

Watchdog challenges plan for huge Amazon dam

Rio de Janeiro

Brazil's government has formally endorsed construction of what would be the largest hydroelectric dam in the Amazon, a US\$8-10 billion, 11,183-megawatt behemoth slated for the Xingú River.

But a watchdog agency is challenging the highly controversial project's environmental assessment in court, intensifying debate here about whether the country's energy needs justify large-scale inundation of rainforest land.

The endorsement of the Belo Monte project came in the form of a unanimous June 23 decision by the National Energy Policy Council (CNPE), a nine-member panel of cabinet ministers, to auction a concession for the dam's construction and operation.

Though Environment Minister Carlos Minc was among the CNPE ministers voting to seek bids, not all government authorities are going along with the project.

On the same day of the CNPE vote, the federal prosecutor's office in the eastern Amazon state of Pará, where Belo Monte will be built, successfully petitioned a federal judge to issue an injunction suspending the dam's licensing.

The prosecutor's office, a watchdog agency, requested the injunction after Ibama, the Environment Ministry's licensing arm, had accepted the Belo Monte environmental impact assessment for review. It argued the assessment was so incomplete that the document could not

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Palm sector tends image

Bogotá, Colombia

For nearly a decade, Colombia's principal palm companies have tried to distance themselves from atrocities that occurred in 2001 in Colombia's Pacific state of Chocó. Illegal paramilitary groups murdered black subsistence farmers, drove hundreds more from their lands and cut down thousands of acres of collectively owned primary forest, which businesses then seized for palm-oil production.

Law-abiding palm companies that had nothing to do with the invasion of Afro-Colombian land saw their reputations sullied in articles in the world press, expressions of concern by the Congressional Black Caucus in the United States and a condemnation of the takeover by the Inter-American Commission on Human Rights.

Companies that had behaved uprightly sought to clear their name. One tactic was to join the Roundtable on Sustainable Palm Oil (RSPO), a 2004 initiative of palm-oil producers, processors, retailers and the environmental group WWF. Members agree to avoid clearing primary forests or planting palms in other high-conservation areas, to seek the "free, prior and informed consent" of indigenous and other local peoples before planting, and to maximize the use of renewable energy.

The roundtable's retailers currently offer

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Plantation in Tumaco, Colombia (Juan Carlos Espinosa, WWF)

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be analyzed properly.

Ibama has since asked an appeals court to overturn the injunction. Contacted by EcoAméricas, the agency refused to discuss its appeal or any other questions related to Belo Monte.

The impact assessment, by the state-run power company Eletrobrás and a group of energy and construction companies planning to bid on the concession, is the basis on which Ibama decides whether to grant the dam a preliminary environmental license. No dam concession can be auctioned without such a permit.

The federal prosecutor's office charged the impact assessment fails to gauge broad project effects on the entire Xingú River basin; fully weigh impacts of river diversion to be carried out during construction; estimate groundwater impacts on Altamira, a town 40 kilometers (25 miles) away from the project site that would be partially flooded; and detail plans for the relocation of 20,000 Altamira residents.

Since the prosecutor's injunction request was granted, Eletrobrás has submitted a study of the dam's basin-wide impacts. But the prosecutor's office says the impact assessment's deficiencies were vast and various. Says Rodrigo Timoteo, the federal prosecutor who filed the injunction request: "What we asked ourselves was: 'How can you determine whether to license a planned dam, let alone hold hearings on it, when its [impact assessment] doesn't even allow you to get an accurate picture of its social and environmental impact?'"

Debate about urgency

Belo Monte critics accuse the government of a rush job.

"That haste typifies the government's policy to build large Amazon dams to fuel economic growth, no matter what the social and environmental costs," says Glenn Switkes, Brazil representative for International Rivers, a U.S.-based nonprofit. "Belo Monte, the largest hydro plant that will ever be built in the Amazon, is the ultimate example of this policy."

The government plans to hold the Belo Monte concession auction by October. It justifies the urgency of the project by citing Mines and Energy Ministry estimates that Brazil's hydroelectric capacity must grow at a rate of 5% annually to keep pace with energy demand.

Celio Bermann, a professor at the University of São Paulo's Energy and Electrotechnical Institute, believes large Amazon dams like Belo Monte would be unnecessary if the government prohibited or limited future expansion of energy-intensive industries such as aluminum and steel smelters. He acknowledges such estimates fail to account for the possibility of aggressive energy conservation, but contends

conservation alone would not offset demand.

Also fueling interest in Belo Monte is the government's wish to prevent hydropower's commanding share of the energy matrix—now 85.9%—from declining too precipitously as other power sources are boosted.

Opposition to Belo Monte, on the drawing boards since 1990, forced the government in 1994 to trim the plan so 170 square miles (440 sq kms) of rainforest would be flooded instead of the original 472 square miles (1,225 sq kms). Says Eletrobrás President José Antonio Muniz: "Compared to other Brazilian dams, Belo Monte has among the smallest environmental impacts relative to the energy it will produce."

But critics say the reservoir will be too small to allow Belo Monte to operate at capacity year round. Instead, they say, the hydro plant only will approach its 11,183-megawatt potential during the December-to-March rainy season and, as such, will have an average generating capacity of just 3,000-3,500 megawatts.

Government on hook?

"Energy from Belo Monte... will be very expensive because of the high investment needed to produce 3,000 to 3,500 megawatts of energy," says the University of São Paulo's Bermann. "To make it economically viable, government energy companies, not private companies, will be the main investors in the consortium that wins the dam's concession and will have to absorb its likely financial losses."

Marcelo Salazar, Pará state field coordinator for the Socio-Environmental Institute (ISA), a green group here, cites the high costs of the dam's collateral social impacts, most of which the government will have to absorb.

Those impacts could be extensive. According to the federal prosecutor's office, the dam project not only will require relocation of 20,000 Altamira residents, but will attract 100,000 people to the town—among them workers as well as settlers seeking to colonize land along dam-access roads.

"The collateral social costs that the Belo Monte concessionaire and the government are going to have to pay will far exceed what they are going to be willing to pay," says Salazar. "There are also collateral environmental costs that won't be mitigated, such as settlers coming into the Altamira area who will illegally clear land for homes and cattle pastures."

Eletrobrás President Muniz portrays the situation differently, saying: "The Altamira region suffers a lot from unemployment, and Belo Monte will bring jobs, incomes and development to the region."

—Michael Kepp

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