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## [Ecuador: Action to stop the oil pipeline continues](#)

A second joint letter from international environmental and human rights organisations is being circulated urging the head of the financing German bank, the Westdeutsche Landesbank (WestLB), the Prime minister of the German Federal State Nordrhein Westfalen, NRW (the main shareholder of WestLB), and the two responsible ministers for finances and economy in NRW, to stop the financial support to the Ecuadorian oil megaproject OCP (Oleoducto de Crudos Pesados). (to see the full text of the letter please go to: <http://wrm.org.uy/alerts/september01.html>)

As previously informed in WRM Bulletin 45, the plan between the Ecuadorian government and OCP Consortium implies the building of a new 500 km-long oil pipeline which will deliver between 390,000 and 450,000 barrels per day of heavy crude from oil concessions in the country's eastern rainforest region, known as the Oriente, to refineries in Esmeraldas on the Pacific Coast.

The US\$ 1.1 billion project --delayed for 10 years mostly due to the country's economic and political instability as well as the project's perceived risks-- has been finally approved by the Noboa Administration despite mounting public opposition, and is scheduled to be completed by mid-2003.

The concession to OCP Ltd., which will double Ecuador's current oil production, is for 20 years and implies the ownership, construction and operation of the heavy crude pipeline. The project is the first of its kind to be executed under new regulations in Ecuador that allow the private ownership and operation of hydrocarbon facilities. This law, known as TROLE II, is part of the economic bailout package stipulated by the International Monetary Fund and the World Bank to the Ecuadorian government in response to the country's nearly US\$16 billion external debt and commercial bank failure. International creditors push this project as the principal instrument for the country's economic recovery and the major precondition for their loans.

The expected dramatic increase in Ecuadorian oil production under a program called Apertura 2000, will set off another boom in new oil exploration which the government estimates in more than US\$ 2 billion. The aim is to double oil production and exports and to privatise oil infrastructure in order to attract foreign investments to its recently "dollarized" economy. Much of the heavy crude reserves that would flow through the pipeline starting in Lago Agrio (Amazonia), are likely to be found in pristine and protected areas of high biodiversity and tourism activity.

Without a proper evaluation of the megaproject's long-term adverse impacts on pristine areas, public health and water resources of the Amazon region, the consortium goes ahead with the proposed controversial northern route of the pipeline despite strong opposition from scientists, the eco-tourism industry, local communities, and property owners, and without adequate public discussion of the alternative routes. Critics denounce that the project violates the Ecuadorian Constitution, which requires proper prior consultation with affected communities.

And still remains an obvious question: if the past 30 years of oil revenues have not mitigated poverty nor improved the standard of living in Ecuador --quite the opposite, those communities who live in oil producing regions or near refineries are experiencing first-hand the serious environmental and social

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impacts of oil production including the highest rates of cancer and other degenerative diseases in Ecuador and their quality of life continues to worsen--, why will "more of the same" make a change?