

Overbrook Foundation

Amazon Watch Program Update
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DEFENDING INDIGENOUS RIGHTS AND PROTECTING FORESTS IN SOUTHERN ECUADOR

Corporate campaigns to defend the rights of indigenous peoples and protect pristine rainforests of the Amazon Basin have led to significant victories over the last decade. The fact that major oil and gas companies with large downstream retail sales are now few and far between in the Amazon is a result of the effective leveraging of public pressure.

However, the current dynamic in the oil patches of the Amazon is that dozens of little-known, privately-held, foreign or state-owned companies are buying up oil and gas concessions in some of the most vulnerable and rare ecosystems, overriding the wishes of local indigenous peoples. Their impervious nature presents serious challenges to creating accountability in some of the most remote and important places on the planet.

Such is the case in Ecuador, where Amazon Watch is currently using innovative strategies to hold these companies accountable, bring the voices of indigenous peoples to decision makers, and work in partnership with indigenous peoples to advance their vision for permanent protection of their lands.

TURNING FINANCIAL PRESSURE INTO CORPORATE RESPONSIBILITY

With generous support from the Overbrook Foundation, Amazon Watch is working with the Shuar, Achuar, and Kichwa indigenous peoples in the remote rainforests of Ecuador's southern Amazon who have been resisting the entrance of any oil, gas, or mining company for over a decade. Close to a million acres of their lands were auctioned off into two oil blocks, known as block 23 and 24, in the late 1990s. Houston-based Burlington Resources currently holds 100% interest in block 24, and a 50% interest in block 23, with Argentine CGC holding the other 50%. With most people associating the name "Burlington" not with an oil company but with a coat factory or the capitol of Vermont, Amazon Watch began looking for ways to influence the little-known company's oil plans and support the efforts of the Shuar, Achuar and Kichwa to defend their rainforest territories.

For several years, Amazon Watch has worked to bring the controversy of Burlington's slated projects to the attention of its shareholders — not only to socially responsible investors, but also to some of the largest public pension funds that control significant amounts of company shares. Amazon Watch is working to illustrate to shareholders the social and environmental realities of oil drilling, the financial cost to companies that cut corners, and the potential financial and reputational risks in failing to obtain a true social license to operate from the communities who live upon the lands where companies seek to operate.

In this process it became clear that the majority of shareholders have little access to important on the ground information about their company's projects. Nor do they have contact with the people whom will be affected by the projects. Amazon Watch continues to be a bridge between forest peoples' communities and the shareholder and financial community, and has encouraged and facilitated direct contact between the shareholders and indigenous federations.

This winter, Amazon Watch provided key on the ground information to an ever-expanding group of concerned Burlington investors, who filed two shareholder proposals for the 2006 proxy. Both proposals stem from the company's controversial operations in southern Ecuador (blocks 23 and 24) and northern Peru (block 104). The first shareholder proposal, filed by New York City pension funds, calls on Burlington to initiate a reporting process to shareholders on the sustainability of its practices to include: (1) a review of current company policies and practices related to social, environmental and economic sustainability; and (2) a summary of long-term plans to integrate sustainability objectives throughout company operations.

The second proposal, filed by the Brethren Benefit Trust, calls on the company to review and report on its implementation (or lack thereof) of its "Indigenous Communities' Rights Policy." Additionally, this resolution seeks to strengthen the company's policy to include the right of indigenous people to Free and Prior Informed Consent (FPIC), a growing international standard that guarantees communities a legitimate say in any proposed project on their land and includes the right to a veto. Current Ecuadorian law and the company's policy only require the indigenous peoples to be "consulted" without guaranteeing their right to say "No."

In previous years, shareholder resolutions have led to constructive dialogue with the company, provoking several key concessions, including the commitment to not move forward in oil blocks where they are the operator with the use of force or without the consent of the local indigenous peoples.

CONOCOPHILLIPS TO BUY BURLINGTON RESOURCES

On December 12th, ConocoPhillips announced plans to acquire Burlington Resources in a \$35 billion deal, making it the third largest U.S. oil and gas company. Given the recent behavior of oil company majors in the Amazon, the purchase may provide the best opportunity to steer ConocoPhillips away from the region's most controversial projects.

Conoco also has significant history in Ecuador. In the early 1990s, the company engaged in a flashpoint project in Block 16, the heart of the indigenous Huaorani territory. The Huaorani's opposition to Conoco's plans and the ensuing controversy brought attention from major media such as the *New Yorker*, significant involvement from Robert F. Kennedy Jr., and was chronicled in Joe Kane's acclaimed book *Savages*.

In the face of significant pressure, Conoco abandoned the project and sold the concession. Given this precedent, Amazon Watch has taken steps to transfer our campaign momentum with Burlington onto ConocoPhillips, taking advantage of the acquisition's transition time to effectively influence the larger global company. As soon as the acquisition plans were announced, Amazon Watch sent ConocoPhillips a dossier of background material and news clips, audiovisuals materials, and a letter on the controversy of Burlington's Amazon oil blocks in Ecuador and Peru. We issued a press release on the liabilities and risks ConocoPhillips is now inheriting by acquiring Burlington, which received coverage in Ecuador and the United States (http://www.amazonwatch.org/newsroom/view_news.php?id=102).

As a result of the pending acquisition and despite public commitments to not move forward in the region without the local peoples' approval, Burlington has turned up the heat on the communities on the ground in Ecuador. The company's strategy, often described by indigenous leaders as 'divide and conquer,' is to manufacture consent among the major Ecuadorian indigenous federations in hopes of portraying the projects as non-controversial to its new would-be buyer (ConocoPhillips).

Disturbingly, the Shuar and Achuar are reporting several acts of violence provoked by Burlington's "community relations" personnel over the last two weeks. Indigenous federations denounced the violence and are responding to what they say are attempts by the company to form an armed group to force the entrance of Burlington into blocks 23 and 24. In response, Amazon Watch provided denouncements and press releases issued by the indigenous peoples to the shareholder groups, who immediately took their concerns to the company. We continue to document, monitor, alert the media and respond to Burlington's increasingly divisive and conflict-inducing actions on the ground.

In addition, Amazon Watch has proved to be an important link between the Burlington-ConocoPhillips financial world and the Shuar, Achuar and Kichwa peoples on the ground. Unfortunately, indigenous communities facing projects like these are routinely the last to get information of major changes that affect their lives, land, and cultures. Amazon Watch is currently preparing information and analysis on the acquisition deal for Ecuadorian indigenous federations.

SUPPORTING INDIGENOUS LANDS PROTECTION

Funding from the Overbrook Foundation is helping to provide the first integrated vision of land tenure in blocks 23 and 24 of the rainforest homelands of the three largest indigenous federations—NAE (Achuar), FIPSE (Shuar), and FICSH (Shuar). The three federations, who coordinate their territorial defense strategies through their Inter-tribal Committee, are leading the participatory mapping project along with a technical team and GIS specialists. The project will document the communal use of land and natural resources within block 24, which will help provide a base for the Committee's proposal for a permanently protected area and provide a platform for collaboration between the different indigenous organizations to have their land rights and titles recognized.

In late January, the technical team was assembled to begin working with the new leadership of the Committee, and a Quito-based coordinator was brought on to steer the process of building a political and social mandate for the alternative proposal.

The collective project will strengthen relationships and coordination between the three federations, increase their technical capacities, and provide leaders with powerful, communicative maps to educate their communities and support their advocacy campaign on Blocks 23 and 24 in Ecuador and abroad. Amazon Watch believes these are critical steps towards realizing the vision of the Shuar, Achuar, and Kichwa for permanent protection of southern Ecuador's rainforest from future oil project plans.

THE FOLLOWING ARE PHOTOGRAPHS FROM THE EFFECTED REGION







