

atossa soltani, 12:48 27/11/96 -0, For Marcio Santilli

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Date: Wed, 27 Nov 1996 12:48:33 -0800
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To: Marcio Santilli
Fm: Atossa Soltani

Re: Collaboration on study on Amazon Infrastructure Projects

I am honored to hear from Beto Borges and Steve Schwarzmann that you are interested in collaborating on an analysis of the infrastructure projects proposed for the Amazon Basin. I understand that you would be the person from ISA who will be working on the project. I look forward to working with you.

Perhaps we can set up a time to speak in more detail over the phone. Please let me know if next week Tuesday or Wednesday(December 3 or 4) would be good for you and what telephone number is best to reach you at.

In the meantime, I wonder if you have seen a copy of the study's scope which I had submitted to the Amazon Coalition? If not, I can fax it to you before then. I have summarized the important parts here.

The report will include a catalogue of transporation and energy projects with significant impact on the Amazon Basin - not only those in the Brazilian Amazon but ones in Venezuela, Guyana, Peru and Bolivia.

I am categorizing them in three "development corridors". The first is the Manaus-Caracas-Georgetown corridor. Second is Central Amazon area which will look at the Amazon water way projects as well as proposed railroads supporting the agricultural frontier. Lastly, I will gather and present information on plans to connect Mid-West Brazil to the Pacific Rim trade through Bolivia and Peru.

Steve mentioned that you had expressed interest in looking specifically at the Manaus-Caracas corridor or perhaps BR 174. That would be great. I am interested in your approach and what piece of this great puzzle you are willing to undertake.

My research will be more cursory in nature, given the huge geographical area concerned. I hope to present to the Amazon Coalition and partners, an overview of the status of planned infrastructure projects which would link the Amazon Basin to global markets. Specifically, I am gathering information on past and pending loan requests, role of various MDBs as well as private sector financing agencies such as OPIC, EXIM, IFC and MIGA and of course Brazilian Government's own level of funding. In addition, I am compiling a list of indigenous reserves and conservation areas which will be impacted by each project. Eventually, I would like to map out the projects so that we can have a visual tool for understanding their combined impact.

Lastly, I hope to provide an analysis of the new funding mechanisms

involving the private sector as well as identify North American corporations who are involved in these projects.

Contacting local groups is also being undertaken. It is critical for the report to reflect the concern or support among local groups about these projects as this information would be the basis of future collaboration and work on the issue. I do admit it is much more difficult for me to extensively contact local groups from here. Any help ISA can provide in this regard is extremely helpful and appreciated.

Here is a list of projects being researched and what specific information I am attempting to gather. Please feel free to comment on this scope and suggest ways ISA can help. For example if you have access to people within the Brazilian Gov't who could be a source of information or if you have documents which I should review or you can summarize, please let me know.

I am currently reviewing hundreds of documents from MDBs, Tiete Parana Development agency, the Brazilian Gov't, news articles, reports from environmental group, books and other historical accounts of these projects. I am also analyzing regional trends towards privatization and economic integration and how these policies would affect the future of these projects. Included will be a review of trade accords and various new policies such as Brazil's privatization laws and Venezuela's possible reversal of laws which currently prohibit mining and forestry in the Venezuelan Amazon.

My next step will be to begin interviews with various sources including southern NGOs. I hope to have a draft of the catalogue of infrastructure project and their status ready before the end of the year. A more indepth and complete version of the report should be finished by early spring.

List of projects in each corridor being researched

Mannaus - Caracas - Georgetown Corridor

1. BR 174 - Manaus-Caracas
2. Guri electric transmission line and Guri Dam expansion
3. Urucu and Jarua Gas Fields and related Rio Negro and Porto Velho Thermoelectric Station
4. Refinery in Mannaus
5. Bilateral energy agreement for increased oil shipments from Venezuela
6. Lethem-Georgetown Road
7. Orinoco-Apure-Casiquiare Waterway
8. Itacoatiara Grain Terminal
9. Tucuruí II Hydroelectric (expansion of generating station)

Brasilia - Central-West Brazil - Amazon River Corridor

1. Madeira Amazonas Water Way
2. North South Railroad from Acailandia-Brasilia
3. Ferrovias Norte Cuiaba-Porto Velho and Cuiaba-Santarem
4. Tocantins Araguaia Water Way

Brazil to the Pacific Corridor

1. Cuiaba-Santa Cruz-Arica Road
2. Ferroviaria Rail road
3. Bolivia Brazil Gas Pipeline
4. Puerto Suarez-Santa Cruz Rail road

5. BR 364 from Rio Branco to Cruzeiro do Sul
6. Cruzeiro do Sul to Pucallpa, Peru
7. BR 317 from Xapuri to Puerto Maldonado
8. Camisea Gas fields in Peru

Questions being asked for each project:

Are feasibility studies done for these projects?
Are there EIA's completed or under way for these projects?
Total project costs?
Agencies responsible for managing the implementation
Projects which directly compete with one another for cargo or customer base
Funding approved whether or not disbursed and from which source
Funding being sought or pending approval
Funding mechanisms involving concessions and private investors
Private consortiums created to build / operate the projects
Indigenous and conservation areas impacted
Local groups concerned with impacts. Local groups in support of the projects

Recommendations of the report will include:

Priority areas for environmental movement response
Identification of key decision makers and pivotal decision points
Recommendations for timely NGO intervention

I realize that big development plans in Brazil are not new and are as some people have called "pipe-dreams" or "hallucinations" of some factions of the society there. I do recall the Polonoeste well. If I can find evidence that suggest certain projects will never get funding or are low priority, well, it will be good news and I look forward to incorporating it.

Thanks again for your help. The Amazon Coalition has set aside a small sum \$2 k for a Brazilian NGO to work on this. I hope that this sum can cover expenses for ISA.

I look forward to receiving your comments and also seeing details of your plans for the Manaus-Caracas road project.

Obrigado,

Atossa

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