

The Amazon Sacred Headwaters: Indigenous Rainforest "Territories for Life" Under Threat

Imminent new oil drilling in the western Amazon threatens the most biodiverse rainforest in the world, survival of indigenous peoples, and climate stability





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“We, the Indigenous Peoples of Ecuador and Peru together with our allies, call on the global community for solidarity, as our very survival depends on the survival of the Amazon rainforest which is under constant and unprecedented attack. While the world has awakened to the terrible fires in the Amazon, many do not know that there are also destructive plans for expanding extractive industries within the area known as the Amazon Sacred Headwaters. These plans represent an imminent threat not only to our survival, but also to global climate stability.”

Indigenous Peoples' Declaration for the Amazon Sacred Headwaters



Executive Summary

The Amazon in Crisis

In the summer of 2019, fires raged across the Amazon from Brazil to Bolivia, ravaging an ecosystem already close to collapse from threats including deforestation, illegal logging, large-scale industrial extraction and agribusiness expansion. The viral images of man-made fires provoked international outrage and concern over the fate of the Amazon, its peoples, and the implications of losing an ecosystem essential for survival on this planet. But at a time when the world needs to be racing to protect the Amazon, a new oil boom in the headwaters of the mighty Amazon River in Ecuador and Peru puts this area, known as the Amazon Sacred Headwaters, in great peril.

The Amazon Sacred Headwaters

The Sacred Headwaters in the Upper Amazon is one of the birthplaces of the Amazon river. Spanning 30 million hectares (74 million acres) in Ecuador and Peru, this area is home to nearly 500,000 indigenous people from 20 nationalities (including peoples in voluntary isolation). It is the most biodiverse terrestrial ecosystem on the planet, and it represents both the hope and the peril of our times.

The reason this rainforest region remains largely free of industrial extraction is due to the successful efforts of indigenous peoples to protect and defend their territories. Here, indigenous peoples have stopped industrial waterways, dams, roads, and drilling plans by companies including Chevron, ConocoPhillips, ARCO, Andes Petroleum, ENI, Petrobras, CGC, and Talisman Energy, among others. Their efforts have stopped extraction and bolstered indigenous rights throughout the region and beyond. From their communities in the rainforest to the streets of the capital cities of Quito and Lima, or in dialogue with state governments, indigenous peoples in the Sacred Headwaters region continue to adamantly express their opposition to any new oil drilling.

But a new push by Ecuador and Peru to expand extraction and auction new oil blocks in this area threatens indigenous peoples and their Amazonian territories. In response, indigenous nations are joining together in a new initiative, led by the regional Amazonian indigenous confederations of both countries, CONFENAIE and AIDESEP respectively, calling for an immediate moratorium on new extraction and

exploration, while pursuing a just transition away from fossil fuel dependency, to post-petroleum economies that elevate indigenous solutions and respect their rights and autonomy.

Oil Expansion in the Last Place on Earth it Should Happen

Millions of acres in the Amazon Sacred Headwaters region are now under imminent threat from the expansion of fossil fuel production into intact rainforest, testing the resiliency of an ecosystem that survived the ice age. Ecuador has announced plans to leave OPEC by 2020 to boost production and has reformed its hydrocarbon contract structure to attract new investment.¹ Peru hopes to pass hydrocarbon reform in 2020 to expedite drilling.

But the Amazon biome is on the brink. Scientists warn it is close, or has already passed, a tipping point of no return, which will convert it from carbon sink to carbon source. Drilling for new fossil fuels in the most biodiverse rainforest on the planet — a forest ecosystem that regulates essential planetary ecosystem services like the hydrologic and carbon cycles — is a recipe for disaster.

New and ongoing oil extraction also threatens the very livelihood and cultures of indigenous peoples, some of whom live in voluntary isolation. For them, oil production and deforestation are existential threats to their survival as a people.

The threat that new oil extraction poses to indigenous peoples, biodiversity, and standing forests in the Sacred Headwaters region makes leaving fossil fuels in the ground here a planetary priority.

A Huge Climate Opportunity

Ecuador and Peru's plan to greatly expand oil production comes at a time of climate crisis. The science is clear: the world must begin a rapid phase out of fossil fuel production, and keep oil in the ground, to have the best chance of meeting the Paris agreement target goal of restricting global temperature rise to 1.5°C.

The oil industry is a major driver of deforestation in the western Amazon, both directly and by carving out new roads that facilitate access by other extractive industries like agribusiness and mining, which then further drive deforestation. Expanding oil production and looking for new crude reserves — unburnable

carbon from a 1.5°C climate scenario — underneath standing forests that help mitigate climate change by sequestering carbon, will greatly exacerbate climate disruption and devastate the livelihoods and cultures of hundreds of thousands of indigenous peoples. A new [report](#) by the UN Environmental Program and leading researchers revealed a gap between new oil production and country climate commitments. It found governments are planning to produce 50% more oil, gas, and coal by 2030 than is consistent with the Paris Agreement, a dangerous discrepancy that threatens climate stability.² Drilling in the Amazon Sacred Headwaters will only generate less than two months of the world's oil supply, but will cause irreparable damage locally and globally.

Keeping 5 billion barrels in the region underground is equivalent to avoiding over 2 billion metric tons of CO2 emissions, and maintaining the integrity of the living forest is equivalent to 4 billion metric tons of carbon. This collectively represents the equivalent energy use of 200 million U.S. homes for 10 years.³

China, California, Chile, Major Businesses and Finance Institutions All Connected to the Problem

A massive portion of the existing and expanded crude oil production is being used to pay off billions in loans to China — a country with a stated ambition to advance an ecological society. Over 50% of the crude oil from the Western Amazon goes to California refineries — much of it used to fill up the gas tanks of one of the most progressive geographies on the planet. Chinese and international banks and finance institutions are funding the build-out of oil drilling in the region and major brands are fueling their fleets with the spoils.

Still Time: An Indigenous-Led Bi-National Conservation Vision

Fortunately, there is still time to protect this critical area and there is an indigenous-led conservation effort underway that is a true model for our time. Similar to a Green New Deal, the Amazon Sacred Headwaters Initiative seeks to usher in a new era of clean, renewable energy, reduce fossil fuel dependence, and create a just transition for the economies of their countries that supports the indigenous solutions that have helped protect this area for millennia.

Key Actions:

1. The governments of Ecuador and Peru should declare the Napo, Pastaza, and Marañón River basins as a special region of global importance and off-limits to extraction and industrial scale “development.”
2. National governments, inter-governmental bodies, and international civil society should support indigenous peoples in developing and implementing Life Plans and bioregional plans.
3. National governments, multi-national corporations and international investors should respect indigenous nationalities' rights to autonomy, self-determination, and territory, as detailed in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).
4. In coordination with Amazon Sacred Headwaters Initiative, Ecuador and Peru should support creation of international, independent non market fund to protect the Amazon Sacred Headwaters and keep oil in the ground.
5. International investors and lenders should immediately shift capital out of any company or project related to oil exploration or extraction; a key place to begin that shift is with the companies and projects operating within the Sacred Headwaters region, as well as any and all companies profiting from the violation of the rights of indigenous peoples.

This report is a wake up call and shines a light on an opportunity that Ecuador, Peru, and the world must seize. It carries a message straight from the people whose cultures and ways of life are connected to the future of the Amazon Sacred Headwaters.

The Amazon Sacred Headwaters by the numbers

74 million acres (30 million hectares) of tropical rainforest

Less than 2 months of world oil supply

26 new platforms and 651 planned wells in Ecuador ITT fields inside Yasuni National Park

Nearly half a million indigenous peoples from 20 nationalities

Existing and proposed oil and gas blocks covering 283,172 square miles

2 nationalities of isolated peoples threatened with genocide by proposed drilling

5.4 billion barrels of oil

Over 50% of crude exports from Ecuador imported to California

6 million acres in 13 oil blocks of indigenous territories and roadless rainforest for tender (Ecuador)

45% of Yasuni National Park ceded to oil drilling





Introduction

In August of 2019, the world awoke to the Amazon ablaze. Some 76,000 fires were burning by month's end, an increase of 80% from last year. An unprecedented number of these were man-made, intentionally set fires — ignited by the incendiary policies and politics of Brazil's President Jair Bolsonaro. The toxic haze from the firestorm reached cities 2,000 miles away, and eclipsed the daytime sun in the coastal city of Sao Paulo. The world's largest rainforest — an epicenter of biodiversity, ancestral home for a million indigenous people, and essential for climate stability — was going up in smoke. Scientists speculated aloud whether the Amazon had crossed a tipping point of no return on the road to ecological collapse, with grave implications for life on earth as we know it.

But the crisis in the Amazon is more than fires. Expanding oil production and new exploration into forests is putting millions of acres of roadless, old growth rainforest and indigenous territories at risk, threatening to further push the Amazon biome, and its peoples and cultures, to the brink.

Meanwhile, political fires have swept the region, as indigenous peoples and civil society have taken to the streets in a continental uprising against inequality, resource extraction, and historic injustice. The moment is ripe for a historic shift away from export-led

extractive economies that are mortgaging the planet, short-changing communities, and endangering the lives and lands of those that have dared to defend them.

Yet the governments of Ecuador and Peru are ramping up plans to greatly expand oil production and new exploration. This comes at a time when the world must rapidly phasing out fossil fuel production and keep oil in the ground to have the best chance of restricting global temperature rise to 1.5°C.⁴

The oil industry is a major driver of deforestation in the western Amazon. Expanding oil production and looking for new crude reserves — unburnable carbon from a climate perspective — underneath standing forests that help mitigate climate change by sequestering carbon will greatly exacerbate climate disruption, and devastate the livelihoods and cultures of hundreds of thousands of indigenous peoples.

Oil extraction has already caused irreparable harm. Decades of drill and dump practices by companies like Chevron and Occidental Petroleum have created widespread environmental damage and a public health crisis in the region that has left communities in dire need of remediation, potable water, and health care. In some areas, cancer rates are five times the national average.⁵

Alongside existing contamination and injustice, there is a new wave of oil companies in the western Amazon oil patch. State run companies and small independent Exploration & Production (E&P)



companies are now the dominant players, and they are betting on the lack of shareholders or downstream retailers to insulate them from the brand damage of drilling in the rainforest against the wishes of indigenous peoples. With an insatiable California appetite for Amazon crude exports, and loans from China that must be repaid in oil, Ecuador is setting its sights on reserves inside the Sacred Headwaters to save the day. Peru is shopping its virtually unexplored remote forests as the salvation to what has been a declining investment.

But oil has not been the economic panacea for either country. Both Ecuador and Peru have tried to drill their way to prosperity one well at a time, but continue to find themselves trapped in a downward

spiral of debt and dependency. Oil is roughly one-third of public sector revenue and 32% of export earnings for Ecuador. Oil and gas both play a major role in Peru's economy. But even if both countries are able to tap new reserves, they will only be replacing existing production. Ecuador is projected to run out of oil in 14 years, forcing an inevitable economic pivot away from petroleum regardless. The Sacred Headwaters Initiative seeks to accelerate the transition and keep the Amazon intact.

There is a richness beyond measure here — but it is not contained in barrels of oil to be pumped out and burned by unknowing California drivers or used to pay back debt to Chinese state-owned banks.

Existing and proposed oil and gas blocks cover 283,172 square miles, an area larger than the state of Texas. Oil is presently being extracted from 7% of these blocks. Ecuador and Peru aim to exploit an additional 40%, including in pristine, biodiverse forests such as Ecuador's Yasuní National Park, a UNESCO Biosphere Reserve.⁶ A majority of lands on the auction block are legally titled indigenous territories of nearly half a million indigenous peoples from over 20 nations, including buffer zones of peoples living in voluntary isolation.



The Amazon: A Biome on the Brink

The Amazon Basin is an unparalleled global wonder. Encompassing an area the size of the continental United States, it is the world's largest rainforest and houses the highest collection of plant and animal species in the world. It produces a fifth of the world's flowing freshwater and plays a critical role as the planet's thermostat, mitigating the impacts of climate change.

The Amazon rainforest helps regulate the global climate by its creation of rainfall. Through evaporation and transpiration, the Amazon's hundreds of billions of trees release some 20 billion metric tons of water into the atmosphere each day, creating 50–80% of its own rainfall. The Amazon is often referred to as the “lungs of the planet,” but according to scientists, it functions more as a biotic pump of atmospheric moisture: releasing water vapor into the air, circulating water, and driving weather patterns around the globe.⁷ This creates massive vapor clouds or “flying rivers” that travel across continents producing rain. But this year, they were absent or “off course” causing massive flooding in some areas and drought in others, from Brazil to California.

The rainforests of the Amazon also absorb heat, helping cool the planet as extreme heat waves and global average annual temperatures soar. A Princeton University study reported that deforestation of the Amazon could result in 20% less rainfall for

California — a terrifying fact for California residents grappling with the novelty of almost year-round fire seasons — and a 50% decrease in snowpack for the Sierra Nevada mountain range, which could spell disaster for local drinking water and farmers of the state's central valley.⁸

The Amazon also helps regulate the global climate by its storage and release of atmospheric gases such as carbon. It is the world's largest terrestrial carbon sink. An estimated 600 billion trees in the Amazon biome absorb 2 billion tons of CO₂, or one-fifth of world emissions. But recent studies suggest that deforestation and degradation have converted the Amazon from a net carbon sink to a carbon source.⁹

The Amazon is also home to some 20 million indigenous people from 400 distinct nationalities, spread over nine countries. Indigenous peoples make up 4% of the world's population, yet their territories hold 80% of the world's remaining biodiversity. New research validates what has been said for a long time — that forests under indigenous management are likely to be more intact landscapes than non-indigenous lands, even those that are subject to some form of protective designation.

The Tipping Point

With summer fires scorching the Brazilian and Bolivian Amazon, combined with ongoing industrial threats, scientists warned of a nightmare scenario — that the Amazon will reach a tipping point where it will no longer be able to sustain its ecological cycles and functions. Some scientists called this dieback scenario imminent.¹⁰ Deforestation from roads, fires, logging, extractive industries, and large-scale agribusiness, all exacerbated by climate change, clears the way for invasive grass, turning dense moist rainforest into a savannah.

This drying of the forest reduces rainfall, which furthers the desertification process, setting off a negative feedback loop leading to greater disruption of the global climate, which in turn leads to further decline of the ecological functions of the tropical rainforest, causing the ecosystem to self-destruct.

With the hydrologic and carbon cycles failing, further heating and drying of the planet would occur, disrupting the earth's thermostat. Resulting alterations in rain patterns could create or worsen catastrophic droughts or floods across the Western Hemisphere, setting off a chain reaction that could lead to ecological collapse. It is hard to imagine a climate safe future in which dieback of the Amazon occurs.

Deforestation clears the way for invasive grass, turning dense moist rainforest into a savannah





The Amazon Sacred Headwaters

The headwaters of the mighty Amazon River — the Napo, Pastaza, and Marañón River Basins of Ecuador and Peru — is an area referred to as the Sacred Headwaters of the Amazon. It is the ancestral territory of over 20 indigenous nationalities and groups, some living in voluntary isolation. It also represents nearly 6 billion tons of carbon in undeveloped oil and gas reserves and standing forests.

This area has the highest concentration of plant, bird, mammal, and insect species in all of the Amazon, making it one of, if not the most, biologically diverse places on the planet. One explanation for the extreme biodiversity and endemism in the western Amazon is that the topography is characterized by mountainous transition zones that descend from the eastern slope of the Andes range, forming the headwaters of the Amazon. Throughout the watershed are pockets of microclimates that helped maintain temperate temperatures during the Pleistocene, avoiding species die off of flora and fauna.

Here, the regional Amazonian indigenous confederations of each country — CONFENIAE in Ecuador, and AIDESEP in Peru — have joined together to permanently protect 30 million hectares (74 million acres) of tropical rainforests via the Sacred Headwaters Initiative. It is the first macro-level initiative in both countries to unify disparate conflicts over rights and resource extraction in seeking alternatives and long term solutions to the commodity-based economies of each country, which have traditionally sought, unsuccessfully, to drill their way to prosperity one oil well or mine at a time.

For millennia, indigenous peoples in the Western

Amazon have been protecting, defending, and managing their rainforest territories in the face of unrelenting pressure — from rubber tappers, gold miners, missionaries, loggers, oil companies, and new threats like bioprospectors, agribusiness, and even conservation schemes that violate their rights. It is why the region remains one of the most biodiverse places on the planet, holding the highest concentration of mammals, birds, and amphibians in the Amazon.

Over the years, their vast, ancestral territories have been divided by political borders, extractive industry concessions, pipeline corridors, and other ambitious mega-projects as encroaching “development” pushes closer and closer. Indigenous elders in Ecuador still tell stories of relatives who went downstream to Peru to hunt and fish, only to be unable to return home after Peru annexed more than half of Ecuador’s Amazon in a border war in 1942.

It has long been a vision of the indigenous nationalities in this region to unite with their relatives across borders and recover the ancestral management of their territories. But this vision has taken on particular urgency as the threats to their lives, land, and cultures are on the rise. The Amazon Sacred Headwaters Initiative seeks to create a mosaic of indigenous-titled territories based on their traditional knowledge of geographic ecological boundaries like rivers, mountains, flora, and watersheds that were historically used to delineate and manage their territories. The initiative will present a united front against the pressures on these indigenous territories and address climate change by keeping forests standing and fossil fuels in the ground.









The Climate Cost of Amazon Drilling

In the western Amazon Basin, oil and gas blocks cover at least two-thirds of the rainforest. Existing and proposed oil and gas blocks cover 280,000 square miles, an area larger than the state of Texas. Many of these blocks are in very remote areas, meaning that oil drilling requires building new roads and rainforests deep into the rainforest. This both causes immediate deforestation and paves the way for further rainforest destruction from illegal logging, new settlements, and more.

But much of the rainforest of the Amazon sits above significant oil deposits that, according to the International Energy Agency (IEA), cannot be burned. In a groundbreaking study, the IEA found that two-thirds, or 80% of the world's fossil fuels must remain in the ground to keep global mean temperature from reaching 2°C.¹¹ This carbon budget is incompatible with an expansion of unconventional crude sources, development of existing reserves in key ecosystems, or new exploration.

In a new report released by the UN Environment Program and leading research organizations, new findings show that governments are planning to produce about 50% more fossil fuels in 2030 than would be consistent with limiting warming to 2°C and 120% more than would be consistent with limiting warming to 1.5°C.¹² The report underscores the need for supply side constraints on fossil fuel production, not just demand side regulations at the tailpipe or smokestack.

The UNEP study is the latest to confirm that in order to meet the Paris agreement goals, the world must begin the rapid phase out of fossil fuels, which means no new exploration, expansion, or pipeline infrastructure, and a managed decline of existing production.

While the oil reserves in the Western Amazon are significant, future emissions are smaller than other carbon bomb projects like Canadian tar sands, or the massive fields of the Permian Basin. However, oil drilling in the Amazon rainforest poses a triple threat to the climate:

1. Increased emissions from dying and decaying trees as forests are cleared for oil activity such as road, pipeline, and platform construction. Roads for oil expansion then become massive gateways for other extractive industries such as commercial logging and agribusiness.
2. This deforestation also leads to vaulted emissions in the atmosphere as forest-loss degrades the carbon capture and sink function of the forest.
3. And finally, greater levels of greenhouse gas emissions present in the atmosphere from the burning of the hydrocarbons themselves.

The Amazon Sacred Headwaters Initiative provides a critical opportunity for climate change mitigation. Ending extraction in the Sacred Headwaters region is critical for maintaining and strengthening global climate stability.



Rights vs. Reality

On paper, **Ecuador** has perhaps the most progressive constitution in South America. It was drafted and adopted in 2008, and recognizes the country as a plurinational state, in recognition of Ecuador's ethnic diversity of indigenous peoples. It recognizes indigenous peoples' right to autonomy and self-determination, as well as the right to preserve and develop their modes of social organization and governance. A guiding vision for the *magna carta* is *Sumak Kawsay*, or *Buen Vivir*, an indigenous concept of living well that balances the relationship between nature, community, and development. It is also the first constitution to recognize the Rights of Nature, transforming ecosystems from property, or an object of rights, into a subject of rights with the inalienable right to exist and flourish.¹³

But in practice, these constitutional guarantees have proven to be aspirational at best. A report released by the UN Special Rapporteur on Indigenous Peoples after a country visit in 2018 found that, "In theory, equality and interculturality were mainstreamed, as autonomous indigenous institutions were eliminated. National development plans were designed without any meaningful input from the indigenous peoples, in keeping with a monocultural interpretation of *Sumak Kawsay* (the indigenous philosophy of "the good way of living")."¹⁴

The constitution also enshrines the right to Free, Prior and Informed Consultation for any project or legislation that may affect indigenous peoples and their territories. While it may be one of the first countries to encode the concept of consultation in its constitution, it fails to meet the international standard set by the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) that recognizes the right to *consent*.

The government's priorities are clear. Article One of the constitution establishes the government's sovereign right to all subsurface minerals and any other nonrenewable resources. The state's effort to access these resources, all of which lie beneath titled indigenous lands, has led to widespread rights violations and is the root of conflict between communities, companies, the government, and project investors in the western Amazon.

The lack of adequate consultation and consent procedures, in accordance with international human rights standards and jurisprudence, have been repeatedly denounced by indigenous peoples and also been noted by human rights treaty bodies and other human rights mechanisms. The Special Rapporteur found that, "Concessions for extraction projects have been granted in almost all of the traditional territories of some villages and communities, jeopardizing their survival as a people."¹⁵

The Special Rapporteur report recommends, "No new concessions be granted without the free, prior and informed consent of the indigenous peoples."

In fact, since Ecuador's adoption of its 2008 constitution, it failed to pass any legislation or measures to regulate the implementation of a consultative process, nor the Free, Prior and Informed Consent (FPIC) standard outlined in the UNDRIP to which the country is signatory. There is no enabling mechanism for indigenous peoples to exercise this right. But that has not stopped the Ministry of Hydrocarbons from auctioning off multiple oil concessions and signing

contracts, without FPIC of affected peoples.

A 2019 lawsuit by the Waorani indigenous peoples challenged the government's alleged consultation for the tender of Block 22, a 200,000 hectare oil block on their titled territory. Their evidence and testimony showed the "consultation" was little more than a PowerPoint presentation conducted with an unrepresentative group of individuals and not in their native language. Those present who signed an attendance sheet became duly "consulted." A provincial judge sided with the Waorani, and the decision was upheld on appeal, setting legal precedent that may finally result in long awaited legislation.

Given the lack of rights guarantees for FPIC and the ongoing rights violations associated with extractive projects, the Special Rapporteur report recommends, "No new concessions be granted without the free, prior and informed consent of the indigenous peoples. Any concessions that are not

in line with the Constitution and with international standards on the rights of indigenous peoples should be reviewed and, if necessary, cancelled."

Peru is often touted as a model country for its implementation of neoliberal economic reforms. But while the country has reduced extreme poverty, it has become more dependent on the extraction of natural resources.

The Political Constitution of Peru was approved during an authoritarian and corrupt government — in fact, former president Alberto Fujimori is still serving a sentence in Peru for various crimes. It is conditioned by an ideological vision and a set of interests aimed at reducing institutional controls and cutting social rights to promote extractive activities in various ways:

- Limit the legal protections of communal indigenous property and small farmers to promote concessions and land consolidation.



- Subject environmental institutions to the needs of extractive companies. This process has had advances and setbacks, but often results in weakening environmental safeguards.
- Concentrate land management decisions in the central government, to the detriment of local governments, which reduces the possibility of citizen participation and respect for indigenous rights.

The democratic transition in 2000 did not lead to a review of development policies in Peru, which is why the Peruvian Ombudsman has identified extractive industries as the principal cause of social conflict in the country. The tragic events of 2009, part of the Bagua Conflict known as “el Baguazo,” confirm that assertion. During this conflict, dozens of indigenous people and police officers lost their lives during protests against the expansion of mining and oil production in sacred basins of the Amazon (Awajun and Wampis territories).

In light of this situation and to comply with international standards signed by Peru, including the ILO Convention 169 and the UN Declaration on the Rights of Indigenous Peoples (UNDRIP), two indigenous nations have decided to reclaim their traditional territories: the Autonomous Territorial Government of the Wampis Nation (GTANW) and the Federation of the Achuar Nationalities of Peru (FENAP). Instead of recognizing its historical responsibility to these indigenous peoples and their rights, the federal government of Peru is instead denying this recognition.

Peru’s Prior Consultation Process: Business As Usual

Prior to the Bagua Conflict, the ILO Committee of Experts on the Application of Conventions and Recommendations (CEACR) had already indicated that Peru’s previous consultations are, “specific, isolated, and not adequate as established in the Convention” and that they were not successful at resolving the many conflicts association with resource extraction in indigenous lands.¹⁶ Faced with state inaction, in 2010 the Committee recommended that Peru suspend extractive projects until establishing adequate regulations to ensure the right to prior consultation.

Finally, in 2011, a Law of Consultation was enacted, but the standards enforced under this law do not align with international standards. In terms of consultation on hydrocarbon projects, these regulations stipulate that a Supreme Decree approving exploration and extraction may be submitted to meet consultation



requirements. This process does not account for providing relevant information to impacted indigenous peoples. Since 2012, only one legal case in 13 has seen advancement for indigenous consultation rights under this law.

New Law for Hydrocarbons

In 2018, the Peruvian government brought forward a bill designed to attract new, larger-scale investment.

The primary changes proposed in the bill include:

- Expanding concession contracts from 40 to 60 years.
- Making environmental regulations less stringent in cases of contract renewal and infrastructure construction.
- Permitting the same state ministry responsible for securing new hydrocarbon contracts (Perupetro) to develop a baseline for environmental impact studies, without guaranteeing the rights of indigenous peoples.
- Establishing more favourable conditions for companies negotiating state royalties.
- Promoting public-private partnership for the exploration and extraction of hydrocarbons.



Oil in the Amazon: A Toxic Legacy

A major reason behind indigenous resistance to new oil extraction in the Sacred Headwaters region is the toxic legacy of companies like Texaco and Occidental Petroleum (OXY). Decades of oil extraction in the western Amazon has devastated the forest and decimated indigenous peoples. Between 1964 and 1990, Texaco — which merged with Chevron in 2001 — deliberately dumped more than 16 billion gallons of toxic wastewater, spilled roughly 17 million gallons of crude oil, and left hazardous waste in hundreds of open pits dug out of the forest floor in the Ecuadorian Amazon. To save money — about \$3 per barrel — the company chose to use environmental practices that were obsolete, did not meet industry standards, and were illegal in Ecuador and the United States.

The result was, and continues to be, one of the worst environmental disasters on the planet. Contamination of soil, groundwater, and surface streams has caused local indigenous and campesino people to suffer a wave of mouth, stomach, and uterine cancer as well as birth defects and spontaneous miscarriages. Cancer rates in this region are as high as five times the national average. Chevron has never cleaned up the mess it inherited, and its oil wastes continue to poison the rainforest ecosystem.

Today, Chevron is a corporate criminal on the

run. It has been found liable by Ecuadorian courts and ordered to pay \$9.5 billion. The company is now running from an international legal dragnet to force the company to pay for the vast task of cleanup and remediation of the Ecuadorian Amazon. The Ecuadorians have filed a lawsuit in Canada to seek seizure of Chevron's assets for this purpose.

"These past problems have made us declare our territory free of extractive activities. More than 40 years of oil exploitation in the north of the Amazon and oil has not brought the so-called development to Amazonian communities. In places where there are no wells, oil blocks, or road, communities are living better."

— Jaime Vargas, President, CONAIE

In the Peruvian Amazon, Occidental Petroleum's oil operations have caused massive environmental devastation, and led to a severe public health crisis among the Achuar people.

Between 1971 and 2000, OXY drilled more than 150 wells and built nearly 300 miles of roads in the formerly intact Amazon rainforest homeland of the Achuar.

For every barrel of oil produced in Peru, OXY dumped eight barrels of toxic wastewater into the Amazon. Over three decades, the company discharged an estimated nine billion barrels of toxic effluent directly into rivers and streams used by the Achuar for drinking, bathing, and food production. OXY's operations also resulted in numerous crude oil spills, many of which were never cleaned up. The Corrientes River, a main source of drinking water for over 6,000 Achuar, was once covered from bank to bank in oil so thick their canoes would become mired in the sludge, making rowing nearly impossible.

A class action lawsuit in the U.S. brought by the Achuar against OXY for environmental damage was settled in 2015.

Corrientes River was once covered from bank to bank in oil so thick their canoes would become mired in the sludge, making rowing nearly impossible







A New Oil Boom Where the World Can Least Afford It

With Ecuador poised to leave OPEC by the end of 2020 to increase oil production, along with contractual reforms to include production sharing agreements between the state and companies, Ecuador is ramping up for expanded production and new exploration at a time of climate crisis. Peru is hoping to resuscitate its oil industry and attract new investment to boost production. A 2013 tender of 26 blocks — millions of acres of primary forest — received little industry interest. But the government is reforming its hydrocarbon law to re-offer these blocks, many of which are previously unexplored basins.

Rainforest for Sale: The New Amazonian Oil Auction

In October 2019, Ecuador announced its plan to leave OPEC by the end of 2020 to increase its oil production. The country is eagerly seeking to expand production and pursue new exploration in remote oil concessions in the southeastern Amazon. The government has announced plans to tender 16 new oil blocks—some 13 million acres, and titled territory of the Sapara, Kichwa, Achuar, Shuar, and Shiwiar indigenous nationalities. It is the last remaining intact swath of forest in the country's Amazon region.

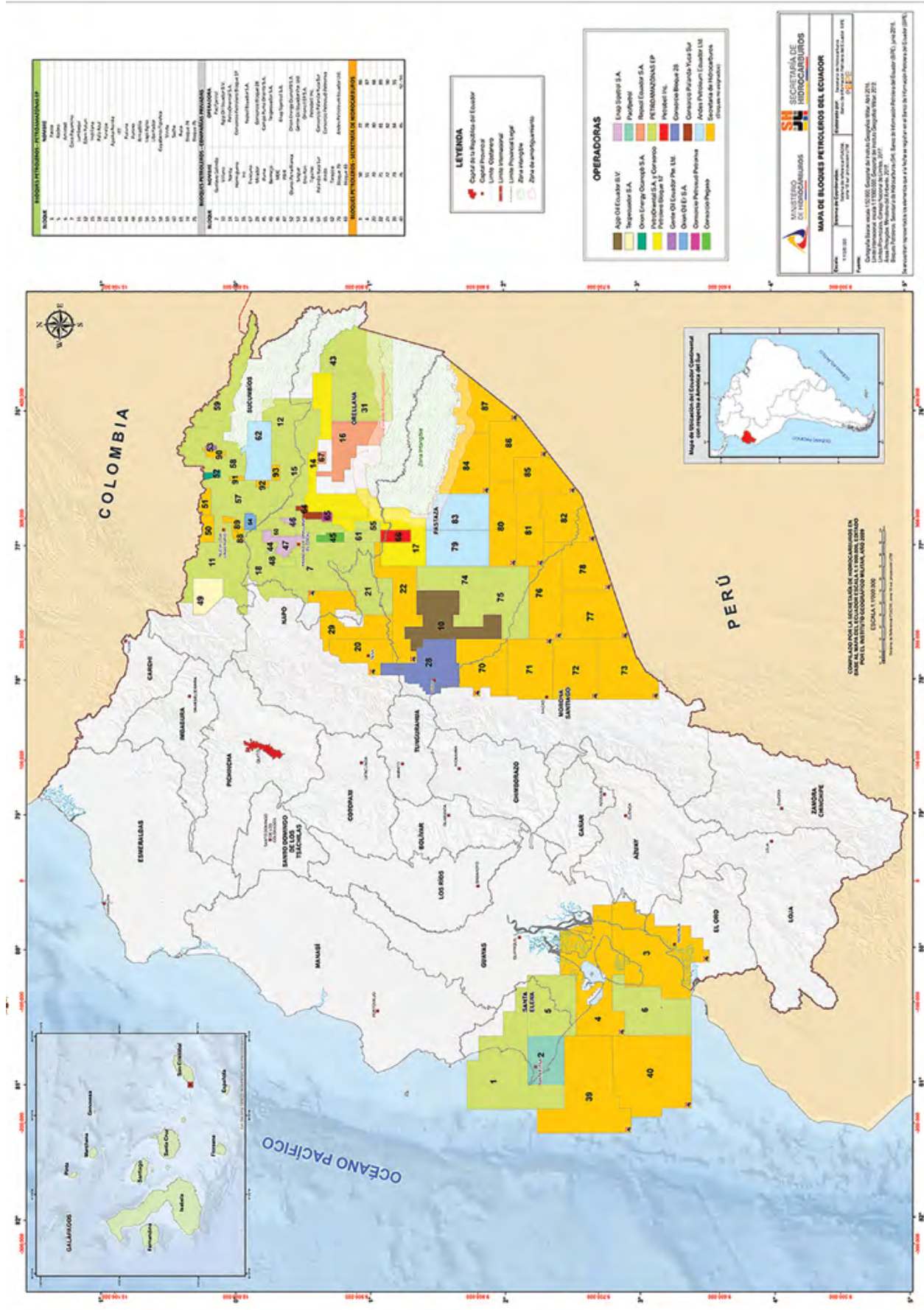
Over the past 20 years, several companies abandoned drilling projects over conflicts with local indigenous communities. ConocoPhillips, Atlantic Richfield Company (ARCO), Burlington Resources, Perenco, and CGC all faced protests, legal injunctions, human

rights lawsuits, work slippages, cost overruns, and brand damage. With their projects paralyzed, they left the country. Contractual disputes over these projects continue before international arbitration panels.

The government has attempted to tender these blocks before, but received little interest, in part due to unfavorable contract structure. But the administration of Lenin Moreno revamped the fee for service contract model to production sharing, in hopes of receiving greater interest. The launch of the bidding round has been repeatedly delayed, in part because of the adamant indigenous opposition to any new extraction, as well as the recent national strike that called for an end to all new concessions and new exploration. The new oil round is expected by the end of 2020.

“We don’t want extraction in our territories, and we are demanding that the oil concessions planned for the Ronda Suroriente auction be erased from the map.” — Lineth Calapucha, Vice President of the Kichwa Nationality of Pastaza, referring to the government’s plans to tender 21 oil blocks of roadless remote rainforest in Ecuador’s southeastern Amazon.

Existing and Proposed Oil Blocks in the Ecuadorian Amazon



The Oil Companies Driving Expansion in the Sacred Headwaters Region

BLOCK	SURFACE (HA)	RIVER BASIN	TERRITORIES	AFFECTED SURFACE	% OF BLOCK	PROTECTED AREAS	AFFECTED SURFACE	% OF BLOCK	COMPANY	ORIGIN	SUBSIDIARY
14-17	385,324	Napo	Kichwa, Shuar, Waorani	285,171	74	Yasuni National Park	97,603	25	China National Petroleum Company	China	PetroOriental
79-83	303,719	Conambo	Sapara, Shiwiar, Kichwa, Waorani	303,719	100	NA	NA	NA	China National Petroleum Company	China	Andes Petroleum
16-67	129,809	Napo	Kichwa, Waorani	72,533	56	Yasuni National Park*	67,671	52	Repsol	Spain	
7, 11, 12, 15, 18, 21, 31, 44, 48, 55, 56, 57, 58, 59, 61, 60, 43, 50, 51	2,128,090	San Miguel, Napo	Cofán, Kichwa, Secoya, Shuar, Siona, Waorani	672,336	32	Yasuni National Park, Limoncocha Biological Reserve, Cayambe Coca National Park, Cofan Bermejo Ecological Reserve, Cuyabeno Wildlife Production Reserve, Napo Galeras National Park,	431,060	20	Petroamazonas	Ecuador	N/A
28	175,250	Napo, Pastaza	Kichwa, Shuar	56,288	32	NA	NA	NA	ENAP, Petroamazonas, Belorusneft	Chile, Ecuador, Belarusian	N/A
10	198,500	Napo, Pastaza, Conambo	Achuar, Kichwa, Shuar, Waorani	180,153	91	NA	NA	NA	Pluspetrol S,A,	Argentina	
192	516,004	Tigre, Pastaza	Quechua, Achuar	72,593	14	NA	NA	NA	Pacific Stratus Energy del Peru S,A,**	Canadá	
116	659,202	Marañon	Awajún, Wampis	434,176	66	Tuntanain Communal Reserve	46,102	7	Pacific Stratus Energy del Peru S,A,**	Canadá	
67	51,450	Napo	Napo - Tigre Territorial Reserve Proposal	51,450	100	NA	NA	NA	Perenco Perú Petroleum Limited/ Petro Vietnam	Francia / Vitenam	
39	79,949	Napo, Tigre	Napo - Tigre Territorial Reserve Proposal	79,949	100	Reserva Nacional Pucacuro*	37,406	47	Perenco Perú Petroleum Limited/ Petro Vietnam	France / Vietnam	
8	184,202	Tigre, Marañon	Achuar, Urarina	28,143	15	NA	NA	NA	Pluspetrol Norte S,A,	Argentina	
64	764210	Morona, Pastaza	Achuar, Wampis, Kandozi	401,497	53	NA	NA	NA	GeoPark Perú	Chile, Ecuador	

* Protected Areas overlap Indigenous Territories

** Frontera Energy

Andes Petroleum: Indigenous Opposition Forces Force Majeure

Indigenous representatives from the Amazon in Ecuador declared victory this November in their multi-year effort to stop drilling plans by Andes Petroleum in Block 79, a 158,000-hectare rainforest concession which overlaps the titled territory of the Sapara and Kichwa indigenous nationalities.

After more than a year of delay, Ecuador’s Ministry of Energy and Non-Renewable Natural Resources issued a resolution on October 10th, 2019 granting a *force majeure* request by Andes Petroleum Ltd Ecuador due to the “resistance and social and political opposition” of indigenous peoples potentially affected by the project.¹⁷ The invoking of this contractual clause is precedent setting in Ecuador, and speaks to the elevated risk associated with drilling in this region and the likelihood that projects will become stranded assets.

The Sapara number some 500 people, and their communities and culture are uniquely vulnerable to the impact of oil extraction. The Sapara and their language received UNESCO designation as an Intangible Cultural Heritage of Humanity in 2001.

The decision by Andes Petroleum Ltd, a Chinese joint venture by CNPC (China National Petroleum Company) and SINOPEC (China Petroleum & Chemical Corporation) to seek the *force majeure* declaration comes four years into the company’s contract to conduct seismic testing and drill one exploratory well within the block. Opposition from the Sapara and Kichwa, including protests at airstrips which prevented planes from accessing the remote block, protests and pressure on Chinese embassies and consulates, and legal action effectively prevented the company from advancing.

However, since the contract was signed in 2016, the Ecuadorian government invested significant resources to divide the Sapara and Kichwa,



and manufacture consent. The Ministry of Public Management, along with company community relations personnel, fanned the flames of inter-family disputes and persecuted leaders for several years. The president of the Sapara received multiple death threats over their opposition to oil extraction.

“The declaration by the government of force majeure in Block 79 is a result of our fight, and it was forced to recognize that these territories are ours, we live there. We are asking the government to remove all oil concessions from our territories. We will remain vigilant.” — Yanda Montahuano, a leader of the Sapara Nation.

The request by Andes Petroleum cited in the Ministry resolution recognizes that there is, “radical opposition by local communities in Blocks 79 and 83 to any type of hydrocarbon activity.” A government inter-ministerial commission recommended that Andes Petroleum “not enter or conduct any activity because the position of the Sapara Nation with respect to oil activities is clear,” which paved the way for the invocation of the *force majeure* clause and termination of Andes’ contract for the block. A final *force majeure* declaration has not been determined for Block 83, an adjacent block which also overlaps Sapara and Kichwa territory.

Andes’ departure from this block is significant, given the country’s relationship with China, which is Ecuador’s largest creditor. Ecuador owes 90% of its oil production to China until 2024 as part of oil-for-cash deals between PetroChina and PetroAmazonas, Ecuador’s state-run oil firm.



Geopark's Peru Push

Peru's Block 64 oil concession, located close to the border with Ecuador, has been the site of Achuar indigenous resistance since it was created in 1995. Achuar People of the Pastaza basin understand the nefarious impacts of oil operations, as they have witnessed their Achuar relatives in communities along the Corrientes River poisoned from decades of operations in Block 192 (formerly called Block 1AB). Through a combination of grassroots denunciations, community mobilizations, law suits, media work, and international advocacy, the 45 Achuar communities under the umbrella of FENAP have successfully expelled international oil companies like Arco, Occidental, and Talisman Energy. Block 64 has also seen social conflict between indigenous communities, as successive oil companies have attempted to leverage divide and conquer strategies.

Since 2014, Chile-based oil company GeoPark has held a contract with the Peruvian government to initiate oil production in Block 64. The Wampis Nation — several communities of which are either within Block 64 or would be affected by the transportation of oil down the Marona River — has joined the Achuar People in rejecting GeoPark through statements to the media and direct correspondence. In June of 2019, the Achuar and Wampis sent a delegation of leaders to confront GeoPark CEC James Park at the company's annual shareholder meeting in Santiago, Chile. More recently, the GeoPark attempted to have a "social baseline study" carried out in the region, ostensibly to help them mitigate



the negative impacts of their entry into Block 64. The Achuar and Wampis denounced this move as having not been consulted and the study's funder, USAID, later confirmed that they would not advance the project without consent.

Binational Pipeline Dreams

The much celebrated peace accord signed between Ecuador and Peru in 2000 settled a long simmering border conflict between countries. But the other "peace dividend" from the accord was agreement to pursue binational energy cooperation and a prefeasibility study to extend the North Peruvian pipeline to the border with Ecuador. This would allow Ecuador to extract and export crude from remote blocks in its eastern Amazon that have been shut in due to right of way issues from indigenous resistance, and occupy extra capacity in the Peruvian pipeline, which would bring the crude to a Peruvian export port on the Pacific coast.



Ecuador recently announced plans to tender two new oil blocks along the border, blocks 86 and 87 respectively. Both blocks overlap titled territory of the Shiwiar, Kichwa, and Sapara nations, who have not been consulted. At a press conference in Quito in March 2019, the three indigenous nations declared their adamant opposition, and vowing to never permit any oil activity on their lands. Ecuador's Minister of Hydrocarbons Carlos Perez granted a temporary reprieve and shelved the tender until a new consultation law is in place. Frequent pipeline spills and indigenous resistance has also shut in new exploration and production on the Peru side.

The brazen project, in remote, previously inaccessible forest and indigenous lands would be devastating. It would give industry a toe hold in some of the last contiguous stretch of roadless forest.

Yasuni National Park: The Amazon's Cradle of Life

Yasuni National Park has been a cradle for life in the Western Amazon for millions of years. It was a refuge for species during the Pleistocene Age due to comparatively moderate temperatures and microclimates throughout its mountainous topography. Scientists expect its wet, rainforest conditions to be a future refuge for species responding to climate change

induced drought and fires in the eastern Amazon. Today, Yasuni is widely considered one of the most biodiverse places on the planet. It is known for its endemism and diversity across taxonomic groups. It has more species per hectare of trees, shrubs, insects, birds, amphibians, and mammals than anywhere else in the world, many of which are listed by the IUCN as Critically Endangered, Endangered, or Vulnerable. It was designated a UNESCO Man in Biosphere Reserve in 1989. Yasuni is home to the Waorani indigenous nation, as well as the nomadic Tagaeri-Taromenane, some of Ecuador's last indigenous peoples living in voluntary isolation. Much of the park is a designated no go zone for their protection.

While Yasuni has proven to be resilient over millions of years, it may not survive the onslaught of drilling within its borders. Despite Yasuni's ecological and cultural diversity, and designation as a national park, there are currently eight oil blocks overlapping the park, with plans to greatly expand production.

Ecuador's largest oil reserves lie in Block 43, on the eastern part of the park along the border with Peru. The Ishpingo, Tambococha, and Tiputini (ITT) fields alone hold 20% of the country's total oil reserves and are estimated to hold close to a million barrels of crude. In 2016, the Ecuadorian government announced that state run Petroamazonas had begun



“The territories of the peoples living in voluntary isolation are an irreducible and intangible ancestral possession and all forms of extractive activities shall be forbidden there.”



constructing the first of a planned 276 wells, ten drilling platforms, and multiple related pipelines and production facilities in ITT.

Oil for loans deals with China obligate Ecuador to hand over millions of barrels of crude — some 90% of total exports — at below market price. This is a major driver behind the country’s announcement to leave OPEC at the end of 2020, which would free it from production quotas. Operating for only a year, the Tambococha well is already the country’s highest producing well. With some 651 more planned, these fields are where Ecuador hopes to boost production numbers, to pay China and have additional crude to sell at market price.

Tiputini was the first oil field to be opened for oil extraction in 2016, and the Tambococha field followed in 2018. From these two fields alone, ITT produces 66,268 barrels per day (bpd). With Ishpingo coming online, the government hopes to produce 90,000 bpd from ITT by the end of 2019¹⁸.

Despite pledges of minimal environmental impact by using “best practices” like “ecological trails” instead of roads, satellite images show major swaths cut into the forest. President Moreno also recently approved drilling in the buffer area around the no go zone, despite specific rights protections enshrined in Ecuador’s constitution: “The territories of the peoples living in voluntary isolation are an irreducible and intangible ancestral possession and all forms of extractive activities shall be forbidden there. The State shall adopt measures to guarantee their lives, enforce respect for self-determination and the will to remain in isolation and to ensure observance of their rights. The violation of these rights shall constitute a crime of ethnocide, which shall be classified as such by law.”¹⁹

Expanding drilling activity, along with road building and illegal logging in the park, has left the nomadic Tagaeri-Taromenane virtually surrounded. This pressure on the park and its inhabitants is having predictable and tragic consequences. Conflicts between the two clans and their Waorani relatives has led to several killings and other inter-ethnic violence. Dwindling territory, scarce resources, noise from oil activity, and encroachment by outsiders are all likely factors that threaten the Tagaeri-Taromenane with genocide.

The drilling plans in ITT have been a flashpoint since 2013 when former President Rafael Correa pulled the plug on the Yasuní-ITT initiative — a proposal to permanently keep the ITT oil reserves permanently in the ground, in exchange for international contributions equaling half of Ecuador’s forfeited revenue — after it failed to attract funds.



Earth Defenders on the Frontlines

On Nov 1, 2019, Paulo Paulino Guajajara, a lifetime forest guardian, was ambushed by illegal loggers in Brazil and killed by a gunshot to the face. Others with him working to protect the Araribóia Indigenous Land reserve were attacked with machetes. Paulo's brutal assassination underscores that in the Amazon and beyond, working to protect your land and communities can be deadly.

Indigenous peoples and rights defenders raising their voice against extractive industries are being intimidated, attacked, and killed. In 2017, at least 201 people were murdered worldwide as a result of their work to protect the environment, and expose the unjust practices that are threatening the health of their communities.²⁰

In Ecuador, there has been a disturbing series of attacks against indigenous women who are working to oppose the projects mentioned in this report. Salome Aranda, a Kichwa leader from the community of Moretecocha, and vocal critic of oil extraction and sexual abuse by the industry and company workers, was threatened as unknown assailants pelted her home with rocks. Similarly, Patricia Gualinga and her family were jolted awake in the middle of the night by rocks thrown through her window. It was followed by a scream from unknown perpetrators, "The next time we will kill you."

Nema Grefa, the president of the Sapara indigenous nationality opposing oil drilling plans by Andes Petroleum in Block 79 and 83, was the target of a very

public death threat on YouTube. In a video posted to social media on April 27, 2018, a man with a spear, who had received funding and support from the government and the company to try to advance drilling plans, can be seen issuing a death threat against her and challenging her legitimacy as Sapara President:

"Those present here are united in rejecting her and are thus going to kill Nema Grefa; she has no territory."

"If the intent to attack and threaten me was to instill fear to paralyze me, it failed. Following this incident, I am more motivated than ever to stand strong and work to defend the rights and territories of Sarayaku and all of the Amazon threatened by extraction." — Patricia Gualinga following the recent attack.

In the case of Salome and Patricia, investigations by police and state agencies only came after significant international pressure. No suspects were ever identified, and the cases were closed. Charges were never brought against Ms. Grefa's assailant, despite video evidence and identification. This wave of attacks, all documented and detailed by Amnesty

International in a 2019 report, come against the backdrop of the deaths of three other indigenous leaders in the last decade opposing oil and mining activity which were never fully investigated by the Ecuadorian justice system.

Attacks on frontline earth defenders are not always physical. Some have also come in the form of legal persecution and criminalization of protest and speech. The criminalization and legal persecution of indigenous peoples and civil society — specifically related to opposition to oil and mining projects — has been widespread over the last decade. Between 2006–2017, hundreds of indigenous people and campesinos have faced false allegations and harassment amid continuing restrictions on the rights to freedom of expression and association. Dozens have

been detained or jailed without due process over protests against the extractive industry, despite explicit language in the constitution that guarantees the right to resistance and social protest. Key leaders of the Ecuador’s national indigenous movement that led October 2019 national strike against IMF-imposed austerity measures and calling for an end to new oil and mining activity are facing charges of terrorism, sabotage, and rebellion.

The attacks against environmental and rights defenders is on the rise, and the lack of accountability from state agencies, has created a dangerous precedent of impunity. Though the intent of these attacks is to silence and intimidate, communities continue to put their lives on the line and push back against industrial colonization further and further into the forest.





China's Amazon Footprint

Limited by geography, the political and economic ties between Asia and South America have historically been modest. But over the last decade, the south-to-south relationship of these two Pacific Rim continents has strengthened considerably. In particular, the relationship between the People's Republic of China — one of the world's largest economies — and Ecuador — one of the smallest — is in full bloom. As the relationship has flourished, so has China's environmental footprint of its overseas foreign investment.

China has dramatically increased its presence in Ecuador with bilateral lending and investment in the country's Amazon rainforest. While China has become a global leader in renewable energy with the largest wind and solar capacity in the world, accompanied by major strides in domestic emissions reductions, its progress on sustainable development is overshadowed by its growing investment in overseas oil projects in the Amazon that threaten biodiversity, indigenous peoples, and the climate.

Ecuador faced limited finance options after a 2008 default on \$3.2 billion in Brady Bonds to underwrite a major expansion in public sector spending and keep the government running. It found a willing partner in Beijing, who, in the midst of China's "Great Opening" sought influence, investment, and natural resources beyond its borders.

Since 2010, the China Development Bank and China Export-Import Bank have provided fifteen loans to Ecuador, totaling \$18.4 billion USD. These loans are largely for energy, infrastructure, and transportation projects with major environmental impacts. China is now Ecuador's largest creditor, with outstanding debt totaling 45% of GDP.

However, this does not include billions in hidden debt — direct cash-for-oil loans from PetroChina to Petroecuador that commit 90% of Ecuadorian crude to China until 2024. Petroecuador has seven contracts with Chinese companies PetroChina Co Ltd, which is state-owned, and Unipetec, the trading unit for giant Sinopec Corp. These deals comprise loans at annual rates of 6–8%, which are repaid in the form of oil shipments. Loan disbursements since 2011 have totaled \$12 billion USD in exchange for 572 million barrels of oil. As those loans come due, Ecuador is scrambling to boost production and investment in its oil patch, driving the push deeper into intact forests.

Chinese companies are also the largest private sector investors in Ecuador's oil patch, controlling five blocks among the CNPC, SINOPEC, and subsidiaries Andes Petroleum and PetroOriental. China is also expected to be a player as Ecuador tenders bids for a new refinery on Ecuador's Pacific Coast.



The California Connection

Despite the influence of China in Ecuador's petroleum sector and cash-for-oil loans state companies of both countries, the crude is not flowing to Beijing. It's going to California. Well to wheel research shows that more than 50% of Ecuador's crude exports go to California, with another 10% distributed throughout the continental United States. Ecuador is the second largest source of California's foreign oil after Saudi Arabia. The state imports some 196,000 bpd, spread across nine refineries, which is then distributed to fuel terminals and end user consumers in state. California has claimed the climate leadership mantle in the face of inaction and climate denial from Washington, and has recently taken steps to reign in the expansion of domestic oil production in the state. At the same time, California continues to be the largest importer of crude from the Amazon rainforest.

A Princeton University study concluded that a vanishing Amazon could cause up to a 50% reduction in rainfall in California's Sierra Nevadas

As outlined in this report, expanding oil drilling in the region causes rampant deforestation, with devastating impacts on the rainforest's biological and cultural diversity, as well as the global climate. This means that California's demand for this toxic crude oil is literally driving continued destruction across the Amazon. California has its own incentive to use its outsized influence to end oil expansion in the Amazon: a Princeton University study concluded that a vanishing Amazon could cause up to a 50% reduction in rainfall in California's Sierra Nevadas.²¹

Decision makers in California, like Governor Newsom, regulatory agencies like the Air Resources Board, and the legislature, are uniquely positioned to send a powerful market signal: one that stigmatizes Amazon crude and influences Ecuador's appetite for unfettered fossil fuel expansion at the wellhead, by reducing demand at the smokestack and tailpipe.



The Banks

Although fossil fuel companies do the drilling, they would not be able to expand their fossil fuel frontier into primary rainforests and indigenous territories were it not for the financial institutions providing the capital. Financing from these firms communicates support for a business model that puts rainforests, indigenous peoples, and the climate at serious peril.

Amazon Watch research found that two of the world's largest private financial institutions, JPMorgan Chase and BlackRock, hold hundreds of millions of debt and equity investments in companies like GeoPark, Frontera, and Andes Petroleum, all of which have licenses to explore and/or drill in the Western Amazon, in blocks on or near the territories of indigenous nations that have not been properly consulted or have explicitly rejected the presence of oil drilling on their land.

Although JPMorgan and BlackRock have impressively-worded commitments to environmental and social corporate responsibility, and their CEOs have

made statements in support of initiatives like the Paris Climate Agreement, by investing in companies drilling for oil in the Amazon they are literally bank-rolling the path to an unlivable and inequitable world. In addition to documenting this doublespeak, the threat to climate stability and indigenous rights posed by oil extraction in the Amazon directly translates to serious legal, reputational, political, and financial risks for the operating companies and their financial backers.

As an example, this year alone Geopark purchased rights to three Amazonian oil concessions in Ecuador and Peru — and have stated intentions to acquire additional lots in 2020–2021 to expand drilling operations in Ecuador. Geopark's aggressive plans to increase Amazon drilling follow a \$425 million corporate bond by Goldman Sachs in 2017, when the company was worth only \$480 million — allowing Geopark to make strategic investments in Amazon crude.









Conclusion: A Bold Vision for A Critical Region on Our Planet

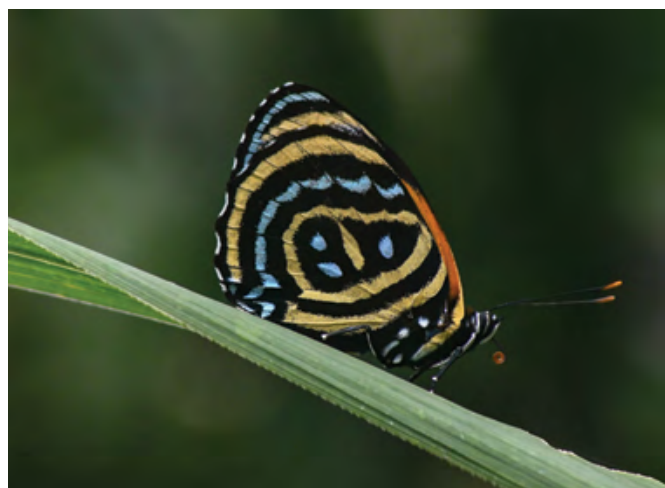
The Amazon Sacred Headwaters Declaration

At the 2019 IUCN Latin American and Caribbean Congress of Protected Areas, indigenous leaders from varying federations in Ecuador and Peru released a global declaration calling for urgent action to protect this incredible region. Their words are clear and the time is now:

“It is urgent that the global community join forces to prevent further harm and support actions that prioritize protection and restoration of forests and climate, and that respect indigenous rights. Protecting this enormous bioregion does not only benefit indigenous Amazonians, but all of humanity and models the global imperative of accelerating a just transition to a post-extractive, pluri-national, intercultural, and ecological civilization.”

In recognition of the importance of protecting the Sacred Headwaters of the Amazon:

1. We want this cultural and ecological gem, these sacred territories and living forests, to be designated as off-limits to industrial resource extraction and permanently protected.
2. We support a bottom-up participatory process of visioning a future for the region based on the recognition and respect for indigenous peoples' collective rights, the rights of nature and the pursuit of collective wellbeing.





Defining the Path Forward

The phrase “Territories for Life” often accompanies the Amazon Sacred Headwaters. The indigenous-led effort to protect this special place is rooted in principles of life that this world desperately needs.

Key Actions:

1. The governments of Ecuador and Peru should declare the Napo, Pastaza, and Marañón River basins as a special region of global importance and off-limits to extraction and industrial scale “development.”
2. National governments, inter-governmental bodies, and international civil society should support indigenous peoples in developing and implementing Life Plans and bioregional plans.
3. National governments, multi-national corporations and international investors should respect indigenous nationalities’ rights to autonomy, self-determination, and territory, as detailed in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).
4. In coordination with Amazon Sacred Headwaters Initiative, Ecuador and Peru should support creation of an international, independent non-market fund to protect the Amazon Sacred Headwaters and keep oil in the ground.

5. International investors and lenders should immediately shift capital out of any company or project related to oil exploration or extraction; a key place to begin that shift is with the companies and projects operating within the Sacred Headwaters region, as well as any and all companies profiting from the violation of the rights of indigenous peoples.

There is a richness beyond measure in these forests and ancient rivers, and in the cultures and life ways of the people who call it home. Protecting the Amazon Sacred Headwaters is an opportunity that Ecuador, Peru, and the world must seize.

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