIGESA's reports of 2004–2005 showed evidence of significant environmental contamination and high levels of lead and cadmium in the blood of indigenous peoples in the Corrientes, which supported the most important demand of the affected people. They also reported that the accumulated contamination and the discharge of toxic effluents

during Oxy's operations continued by Pluspetrol. Table 2 shows only some reports by authorities, the Oil Company, and private organizations of environmental and health assessments in Block 1AB.

Table 2

Reports with Assessments of Oil Contamination in Block 1AB

Document	Content	Source/authors/date
Report of oil spill	OSINERG Oil Spill Reports	OSINERG 98-2002
Assessments of contamination by private organizations	1. Social-environmental assessment 2002 2. Comments to Report 1429-2005 Assessment of physical – chemical monitoring of the Corrientes river by DIGESA April-May 2005	1. FECONACO, Racimos de Ungurahui, Labor, ELAW (2002) 2. Lu, Mercedes (2005) ELAW
Impact assessments by governmental agencies	1. Indigenous rights affected by oil industry in Chambira. Report No. 47 Urarina people 2. Diagnose of Oil Contamination in the Peruvian Amazon 3. Environmental Assessment of Block 1AB, 8 and 64. Discharge of produced water. Reply to official letter No. 0075-2004JDC/CR – Peruvian Congress. 4. Technical report of monitoring, surveillance, control and assessment of environmental assessments in the Tigre and Corrientes River basins 5. Report No. 1429-2005 Assessment of physical – chemical monitoring of the Corrientes river 6. Report No. 40432 Analysis of fish from the Corrientes and Tigre rivers 7. Recognition visit to the Corrientes river basin 8. Statistical analysis of morbidity causes in external medical consultations District of Trompeteros, Province and Department of Loreto	1. Ombudsman (2000) 2. Gomez, Rosario - IIAP (1995) 3. OSINERG (2004) 4. Regional government of Loreto. 5. DIGESA April-May 2005 6. IIAP (1983) 7. DIGESA (2005) 8. Alcantara, C. (2005) National Office of Statistics and Informatics
Sanctions against Pluspetrol Norte	1. Resolution No. 396-2005-GG 2. Resolution No. 224-2005-GG	1. OSINERG (2005) 2. OSINERG (2005)
Environmental Management Plans	Complementary Environmental management Plan, Block 1AB	Pluspetrol Norte S.A. and Seacrest Group Peru (2004)

Source: Racimos de Ungurahui (2005)

Numerous studies of health and environmental issues have been done to assess the contamination caused by Oxy, and Pluspetrol Norte S.A. in Block 1AB. Some of them by OSINERG, E-Tech, Martí Orta, Grupo de Trabajo Racimos de Ungurahui, FECONACO, the Research Institute of the Peruvian Amazon (IIAP), and other national and international organizations. For many years, health has been the core of FECONACO's claims, and in second place, whether or not the contamination from Oxy and later Pluspetrol is affecting the Achuar's health. Of all the environmental and health assessments, there are two reports that had key roles in FECONACO's mobilization: OSINERG's report of 2004 in response to the Peruvian Congress request to conduct an assessment in Block 1AB (whose conclusions were described above); and DIGESA's report of 2006, with the results of water from the Corrientes river and biological samples of the local people. DIGESA (2006) concludes that 3 out of 17 water samples contained chloride concentrations over a reference value taken from an Ecuadorian Technical Environmental Regulation (250 mg/l). Of five sediment samples, all showed concentration of total petroleum hydrocarbons between 370 and 1,560 mg/kg (which contains benzene carcinogenic substance, according to The International Agency for Research on Cancer (U.S. Agency for Toxic Substances and Disease Registry–ATSDR, 1999). Lead levels in sediments were of 18-24 mg/kg. These results were considered informative by DIGESA since there is no limit for these substances established in Peruvian law (Orta, 2007).

The same study presents the results of 74 blood samples taken from children age 2 to 17 in six native communities and in Villa Trompeteros, the District capital, in 2005

(Table 3). The CDC level of concern of 10 micrograms per deciliter ($\mu\text{g}/\text{dL}$) of lead in blood for children was exceeded in 66.21% of the samples. In the same study, of 125 adult (age 18–60 years) blood samples, 79.20% had levels of 10-19.9 micrograms per deciliter of lead in blood (DIGESA, 2006, Orta, 2007). All fall below 20 micrograms of lead per deciliter of blood, the absorption limit for people not occupationally exposed to lead, according to the American Conference of Governmental Industrial Hygienists (ACGIH). USAID indicates that no safe blood lead level is known and that even levels of less than 10 micrograms per deciliter have adverse effects on children. In adults, high blood lead levels are related to hypertension and cardiovascular disease. Lead can be carried from maternal to fetal circulation through the placenta, exposing the fetus to lead, and even at maternal blood levels of less than 10 micrograms per deciliter, fetal brain development is adversely affected (USAID, 2005, Orta, 2007). Children exposed to lead may develop brain function damage. Even at low levels of exposure, lead can affect a child's mental and physical growth. Exposure to lead is more dangerous for young and unborn children. Harmful effects include premature births, smaller babies, decreased mental ability in the infant, learning difficulties, and reduced growth in young children (ATSDR, 2007).

Blood samples in this study were also tested for cadmium (Table 4), which led to the finding that 98.65% of 2- to 17-year-olds exceeded acceptable limits for people not occupationally exposed (less than 0.1 micrograms of cadmium per deciliter of blood). Also classified at risk were 37.84% of those youths, with 0.21-0.5 micrograms per deciliter. Of the adult samples, 99.20% were over established permissible limits

Table 3

Results of Analysis of Lead in Blood by DIGESA (2006)

Concentration of lead in micrograms per deciliter	Age 0-17 years		Age 18-60 years	
	Number of samples	Percentage	Number of samples	Percentage
Less than 10	25	33.78	26	20.80
10-19.9	39	52.70	99	79.20
20-44.9	10	13.51	0	0
45-69.9	0	0	0	0
More than 70	0	0	0	0
Total	74	100.00	125	100.00

Note: U.S. Centers for Disease Control (CDC) considers a blood lead level of 10 micrograms per deciliter ($\mu\text{g}/\text{dL}$) as level of concern for children (ATSDR, 2007).

(DIGESA, 2006, Orta 2007). Both lead and cadmium are considered to be among the six most toxic metals for humans (Spadaro & Rabl, 2004).

Table 4

Results of Analysis of Cadmium in Blood by DIGESA (2006)

Concentration of cadmium in micrograms per deciliter	Age 0-17 years		Age 18-60 years	
	Number of samples	Percentage	Number of samples	Percentage
Less than 0.10	1	1.35	1	0.80
0.11-0.20	1	1.35	2	1.60
0.21-0.50	28	37.84	37	29.60
More than 0.50	44	59.46	85	68.00
Total	74	100.00	125	100.00

Note: Acceptable blood cadmium levels according to the ACGIH are 0.1 micrograms per deciliter (Orta 2007).

IIAP reported in 1995 that the analysis of fish tissue taken from rivers and lakes in Block 1AB was contaminated with lead, cadmium, mercury (bioaccumulative toxic elements, meaning the increase in the concentration of a substance, especially a contaminant, in an organism or in the food chain over time). IIAP also reported high levels of chlorides in fish tissue, affecting fish behavior and nutrition state. Therefore, people in Block 1AB are exposed to hazardous substances not only when they consume and are in contact with soil and water, but also when they eat fish, an important source of protein. Long-term exposure to lower levels of cadmium in food or water leads to an accumulation of this element in the kidneys, and possible kidney disease. Other long-term effects are lung damage and fragile bones. The U.S. Department of Health and Human Services (DHHS) has determined that cadmium and cadmium compounds are known human carcinogens (ATSDR, 2008).

Other documented practices reported by Orta (2007) that are not related to waste management, but with clear negative health consequences for the local indigenous populations, are the demand for prostitution in communities and sexual abuse of Achuar women, with additional potential for the transmission of sexually transmitted diseases. Amazonian indigenous peoples' immune system is not prepared for diseases they have not encountered before. In addition, alterations caused to the natural drainage system also create conditions for the proliferation of the *Anopheles* sp. mosquito vector of malaria, a significant health problem along the Corrientes. The health situation of the Achuar communities is further aggravated because there are no health services readily available in the area (Orta). The absence of health care services and a public authority in this

remote area of the rainforest means that people are left on their own to treat diseases with what they have on hand.

Health authorities' inaction has been in evidence for some time. For example, even after completing the blood tests that showed alarmingly high blood and cadmium levels, the Ministry of Health did not take any action. Moreover, nearly a year passed from the time the samples were collected, in June 2005, until their publication and delivery to the communities in May 2006. Even achieving this apparently simple and ethical response required the presentation of notarized letters to the Minister of Health, Dr. Pilar Mazetti Soler (Orta, 2007). No health plan was designed or considered prior to the mobilization undertaken by the indigenous communities of the Corrientes River basin in October 2006.

Influence of Non-Indigenous Groups: National and International

Non-Governmental Organizations (NGOs)

New forms of collective actions emerged in Peru in the 1980s after over a decade of military government. Democratic elections in 1980 opened space for social mobilization, but also it was time of an unprecedented political violence and economic crisis. During the 1980s, some social movements emerged, such as feminist, human rights, regionalist, and environmental groups that started to spread throughout Peru. In the 1990s, environmental and indigenous organizations gained more legitimate space in Peru. New and stronger environmental organizations do not necessarily imply there is a solid "environmental movement" in Peru. Bebbington and Scurrah (2008) point out that

actually separate groups or “movements” that have in common the defense of some aspects of the environment coexist, but these organizations do not necessarily work together because they do not share the same identity or agenda. “Brown” environmentalists (a terminology used even among environmentalists) are concerned by environmental and human health consequences of industrialization and/or man-made pollution. “Green” or conservationist groups are focused on protecting biodiversity and nature without paying much attention to the people living in those spaces or to social-environmental conflicts (although in the last few years this group started to take small steps to include more social issues in their agenda). There is another mixed group of organizations concerned on social-environmental matters or the relationship between environment, rights, and social justice. Finally, there are two more varieties: the “blue” groups dedicated to environmental education and raising public awareness; and the “sentimentalists,” actively involved in campaigns such as those against bullfights and the use of animals in scientific research, among others. The broad diversity of emphasis evidently creates little cohesion among these groups (Bebbington and Scurrah).

Indigenous leaders of FECONACO and AIDSESEP began to get in contact with environmental organizations in the early and mid-1990s as a way to gain support, reach a larger audience, and get the attention of the authorities. The newly created environmental organizations (mainly the ones dedicated to social-environmental matters with more interest in environmental rights and justice) were also looking for work areas to gain influence and a legitimate space in environmental policy-making. The transition from an authoritarian military regime to a democratic government in the 1980–1990s also

coincided with the emergence of an international environmental movement and the adoption of global environmental principles. Changes in the state's structures were seen as an opportunity both for the indigenous and environmental organizations to influence the public opinion and to advocate for advancing environmental and indigenous rights. Organizations such as *Racimos de Ungurahui*, a non-profit organization founded in Lima in 1995 by lawyers and social and environmental scientists, is dedicated to supporting Amazonian indigenous people affected by extractive industries, institutional capacity-building, and land rights, and to provide free legal advice to Amazonian indigenous groups. This organization accompanied the indigenous organizations FECONACO, ATI, ORACH, FECONAT, FEDIQUEP and AIDSESEP throughout the mobilization process from the mid 1990s–2006 and had a key role building a support network of individuals and organizations at the national and international levels. Other national organizations involved were Shinai-Serjali (with interesting experiences developing ethno-cartography of the Achuar territories by the communities), Instituto del Bien Común, and TAFOS among others. Environmental organizations, indigenous rights groups, universities, and individuals from the U.S., Europe, and other countries in Latin America became more involved in the Corrientes case during the late 1990s and 2000s, contributing resources, support and information to FECONACO. These include:

- Organization of Indigenous People of the Amazon Basin (COICA)
- Confederation of Indigenous Nationalities of Ecuador (CONFENIAE)
- Amazon Watch
- The Peruvian office of the WWF

- E-Tech International
- The law firm Schonbrun, DeSimone, Seplow, Harris and Hoffman LLP
- Environmental Law Alliance Worldwide (ELAW)
- Rainforest Action Network
- Fundación Pachamama
- Earthrights International
- International Work Groups of Indigenous Affairs (IWGIA)
- Joan Martinez-Alier, and Martí Orta, Autonomous University of Barcelona, Spain.

Coordination with several national and international organizations was a very complex process that required significant effort and resources. Empowerment of the indigenous peoples living in Block 1AB was possible as a result of effective networking across local, national, and international scales. The alliance between FECONACO, AIDSESEP, and national environmental and human rights NGOs had three stages: First, the indigenous federations in the Corrientes basin had to organize themselves, bring their claims to Lima and have initial contacts with environmental NGOs and governmental agencies. In the mid-1990s leaders of the Corrientes basin called on their national representatives in Lima, AIDSESEP for guidance and support to communicate their claims to Oxy, and government authorities. Environmental and human rights groups based in Lima provided great support to FECONACO and AIDSESEP. They helped access the financial resources necessary to cover the expensive transportation costs of the community leaders from the Corrientes to Lima, provided advice to consolidate and

organize the local indigenous organizations, and make strategic international contacts. The NGOs brought the environmental component (conservation and environmental protection) public participation to the Corrientes case in the context of a demand to enforce indigenous rights. On the other hand, the NGOs received the benefit of gaining a legitimate space to participate in environmental policy-making and law enforcement. As Soria (2001) points out in his analysis about Amazonian indigenous peoples and oil industry, indigenous organizations gained political representation and benefited from their close alliance with non-profit organizations, professionals, and influential people.

The first reports and accounts of the health and environmental problems caused by the oil activities in Block 1AB were made public at the same time as the first environmental organizations were formed in Lima in the 1990s. The United Nations Conference on Environment and Development (UNCED), also known as the Earth Summit of 1992, produced the Rio Declaration on Environment and Development, which incorporated a series of principles defining the rights and responsibilities of the States, including principles of public participation. FECONACO and the environmental NGOs also demanded the enforcement of the International Labor Organization (ILO) Convention 169 that Peru ratified in 1993 (*Resolución Legislativa No. 26253*). ILO Convention No. 169 emphasizes the conceptual approach to indigenous and tribal peoples based on the respect for their specific identity and the rights such as:

Governments shall have the responsibility for developing, with the participation of the peoples concerned, coordinated and systematic action to protect the rights of these peoples and to guarantee respect for their integrity.

Ensure that members of these peoples benefit on an equal footing from the rights and opportunities, which national laws and regulations grant to other members of the population.

Indigenous and tribal peoples shall enjoy the full measure of human rights and fundamental freedoms without hindrance or discrimination. (ILO Convention 169, Articles 2 and 3)

This convention is based on two fundamental concepts: consultation and participation. Aside from the fact that the effective application of ILO Convention 169 is highly controversial,⁴ the indigenous federations and environmentalists used its principles and the provisions in the new environmental laws in the hydrocarbon sector (described later), and to demand immediate intervention of the authorities in the Corrientes basin.

A second stage resulted from building associations with international support groups. Information technology and the internet facilitated sharing information and strategies internationally in a fast, effective way. Internet started in Peru in the early 1990s, first as a very expensive service provided by the National Telecommunications Company (ENTEL Peru) to a handful of academic, research, and a few non-profit organizations. Since the mid-1990s, the *Red Científica Peruana*, a non-profit organization, began to provide internet service to a popular audience that included many environmental and indigenous organizations in Lima,⁵ which facilitated their communications and outreach of international groups.

⁴ The questions around the efficacy of indigenous rights are based on two arguments: First, these rights are not acknowledged by the Peruvian State despite international agreements being mandatory. Second, different interpretations of these principles made them difficult to be enforced according to the national law (Gamboa, 2006).

⁵ In 1996 the *Red Científica Peruana* and the Ashaninka indigenous group of the Central Amazon worked together to facilitate internet access to the Ashaninka indigenous leaders who wanted to build their capacity to interact with similar organizations in Panama, Brazil and other countries in the region. <http://interred.wordpress.com/2007/01/26/mino-eusebio-castro-uno-de-los-lideres-del-pueblo-ashanika-de-peru/>

Environmentalists, human rights advocates, FECONACO, and AIDSESEP were able to reach government authorities, raise public awareness, and create advocacy strategies. Together they participated in meetings held in the 1990 and 2000s with representatives of the Ministry of Energy and Mines, the Ministry of Health, Oxy, Plus Petrol Norte S.A., Congress representatives, the Public Prosecutor, and other government agencies asking to assess the contamination. The alliance between the indigenous federations, local NGOs (mostly “brown” environmentalists), and international groups helped indigenous leaders articulate a more persuasive rights-based language that made it more difficult for Congress representatives, the government agencies, and the oil company to dismiss FECONACO’s requests. FECONACO was able to gain skills to define a strategy using persuasive arguments, claim for law enforcement, and dialogue with the authorities instead of using a confrontational strategy more common as a fist alternative in the indigenous movement. This persuasive strategy made possible to hold meetings with the Ministry of Energy and Mines, the Ministry of Health, Congress representatives, and Pluspetrol. As described in the following section, these interactions between FECONACO and several public agencies revealed institutional and political contradictions that determined the lack of capacity of the State to address the environmental and health problems affecting the people in the Corrientes area.

A third stage of joint activities between the NGOs and the indigenous leaders of FECONACO and AIDSESEP addressed the technical problem of conducting environmental and health assessments; finding trustworthy scientific evidences that would identify the source of pollution and its effect on the people’s health and the

environment. This required the intervention of national and international experts and the public agencies in charge of assessing environmental health and contamination. FECONACO's perseverance was able to achieve an intervention of the national environmental health authority, DIGESA, and OSINERG. National and international NGOs helped FECONACO interpret the assessment reports and perform independent assessments of the oil contamination and its health effects. Reports with the results of water and blood sample analysis, environmental and social assessments by DIGESA, OSINERG, IIAP, the Regional Environmental Health Direction (DESA), MINEM, and Racimos de Ungurahui documented (despite some differences in the values reported) that oil extraction in Block 1AB was the source of contamination (chlorides, barium, boron, manganese, chromium, copper, oil, and grease among others). Reports also showed that the oil industry's pollution severely affected the rivers, soil, and sediments in the Corrientes River basin, and that the population of Block 1AB had high blood lead and cadmium levels. Interpretation of the reports by national and international experts and organizations enabled FECONACO to demand an immediate intervention of the state to enforce the environmental laws and of the company to stop discharging toxic effluents in the river.

Role of the Peruvian Government

The Corrientes case illustrates the evolution of the social and political processes in Peru that influence social-environmental conflicts to date. It also illustrates the influence of underlying interests in the dynamics of social-environmental conflicts

between the state and indigenous peoples. Environmental and indigenous rights policies and laws adopted in Peru since the late 1970s were influenced by global trends, an open market economy, and an emerging environmental agenda that included new citizen rights, and the responsibility of the state to enforce them. The Peruvian Constitution of 1979 had the core objective of developing policies to facilitate an economy capable to compete effectively in the world market. It also included for the first time the right to live in a healthy environment. This principle gave the environment a status of constitutional human rights and the state's responsibility to safeguard it. For the first time, Peru adopted a high-level policy with the mandate to protect the environment; consequently, this policy required new laws and policies to implement it. These new policies faced the challenge of developing an environmental law framework while developing the country in a market economy (Soria, 2001). The transition from an authoritarian military regime to democracy also resulted in new policies promoting public participation in decision-making processes (at least that was the political discourse used by the governments in the 1980s and 1990s to gain popular support). The Peruvian Environmental Code of 1990, adopted during the government of President Fujimori, was a pioneer of its kind of law in Latin America. It included principles (later amended and eliminated during President Fujimori's mandate so they would not contradict other laws promoting private investment) that set the basis for environmental rights, and policies that guided the environmental laws and regulations for the oil industry. Chapter XII of the Environmental Code contained norms to regulate the evaluation, enforcement, and monitoring of natural resource management, thereby constituting a first effort to integrate

different actions to control water, air, noise, and visual pollution that were managed by different independent entities in each ministry. However, the development of the environmental sector has been strongly resisted by sectors that perceive environmental protection as an obstacle to economic growth (World Bank, 2007). Therefore, Fujimori's government later abolished Chapter XII of the Code, through the approval of the Framework Law for the Growth of Private Investment (Decree 839 of August 20, 1996), which brought back the responsibility of environmental management in the hydrocarbon sector to the ministry in charge of controlling it—in this case MINEM. Furthermore, environmentalists and citizen groups' claims for an independent environmental enforcement agency were dismissed. The new Peruvian Constitution adopted in 1993 replaced the one adopted in 1979. Article 2(22) of the 1993 Constitution includes a provision that confirms the human right to an "ecologically balanced environment adequate to the development of life," a more diffuse principle than 1979 Constitution's wording that clearly required the protection of a healthy environment and the prevention of environmental deterioration.

The weakness of the Environmental and Natural Resources Code and the fragmentation of environmental authority among the different sectors led to a lack of coordination and an imbalance among the ministries in their technical capacity or political will to implement laws. The fragmented environmental laws are not well known by public sector authorities, let alone by the indigenous communities (Pulgar-Vidal, Bernales & Noejovich, 1995). Moreover, the different sectors' environmental policies

frequently contradict each other, leaving the general feeling among the population that environmental laws are almost impossible to be enforced.

This context describes how MINEM is the authority in charge of promoting and enforcing the laws regulating the environmental impacts of oil and gas projects. During the 1990s, MINEM passed a set of regulations, such as the Environmental Protection Rule for Hydrocarbon Activities (Supreme Decree No. 043-93-EM), and the first environmental guidelines for oil industry that included limits for effluent discharge in oil operations. As in other activities, environmental regulations for the oil and gas activities were adopted without previous planning. They were adopted at the same time as the activity to be regulated developed (Soria, 2001). The conflict of roles within the MINEM resulted in a lack of enforcement of the environmental regulations because the authority in charge of enforcing the environmental regulations of its sector was more inclined to attract foreign investors, in this case to develop the oil industry. This was evident in the public relations campaigns that appear in the media showing the oil industry as “black gold,” showing pictures of oil workers taking a bath with crude oil celebrating new oil developments (Soria, 2001).

In addition to MINEM, state agencies with a relevant role in this case were DIGESA, OSINERG, the Attorney General’s Office, the Ombudsman Office, and the Congress. These agencies do not coordinate with MINEM for decision-making processes affecting public health. In other words, MINEM makes decisions unilaterally about environmental matters affecting public health, without the legal mandate or official mechanisms to consult with the health sector or other authorities. This institutional

arrangement also affects other extractive industries such as mining and fisheries, where the ministries in charge dictated the environmental regulations while the economic interests of the government insisted on keeping the exploitation of natural resources in the same conditions.

Actually, the legal framework has resulted mostly in a stronger emphasis to regulate the relationship between the state and the private investors than to secure the respect of the right to health of the citizens. Consequently, such a legal framework is an invitation to conflict and abuse. Moreover, political decisions in the oil and gas sector are dictated under the pressure of a broader range of factors, such as the impact of decisions in a larger political scale, and the implications in the promotion of private investors in a market economy.

The realization of the existing conflict of interest within MINEM (promoting oil and gas projects and the environmental authority of the same activity), and a lack of accountability, enforcement, and monitoring capacity generated mistrust in the indigenous peoples of the Corrientes basin. MINEM lacked resources and staff to conduct periodic assessments in a remote area such as the Corrientes River basin. Consequently, the ministry's statements about Oxy's environmental performance (and Pluspetrol's) were based solely on the reports prepared by the oil companies. The incapacity of the state for an effective response to the just claims of the indigenous communities was a key factor in increasing the frustration and mistrust of FECONACO, AIDSESEP, and environmentalists in the government and the oil companies.

The process FECONACO went through for many years since the 1990s revealed institutional weaknesses in the state to address the complex social-environmental conflicts related to activities of extractive industries due to: (a) lack of formal mechanisms to address citizen's complaints, (b) the absence of an integrated system with other sectors to obtain reliable data that would provide analytical support to the decision-making process, and (c) the absence of sufficient financial and human resources to comply with the ministry's mandate to overview the environmental performance of the companies (in this case the oil industry). Therefore, the national policies were perceived as more effective in perpetuating the advantages of a politically powerful economic actor in front of another actor who lacked resources (indigenous communities).

On a brighter side, given the above-mentioned inconsistencies, the Peruvian Congress passed a law in 1996 creating the Supervising Organism for Energy Investment (OSINERG), an autonomous agency reporting to the Presidency of the Ministers' Council (PCM), and responsible for overseeing the compliance with technical and legal norms relating to environmental protection and conservation in the electricity and hydrocarbon sectors (World Bank, 2007). New environmental regulations for the oil and gas sector required companies operating prior to the enactment of environmental standards to implement measures progressively to comply with the environmental regulations. MINEM required companies under its control to present an Environmental Adequation and Management Plan (PAMA). Oxy presented a PAMA for the Block 1AB in late 1994 that was approved in May 1995. The cleanup and pollution prevention and reduction plan was to be completed in 2002. Oxy transferred PAMA's obligations to

Pluspetrol Norte S.A. when they acquired the concession in the year 2000. In 2002, the discharge of toxic effluents and large-scale contamination continued, so Pluspetrol Norte S.A. negotiated a Complementary Environmental Plan (PAC) for Block 1AB approved on April 20 2005.

State intervention in the social-environmental conflict in the Corrientes basin was a result of the pressure of local indigenous groups, environmentalists, and human rights organizations who demanded the enforcement of the right to health and the environmental quality standards. As Soria (2001) says, the Peruvian government was more capable of enacting environmental regulations than enforcing them. Therefore, government interventions have not been able to yield promising results in addressing social-environmental conflicts (Pulgar-Vidal, 2006). As Scurrah (1995) observes, the Peruvian government does not always play an essential role in offering solutions to environmental conflicts.

The Ombudsman's report of 2007 about social-environmental conflicts by extractive industries in Peru mentions the difficulties confronted to prove the causation between an activity and the environmental and/or health damage. This led the state to think that FECONACO's complaints about the health problems that pointed to oil activity being responsible are an excuse made by radical groups with a hidden agenda. The Ombudsman report alleged polarized positions in this conflict were results of the government's defensive position, distant from its mandate to seek for an objective truth. The report also pointed out that the government failed to assess the actual magnitude of the contamination, despite its mandate to enforce constitutional rights. One example of

this situation was when Jorge del Castillo, the President of the Ministry's Council, sent a letter to the Ombudsman, Beatriz Merino, on October 18, 2006, which said that the claims of the natives were based on false reports and that the local people were manipulated by non-governmental organizations. The Ombudsman's reply, dated October 19, 2006, to the contrary acknowledged the truthfulness of the official reports of the contamination and the public health risks, namely high levels of lead and cadmium found in blood samples of some Achuar individuals because of the discharges of toxic effluents and wastes from the oil company. It also requested the intervention of the Executive Branch (check translation, you mean Executive Branch?) due to the inactiveness of the Ministries of Health and Energy and Mines (La Torre, personal communication October 30, 2006).

The local, regional, and national governments have not responded to repeated requests by the communities and their federation, nor to the now-numerous technical reports described above that highlight the very serious health and environmentally dreadful conditions along the Corrientes River (Orta, 2007).

Oxy and Pluspetrol Norte S.A.

In 1979, Block 1AB was the largest oil producer in Peru, although crude oil production declined in the last few years. In 2004, production declined to 32,000 barrels per day (Pluspetrol, 2004), and in 2005 it only produced 27,000 barrels per day; however, Campodonico (2006) estimates that from 1975 to 2005, Block 1AB produced 640 million barrels of crude oil. Considering an average price \$25 per barrel of crude oil (U.S. Energy

Information Administration, 2007), in 30 years Block 1AB production was valued in \$16 billion (calculated as general income, not as total profit). In spite of production costs, taxes, and other expenses, Block 1AB has yielded very high profits.

As explained in previous sections, in 1993 MINEM passed environmental regulations for the oil and gas industry. A year later, Oxy presented to MINEM an environmental plan (PAMA), with the company's commitments to comply progressively with the environmental regulations by May 31, 2002. Block 1AB's concession was acquired by Pluspetrol Corporation S.A. in 2000 (later Pluspetrol Norte S.A.); therefore, Oxy was no longer responsible for the environmental plan. Pluspetrol continued executing the plan and reporting to the authorities until the PAMA's completion in 2002. Oxy's environmental plan committed to remediating the contamination caused by its operations since 1995 with a total investment of \$ 415,000, a small amount considering the seriousness of the contamination and the company's profit. Given that most oil and gas companies in operation in Peru were unable to comply with their environmental plans according to schedule, in 2003 MINEM passed a norm (Supreme Decree 028-2003 EM) authorizing oil companies to present Complementary Environmental Plans (PAC) with modifications and deadline extensions (OSINERG, 2004). In December 2004, Pluspetrol Norte S.A. presented a 4-year PAC for Block 1AB that MINEM approved. For many years Oxy and Pluspetrol presented periodic reports of their environmental performance to MINEM; these reports did not show any contamination in Block 1AB:

Reports of produced water monitoring in Blocks 1AB and 8, presented by Occidental Peruana Corporation S.A., Pluspetrol Corporation S.A or Pluspetrol Norte S.A did not inform of any values exceeding the maximum allowable limits. (OSINERG 2004)

FECONACO pressured the Peruvian Congress to conduct an environmental assessment in Block 1AB. In 2004, OSINERG declared that the environmental reports submitted by Oxy and Pluspetrol to MINEM had numerous illegalities: (a) Oxy and Pluspetrol Norte S.A. located their monitoring water points in different places than they reported; therefore the data MINEM received did not correspond to the actual monitoring stations; (b) contrary to the values of water quality reported by Oxy and Pluspetrol Norte S.A., pollution levels in freshwater resources exceeded the environmental guideline values; (c) Pluspetrol Norte S.A. was indeed discharging toxic effluents with high content of barium, chloride, hydrocarbons, oil, and grease at very high temperature, without any treatment, directly to the soil and surface water courses; and (d) soils, creeks, and freshwater courses were highly contaminated. Despite the official evidence, Oxy claimed compliance with the environmental legislation of the hydrocarbon sector (Pluspetrol, 2004). Total calculation of the clean-up costs varies in each case, but, to illustrate, the total cost of \$ 415,000 that Oxy committed to implement their environmental plans is small. The U.S. Army Corps of Engineers estimates that the average cost of gravel decontamination reuse and revegetation in an oil-contaminated site in Alaska is \$ 2.5 million per hectare (U.S. National Research Council).

Pluspetrol Norte S.A. was fined several times for oil spills and discharge of toxic effluents. Until December 2007, OSINERG imposed fines for approximately \$2,270,000. Just from 1998 to 2002, 16 oil spills in the concessions operated by Pluspetrol Norte (Blocks 1AB and 8) were reported (*La República* newspaper, Dec. 29 2007). If we compare the amount of fines imposed on Pluspetrol Norte and the costs per hectare for a

clean up, paying fines cost less than implementing costly environmental remediation measures. Considering that the total crude oil production in Block 1AB from 1972 to 2001 was 572,573 million barrels (MINEM, 2001) at an average price of \$25 per barrel of crude oil, the costs of the fines are not effective as a sanction. Moreover, Pluspetrol has appealed all of these resolutions and is often exempted; for example, in May 2005, the Fiscal Tribunal ruled in favor of Pluspetrol Peru Corporation, annulling fines in excess of \$5 million. (*Resolución del Tribunal Fiscal No. 02197-5-2005*, Orta, 2007).

The OSINERG report of 2004 revealed that Oxy and Pluspetrol appeared to be covering up the impacts of their activities. As mentioned, the real toxic effluent discharge outlets were not located at the points declared by the companies in the monthly periodic reports to MINEM, thus invalidating the company's water monitoring results and casting doubt over other data provided by the company. This has led to a lawsuit filed against Oxy, as an American corporation based in the United States (Orta). The Achuar case, *Maynas Carijano v. Occidental Petroleum*, No. CV-07-5068, was filed in May 2007. In April 2008, Judge Philip Gutierrez of the U.S. District Court for the Central District of California ruled that it is more appropriately heard in Peru under the legal doctrine of *forum non-conveniens*, which means the petition must be heard in Peru, not in the United States.

CHAPTER IV

CONCLUSIONS AND RECOMMENDATIONS

The Corrientes River case reveals how Amazonian indigenous people gained competence to demand recognition of their collective rights to health and citizenship as a result of strategic alliances with national and transnational groups, and by adopting an ecological rhetoric. Since 1996, FECONACO and the Achuar people of the Corrientes River basin have used official channels of the Peruvian administration to present their concerns about the health effects of massive contamination caused by over 30 years of oil production in Block 1AB and the threat it posed to their subsistence. During this time, the Peruvian government was ineffective in addressing the conflict between the Achuar and the oil companies in Block 1AB, which escalated to the Achuar's blockade of Pluspetrol's facilities for 13 days in October 2006. FECONACO's mobilization was a result of frustration of over a decade of sterile dialogue with MINEM, health authorities, and the oil companies (Oxy and Pluspetrol Norte S.A.), as well as pressure exerted by local people on FECONACO's leaders. The mobilization and blockade of Pluspetrol's facilities in October 2006 ended with an agreement with Pluspetrol and government authorities that would be unthinkable to reach otherwise (the Achuar's efforts to dialogue with the Oxy and Pluspetrol, and persuade the authorities over a decade was unfruitful). The agreement was comprised of nine points that would benefit the Achuar people in

Block 1AB while Pluspetrol Norte S.A. continues oil exploitation activities in the area. The landmark agreement was unprecedented and included Pluspetrol's commitments to achieve 100% reinjection of produced waters, provide health care, safe water, and food supply, also dedication of 5% of all oil royalties received by the Department of Loreto to the Achuar community for development and education, and other demands. Even though the agreement's enforcement is still in progress, on December 2007, Pluspetrol accomplished 100% reinjection of produced waters (the largest volume of toxic wastes produced in oil exploitation), reducing substantially the discharge of toxic substances into rivers and streams in the area.

Despite a steady decline of production volume since the mid-1990s, Oxy and Pluspetrol had enough revenues for the implementation of pollution prevention and abatement technologies. Block 1AB produces the largest amount of crude oil in the Peruvian Amazon. In its heyday during the early 1990s, Block 1AB produced annually more than 50% of the total national oil production (21,000 million barrels – MBLS, in 1992 according to MINEM, Hydrocarbon Statistic Report 2001). This was a larger amount than the same concession's annual production in 2008, equivalent to 31.24% (8,233 MBLS) of the total national annual oil production. Despite this production decline, Block 1AB was still the head of the oil producers' list, (MINEM, Hydrocarbon Statistic Report 2008). Pluspetrol also holds the Block 8 concession (adjacent to Block 1AB), which renders the Argentinean company the largest crude oil producer in Peru, equivalent in 2008 to 52.68% of the total national production. In addition, Pluspetrol is a leading partner of the two consortiums in charge of the production and transportation of the

Camisea Natural Gas Project in Cusco, Peru. With an investment of \$2.7 billion, the Camisea Project is one of the largest gas projects in South America. Therefore, Pluspetrol has the necessary financial resources to cover the costs of pollution prevention and environmental remediation in Block 1AB. Pluspetrol is aware of the importance of having the local people's acceptance of their presence in the area in order to continue activities and avoid lawsuits, violent social conflicts, and international campaigns that would affect its corporate image. Since the 1990s, Oxy, Chevron, Texaco, Shell, Enron, and other oil companies have been targets of international campaigns and boycotts led by indigenous rights and environmental groups, some of them affecting seriously not only their image but also their revenues. Therefore, the blockade the Achuar organized in October 2006 put Pluspetrol in a difficult position where it was better to accept the conditions of the local people than to put its investments in the Peruvian Amazon and its corporate image at risk.

A close reading of the nine points in the agreement of October 22, 2006, between the Achuar, Pluspetrol, and the Peruvian authorities shows that the core claims of the Achuar were about survival and citizenship. There is no mention of environment, biodiversity, or conservation. Could this mobilization be interpreted as "environmental"? As Martinez-Alier says, survival makes the poor (in relative economic terms) aware of the need to mobilize when nature is affected (2008). The Achuar's motives are different from those viewed as a monothematic, post-materialistic environmentalism of the industrialized countries, mostly based on aesthetic values of the physical environment. Martinez-Alier calls this a "popular environmentalism," (p.3) not born as a result of

economic prosperity and articulated in quantitative values of hard natural sciences, but with the influence of more complex social and cultural aspects.

The role of the state in the Corrientes River case exposed institutional weaknesses and lack of capacity to deal with social-environmental conflicts. Until the mid-1990s, pollution control and environmental regulations for oil and gas activities were non-existent in Peru. Therefore, there was no legal obligation for oil companies (extractive industries in general) to prevent, reduce, and control the effluents and wastes generated; consequently, cumulative effects of these activities still cause significant negative health and environmental impacts today. In addition, MINEM has the mandate to create and enforce pollution control for the hydrocarbon sector, the governmental authority in charge of advancing energy investments. These are conflictive mandates: promoting hydrocarbon activities and enforcing environmental standards. MINEM has decision-making power over environmental management plans, impact assessment studies, and others with potential to affect public health (through air, water, and soil contamination) without the mandate to coordinate decisions affecting public health with the health authorities. In other words MINEM makes decisions of its sector (energy and mining), with potential impacts on water, soil, and air quality that affect public health, without the legal requirement to have the opinion of public health officials. The existing system's conflict of interests and MINEM's evident bias in favor of oil companies raises serious questions regarding its neutrality. These situations led to the creation of an independent regulatory body, OSINERG, but despite the latter's duties to overview and impose sanctions on companies that violate the law, it has limited power to make decisions in the

energy sector. OSINERG fined Pluspetrol approximately \$4 million; however, considering that the overall costs of implementing pollution control measures (reinjection, solid and liquid wastes treatment, air pollution control, and cleanup) greatly exceed the amounts of OSINERG's fines, many companies prefer to pay the fines instead of enforcing environmental standards and international guidelines (such as the International Association of Oil and Gas Producers – OGP, World Bank, and others). This situation is worsened by the historical exclusion and marginalization of the Amazonian indigenous people such as the Achuar in Block 1AB, where a historical absence of the state is translated into a total lack of health, sanitation, education, and judicial services.

There is a pattern with regards to creation of “High Level” or “Research Commissions” upon requests of citizens or the state to address social-environmental conflicts, which to some extent replaces public agencies' duties. In many cases, high-level commissions are seen as more trustworthy and effective than the official channels requesting an intervention of MINEM, the authority in charge of regulating oil activities. In addition, in the Corrientes River case (as in other social-environmental conflicts) the state preferred to step aside and let the companies deal with local groups independently, leading to specific negotiations and agreements. These specific agreements are not regulated, and therefore in many cases are not enforced, which exacerbates a feeling of frustration and mistrust on the part of indigenous groups with regards to government officials and dialogue. Consequently, there is a rising sense of mistrust in the government, which leads to radicalization and violence in social-environmental conflicts.

Reports by OSINERG⁶ and DIGESA (among others) provide evidence that Oxy and Pluspetrol Norte S.A. did not take sufficient measures to prevent, control, reduce, and mitigate the effects of their operations on the environment and public health. These companies discharged effluent and waste in violation of national and international laws and operation guidelines. As mentioned in this document, several reports from official and private agencies assessed the magnitude of the contamination, its effects on the local people's health, and the demonstrated premeditated interest of both companies to provide misleading information, such as the location of water monitoring sites that in practice were different from those approved by MINEM.

These factors influenced the decision of the indigenous people in Block 1AB to organize a collective action and mobilization aimed at asserting their right to citizenship and health. Their association with national and transnational environmental groups was essential to overcome limitations such as the lack of resources for organizing social mobilization, and lack of knowledge about the intricacies of law and governmental agencies. It is often stated that one of the consequences of economic globalization is the extension of the capitalist neoliberal model, which can result in significant social and environmental effects, such as those documented in this thesis. However, at the same time, globalization of technology and the media, tends to permeate relationships in time and space that affect grassroots organizations, thereby affecting power relationships at the local level. The development of telecommunications and media in the region studied facilitated networking of the Achuar and local and transnational organizations that helped

⁶ Since January 2007 called OSINERGMIN, assuming also the supervision of mining activities, according to Law No. 28964.

them access international support that was instrumental in acquiring the necessary legal, technical, organizational, and financial means for social mobilization.

There is a strong element of identity in this case, especially concerning the representation of Amazonian indigenous peoples and its meaning in the national and international spheres. Indigenous peoples have been stereotyped for over 500 years as savages and primitives. In the last decades, indigenous mobilizations related to extractive industries have been interpreted either as driven by obscure political agendas or by a perception of indigenous groups as *ecological natives* who protect the global environment and biodiversity. Indigenous representations today are influenced by a complex mix of structural, political, and historical conditions affecting power over natural resources, democracy, and the emergence of a global environmental and indigenous rights agenda. The role of identity and culture in the emergence of the indigenous movement in the Peruvian Amazon can be explained using Escobar's (1998) analysis of "new" and "old" social movements in Latin America. New social movements are those for which identity is important, those that engage in "new forms of doing politics," and those that contribute to new forms of sociability (p. 6). Today, there is a more prominent role of contested meanings of nature, environment and natural resources in social movements, and, in this case, perceptions of space (rainforest wilderness and the indigenous peoples who need to be dominated and modernized) are not limited to the physical environment. At the same time, power relations after the transition to democratic government involved a reconfiguration of state-civil society relations. The adoption of new environmental policies, standards, and citizen rights was central to the

modernization agenda of the democratic governments in Peru since the 1980s. A lack of effective intervention by some government authorities led to a weakening of dialogue between citizens, companies, and the state, leading to radical measures such as the Achuar's blockade of Pluspetrol's facilities in October 2006. It is important to highlight that the intervention of the Ombudsman office was key in recognizing the validity of the Achuar demands based on official evidence of environmental quality data and health assessments by DIGESA, OSINERG and other institutions. The Ombudsman support to the indigenous people of the Corrientes River basin was key to acknowledge the urgency of the indigenous people's demands to address the contamination affecting their right to health and livelihood.

Peru's economy relies significantly on extractive industries (mining, oil, natural gas, and fisheries). However, Peru's natural resources have not been used to develop a diversified and a more equal distribution of benefits. To the contrary, socio-environmental conflicts related to extractive industries in Peru are escalating. Every year we see polarized points of view among citizens groups, the state and private investors. The lack of consultation and public participation in recent new development policies, regional trade agreements, and infrastructure projects such as the Initiative for the Integration of Regional Infrastructure of South America (IIRSA) funded by international financial institutions are approved in Peru without effective public participation and consultation, creating new conditions for conflicts with indigenous and local people. These conflicts can be interpreted from different perspectives, but, in general, as Pulgar-Vidal (2006) states, they are a result of the confluence of social, cultural, emotional, and

political factors whelmed by a long history of misunderstandings, marginalization, and exclusion. To date, the Peruvian government postpones the enforcement of environmental obligations affecting extractive industries. These activities frequently take place in remote areas, such as Block 1AB, where populations of historically marginalized and excluded people live, who perceive unfair enrichment of foreign companies taking advantage of ancestral lands. The well-documented evidence of the state's inaction in cases such as the oil industry in Block 1AB reinforces the perception by Amazonian peoples that all oil companies are the same. Peru needs to carry out profound institutional reforms to decentralize decision-making affecting extractive industries to ensure more independent and sound socio-environmental stewardship. Mistrust in the government is causing increasing weakness in the dialogue between citizen groups, the state, and private investors, which drives local groups to choose violence as an alternative. Therefore, it is necessary to create an independent environmental authority from the sector-management model, with enough technical and financial resources and political capacity to decentralize environmental management and to integrate local social groups in decision-making. Decisions about extractive industries affecting public health should also involve consultation with the Ministry of Health and must prioritize pollution prevention instead of end-of-the-pipe approaches. It is also necessary to strengthen public participation and create formal mechanisms to address citizens' claims regarding extractive industries and conflict resolution instruments to prevent extreme violence in socio-environmental conflicts.

In the Corrientes River basin, there is still an information gap about environmental health to establish the relations between the environmental contamination (soil, water, sediments), and its long-term effects on the Achuar population. It is also necessary to assess the effectiveness of the remediation and pollution prevention measures implemented by Pluspetrol Norte since 2007. At the national level, further in-depth studies of the Peruvian government's institutional capacity are necessary to understand and propose more constructive and effective ways to address access to environmental justice. As Bebbington suggests (2009), global networks dedicated to extractive industries have been followed by the emergence of transnational networks of protests and contestation, in many cases involving indigenous groups. Actors within these networks seek a range of different outcomes (not all can be simply be labeled as environmentalists, rights based, or the like). It is necessary to study how these networks create peculiar geographical forms and consequences on perceptions of "Latin America" and "indigenous groups" globally that influence on how the indigenous peoples are viewed by others. In addition, to explore the intersections between contestation and extraction, and their interrelation with the sociopolitical and global economic structures that affects geographies of development.

APPENDIX A

MINUTES OF THE AGREEMENT BETWEEN THE INDIGENOUS COMMUNITIES
OF THE CORRIENTES RIVER (FECONACO), THE MINISTRY OF ENERGY AND
MINES, MINISTRY OF HEALTH, REGIONAL GOVERNMENT OF LORETO,
PLUSPETROL NORTE S.A., AND THE OMBUDSMAN,

OCTOBER 22, 2006

This is an agreement subscribed on October 22, 2006, in the oil production site of Dorissa, District of Trompeteros, Province of Loreto, Region of Loreto, customary land of the Achuar, Quechua, and Urarina people. Parties are: the Ministry of Energy and Mines, represented by the Vice-Minister of Energy, Pedro Gamio; the Minister of Health, Dr. Carlos Vallejo, represented by the Vice-Minister of Health, Dr. Diego Fernández; Roberto Ramallo, General Manager of Pluspetrol Norte S.A. (hereafter Pluspetrol), represented by its Field Manager, Ramon Cavero; the indigenous communities of the Corrientes River (hereafter FECONACO) represented by its President, Andres Sandi; and FECONACO's Vice President Gonzalo Palma. Also the Apus [local leaders] of the indigenous communities of the Corrientes River basin: Tomas Maynas (community of Nueva Jerusalem), Abel Nango (community of Jose Olaya), Marcial Huaman (community of Sauki), Ramon Borja (community of Pijuayal), Francisco Sandi (community of Antioquia), Julio Carijano (community of Pampa Hermosa), Wenceslao

Rios lieutenant governor (community of Valencia), Calixto Diaz (community of San Jose), Meneleo Piñola (community Belen de Plantanoyacu), Cesar Dahua (community of Providencia), Domingo Nango (community of Santa Rosa), Manuel Hualinga (community of Sion), Daniel Hualinga (community of San Cristobal), Gilberto Navarro (community of San Ramon), Enrique Macusi (community of Palmeras), Fernando Saquiray (community of Peruanito), Francisco Liao (community of Paraiso). Also subscribe this document as advisors, supporters, and observers: Edwin Vasquez, President of AIDSESEP's Regional Office in Iquitos-ORAI; Lily La Torre Lopez, legal advisor of AIDSESEP; Petronila Chumpi, Coordinator of AIDSESEP; Jose Luis Carbajal, Director of Social Affairs of the Ministry of Energy and Mines; Rolando Luque, Chief of the Social Conflicts Unit–Ombudsman Office; Vito Verna, representative of the Environmental Unit–Ombudsman Office; Lili Reyes, representative of the Ombudsman Office in Iquitos; and Juan Baca, representative of the National Institute for the Development of the Andean, Amazonian, and Afro-Peruvian People (INDEPA). The following agreement was subscribed:

First: Purpose and Objective of This Minute

The parties agree to subscribe this document that complements and describes in detail part of the agreement subscribed on October 13, 2006. Both are now part of a single document hereafter called TESTIMONY OF THE AGREEMENTS that has been, and will continue being, included in legal decisions and documents to guarantee its enforcement.

Second: Reinjection of the Produced Waters Discharged in the Corrientes River

- a. Pluspetrol will reinject 100% of the produced water discharged in Block 1AB in the Corrientes River Basin by December 31, 2007.
- b. Pluspetrol will reinject 100% of the produced water discharged in Block 8 by December 31, 2008. In case Pluspetrol fails to comply with this deadline, it will compensate the affected communities living in Block 8.
- c. The Ministry of Energy and Mines will consider official the new reinjection plan. It will approve an amendment of the Complementary Environmental Plan (PAC) for Blocks 1AB and 8; specifically, it will include the obligation to achieve a 100% reinjection of the produced waters according to the schedules mentioned in paragraphs (a) and (b).

Third: Health Plan

- a. FECONACO and the Regional Health Office of Loreto (hereafter DIRESA Loreto) jointly defined a “Health Care Action Plan for the Communities affected by the Contamination of the Corrientes River.” This plan has been approved by the Regional Government of Loreto (hereafter GOREL).
- b. DIRESA Loreto will implement the Health Action Plan, as part of a Special Health Care Project for the Corrientes River Basin, conducted by the Ministry of Health, and DIRESA Loreto. The project’s Board will include four representatives of the indigenous communities. These representatives will be elected according to the customary election processes of the indigenous communities. It will engage the participation of the 31 resident communities in

the area. The Ombudsman will participate as observer. The Ministry of Health and DIRESA Loreto will designate four additional Project Board members.

- c. Project Board members will define and approve the budget. They will oversee the allocation of funds and project management. Members will participate in the decision-making processes relevant to the implementation of the Health Plan, independently from the audits conducted by the National General Comptroller.
- d. Pluspetrol will cover the costs of the Health Plan for a period of 10 years, and for an amount of S/.40,169,986 new soles [equivalent to \$ 12.5 million. Currency exchange rate on the day of the agreement was 3.22 new soles = \$1 according to Ministry of Economy and Finances of Peru]. Pluspetrol will provide funds annually according to an annual budget. The Special Health Care Project for the Corrientes River Basin will manage the allocated funds.
- e. The Special Health Care Project for the Corrientes River Basin will initiate this year, according to an approved schedule.
- f. The Ministry of Health (hereafter MINSA) will provide the necessary additional health services because health care is a constitutional right.
- g. MINSA will provide support to GOREL, and will receive funds from Pluspetrol to start in January 2007 the construction and equipment of a category 1.4 Rural Hospital in Villa Trompeteros, capital town of Trompeteros District.
- h. Pluspetrol will have the right to conduct annual audits of the Health Plan's financial management. In case Pluspetrol obtains an extension of its operations in Block 1AB and 8, the company also commits to continue providing financial

support to the Health Plan after the 10 year period established in (d) in this document.

Four: Health Insurance for the Indigenous Peoples

- a. GOREL approved a Health Insurance Plan (SIS) according to the Regional Executive Decision No. 1240-206GRL-P. This plan comprises health care coverage to all the communities of the Corrientes River basin.
- b. GOREL, and MINSA, represented by DIRESA Loreto, will provide staff and medicine to the health services of the Corrientes River, and for the implementation of SIS.
- c. A census of the beneficiary population of the Corrientes River basin will take place in January 2007.

Five: Development Plan

- a. The General Development Plan for the Indigenous Communities of the Corrientes River basin (hereafter Development Plan) will benefit all communities in the basin. GOREL and FECONACO prepared the mentioned plan considering the community's contributions. The scheduled budget for this plan has not being reviewed and approved yet by the communities.
- b. GOREL will cover all costs of the Development Plan for an equivalent of S/.11 million new soles [\$3.4 million].
- c. According to Article 7 of ILO Convention 169, indigenous communities of the Corrientes River basin have the right to decide its own development priorities and participate in the design, application, and evaluation of any development

project affecting the communities and its territories. Consequently, the communities of the Corrientes River basin will participate in the definition of a Scheduled Budget for the Development Plan mentioned in (b). Communities will enforce their rights to oversee the adequate resources allocation through FECONACO.

- d. The Development Plan will start immediately after the approval of the scheduled budget by the communities.
- e. The Development Plan will include funding for the construction of a motor boat for use by the indigenous communities.
- f. Pluspetrol commits to provide funds for one year to cover the rental costs of a boat used by indigenous communities to transport agricultural products to the markets in Iquitos. After one year, Pluspetrol and the mentioned communities will assess the results of this program, and will make decisions in the best interest of the communities. The communities will manage the total revenues obtained by this activity for the community's benefit.

Six: Temporary Food Support and Drinking Water Supply

- a. The National Food Support Program (hereafter PRONAA) will provide temporary food support for one year to the indigenous communities of the Corrientes River basin. This support will be provided during the implementation of an environmental remediation, the recovery of the community's production capacity, with the support of Pluspetrol.

- b. Food supply distributed in the communities will consider the basic nutritional needs of a family, following the nutritional recommendations defined in the Health Plan.
- c. Within 40-60 days, Pluspetrol commits to assess all water supply systems in every community [wells, rivers, streams]. If necessary, the company will repair and/or replace systems to secure water supply all day and ensure that water is adequately treated for human consumption. The ministries of Health, Energy, and Mines will overlook the compliance of this commitment.
- d. The General Direction of Environmental Health (DIGESA) will perform water quality assessments quarterly in coordination with FECONACO. DIGESA will assess if water from rivers and streams is safe for human consumption.

Seven: Remediation of the Contamination in Blocks 1AB and 8.

- a. Pluspetrol will fund and coordinate with FECONACO to provide technical training to indigenous community members to monitor the remediation of impacts by oil activities.
- b. The trained indigenous community members will monitor and oversee oil activities in the area. They will report their findings to the communities and leaders of FECONACO.
- c. The indigenous community members who will receive training in monitoring will receive a salary with funds provided by Pluspetrol. The Special Health Care Project for the Corrientes River basin will receive the funds for this

purpose. Funds to pay the monthly salaries will be deposited in a separate account.

- d. The Peruvian government, represented by Perupetro, hired the company ARCADIS to design an Environmental Remediation Program for S/. 60 million new soles [\$18.75 million] for Block 8. FECONACO will be in charge of overlooking and monitoring this program.

Eight: Follow-Up of the Agreement

The Ombudsman Office and the communities affiliated with FECONACO, will supervise the enforcement of this Agreement, and will coordinate with the involved state agencies and Pluspetrol.

Nine: Final Points

- a. Once this Agreement is signed, including the signature of the Ministry of Energy and Mines, the indigenous communities of the Corrientes River, members of FECONACO, will leave the facilities owned by Pluspetrol, so hydrocarbon production in Blocks 1AB and 8 could continue normally.
- b. Representatives of FECONACO and the Apus of each of the affiliated communities commit to comply with all the points in this agreement subscribed with the state and the company. Any complaint regarding the commitments in the Agreement should be addressed with the participation of the Ombudsman Office, who will call the parties for an immediate solution.
- c. The involved parties subscribe this minute in good faith, aiming for an immediate start of the agreements hereby described.

- d. Any mention of the Regional Government of Loreto should have the approval of the Regional Government of Loreto.

This minute is signed as evidence of agreement.

[signatures and fingerprints]

**Declaration About New Oil Concessions in Blocks 104 and 106 in the
Corrientes River Basin**

FECONACO would like to keep official record that it has expressed to the Peruvian state its disagreement of granting new concessions for exploration and exploitation of hydrocarbons to the company Burlington, currently Conoco Philips; and to the company Petrolifera in Block 106.

APPENDIX B

MAPS

Map 1

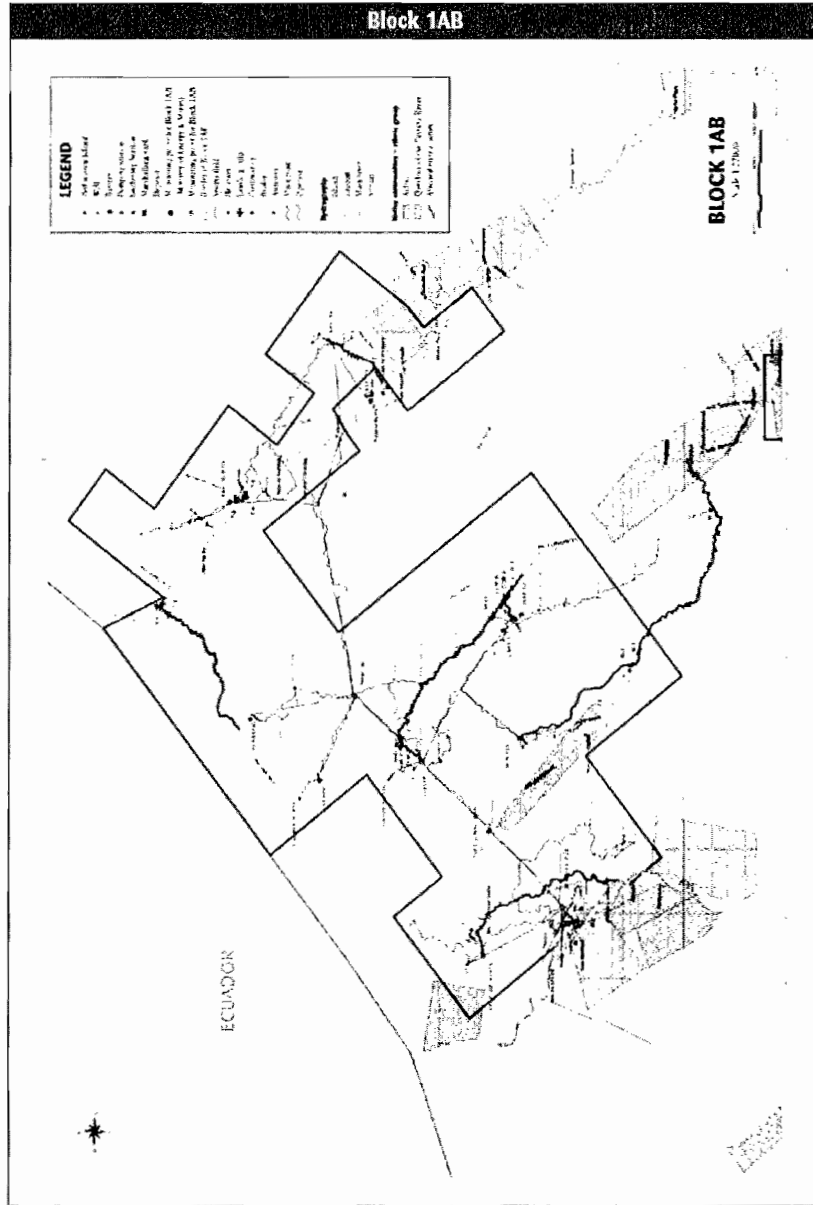
Corrientes River basin



Source: Earthrights, Racimos de Ungurahui and Amazon Watch. (2007). *A legacy of harm.*

Map 2

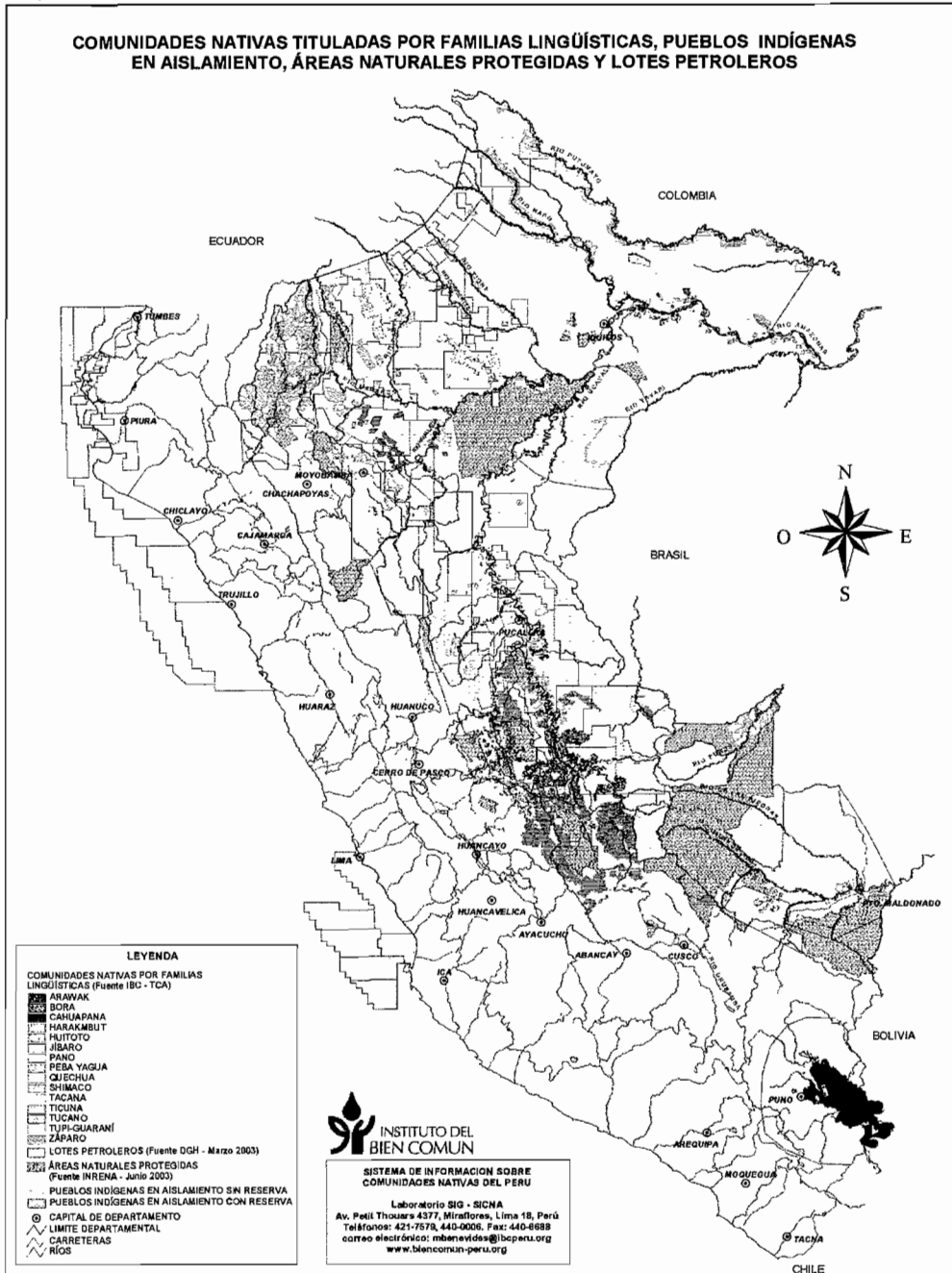
Block 1AB



Source: Earthrights, Racimos de Ungurahui and Amazon Watch. (2007). *A legacy of harm.*

Map 4

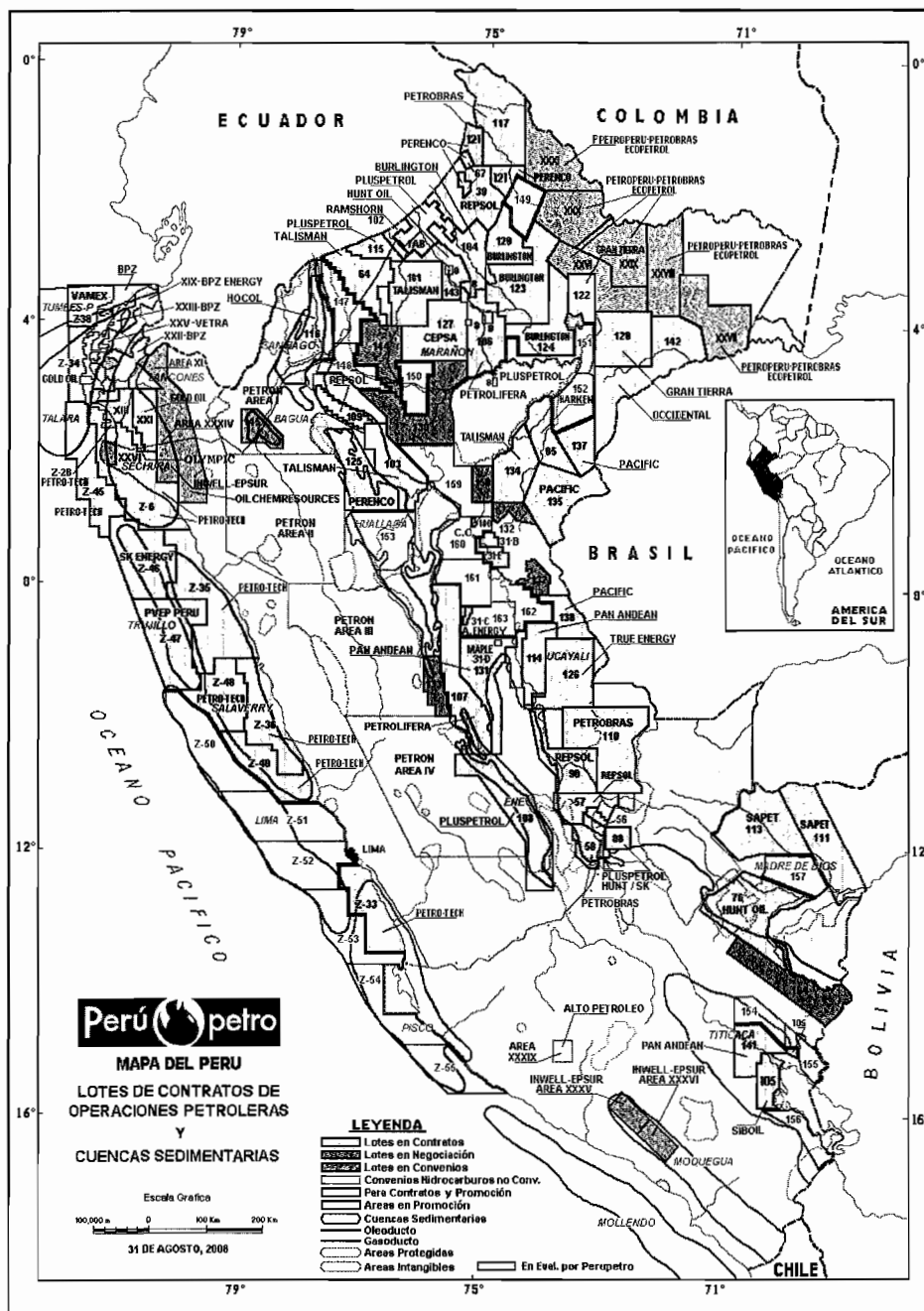
Indigenous communities, protected areas, and hydrocarbon concessions in the Peruvian Amazon



Source: Common Good Institute (IBC)

Map 5

Hydrocarbon concessions in Peru (2008)



Source: Perupetro (2008)

APPENDIX C

ACRONYMS

ACHIH	American Conference of Governmental Industrial Hygienists
AIDSESP	Inter-ethnic Association for the Development of the Peruvian Rainforest
ANP	Natural Protected Area
ATI	Achuar Reunited
ATSDR	Agency for Toxic Substances and Disease Registry
COCONASEP	National Coordinator of the Amazonian Native Communities of Peru
COICA	Coordinator of Indigenous Organizations of the Amazon Basin
CONAP	Confederation of Peruvian Amazonian Nations
CONFENIAE	Confederation of Indigenous Nationalities of Ecuador
DESA	Regional Environmental Health Direction
DGAA	General Directorate of Environmental Affairs – Ministry of Energy and Mines
DIGESA	General Directorate of Environmental Health – Ministry of Health
ENTEL	National Telecommunications Company
ELAW	Environmental Law Alliance Worldwide
FECONACO	Federation of Native Communities of the Corrientes River
FECONAT	Federation of Native Communities of the Tigre River
FENAP	Federation of the Achuar Natives of Peru
FEPIBAC	Federation of Peoples of the Low Corrientes River
FEDIQUEP	Federation for the Development of the Quechua Indigenous People of the Pastaza River
IBC	Common Good Institute
IIAP	Research Institute of the Peruvian Amazon
ILO	International Labor Organization
INEI	National Institute of Statistics and Informatics
IWGIA	International Work Group for Indigenous Affairs
MINEM	Ministry of Energy and Mines
NAE	Achuar Nations of Ecuador
NGO	Non-Governmental Organization
ONERN	National Bureau for the Assessment of Natural Resources
ORACH	Achuar Chayat Organization
OSINERG	Supervising Organism for Energy Investment
Oxy	Occidental Petroleum Corporation
PAC	Complementary Environmental Plan
PAMA	Program for Adaptation and Environmental Management
PCM	Presidency of the Ministers' Council
UNCED	United Nations Conference on Environment and Development
USAID	United States Agency for International Development
USDHHS	United States Department of Health and Human Services
WWF	World Wide Fund for Nature

BIBLIOGRAPHY

- Agency for Toxic Substances and Disease Registry. (1999). *Public health statement for total petroleum hydrocarbons*. Retrieved from <http://www.atsdr.cdc.gov/substances/toxsubstance.asp?toxid=75>
- Agency for Toxic Substances and Disease Registry. (2007). *Public health statement for lead*. Retrieved from <http://www.atsdr.cdc.gov/toxprofiles/phs13.html>
- Agency for Toxic Substances and Disease Registry. (2008). *Public health statement for cadmium*. Retrieved from <http://www.atsdr.cdc.gov/toxprofiles/phs5.html>
- Alvarez, S., Dagnino, E., & Escobar, A. (Eds.). (1998). *Cultures of politics, politics of cultures: Re-visioning Latin American social movements*. Boulder, CO: Westview Press.
- Amazon Watch. (2006). *Landmark agreement for Achuar Nation*. Retrieved from <http://understory.ran.org/2006/10/27/landmark-agreement-for-achuar-nation>
- Asociación Interétnica de Desarrollo de la Selva Peruana [Interethnic Association for the Development of the Peruvian Rainforest] (AIDSESEP). (2009). *Historia de AIDSESEP*. Retrieved from <http://www.aidsep.org.pe/index.php?id=3>
- Asociación Interétnica de Desarrollo de la Selva Peruana [Interethnic Association for the Development of the Peruvian Rainforest] (AIDSESEP). (2009). *Nuestra Población*. Retrieved from <http://www.aidsep.org.pe/index.php?id=6>
- Bebbington, A., Scurrah, M., & Bielich, C. (2008). *Mapeo de los movimientos sociales en el Peru actual*. University of Manchester, England, Centro Peruano de Estudios Sociales - CEPES.
- Bebbington, A. (2009) Latin America: Contesting extraction, producing geographies. *Singapore Journal of Tropical Geography*, (30) 7-12.
- Becerra, A. (1999). *Aspectos geológicos de la perforación horizontal en la Cuenca del Marañón*. INGEPET. PeruPetro.
- Bender, B. (1993). *Stonehenge—contested landscapes in politics and perspectives*. Oxford, England: Berg.

- Conklin, B. (1997). Body paint, feathers and VCRs: Aesthetics and authenticity on Amazonian activism: *American Ethnologist*, 24(4).
- Conklin, B., & Graham, L. (1995). The shifting middle ground: Amazonian Indians and eco-politics. *American Anthropologist*, 97(4), 695–710.
- Defensoría del Pueblo. (2007, April). *Informe extraordinario—Los conflictos socio ambientales por actividades extractivas en el Perú*. República del Perú. Retrieved from: <http://www.defensoria.gob.pe/descarga.php?cod=1250>
- Dirección General de Salud Ambiental [General Directorate of Environmental Health – Ministry of Health (DIGESA)]. (2006). *Evaluación de resultados de monitoreo del Río Corrientes y toma de muestras biológicas, en la intervención realizada del 29 de Junio al 15 de Julio del 2005*. Informe No, 2006/DEPA-APRHI. Dirección General de Salud Ambiental, Ministerio de Salud, Perú.
- Earthrights International, Racimos de Ungurahui, Amazon Watch. (2007). *A legacy of harm. Occidental Petroleum in indigenous territory in the Peruvian Amazon*. WWF.
- Energy Information Administration. (2007). World Nominal Oil Price Chronology 1970–2006. *Annual Oil Market Chronology*.
- Escobar, A. (1999, November). The invention of development. *Current History*. Princeton, NJ: Princeton University Press.
- Federación de Comunidades Nativas del Río Corrientes [Federation of Native Communities of the Corrientes River] (FECONACO), Racimos de Ungurahui. (2007). *Solicitud formal de acción urgente bajo el procedimiento de seguimiento y alerta temprana a fin de evitar el daño inmediato e irreparable al Pueblo Achuar del Perú que habita en la Cuenca del Río Corrientes*. Petition submitted to the 72nd Session of the United Nations Committee on the Elimination of Racial Discrimination. Geneva, Switzerland.
- Gamboa, C., & Santillán, A. (2006). *Regimen especial transectorial de protección a favor de pueblos indígenas en aislamiento y contacto inicial*. Derecho Ambiente y Recursos Naturales –DAR.
- Garrigues, L. (2006). Achuar win oil victory in Peru. Retrieved from <http://www/indiancountrytoday.com/archive/28153709.html>
- Guillaume, H. (1888). *The Amazon provinces of Peru as a field for European emigration*. London, England: Wyman & Sons.

- Instituto del Bien Común [Common Good Institute]. (2009). *Indigenous peoples of the Peruvian Amazon*. Retrieved from http://www.ibcperu.nuxit.net/index_ant.php?lg=EN&slt_rb=1146
- Instituto de Investigación de la Amazonía Peruana. (1995, October). *Contaminación ambiental en la Amazonía Peruana*. Documento Técnico No. 20. Iquitos, Peru.
- Instituto Nacional de Estadística e Informática (INEI). (1995). Cuadro 10.9 Indicadores sociodemográficos de las comunidades nativas de la Amazonía peruana, según estratos de vida. Retrieved from <http://www1.inei.gob.pe/biblioineipub/bancopub/Est/Lib0063/N191/CAPJJ009.htm>
- Haarstad, H., Fløysand, A. (2007). Globalization and the power of rescaled narratives: A case of opposition to mining in Tambogrande, Peru. *Political Geography*, 26, 289–308.
- Hubbard, B. (2005). *Development of an integrated intervention plan to reduce exposure to lead and other contaminants in the mining center of La Oroya, Perú*. U.S. Department of Health and Human Services, CDC: USAID.
- La Torre, L. (1998). *Solo queremos vivir en paz*. IWGIA Document No. 25. Copenhagen, Denmark.
- La Torre, L. (2004). Cronología de la explotación petrolera en el Perú. *Módulo de Especialización por País (Perú)*. FLACSO. Quito, Ecuador.
- Livingston, J. (1994). *Rogue primate: An exploration of human domestication*. Boulder, Colorado: Robert Rinehart Publishers.
- Martinez-Alier, J., & Guha, R. (2002). *Varieties of environmentalism. Essays north and south*. London, England: Earthscan.
- Martinez-Alier, J., Orta, M., & Silva Macher, J.C. (2008). *Análisis de conflictos ecológicos*. ICTA Universitat Autònoma de Barcelona. Retrieved from www.deudaecologica.org/documentos/.../conflictos_ecologicos_alier.doc
- Ministerio de Energía y Minas, Peru. (2001). *Anuario estadístico hidrocarburos*. Retrieved from http://www.minem.gob.pe/minem/archivos/capitulo_2.pdf
- Ministerio de Energía y Minas, Peru. (2001). Producción histórica de petróleo al 31 de Diciembre. *Anuario Estadístico Hidrocarburos*. Retrieved from http://www.minem.gob.pe/minem/archivos/capitulo_2.pdf
- Netting, R. M. (1986). *Cultural ecology* (2nd ed.). Prospect Heights, IL: Waveland Press.

- Oficina Nacional de Recursos Naturales. (1984). *Inventario y evaluación de recursos naturales de la microregión Pastaza–Tigre, Departamento de Loreto*. Ministerio de Agricultura, Lima, Perú.
- Olson, D., & Dinerstein, E. (2001, November). Terrestrial ecoregions of the world: A new map of life of Earth. *Bioscience*, 51(11).
- Orta, M. (2007). *Etnocartografía de impactos de la actividad petrolera en el Río Corrientes*. (Doctoral Dissertation, Universitat Autònoma de Barcelona).
- Orta, M., Napolitano, D., et al. (2007). Impacts of petroleum activities for the Achuar people of the Peruvian Amazon: Summary of existing evidence and research gaps. *Environmental Research Letters*, 2, 045006.
- Organismo Supervisor de la Inversión en Energía. (2004). *Informe lotes 1-AB y 8 – Respuesta del Oficio No. 0075–2004 JDC/CR del Congreso de la República*. Gerencia de Fiscalización de Hidrocarburos. Lima, Perú.
- Pluspetrol Norte S.A. (2004). *Plan ambiental complementario Lote 1AB*.
- Pulgar-Vidal, M. (2006). Conflictos sociales: La lógica perversa del conflicto y sus insuficientes respuestas. *Revista IDEELE*. No. 179. Lima, Perú.
- Pulgar-Vidal, M., Bernal, A., & Noejovich, F. (1995). *Report on the environmental legislation and policy in Peru*. SENREM Project, USAID, Lima, Perú.
- Quarles, M. (2009). *Evaluación del éxito de los esfuerzos de remediación ambiental en los sitios impactados por la actividad petrolera en la región de Corrientes en el norte del Perú*. E-Tech International.
- Rappaport, J. & Dover, R. (1996). Introduction. *Journal of Latin America Anthropology*, 1(2).
- Robbins, P. (2006). *Political ecology*. Oxford, England: Blackwell.
- Scurrah, M. (1995). *Lessons from environmental struggles in the Andes*. Paper delivered at Latin American Studies Association Meeting, September 28–30. Washington, DC.
- Smith, N. (1984). *Uneven development, nature, capital and the production of space*. Oxford, England: Blackwell.

- Smith, R. C. (1982). *The dialectics of domination in Peru: Native communities and the myth of the vast Amazonian emptiness*. Cultural Survival, Occasional Paper No. 8, Cambridge, MA.
- Soria, C. (2002). Lecciones de política ambiental en el Ecuador y Perú en los 1990s. Petroleras, áreas protegidas y pueblos indígenas en la Amazonía. *Revista del Taller de Derecho*. PUCP. No. 1 (2), Lima, Perú.
- Spadaro, J., & Rabl, A. (2004). Pathway analysis for population–Total health impacts of toxic metal emissions. *Risk Analysis*, 24(5), 1121–1141.
- Taussig, M. (1987). *Shamanism, colonialism, and the wild man: A study in terror and healing*. Chicago, IL: University of Chicago Press.
- Ulloa, A. (2005). *The ecological native: Indigenous peoples' movements and eco-governmentality in Colombia*. Taylor and Francis Group, LLC.
- U.S. National Research Council. (2003). *Cumulative environmental effects of oil and gas activities on Alaska's North Slope*. The National Academies Press, Washington DC
- Varese, S. (1996). Pueblos indígenas y globalización en el umbral del tercer milenio. In *Articulación de la Diversidad. Pluralidad Étnica, Autonomía Democratización en América Latina*, Grupo de Barbados, comp.: Georg Grunberg. No. 32.
- Veil, J. A. (2004). *A white paper describing produced water from production of crude oil, natural gas and coal bed methane*. U.S. Dept. of Energy.
- Wickstrom, S. (2001). *The political ecology of development and indigenous resistance in Panama and the United States: A comparative study of the Ngobe, Kuna Zuni and Skokomish societies*. (Doctoral Dissertation, Department of Political Science, University of Oregon).
- World Bank. (2007). Republic of Peru: Environmental sustainability, a key to poverty reduction. *Country Environmental Analysis*. Report No. 40190PE
- World Commission on Environment and Development. (1987). *Our common future*. From <http://www.un-documents.net/wced-ocf.htm>
- WWF. *Global 200*. Retrieved from <http://www.worldwildlife.org/science/ecoregions/global200.htm>