



CONFLICTS AND IMPACTS OF OIL ACTIVITY IN THE PAN-AMAZON: EXPLORATION ZONES AND AFFECTED COMMUNITIES

INTRODUCTION

The hydrocarbon industry in the Amazon countries is one of the largest in the world. Latin American countries account for 19.1% of global hydrocarbon reserves. In 2022, the total production of oil and natural gas in the Amazon countries was around 6 million barrels of oil per day. In 2023, 871 new blocks were expected to be explored within the boundaries of the Pan-Amazon.

This billion-dollar industry is marked by various conflicts and negative impacts on the environment and society. Indigenous peoples are among the most affected populations.

This document briefly presents the results of the research into oil and gas exploration in the 7 Pan-Amazon countries, the impacts and conflicts generated for indigenous populations, and the comparative governance analysis for these projects.

GOVERNANCE COMPARED

Transparency, social participation and accountability were the constituent elements selected to measure the capacity of governments for good governance of hydrocarbon exploration projects in the Pan-Amazon countries.

The choice was motivated by the recent South American context of measures to combat corruption by public and private agents in the area of oil and gas exploration and the pressure these countries are under to effectively manage this wealth of resources in order to meet the expectations of citizens and the international community.

Table 1 shows a comparative table of the differences and similarities in the regulations followed in each country studied.

	BRASIL	BOLÍVIA	COLÔMBIA	EQUADOR	GUIANA	PERU	VENEZUELA
Regime	Misto	Concessão	Concessão	Concessão	Partilha	Concessão	Misto
Body responsible for national strategy	Ministry of Mines and Energy	Ministry of Hydrocarbons and Energy	Ministry of Energy and Mining	Ministry of Energy and Non-Renewable Natural Resources	Ministry of Natural Resources	Ministry of Energy and Mining	Ministry of Petroleum
Councils	National Energy Policy Council	National Energy Policy Council	Mining Policy Advisory Board	Public-Private Mining Advisory Council	Não	Não	Council of Ministers of Petroleum and Mining
Body responsible for granting blocks	National Petroleum, Natural Gas and Biofuel Agency	Yacimientos Petrolíferos Fiscales Bolivianos	National Hydrocarbons Agency	Ministry of Energy and Non-Renewable Natural Resources	Geology and Mines Commission	General Directorate of Hydrocarbons	No information
Licensing body	IBAMA	Hydrocarbons Supervisory Authority environmental	National Licensing Authority Environmental	National Environmental Authority - Ministry of Environment, Water and Ecological Transition	Environmental Protection Agency	Evaluation and Inspection Body Environment	No information
Indigenist body	FUNAI	Confederation de pueblos indigenas de Bolivia	Department National Institute of Ethnicities (DNE)	Confederation of Indigenous Nationalities of Ecuador	Directorate of Indigenous Affairs (DIA)	National Institute of Development on the Andean Andean, Amazonian and Afro-Peruvian (INDEPA)	No information
Transparency and open data portal	Yes	Yes	Yes - Resolution 1519 of 2020	Yes - Organic Law on Transparency and Access to Public Information (LOTAIP) and National National Information System (SIN)	No	No	No information
Anti-corruption plan	Yes - Law No. 12.846/2013	Yes	Yes - Anti-Corruption Plan and citizen service (Law 1474/2011)	No	No	No	No information
Signatories to ILO 169	Yes - CPLI	Yes - CPLI	Yes - CPLI	Yes - CPLI	No	Yes - CPLI	Yes
Consultation mechanisms other than the CPLI	Public hearings and hearings	No information	No information	No information	Petroleum Law of 2023	No information	No information
Licenses	Preliminary License, Installation License and Operations	Environmental Impact Statement.	Environmental License	Single license.	No information	Global Environmental Certification (CAG)	No information
Environmental and social impacts	Environmental Impact Assessment (EIA), Environmental Impact Report (RIMA), approved by licensing and associated bodies (IBAMA, FUNAI, Ministry of Health, among others)	Environmental impact study	EIA for exploratory drilling projects; EIA for hydrocarbon exploration projects; Environmental diagnosis of alternatives for linear projects.	Hiring an individual consultant or environmental consultancy firm;	No information	Environmental impact study (EIS); Environmental impact mitigation study;	No information

Table 1. Comparative table between the legal and administrative institutes on hydrocarbon exploitation for the Pan-Amazonian countries studied.

REPORTS OF IMPACTS ON INDIGENOUS POPULATIONS

A total of 27 projects were identified (Figure 1), 12 of them in Ecuador (Orellana, Pastaza, Napo and Sucumbíos departments), 9 in Peru (Loreto, Ucayali and Cuzco departments), 3 in Brazil (Amazonas), 3 in Bolivia (Beni) and 1 on the Brazil-Peru border.

The indigenous populations have identified numerous negative impacts:

- 1) Invasion of indigenous territories supported by the state;
- 2) Cases of violence such as sexual abuse, murder, criminalization of indigenous leaders;
- 3) Water and nutritional security problems, including cases of poisoning and an increase in infectious diseases;
- 4) Environmental impacts such as pollution of waterways, fish deaths caused by oil spills; among others.

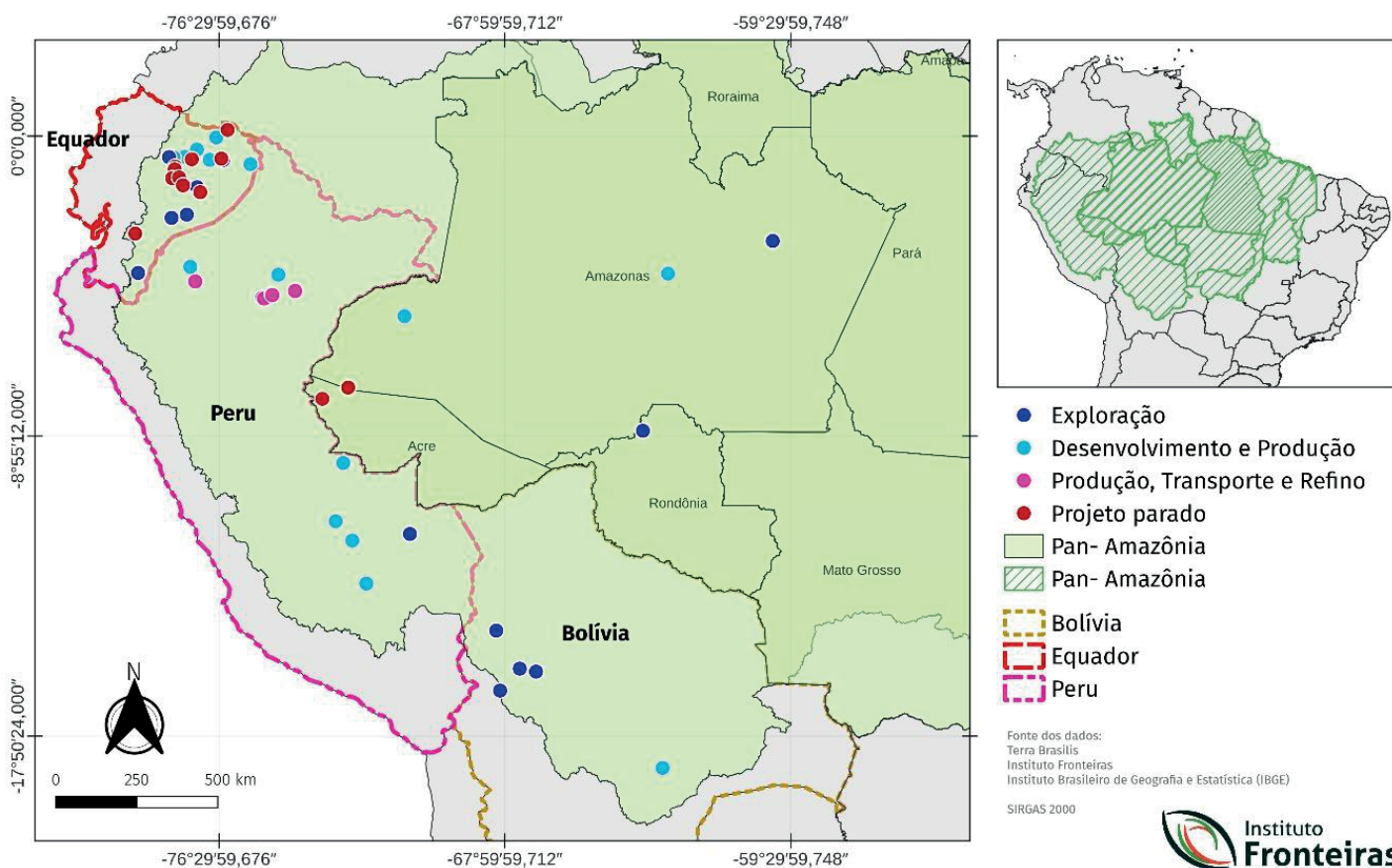


Figure 1. Oil and gas projects surveyed in the Pan-Amazon region.

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For us, the canyons, whether by the land or the river, are part of the territory. Y estas actividades mineras iban a afectar la comunidad totalmente, la vida. We live from fishing, we live from the restoration of the house, from fishing. And in this case, if these spaces that have allowed us as indigenous communities to live for thousands of years are destroyed, if these spaces are destroyed, we are running a great risk of physical and cultural extermination, we can say that. (...)

Más que todo, este es un trabajo de la comunidad. It's an effort by the whole Sinangoe community. From the

abuelitos, from the sabios, de las abuelas, de los niños, de los jóvenes y las mujeres, que han sido valientemente preparados para defender este territorio. (...) no hay nadie que conozca mejor el territorio que nosotros. There is no one else. The community, our elders, our wise men are the ones who know it.

So, we are hand in hand with them, from knowledge, from ancestral medicine, from knowledge, from science, from medicine itself. We are moving forward. We are walking and we will surely achieve much more so that the territory remains intact and we as a community can continue to develop our life on the territory.



Urarina indigenous community affected by oil pollution in Peru. Source: WRM, 2022

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"Ecuador is not going to get out of poverty just by extracting oil from the Amazon. Ecuador is going to lose its remaining forest.

It's going to destroy culture, the environment, kill animals; that's not getting out of poverty.

The people who live in the Amazon rainforest are doing everything they can to stop the expansion of the oil frontier, but the governments are not doing anything.

are supporting the oil companies under the false impression that oil extraction will lift them out of poverty." (Nina Gualinga, 2014)



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"I ask that we want to live with dignity in our territory, we want to live happily, we want to live like our ancestors, that we don't have to live with this uncertainty that

our territory is facing. ancestors, that we don't have to live with this uncertainty that our territory will be plundered, exploited."



1<https://www.youtube.com/watch?v=_sRDxXWkCnM>. 18/09/2014. Acesso em: 20/11/2023.

In the context of oil and gas exploration in the Pan-Amazon region, the state seems to be preoccupied with guaranteeing its governability and survival, leaving international organizations with the task of mediating the relationship between these communities and the economic interests of the state and international companies, while the indigenous people struggle to maintain their territory and their cultural, social and Good Living practices.

RECOMMENDATIONS

Although the results of the comparative law analysis have brought interesting results regarding the institutional structure that manages the governance of oil and gas exploration projects, the analysis of socio-environmental impacts has exposed obstacles regarding compliance with these norms and their risks and impacts on affected indigenous populations.

In this sense, the recommendations presented here go beyond the regulatory framework and point to the need to improve broad processes beyond the state, in order to drive institutional change towards guaranteeing the rights of indigenous peoples in these types of projects.

In this regard, we recommend

i) Advocate with international organizations for the creation of safeguards for hydrocarbon exploration projects.

- Negotiate rules for companies involved in contracts for the sharing or assignment of exploration, transportation and sale of exploration by-products, structured and discussed by international organizations with greater power to measure compliance in decisions of this nature for nation-states (e.g. OECD, IMF and World Bank);
- Create an international body to assess international companies involved in contracts for the sharing or concession of exploration, transportation and sale of by-products.

ii) Improve the processes of participation and social control of hydrocarbon exploration projects.

Social participation processes cannot be merely figurative in order to comply with regulations (LIMA, 2015). It is necessary to consider cultural and cosmological aspects that make up the affected communities' understanding of well-being. Prior consultation must be expanded and reframed into consent processes, in which communities have veto power in decision-making on hydrocarbon exploration;

iii) Train regional institutions representing indigenous peoples in conflict management

- Training regional indigenous bodies to act nationally and internationally in conflict management, including in international forums such as the IACHR and the UN.
- Support for the creation of consultation protocols for indigenous peoples in order to facilitate decision-making on high-impact projects (CAS- TRO, 2019)

iv) Creation of formal rules for good governance of hydrocarbon exploration projects in countries with deficient regulations

v) Managing conflicts of interest to guarantee the rights of the vulnerable populations affected

- Invest in third-party mediations to manage conflicts of interest between the state and private entities in relation to indigenous peoples and affected communities;
- Investing in training state agents in socio-cultural and territorial issues and in mediating intercultural processes, in order to prevent electoral cycles from interfering in the consolidation of institutions that work to guarantee rights.

vi) Creation of an integrated risk prevention and management plan

The risk management of hydrocarbon projects involves a governance structure that must guarantee the participation and control of the populations directly and indirectly affected. There is an urgent need for inter-institutional and multi-scalar coordination to manage conflicts and mitigate the impacts of hydrocarbon projects within the context of the state.

It is important to adopt a strategic environmental assessment involving multiple ministries in order to create win-win solutions in the economic, social and environmental spheres.

vii) Ensuring passive transparency of data

Ensure easy citizen access to raw data, regulations and reports on the different phases of hydrocarbon exploration, from the bidding process to the distribution of royalties, without the need for bureaucratic mediators (e.g. sending a letter, requesting a transparency website to be analyzed by the competent body, etc.).