

“Block 64, A World of Conflicts - Risk of violation of the rights of Achuar and Wampis indigenous peoples by oil companies GeoPark and PetroPerú”

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Executive Summary

Peru's oil concession called Block 64 (northern Amazon) has a long history of conflicts created by the Peruvian government's attempts to impose an oil extraction and transportation project, which the Achuar and Wampis indigenous peoples have consistently rejected over more than two decades. This rejection is based on the right of indigenous peoples to enjoy a clean environment and to preserve, for their future generations, the territories which they inherited from their ancestors. The Achuar and Wampis maintain their rejection of operations in Block 64 to this day, as a new consortium made up of oil companies GeoPark and PetroPerú attempt to initiate operations in the short term with the project called Situche Central, which will generate violations of indigenous rights.

This report outlines the reasons for this rejection, as have been expressed over time through numerous documents presented to national governmental entities and international bodies like the Inter-American Commission on Human Rights, and shows the negative impacts that oil exploitation has generated in neighboring territories, with full impunity, causing serious damage to the health of the environment and people.

Though the allegation could be made that some of this damage was caused when the Peruvian oil industry was not well regulated, it has been clearly documented that polluting practices continue under new regulation and that the number new contamination sites hasn't stopped growing while the oil companies and the Peruvian government fail to comply with their obligation to remediate.

But this rejection is not just fed by this violation of indigenous rights and the evidence of environmental harm. Since Block 64 was established in 1995 and first concessioned to oil companies, it has passed through various hands between oil companies large and small which, protected by the Peruvian State, have always shown a lack of scruples in their behavior. The attempt to impose the oil block has created situations of negative social and cultural effects for the Achuar and Wampis peoples. These companies' communitarian programs have attempted to coopt leaders to bring them to their side and to break the existing indigenous organizations, creating other leaders to support their corporate needs.

Within the area affected by Block 64, there are today more than 15 indigenous organizations, many of them created opportunistically as a result of the oil companies' actions, including OSHAM (Shakai Achuar Organization of the Morona), FASAM (Achuar Federation of Situche and Anas of the Morona), and FIAMK (Achuar Indigenous Federation of the Morona in Katira), encouraged by Talisman, GeoPark, and PetroPeru. Some of these federations are made up of just one community.

Through these means they have attempted, for the benefit of the State, to offer the appearance of benefiting from social license. Every time the companies are searching for "social license", they approach these federations offering benefits, consisting of scholarships for some individuals or members of their families, or in the establishment of health facilities in one or more communities.

When a company like GeoPark claims they have the support of a community, that support generally includes just certain persons, those who thanks to the legal support of the company have been instituted as the community authorities as inscribed in the public registry. As such when a company says they have the support of one or another community, they ignore the fact that these authorities don't legitimately represent the position of all of the families.

Along the way, these tactics have generated conflicts between communities, some of which have come to the point of almost exploding in physical confrontations. The seriousness of one such situation reached penal responsibility when the oil company Talisman created a confrontational situation between different Achuar communities. Once Talisman was denounced for "attempted genocide", the company opted to abandon the project in 2013. Recently, a similar situation could have had serious consequences if not for the prudence of members of FENAP (the Federation of Peru's Achuar Nationality).

In recent episodes of manipulation for confrontation in order to weaken the indigenous resistance to their project, the oil company GeoPark has offered to help expand the communal territories of some Achuar communities. In effect and against all the norms, GeoPark has been successful in getting the regional authorities of Loreto to react quickly to a request for expansion of a communal title. These titles are in conflict with visions for the integral territories (collective land titles) of the Achuar and Wampis, indigenous peoples that resist the presence of the oil company. The title expansions are designed for the oil drilling sites above proven reserves (Situche Central 2X and 3X) to end up within the territories of the communities over which the GeoPark-Petroperú consortium has influence.

Petroperu has added new tactics in line with the divide-and-conquer trickery of GeoPark's antecedents. Recently, ATI, ORACH, and FENAP have denounced that Petroperu has contracted a community relations company [N&P Forest Wood Work SRL] that offers services such as, 'social work geared toward the creation of new leadership structures within social groups that are more effective than the current group, or that are aligned with the interests of the client.' This is clearly part of a plan to domesticate or even supplant leaders and other community members, to make them functional for the interests of the company and the State. It is very serious that the national oil company Petroperú, one of the members of the consortium, uses funds from their corporate budget for these kinds of contracts.

Over the more than 20 years the oil exploration and exploitation project in Block 64 has produced damages for which no one has taken responsibility but that have been documented by indigenous organizations. These damages were not acknowledged in the Environmental Impact Study that GeoPark presented to the Peruvian authorities in July of 2018, in an attempt to evade their inclusion in a management plan or in future abandonment plans for the block under their charge.

The cornerstone of the Situche Central project is the connection between the production installation and the site for storage and transfer to ships, located on the banks of the Morona River. Between these two, the plan is to construct a 6-inch wide pipeline over 44 kilometers long, alongside a road that would cut through Achuar territory. The planned arrival point for this pipeline is a military base, the Sargento Puño encampment, belonging to the 6th Regional Military, which is located in Wampis territory.

A clarification requested of the Peruvian Ministry of Defense as to the nature of the agreement to cede rights to GeoPark illustrates a serious irregularity. The Ministry's response, dated November 27th 2018, indicates that they don't have in their archives, "information related to agreements or other inter-institutional cooperation documents between the Armed Forces and the company GeoPark for the installation of their offices in the military base Sargento Puño." However, over the course of 2018 GeoPark had installed their offices within the encampment. Other information requests of this type directed toward the Joint Command and the Ministry of Exterior Relations (given that this is a border zone and that GeoPark has strong ties with Chile) were not responded to.

More recently the case has been that GeoPark is processing a rental contract for the Sargento Puño military encampment, which as FENAP has indicated in their expanded objections to the Situche Central environmental impact study for Block 64, "This is unacceptable the degree to which the Armed Forces funds (financial resources, assets, and effects) should be destined exclusively for "institutional ends", according to the Constitution (article

170), with the objective of guaranteeing our national security and independence and not the ends of private companies, especially as related to foreign companies.”

It is also irregular and dangerous that crude oil that would be stored in tanks constructed within the encampment, would be transported from there in tanker ships to the Morona pumping station, of the northern branch of the Northern Peruvian Oil Pipeline, also known as Station #4. This is a long and risky route, subject to grounding of ships and spills.

As the only prevention measure along a river like the Morona, which “is characterized as narrow, with many bends,” the company indicates that the ships will only travel during the day. Along the 225 kilometers of travel down the narrow course of the river, the ships would pass at least twenty indigenous communities.

The risk of accidents, whether during the trip or during the loading or offloading tasks, is not remote. Those the EIS considers this an impact of high importance during the operational phase of the project, it is only mentioned within the general contingency plans. Accidents in river situations have happened frequently on the loading zone of San José de Saramurillo, on the Marañon River. One of the major accidents happened in 2000, with a very serious impact on communities along the banks of the river. The consequences weren't insignificant, as they directly impacted the communities that depend on fishing in the Marañon River and connected lagoons. Accidents would not only affect the communities along the transportation route but also communities that are located down-river. Given that many of the species that are eaten migrate long distances, the contamination of fish would inevitably impact even larger areas.

It should be taken into account that the areas immediately around Pumping Station #4 of the Northern Peruvian Oil Pipeline, located in the Wampis community of Mayuriaga, have produced multiple spills in recent years. These are consequences of aging pipelines and a lack of maintenance.

In Peru, the environmental externalities of extracted projects are always passed along to the local population, which then has to deal with the environmental and social consequences of those ventures. These consequences are not valorized or quantified in the projects and the damages are ascribed to the supposed beneficiaries of the oil industry.

Its length notwithstanding, the environmental impact study presented by GeoPark for the Situche Central project is notoriously imprecise on some of the technical-environmental issues and extremely weak in identifying and qualifying risks against the environment and people. As such, it is also weak in the formulation of mitigation measures. Clearly the document and its

annexes don't meet the standards of a detailed EIS, which is the level that corresponds with the size of the project.

The principle interest of the Peruvian state revolves around its reserves of light crude oil. Given that Block 192, exploited over more than 40 years, produces principally heavy crude, the hope is that the company that extracts from Block 64 is able to make it more profitable, including for Petroperú which is operating there as a partner. It is worth mentioning that the contract for Block 64 runs through May of 2033.

It is clear that Block 64 is part of a strategy that would allow companies to operate in other blocks, including some that are currently not active like Block 102 and that the operations on the Peruvian side are being coordinated with the new round of oil concessions planned in Ecuador. But at what cost?

The Achuar and Wampis indigenous peoples have manifested their intention to not allow operations in Block 64. What will the Peruvian government do? We must remember that Convention 169 of the International Labor Organization, which Peru ratified and has Constitutional ranking, indicates, "No form of force or coercion shall be used in violation of the human rights and fundamental freedoms of the peoples concerned, including the rights contained in this Convention."