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

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The Peruvian Amazon contains the fourth largest area of tropical forest on Earth and is one of a handful of regions where over 50 percent of forest cover is still undisturbed. Peru has seen impressive economic growth in the last decade, with GDP increasing on average six percent a year, 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 projects. 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 ahead.

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 process. Similar projects like the recently completed Southern Interoceanic Highway have facilitated the expansion of logging and gold mining, causing widespread environmental and social harm.

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 continent. 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 world.

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 construction. 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 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 Communications.

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.
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 68 of the Constitution that obliges the state to preserve protected natural areas; article 21 of Law 26834 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 28736 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 29785 on the Prior Rights to Consultation of Indigenous or Native Peoples and clause 18.2.2 of the Peru-USA Free Trade Agreement 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 Peoples 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) body, 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 complaint 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 concession, and punish those responsible.

- The Public Prosecutor’s Office and Ombudsman:

  Immediately investigate the allegations that:

- A bribe of 50,000 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.
A REMOTE REGION, A CONTROVERSIAL PROJECT

Purús Province, one of the Amazonian department of Ucayali, is one of the least populated areas of Peru. Covering almost 1.8 million hectares (ha) of forest, it contains the Alto Purús National Park, one of the most biodiverse areas on the planet. 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 inhabitants. It also hosts the Purús and Yurua rivers, the only tributaries undisturbed by hydroelectric dams in the southern Amazon basin.

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 people. Purús’ ‘colonos’ – settlers from other parts of Peru – account for around a fifth of the province’s inhabitants. 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 riverside communities that depend on the forest for their livelihoods. An estimated 500–1000 ‘uncontacted’ (or ‘in voluntary isolation’) indigenous people also rely on the regions’ forests, living a nomadic or semi-nomadic existence.

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 construction, 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’ isolation.

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 Iñapari. 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’. 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 floor. In November 2012 the bill was passed to the Committee of Indigenous Peoples and Environment 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
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 region. There is no doubt Purús needs development. 73 percent of Purús homes do not have electricity and those which do only have access for five hours a day. A fifth of the population is illiterate, one of the highest rates in the country. There are only seven health posts and ten hospital beds in the whole province. 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 month.

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 prices. 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 beneficiaries.

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

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 Esperanza. 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 infrastructure. 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 alternative. 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 costs, 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
ENVIRONMENTAL AND SOCIAL IMPACTS

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 Reserve. It would also be in breach of environmental obligations under the Peru–USA Free Trade Agreement. 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 Iñapari.

An extensive body of research provides clear evidence of the links between road building and deforestation. For example, in the Brazilian Amazon 75 percent of deforestation takes place within 100 km of highways. 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 basin. 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 trees. 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 road.

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 mining.

Since the asphalting of the Southern Interoceanic Highway between December 2006 and August 2011, the area dedicated to mining has more than doubled in size, causing 32,000 ha of deforestation and 150,000 ha of forest degradation. 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 year. 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 production. Scientific researchers...
from the University of Richmond believe the proposed Purús highway would increase the drug trade in the region. 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 Witness. 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 Brazil.

**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 population. 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 law.

In their declarations against the highway, indigenous organisations also cite the violation of Peru’s laws protecting indigenous peoples ‘in voluntary isolation’. 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 world. 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 loggers.

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 community.

Some prominent highway supporters have denied the existence of ‘uncontacted’ groups in the areas affected.
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.
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 parliament. 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 Commission. The ‘Analysis of Bill’ section ostensibly represents the thinking behind the decision to approve the bill for debate in parliament. 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 project.

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 areas. This was followed by similar rejections of the highway bill by the Ministry of Culture, in charge of indigenous affairs, and the Ministry of Transport.

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 publication. 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’.

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 highway. Víctor Grandez is currently facing charges of embezzlement for allegedly stealing state oil revenues. 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 Loreto.

In a response to Global Witness, Víctor Grandez denied that he is stalling the decision on the highway bill. 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 highway, 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 highway. 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...
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 road\textsuperscript{97}. 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 highway\textsuperscript{98}. 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.

**LOGGING IN PURÚS**

Purús Province contains the highest density of mahogany trees, an extraordinarily valuable species\textsuperscript{99}, left in Peru and perhaps South America\textsuperscript{100}. 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 illegal\textsuperscript{101}. In 2000 the Peruvian government banned mahogany and cedar extraction in four illegal logging hotspots, including Purús\textsuperscript{102}. This law was brazenly flouted for several years\textsuperscript{103}. Rampant illegal logging took place in Purús’ protected areas\textsuperscript{104} with timber transported by planes chartered from Peru’s Army, Police and Navy, who were suspected of collusion\textsuperscript{105}. Illegal logging persists in Purús, as is highlighted by recent legal violations in 8 of the total 11 harvesting permits issued in the province\textsuperscript{106}.

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 2011\textsuperscript{107}.

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 Esperanza. Agro Industrial SAC operates a logging concession in Tahuamanu province, near Iñapari, an area that would be served by such a highway. 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 deal.

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 Piovesan. 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 group, previously worked for logging company Forestal Venao. Chapay was expelled from the Miguel Grau community in Purús for deceiving them out of money owed from timber rights. 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’. 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 trade. 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 planes. These flights openly transported illegal timber between Purús and the state capital Pucallpa. 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 law.

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
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 Amazon\textsuperscript{120}. 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 terminate\textsuperscript{121}. This inflow has been facilitated by the Southern Interoceanic Highway, which gives access to previously remote forested areas rich in gold reserves\textsuperscript{122}. 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 mining\textsuperscript{123}. Gold became Peru’s main export item in 2012\textsuperscript{124}.

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 Reflexion\textsuperscript{125}. 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 project\textsuperscript{126}. In 2012, five protesters were killed in clashes with police over concerns that the proposed Conga mine would harm local water supply\textsuperscript{127}. In a response to Global Witness Democratic Reflexion stated that Roque Benavides’ role as President is to approve planning and strategy\textsuperscript{128}. 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.\textsuperscript{129}. Ccama is currently being investigated by the Environmental Auditor’s Office in Puno for environmental pollution and illegal mining\textsuperscript{130}. 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 companies\textsuperscript{131}, and who is a well-known businessman and owner of a heavy machinery rental company in Ucayali\textsuperscript{132}. In a response to Global Witness, Carmen Omonte stated that neither she nor her spouse own mining companies, or any ‘active’ heavy machinery rental company\textsuperscript{133}. 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.

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.
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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74. Article 5b of Law 28736 states that in indigenous reserves 'any activity different to the ancestral customs and traditions of indigenous inhabitants is prohibited'

Available at: http://www.congreso.gob.pe/comisiones/2010/CEM_Protectiva_indigena_documentos/leyes%20de%20comunidades/ley6_protecciondepueblosindigenas28736.pdf

75. Law 29875 available at: http://www.congreso.gob.pe/ntleyimagenes/Leyes/29875.pdf


78. Bill No.1461/2012 PE creating the SENACE was approved by Congress on 22 November 2012

79. The SERNANP made an official complaint on 4 September 2012 to the Ucayali Environmental Prosecutor’s Office following an inspection that found evidence of illegal forest clearing and encampments inside the conservation concession. A further inspection on 26 September 2012 found further evidence of road building inside the same area and bordering the Purús Community Reserve. The complaint alleged that financing for the clearing came from highway supporters

80. The Association of Forest Management in the Novia River Basin (MABOSINFROM) were granted a conservation concession on 24 April 2012 that only permits reforestation and non-timber forest products harvesting

81. National Institute of Statistics and Data, Ucayali: Compendio Estadistico Departamental, 2010

82. National Institute of Statistics and Data, Ucayali: Compendio Estadistico Departamental, 2010, p25

83. Apeco, Actualización de Diagnóstico del Plan Maestro del Parque Nacional Alto Purús, January 2011, p26

84. SPDA et al, Puentes para la integración: Aportes desde la sociedad civil para la buena toma de decisiones sobre la conectividad de la provincia de Purús, 2012, p16

85. SPDA et al, Puentes para la integración: Aportes desde la sociedad civil para la buena toma de decisiones sobre la conectividad de la provincia de Purús, 2012, p16

86. Apeco, Actualización de Diagnóstico del Plan Maestro del Parque Nacional Alto Purús, January 2011, p153

87. Apeco, Actualización de Diagnóstico del Plan Maestro del Parque Nacional Alto Purús, January 2011, p156

88. Apeco, Actualización de Diagnóstico del Plan Maestro del Parque Nacional Alto Purús, January 2011, p156

89. Email from anthropologist Klaus Rummenhoeller to Global Witness. These indigenous peoples live in ‘voluntary isolation’ and are thought to derive from at least five different indigenous groups: murunahua, chitonahua, mastanahua, mascho piro and culina. Rummenhoeller, K, Plan antropológico del Parque Nacional Alto Purús y la Reserva Comunal Purús, January 2010 p25

90. Bill no.14569/2005-CP and bill no.01295/2006-CP


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also refer to a highway; see La Republica, *El dilema de Purús: ¿carretera o conservación?*, 30 September 2012; El Comercio, *Purús La historia de una carretera imposible en una selva única*, 15 January 2013 and The Guardian, *New Amazon highway ‘would put Peru’s last lost tribes at risk’*, 1 July 2012


36. For example Carlos Tubino declared that ‘forcing a population to never have a land connection is condemning them to permanent poverty’ in a high-level meeting on the Purús situation with NGOs and academics on 17 August 2012. Miguel Piovesan in his parish magazine ‘Palabra Viva’ and on his radio show ‘Radio Esperanza’ consistently cites lack of development as the reason for building the highway.


42. As stated in page 9 of Bill no.1035/2011-CR; Global Witness interview with WWF Peru, November 2012 and officials interviewed by El Comercio newspaper in El Comercio, *Purús la historia de una carretera imposible en una selva única*, 15 January 2013

43. Global Witness with two international NGO representatives, November 2012


45. Marc Dourojeanni, Perú: El caso de la carretera Iñapari – Puerto Esperanza, 10 June 2012

46. FECONAPU, *Propuesta para el Desarrollo de la Provincia de Purús*, 5 March 2012


48. Article 68 of Peru’s Constitution states ‘The State is obliged to promote the conservation of biological diversity and of protected natural areas’. Article 21a of Law 26834 states ‘In these areas resource extraction is prohibited as well as modifications or transformations of the natural environment’

49. Clause 18.2.2 of the Peru-USA Free Trade Agreement considers inappropriate any weakening of environmental legislation by both parties

50. SPDA et al, *Puentes para la integración: Aportes desde la sociedad civil para la buena toma de decisiones sobre la conectividad de la provincia de Purús*, 2012


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55. Global Witness interviews with priest Miguel Piovesan and clergyman José Manuel Ortiz, November 2012


58. SPDA, *La problemática minera y la experiencia del consultorio jurídico gratuito de la SPDA en Madre de Dios (2010-2011)*, January 2012, p22


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66. Article 5b of Law 28736 states that in indigenous reserves ‘any activity different to the ancestral customs and traditions of indigenous inhabitants is prohibited’.

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