

ROCKY ROAD



global witness

How legal failings and vested interests behind Peru's Purús highway threaten the Amazon and its people

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CONTENTS

- 01 EXECUTIVE SUMMARY**
- 03 RECOMMENDATIONS**
- 04 INTRODUCTION**
- 07 ENVIRONMENTAL AND SOCIAL IMPACTS**
- 10 QUESTIONS REGARDING
PARLIAMENTARY PROCESS, BRIBERY
AND CONFLICTS OF INTEREST**
- 14 CONCLUSION**

EXECUTIVE SUMMARY

The Peruvian Amazon contains the fourth largest area of tropical forest on Earth¹ and is one of a handful of regions where over 50 percent of forest cover is still undisturbed². Peru has seen impressive economic growth in the last decade, with GDP increasing on average six percent a year³, as it follows a commodities-led development path. The boom in resource exploitation has put Peru's environmental and social laws under the spotlight.

One of the biggest threats to the Peruvian Amazon and indigenous peoples' territories comes from impacts associated with major infrastructure projects⁴. According to one estimate, 91 percent of Peru's current 68 million hectares (ha) of tropical forest will be degraded or deforested within 30 years if all current plans for infrastructure and resource use across the country go ahead⁵.

Global Witness investigated one of these proposed infrastructure projects: a highway that would stretch approximately 270 km between Puerto Esperanza and Iñapari in the Amazon regions of Ucayali and Madre de Dios. The highway would cut through the Alto Purús National Park (the largest in Peru), the Purús Community Reserve and the Madre de Dios Territorial Reserve, violating Peru's laws on protected areas in the process⁶. Similar projects like the recently completed Southern Interoceanic Highway have facilitated the expansion of logging and gold mining, causing widespread environmental and social harm⁷.

The area most affected by the plans is the isolated province of Purús in Ucayali Department. Purús harbours the richest area of mahogany left in Peru and perhaps the whole continent⁸. It is also home to some of the last indigenous groups living 'in voluntary isolation' who have chosen not to have contact with the outside world⁹.

A parliamentary bill, no.1035/2011-CR (referred to in this document as 'the highway bill'), has been passed for debate in Peru's congress to declare the highway project 'of national interest priority' in an effort by its promoters to secure official approval and state funds for its construction¹⁰. The controversial plan has divided local and national opinion, and has drawn criticism that it is riding roughshod over environmental laws and the rights of indigenous peoples.

This report examines a range of factors that Global Witness believes may be unduly influencing the decision-making around the highway project, including alleged corruption and possible conflicts of interest.



The highway would violate Peru's laws on protected areas, cutting through the Alto Purús National Park. © Chris Fagan, Upper Amazon Conservancy

The summary findings are as follows:

- **Illegal forest clearance for the road is underway outside Puerto Esperanza** – Former local government workers told Global Witness that the Purús municipality gave 10,000 Soles (almost US\$4,000) to a pro-highway group to pay for this illegal road clearing in 2012. The road clearing does not have the necessary authorisation as the parliamentary bill has not yet been passed.
- **Purús government stands accused of faking expressions of support for the highway** – According to the President of Ecopurús, a local indigenous organisation, the Purús municipal government has fraudulently used signatures from indigenous communities to falsely claim their support for the highway.

● **A timber company and local officials drew up an illegal contract allowing logging in exchange for road building** – Logging company Agro Industrial SAC, together with local officials, drew up a contract in 2007 to build the highway in return for timber harvesting rights. If implemented, the contract would have been illegal as the activities it proposed would have violated Peru’s laws on protected areas and the parties named did not have the relevant legal authority. Agro Industrial SAC operates a logging concession in Tahuamanu province, near Iñapari, an area that would be served by such a highway.

● **A number of the bill’s main supporters have possible conflicts of interest** – Opening up Purús would ease access to illegal timber and gold mining in the region. Carlos Tubino, the bill’s main sponsor, was Political Military head of Ucayali in 1996, at a time when the Armed Forces operating there were accused of profiting from the illegal timber trade. Congressman Francisco Ccama, another of the bill’s sponsors, has extensive gold mining interests and is currently being investigated by the Environmental Auditor’s Office in Puno for environmental pollution and illegal mining. Other potential conflicts of interest involving the bill’s supporters are detailed below in this document.

● **Indigenous communities who oppose the highway are being discriminated against** – Municipal workers are refusing job opportunities, access to humanitarian flights and medical supplies to those who are against the highway plans.

● **A local official offered bribes to an indigenous organisation for support for the highway** – A representative of the Federation of Native Communities of Purús Province (FECONAPU),

the organisation representing Purús’ indigenous communities, was offered a bribe of 30,000 Soles (around US\$10,000) by a local government official to support the road construction.

Sponsors of the bill claim the road would bring much needed development to Purús Province. But those who oppose the plans believe the funds needed for any highway would be better used to improve basic services and combat poverty. Indigenous communities, who make up the vast majority of Purús’ inhabitants, have pronounced against the highway as have the Ministry of Environment, Ministry of Culture and Ministry of Transport and Communications¹¹.

This report is intended to contribute to improved decision-making around large-scale infrastructure projects, like the Purús highway, in the Amazon basin. Given apparent failures by parliament to take into account breaches of law that the implementation of the plans would entail, the Peruvian congress and executive should halt the progress of the highway bill and re-examine the project’s legality and its social and environmental impacts. A parliamentary investigative committee should also be established to examine the possible conflicts of interest and concerns about corruption raised with Global Witness in relation to the bill.

Global Witness put the allegations contained in this report to the principal individuals and companies involved. Responses were received from Roque Benavides, Agro Industrial SAC and members of congress Carmen Omonte, Carlos Tubino and Víctor Grandez.



Road-building in the Amazon has major social and environmental impacts. © Larepublica.pe

RECOMMENDATIONS

CONGRESS AND EXECUTIVE, WITH RESPECT TO BILL NO.1035/2011-CR:

- Immediately suspend bill no.1035/2011-CR, in view of breaches of law related to: article 68¹² of the Constitution that obliges the state to preserve protected natural areas; article 21 of Law 26834¹³ on Protected Natural Areas that stipulates no modifications can be implemented to the natural environment of protected areas of indirect use (Alto Purús National Park); Article 5 of Law 28736¹⁴ for the Protection of Indigenous Peoples in Situation of Voluntary Isolation and Initial Contact on the ‘intangibility’ of indigenous reserves (Madre de Dios Territorial Reserve); Law 29785¹⁵ on the Prior Rights to Consultation of Indigenous or Native Peoples and clause 18.2.2 of the Peru-USA Free Trade Agreement¹⁶ that considers inappropriate any weakening of environmental legislation by both parties.
- Establish a cross-party parliamentary investigative committee to examine the progression of bill no.1035/2011-CR, including the ruling of the Committee on Transport and Communications as well as the possible conflicts of interest of the bill’s supporters.

CONGRESS AND EXECUTIVE, WITH RESPECT TO NATIONAL LAWS:

- Introduce legislation that sets binding parameters on what constitute laws and supreme decrees of ‘national interest priority’ including when they can be applied, what legal provisions they imply and their relation to Peru’s constitution, national legislation and international laws and norms.
- Clarify under the Regulation of Law 29785 on the Prior Rights to Consultation of Indigenous or Native Peoples¹⁷ the process for consultation related to parliamentary bills that aim to declare of ‘national interest priority’ large-scale infrastructure projects like the Puerto Esperanza–Iñapari highway.
- When establishing the competences and procedures of the new National Service of Environmental Certification for Sustainable Investments (SENACE) body¹⁸, entrusted with improving Peru’s environmental impact assessment framework, ensure strategic environmental assessment laws have to be applied to plans for large-scale infrastructure projects.

- The Attorney General’s Office of the Ministry of Environment and Environmental Prosecutor’s Office:
- Immediately investigate the complaint¹⁹ by the State National Service For Natural Protected Areas (SERNANP) of illegal clearing of forest for road building, financed by highway supporters, inside the MABOSINFROM conservation concession²⁰, and punish those responsible.

THE PUBLIC PROSECUTOR’S OFFICE AND OMBUDSMAN:

Immediately investigate the allegations that:

- A bribe of 30,000 Soles (around US\$10,000) was offered to the Federation of Native Communities of Purús Province (FECONAPU) by a municipal official in Purús in return for supporting the highway plans.
- The Purús municipality gave 10,000 Soles (almost US\$4,000) to a pro-highway group to pay for the illegal road clearing in 2012.
- The Purús municipality falsely claimed that signatures from indigenous communities indicated their support for the highway.



Purús' indigenous groups oppose the highway plans. © Global Witness

A REMOTE REGION, A CONTROVERSIAL PROJECT

Purús Province, part of the Amazonian department of Ucayali, is one of the least populated areas of Peru²¹. Covering almost 1.8 million hectares (ha) of forest²², it contains the Alto Purús National Park, one of the most biodiverse areas on the planet²³. Forming part of a vital conservation corridor, the park holds some of the last remaining mahogany strands in South America and provides essential watersheds for the region's inhabitants²⁴. It also hosts the Purús and Yurua rivers, the only tributaries undisturbed by hydroelectric dams in the southern Amazon basin²⁵.

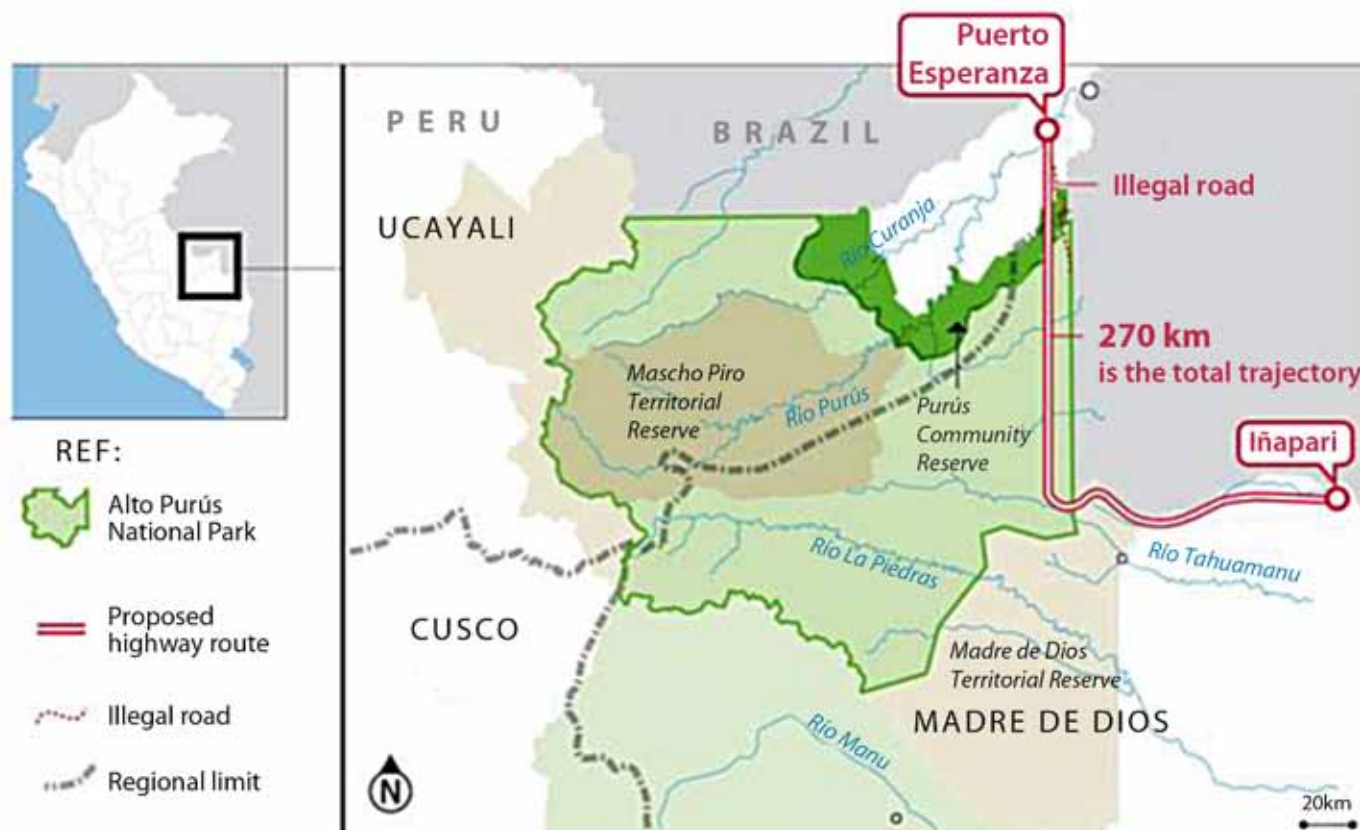
Purús' connection to the rest of the country is by twice-monthly humanitarian flights and subsidised airlines, which offer flights three times a week, to the department capital Pucallpa. These flights leave from Puerto Esperanza, which has a population of 1,200 and is the only town in a province of 4,497 people²⁶. Purús' 'colonos' – settlers from other parts of Peru – account for around a fifth of the province's inhabitants²⁷. Most live in Puerto Esperanza and are engaged principally in commercial and official administrative activity. The majority of the population – roughly 80 percent – are indigenous groups predominantly based in river-side communities that depend on the forest for their livelihoods²⁸. An estimated 500–1000 'uncontacted' (or 'in voluntary isolation') indigenous people also rely on the regions' forests, living a nomadic or semi-nomadic existence²⁹.

CALLS FOR A HIGHWAY

It is in this context that calls for a highway between Puerto Esperanza and Iñapari, a small town almost 300 km away in Madre de Dios department, have been promoted by a local group of 'colonos' led by priest Miguel Piovesan. After failed attempts by congressmen in 2005 and 2006 to submit bills for the highway's construction³⁰, a Multi-Ministerial Commission was set up in 2008 to implement the 'Action Plan for Purús' that recommended, amongst other development aims, improving the air connection as a short-term solution to Purús' isolation³¹.

Carlos Tubino, congressman for Ucayali, has become a leading champion for the highway at the national level. On 19 April 2012 Tubino, together with 24 other members of Congress, submitted to parliament bill no.1035/2011-CR to 'declare of public necessity and national interest priority the land connection' between Puerto Esperanza and Iñapari³². The bill's title states the 'land connection' could be a highway or a railroad but the content of the bill refers overwhelmingly to a highway, as do media reports and statements by Purús supporters of the 'land connection'³³. As such, this report refers to the bill as the 'highway bill'.

On 1 June 2012, the Committee of Transport and Communications, of which Tubino was also secretary at the time, unanimously approved the bill for full debate on the Congress floor³⁴. In November 2012 the bill was passed to the Committee of Indigenous Peoples and Environment³⁵ for a second ruling but, by the time of this report's publication, the Committee had still not given its opinion on it. With the positive ruling from



Map showing proposed route of the highway. © Rocío Medina, La República

the Committee of Transport and Communications still applicable, Tubino’s bill 1035-2011/CR is expected to be debated in parliament during the legislative session running from 1 March to 15 June 2013.

PATH TO PROSPERITY?

The principal argument put forward by the highway supporters is that it will boost development to a neglected region³⁶. There is no doubt Purús needs development. 73 percent of Purús homes do not have electricity³⁷ and those which do only have access for five hours a day³⁸. A fifth of the population is illiterate, one of the highest rates in the country³⁹. There are only seven health posts and ten hospital beds in the whole province⁴⁰. Life expectancy and human development indicators are within the lowest 20 percent of all districts in Peru whilst per capita income is just US\$85 a month⁴¹.

Compounding Purús’ poverty is the high price paid for goods and services. Speculative traders have a monopoly on bringing essentials like fuel and cement into the province, allowing for inflated prices⁴². Global Witness has also been told that the humanitarian flights in and out of the province are run corruptly by the Purús municipal government. The flights have a fixed low cost and are meant to serve those most in need, for example the sick and people with limited

income. According to two international organisations who are based in Purús, priority of travel for goods and passengers on these flights is given to those who pay more, neglecting the supposed beneficiaries⁴³.



In Miguel Piovesan’s church a banner above the Christ figure reads ‘God, take pity on this town and give us a highway’. © Global Witness

While the development needs of Purús' inhabitants are a major concern, it is questionable whether the highway will prove the panacea its supporters claim. There is no certainty the Puerto Esperanza–Iñapari project would encourage increased trade in household goods and services or deliver improved development, given the distances involved to access larger towns. After 270 km the road would end at the nearest town of Iñapari, which is as small and underdeveloped as the starting point, Puerto Esperanza⁴⁴. Iñapari lies a further 229 km from the larger town of Puerto Maldonado where better public services are available. Emergency health issues and official procedures could be dealt with quicker in Pucallpa, the regional capital – only one and a half hours flight from Puerto Esperanza – than via a long road journey to Puerto Maldonado. Access to commerce and adequate medical care could be better served with increased flights rather than the highway.

ALTERNATIVE OPTIONS

Other development paths have been suggested for Purús. Marc Dourojeanni, the former head of the Environment Division at the Inter-American Development Bank (IDB), believes a better option would be a more regular, cheaper air service to Pucallpa and greater investment in tourism infrastructure⁴⁵. He

states that by strengthening the capacity of the Alto Purús National Park to receive visitors, flight costs could be subsidised for locals from income revenues. Defined concessionaires on flight routes, decided by a competitive bidding process, would bring down travel costs further whilst proper regulation would promote lower cargo tariffs.

FECONAPU, Purús' indigenous organisation, has called for greater commercial ties and bilateral trade agreements with Brazil as another alternative⁴⁶. They believe improved connections with Santa Rosa do Purús, only 40 km from Puerto Esperanza by river, would boost the local economy. The multi-stakeholder-led Action Plan for Purús, of which FECONAPU and government bodies are members, could provide the platform for sustainable development if properly implemented and resourced.

With an estimated US\$300 million just for construction costs⁴⁷, not counting maintenance, impact mitigation or control, the highway is a huge investment with uncertain development outcomes. The money could be better spent on direct investment in state services such as education, health, clean water and electricity supply.



FECONAPU, representing Purús' indigenous groups, unfold a protest banner: 'No to the highway of death'. © SERNAMP

Puerto Esperanza, the only town in Purús Province, lacks basic services. © Global Witness



Pro-highway supporters have begun to clear forest illegally in an effort to build the road. © Chris Fagan, Upper Amazon Conservancy

DESTROYING FORESTS, BREAKING LAWS

The Puerto Esperanza–Iñapari highway would violate Peru’s national legislation related to protected areas by crossing the Alto Purús National Park, the Purús Community Reserve and the Madre de Dios Territorial Reserve⁴⁸. It would also be in breach of environmental obligations under the Peru–USA Free Trade Agreement⁴⁹. Furthermore it would breach private property rights of the MABOSINFROM conservation concession outside Puerto Esperanza, the Bélgica Native Community in Madre de Dios and several logging concessions near Iñapari⁵⁰.

An extensive body of research provides clear evidence of the links between road building and deforestation⁵¹. For example, in the Brazilian Amazon 75 percent of deforestation takes place within 100 km of highways⁵². Road building has been cited in a major study by Marc Dourojeanni and other respected Peruvian academics as the principal source of social-environmental risk in the Amazon basin⁵³. It states that no example exists of an Amazonian highway where environmental legislation has been even minimally implemented.

Despite no legal basis for the Purús highway, a 15–20 km route from Puerto Esperanza following the proposed plans has already been cleared, involving chain-sawing and burning of trees⁵⁴. Pro-highway leader Miguel Piovesan, based in Puerto Esperanza, told Global Witness that Tubino’s parliamentary bill has given him and his supporters the political space to increase efforts to build the road⁵⁵.

COMPARISONS WITH SOUTHERN INTEROCEANIC HIGHWAY

Previous highways in nearby areas have had catastrophic environmental effects. The Southern Interoceanic Highway, the first trans–Amazonian land route from Brazil to the Peruvian coast, has sparked an unprecedented gold rush in the forests outside Puerto Maldonado, Madre de Dios. Peru’s Human Rights Ombudsman recently declared that ‘human lives, forests, land and rivers have been lost forever in Madre de Dios’ because of this explosion of illegal gold mining⁵⁶.

Since the asphaltting of the Southern Interoceanic Highway between December 2006 and August 2011, the area dedicated to mining has more than doubled in size⁵⁷, causing 32,000 ha of deforestation and 150,000 ha of forest degradation⁵⁸. According to SPDA, a Peruvian environmental NGO, 67,000 kg of mercury used in the mining process is pumped into the rivers of Madre de Dios every year⁵⁹. The proposed Purús road would eventually connect with the Southern Interoceanic Highway at Iñapari. Similar migration patterns of gold miners could take place in Purús, with severe implications for the environment and local indigenous people.

RISKS OF DRUG TRAFFICKING

Road building in the Amazon facilitates the trafficking of coca, the base product for cocaine, as well as giving access to land for its production⁶⁰. Scientific researchers



Like the Southern Interoceanic Highway, the Purús road could ease access to illegal gold mining, with severe implications for the environment.
© Global Witness

from the University of Richmond believe the proposed Purús highway would increase the drug trade in the region⁶¹. The highway would skirt the border with Brazil, which is the destination for much of the coca produced in Peru. Officials have expressed concerns relating to an apparent increase in drug trafficking through Purús' protected areas, the Alto Purús National Park and Purús Community Reserve, according to internal SERNANP reports obtained by Global Witness⁶². A 2011 study suggests loggers are using remote camps for the cultivation and processing of coca paste whilst the 'mahogany mafia' in Puerto Esperanza coordinate its transport to Brazil⁶³.

REPERCUSSIONS FOR INDIGENOUS GROUPS

Peru's main indigenous organisations at the national and regional level have pronounced strongly against the highway, including FECONAPU, which represents Purús' indigenous communities, who account for around 80 percent of the province's population⁶⁴. No official consultation process has taken place with indigenous communities potentially affected by the highway bill and FECONAPU regards this as a violation of Peru's new consultation law⁶⁵.

In their declarations against the highway, indigenous organisations also cite the violation of Peru's laws protecting indigenous peoples 'in voluntary

isolation'⁶⁶. The proposed highway would cross the Alto Purús National Park and the Madre de Dios Territorial Reserve, both home to these 'uncontacted' indigenous groups. Furthermore, these areas border the Mascho Piro and Murunahua Territorial Reserves, which together form the largest concentration of 'uncontacted' groups in Peru and perhaps the world⁶⁷. The consequences of opening up this forested region would likely be fatal for some members of these communities. They are highly vulnerable to 'outside' disease due to the inability of their immune systems to protect against it. According to Survival International, an estimated 50 percent of the isolated Murunahua group died in this way in the mid-1990s after being contacted by illegal mahogany loggers⁶⁸.

The Upper Amazon Conservancy has documented illegal logging in the area and its effect on 'uncontacted' groups. They found these groups are being increasingly pushed out of their land by loggers and forced into close proximity with other 'contacted' indigenous communities, causing conflict. For example, following incursions by loggers into their ancestral lands in 2005, 11 members of an 'uncontacted' group and one local Asheninka woman were killed on the Yurua River as the result of a violent struggle over land with a local indigenous community⁶⁹.

Some prominent highway supporters have denied the existence of 'uncontacted' groups in the areas affected



The highway would open up areas set aside for ‘uncontacted’ indigenous groups, likely bringing disease and death for some members of these communities.
© SERNANP



An internal police intelligence report detailing Miguel Piovesan’s suggested options for protest including kidnapping the state governor, hijacking an aeroplane and asking the Madre de Dios regional government to annex Purús Province.

by the plans. In an interview with Global Witness, Víctor Grandez, head of the parliamentary Committee of Indigenous Peoples and Environment declared that “no uncontacted communities exist” in Purús province⁷⁰. In a clarification letter to Global Witness, Grandez stated that these ‘uncontacted’ communities do not exist ‘because they have all been identified’⁷¹. Miguel Piovesan also told Global Witness that “indigenous people in voluntary isolation are not here [in Purús]”⁷². Internal reports by the SERNANP (protected areas service) obtained by Global Witness, list 12 separate incidents demonstrating the existence of ‘uncontacted’ groups since 2010 in Purús province alone⁷³. In July 2012 evidence of their presence was found on the proposed trajectory of the highway, in Madre de Dios Department, just 6 km from a logging camp⁷⁴.

Indigenous people opposing the highway plans have experienced open prejudice. Priest Miguel Piovesan’s parish magazine ‘Palabra Viva’ has labelled local indigenous people ‘undocumented’ and ‘passers by’⁷⁵. It has ridiculed indigenous leader Flora Rodriguez stating ‘she only understands rivers and animal trails’⁷⁶. Piovesan’s radio show ‘Radio Esperanza’ has also claimed indigenous people sell themselves to the highest bidder⁷⁷. Municipal workers, including health workers and airflight staff, have denied indigenous communities basic services because of their opposition to the highway⁷⁸.

Criminal actions have been filed against indigenous leaders by Piovesan in reaction to their request for his removal as head of Purús’ Catholic Church in March 2012⁷⁹. The indigenous leaders asked for Piovesan to be replaced because of his pro-highway views and what, in their opinion, was his anti-indigenous stance⁸⁰. Under the charge of ‘misrepresentation’, Piovesan has launched criminal cases against four indigenous people, one of whom has fled to Brazil in fear of his safety, according to the President of Ecopurús⁸¹.

Piovesan’s recourse to controversial measures in his efforts to highlight the situation in Purús is further illustrated by an internal police intelligence report obtained by Global Witness. The report details a meeting between Piovesan and local authorities on 26 July 2003, where he suggested options for protesting against the perceived ‘abandonment’ of the province, including kidnapping the state governor, hijacking an aeroplane and asking the Madre de Dios regional government to annex Purús Province⁸².

QUESTIONS REGARDING PARLIAMENTARY PROCESS, BRIBERY AND CONFLICTS OF INTEREST

PASSAGE OF BILL THROUGH CONGRESS

The lead parliamentary committee, the Committee on Transport and Communications, unanimously approved the bill on 1 June 2012 for full debate in parliament⁸³. A second ruling is now pending from another committee, the Committee on Indigenous Peoples and Environment. The bill is expected to be debated in parliament during the legislative session running from 1 March to 15 June 2013.

Global Witness research suggests that the Committee on Transport and Communications failed to integrate proper analysis of environmental, legal and social concerns into its ruling on the highway bill. The 'Opinions Received' section of the Committee on Transport and Communications' ruling lists three recommendations, all of which reject the bill, from the Ucayali Regional Indigenous organisation (ORAU), the Provincial Municipality of Tahuamanu, where Iñapari resides, and the Madre de Dios Regional Environment Commission⁸⁴. The 'Analysis of Bill' section ostensibly represents the thinking behind the decision to approve the bill for debate in parliament⁸⁵. However, it appears to be an almost word-for-word copy of text lifted directly from the bill itself. There is no insight offered into how the approval process was conducted or whether any considerations have been taken of external recommendations. Footage of the Committee on Transport and Communication's discussion on the bill, which led to the ruling, shows there was no debate of any of the objections to the project⁸⁶.

On 1 June 2012, the same day as the ruling, the Environment Ministry gave its recommendation not to pass the bill citing the contravention of laws on protected areas⁸⁷. This was followed by similar rejections of the highway bill by the Ministry of Culture, in charge of indigenous affairs, and the Ministry of Transport⁸⁸.

The Committee on Indigenous Peoples and Environment was given the authority to add its own ruling to the bill on 5 November 2012 but had still not debated the highway project at the time of this report's publication⁸⁹. The delay in giving its ruling is surprising given the breaches of Peruvian environmental and social laws that the bill implies

and given the Committee's stated vision to work for 'the defence of the environment, promotion of sustainable development and effective environmental management'⁹⁰.

Global Witness believes the current President of the Committee on Indigenous Peoples and Environment, Víctor Grandez, may be stalling the decision. In his capacity as President of the Committee he sets the agenda for working sessions but so far his engagement has not resulted in a decision on the highway bill. In an interview with Global Witness Víctor Grandez indicated his support for the Purús highway⁹¹. Víctor Grandez is currently facing charges of embezzlement for allegedly stealing state oil revenues⁹². The parliamentary Ethics Committee has recently initiated an investigation into his suspected ownership of a hotel linked to facilitating child sex trafficking in the Amazon region Loreto⁹³.

In a response to Global Witness, Víctor Grandez denied that he is stalling the decision on the highway bill⁹⁴. He referred to the fact that the highway bill was scheduled for debate in the 16 April 2013 working session of the Committee on Indigenous Peoples and Environment. The bill was not discussed because of lack of time. It was subsequently put as an agenda for debate in the 30 April 2013 working session but, again, no decision was taken.

BRIBERY AND FORGERY ALLEGATIONS

Celso Aguirre, an advisor to the mayor of Purús and a prominent supporter of the highway⁹⁵, offered a bribe of 30,000 Soles (around US\$10,000) to a FECONAPU member in 2010 to overturn the group's objection to the highway⁹⁶. FECONAPU, representing Purús' indigenous groups, is key to the approval of the highway project because by law, it would have to give consent to the plans. At the time of publication Celso Aguirre had not answered Global Witness's requests for comment.

The Purús municipal government, meanwhile, has been implicated in alleged misuse of public funds related to its support for the highway project. Two former local government workers told Global Witness that in 2012 the Purús municipality gave 10,000 Soles (almost



The Environmental Prosecutor's Office estimates that 80-90 percent of logging in Ucayali is illegal.
© Rory Sheldon

US\$4,000) to a pro-highway group, led by Miguel Piovesan, to pay for illegal clearing of forest along the proposed trajectory of the road⁹⁷. The road clearing does not have the necessary authorisation as the parliamentary bill has not yet been passed.

The President of Ecopurús, a local indigenous organisation, told Global Witness that the Purús municipal government fraudulently used signatures from indigenous communities to falsely claim their support for the highway⁹⁸. In March 2012 the minutes of a meeting in Cantagallos to discuss municipal government activities in indigenous communities were signed by participants. These signatures were then annexed to a different document, of which the indigenous people were never made aware, that declared their support for the highway. This document was then presented by the municipal government to Carlos Tubino in September 2012 as if the signatories had given their support to the highway plans.



The Ucayali government has been accused of involvement in illegal logging by the department's Auditing Commission.
© Global Witness

LOGGING IN PURÚS

Purús Province contains the highest density of mahogany trees, an extraordinarily valuable species⁹⁹, left in Peru and perhaps South America¹⁰⁰. The Purús highway would give direct access to these forest riches and facilitate the timber trade by connecting the province with Brazilian and Peruvian markets via the Southern Interoceanic Highway. Global Witness believes the Ucayali government is unprepared for increased rates of illegal logging that a highway would likely cause. The timber industry dominates the economy in Ucayali, where Purús resides, with the Environmental Prosecutor's Office estimating 80-90 percent of logging to be illegal¹⁰¹. In 2000 the Peruvian government banned mahogany and cedar extraction in four illegal logging hotspots, including Purús¹⁰². This law was brazenly flouted for several years¹⁰³. Rampant illegal logging took place in Purús' protected areas¹⁰⁴ with timber transported by planes chartered from Peru's Army, Police and Navy, who were suspected of collusion¹⁰⁵. Illegal logging persists in Purús, as is highlighted by recent legal violations in 8 of the total 11 harvesting permits issued in the province¹⁰⁶.

The Ucayali government has also been linked to active involvement in illegal logging. According to the President of the Ucayali Auditing Commission, Javier Bonilla, the Ucayali Regional Department for Forest and Fauna (DEFFS-UCAYALI) – the institution responsible for issuing timber licences – facilitated illegal logging through the forgery of signatures on harvesting permits from 2008 to 2011¹⁰⁷.

Links between highway supporters and logging Global Witness has obtained evidence of efforts by a logging company and local highway supporters to get the road built and believes support for the highway may

be linked to logging interests. In June 2007 a contract was drawn up between Agro Industrial SAC, a logging company, and authorities from Purús and Madre de Dios for the completion of a road from Iñapari to Puerto Esperanza¹⁰⁸. Agro Industrial SAC operates a logging concession in Tahuamanu province, near Iñapari, an area that would be served by such a highway¹⁰⁹. The contract stipulates the company would finish its construction within six months of the contract date in return for the rights to the timber ten metres either side of the road. At the time, Agro Industrial SAC's owner, Carlos Vinicio Rigo Nico, appeared in a photo on the front cover of priest Miguel Piovesan's parish magazine, promoting the deal¹¹⁰.

Local highway activists played a role in the contract. Priest Miguel Piovesan's name appears, unsigned, as a witness. A witness signature is apparent above the name of Piovesan's superior, Mons. Francisco González Hernández, Bishop of Madre de Dios. Similarly, a signature appears above the name of Leerner Panduro Pérez, present mayor of Purús and vocal supporter of the highway. The contract appears never to have been signed in full. However, the activities it proposes would have violated Peru's laws on protected areas. It is also clear that the parties named did not have the legal authority to make such an agreement.

In a response to Global Witness, Carlos Vinicio Rigo Nico, on behalf of Agro Industrial SAC, stated that the contract was never signed and served only as a consultation, and that the proposals were led by Miguel Piovesan¹¹¹. Carlos Vinicio Rigo Nico further stated that the company operates in a transparent and legal manner and that, in respect of the contract, all legal frameworks would have to have been followed for the plans to proceed.

Other apparent links between logging and highway supporters warrant further investigation. Abel Chapay, close ally of Piovesan and president of the main local pro-highway group¹¹², previously worked for logging company Forestal Venao¹¹³. Chapay was expelled from the Miguel Grau community in Purús for deceiving them out of money owed from timber rights¹¹⁴. Forestal Venao has been described by respected academic Dr. David Salisbury as 'infamous in Ucayali, Peru for their indifference to laws, indigenous people, and the rainforest environment'¹¹⁵. At the time of publication Abel Chapay had not answered Global Witness's requests for comment.

Carlos Tubino, the bill's main sponsor, was Political Military head of Ucayali in 1996, at a time when the Armed Forces operating there were accused of profiting from the illegal timber trade¹¹⁶. A contractor for the Peruvian Navy during Tubino's era in Ucayali told Global Witness that he witnessed first-hand the transport of illegal timber on military planes¹¹⁷. These flights openly transported illegal timber between Purús and the state capital Pucallpa¹¹⁸. Tubino's position as the bill's principal sponsor as well as his previous post with the military gives rise to a potential conflict of interest that needs to be investigated. In a response to Global Witness, Carlos Tubino confirmed that he was exclusively responsible for military operations in Ucayali in 1996 and denied his involvement in the illegal timber trade or responsibility for any illegal transport of timber on military aircraft. He said that each institution of the Armed Forces held individual responsibility for any infractions of law¹¹⁹.



Carlos Tubino, the bill's main sponsor, was Political Military head of Ucayali in 1996, at a time when the Armed Forces operating there were accused of transporting illegal wood on military planes. © Global Witness

CONVENIO

Conste mediante el presente documento, Convenio entre la Empresa AGRO INDUSTRIAL SAC., representado por el Señor CARLOS VINICIO RIGONICO, en adelante denominado LA EJECUTORA, con domicilio legal en jirón San Martín N°1057 – Iñapari (Madre de Dios) y el Gobierno Regional de Madre de Dios, representado por su Presidente, Señor SANTOS KAWAY KOMORI, la Municipalidad Provincial de TAHUAMANO (Iñapari), representado por su Alcalde, señor ALFONSO CARDOSO, la Gerencia Sub Regional de Purús, representado por su Gerente, señor LEERNER PANDURO PEREZ, la Municipalidad Provincial de Purús, representado por su Alcalde, señor EMILIO MONTES BARDALES, en adelante denominado LOS BENEFICIARIOS, con domicilio legal en avenida Pedro Ruiz Gallo S/N – Puerto Esperanza – Purús, se establece el siguiente convenio:

CLAUSULA PRIMERA.- LA EJECUTORA se compromete a realizar una trocha carrozable, de 10 metros de ancho, con cunetas de drenaje y todos los Puentes necesarios, con excepción del Puente sobre el río Chandles, partiendo de la coordenada 343 y llegando hasta Puerto Esperanza-Purús.

CLAUSULA SEGUNDA.- Los BENEFICIARIOS autorizan a LA EJECUTORA, a hacer uso como contraparte del trabajo, de las maderas aprovechables en ambas márgenes de la trocha por una anchura de 10 metros.

CLAUSULA TERCERA.- LOS BENEFICIARIOS supervisaran cada cual en el territorio que le corresponde, los trabajos de LA EJECUTORA en concordancia y respeto de las cláusulas primera y segunda.

CLAUSULA CUARTA.- LA EJECUTORA fija un plazo de tiempo para la culminación de la trocha, en 06 meses desde la firma del presente convenio.

CLAUSULA QUINTA.- En caso de suspensión o de interrupción de LA EJECUTORA indemnizará a los BENEFICIARIOS, el monto de madera extraída hasta el momento de interrumpir la realización.

CLAUSULA SEXTA.- En caso de incumplimiento en LA EJECUTORA indemnizará a LOS BENEFICIARIOS en un monto de petróleo por cada día de atraso.

CLAUSULA SEPTIMA.- Cualquier otra cláusula no prevista en el siguiente convenio será convenida de común acuerdo entre LA EJECUTORA, La Gerencia Sub Regional de Purús y la Municipalidad de Tahuamano.

En señal de conformidad, firman (05) ejemplares del presente convenio, el 18 de Junio del 2007. Siendo testigos el Obispo de Puerto Maldonado Mos. Francisco González Hernández y el Párroco de Purús, Padre Miguel Piovesan.

CLAUSULA SEGUNDA.- Los BENEFICIARIOS autorizan a LA EJECUTORA, a hacer uso como contraparte del trabajo, de las maderas aprovechables en ambas márgenes de la trocha por una anchura de 10 metros.

Logging company Agro Industrial SAC, together with local officials, drew up a contract in 2007 to build the highway in return for timber harvesting rights.

GOLD MINING

Opening access to Purús's forests through a highway would encourage illegal gold mining, which has already had severe environmental and social impacts in other parts of the Amazon¹²⁰. According to the Ministry of Environment an estimated 30,000 informal gold miners now operate in Madre de Dios where the proposed Purús highway would terminate¹²¹. This inflow has been facilitated by the Southern Interoceanic Highway, which gives access to previously remote forested areas rich in gold reserves¹²². The economist Elmer Cuba, director of consultancy firm Macroconsult, estimates that 22 percent of the gold exported from Peru on the formal market comes from illegal mining¹²³. Gold became Peru's main export item in 2012¹²⁴.

Media reports in Peru indicate links between some congressmen who sponsored Tubino's bill and gold mining interests. Luciana León, one of the original signatories to the Puerto Esperanza-Iñapari bill, was one of 22 candidates for Peru's congress whose campaign was financed by the NGO Democratic Reflexion¹²⁵. The President of Democratic Reflexion is Roque Benavides, one of Peru's most powerful businessmen and CEO of Compañía de Minas Buenaventura, owner of the largest gold mine in Latin America, and part-owner of the controversial Conga mine project¹²⁶. In 2012, five protesters were killed in

clashes with police over concerns that the proposed Conga mine would harm local water supply¹²⁷. In a response to Global Witness Democratic Reflexion stated that Roque Benavides' role as President is to approve planning and strategy¹²⁸. They deny exerting influence over Luciana León's decisions in debates in Congress.

Francisco Ccama, another of the bill's sponsors, is owner of gold mining company Andes Doradas E.I.R.L.¹²⁹. Ccama is currently being investigated by the Environmental Auditor's Office in Puno for environmental pollution and illegal mining¹³⁰. At the time of publication Francisco Ccama had not answered Global Witness's requests for comment. Carmen Omonte, another pro-highway parliamentarian, is married to Luis Dyer, whose family own two mining companies¹³¹, and who is a well-known businessman and owner of a heavy machinery rental company in Ucayali¹³². In a response to Global Witness, Carmen Omonte stated that neither she nor her spouse own mining companies, or any 'active' heavy machinery rental company¹³³. Carmen Omonte further stated that her support for the highway is based upon the development interests of the region rather than any personal conflicts of interest.

CONCLUSION

Global Witness' findings suggest there are strong grounds for the Peruvian congress and executive to suspend parliamentary bill no.1035/2011-CR. Any proposal for a connection between Puerto Esperanza and Iñapari must be developed and considered in accordance with Peru's laws, fully taking into account social and environmental obligations. As currently presented, the Purús highway would violate Peru's laws on protected areas and the rights of indigenous peoples, as well as international environmental obligations.

There is no evidence of any meaningful analysis by the Committee on Transport and Communications concerning the merits of the highway bill, or any clear consideration of objections to the plans by Peru's relevant ministerial departments or affected stakeholders such as Purus' indigenous peoples. Global Witness' research has uncovered potential conflicts of interest behind support for the highway. A parliamentary investigative committee urgently needs to be convened to examine these claims.

Development alternatives exist for Purús, a province where investment in education, health and other state institutions has been neglected. Strengthened trade

connections with Brazil could be prioritised as well as better tourism services. The economic rationale of the Puerto Esperanza-Iñapari highway is questionable, moreover. The hundreds of millions of dollars needed for its construction would arguably be better spent improving services for Purus' population and subsidising alternative travel modes.

This report has focused on a single proposed project, the Purús highway, where proper independent decision-making appears to be lacking. This highway would have major and irreversible impacts for the future of the Amazon forest and its people and, as such, demands the urgent intervention of legislators and senior officials. The Purús highway is far from being an isolated case, however. Indeed this debate is emblematic of much wider choices and challenges facing policy-makers in Peru. As more and more large-scale infrastructure projects are planned in the region to aid resource extraction and fuel emerging economies, it is imperative that the rights of forest communities and the environment are duly respected. Vested political and economic interests must not be allowed to hijack the process.



In Madre de Dios, where the highway would terminate, an estimated 67,000 kg of mercury used in the mining process is pumped into the rivers every year. © Global Witness

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