

**TO:** Enrique Iglesias, President, Inter-American Development Bank

**CC:** Jose Fourquet, Executive Director, Inter-American Development Bank; Keith Kozloff, Department of Treasury; Stephen Alheim, Department of Treasury; Secretary Donald L. Evans, Department of Commerce; Denise Carpenter, Department of Commerce; Otto J. Reich, Assistant Secretary for Western Hemisphere Affairs; John B. Taylor, Undersecretary of the Treasury for International Affairs; John Struble, Department of State; Karry Dizoglio, Department of State; Richard Miles, Department of State; David Lippeattj, Department of State; Alan Yu, Department of State; Franklin Moore, USAID; Davida Wood, USAID; Stefan Medina USAID; Chris Herman, EPA; Steve Wolfson, EPA; Senator Leahy, Foreign Appropriations Committee; Philip Merrill, Chair, Export-Import Bank; James Mahoney, Export-Import Bank; Mr. Sandy Weill, Chief Executive Officer, Citigroup.

**FROM:** Rainforest Action Network, Environmental Defense, Bank Information Center, Institute for Policy Studies, Friends of the Earth International, Amazon Watch

**DATE:** February 25, 2003

**RE:** The Camisea Gas Project And Forced Contact with Indigenous Peoples Living in Voluntary Isolation

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Illnesses and deaths are now spreading among the Kirineri and Nanti indigenous peoples living in voluntary isolation within Peru's Nahua-Kugapakori State Reserve, the location of part of the Camisea Gas Project. The Camisea Gas Project's transport consortium is seeking financial support from the Inter-American Development Bank (IDB).

Past experience, including in this specific area, clearly indicates that energy operations in the territories of peoples living in voluntary isolation produce both direct and indirect causal factors that lead to the introduction and spread of disease to which these peoples have no immunity. Almost half of the Nahua people died from introduced disease during Shell's exploratory operations inside this Reserve in the 1980s. The Nahua case should have generated extraordinary caution for any consortium and any creditors considering this project. Instead, the consortium has proceeded in a manner that threatens the lives of these indigenous peoples.

The location of project operations within the Reserve and the project operator's practice of forced contact (see record attached below) with voluntarily isolated peoples could render the Project directly responsible for current and future illness and death. In addition, the planned construction of three platforms, feeder pipelines, and access roads within the Reserve will open up access to voluntarily isolated peoples' territories. Therefore, the Project could be responsible for indirectly exposing groups to additional disease introduced by outsiders during 40 years of the project's operations.

Advisors to the American Anthropological Association confirm that contact with outsiders eventually results in the transfer of disease organisms to Amazonian peoples living in voluntary isolation who have little immunity to nonindigenous pathogens (Hill, Hurtado, Kaplan, Lancaster, 2000). Epidemics then ensue, even among individuals who never actually come into contact with outsiders, as afflicted peoples themselves spread diseases among their neighbors since their natural response to disease is to flee to neighboring villages or camps (Hill and Hurtado, 1996). A death rate of 30-50% and above is typical as countless cases corroborate. Acknowledging the devastating impacts of epidemics among peoples living

in voluntary isolation resulting from forced contact, the Brazilian government several years ago adopted a policy of establishing territorial reserves for peoples living in voluntary isolation that are 'no-go zones' to extractive industries and migrants.

### **The Response of Pluspetrol**

Given the very real and reasonably foreseeable potential for catastrophic harm, instead of forcibly contacting peoples living within the Nahua-Kugapakori Reserve, Pluspetrol should have taken extraordinary measures grounded in scientific understanding of infectious disease epidemiology to prevent the introduction of contagious diseases. Their policy of vaccinating workers is an inadequate response given that peoples living in voluntary isolation often die from gastro-intestinal and respiratory diseases for which no vaccination exists.

### **The Response of the Private Sector Department of the IDB**

The argument made by the Private Sector Department of the Inter-American Development Bank (meeting with NGOs, February 5, 2003) that illegal loggers may be responsible for the disease currently spreading among the Nanti people is based, as Mr. Robert Montgomery cited, on reports by the organization Cabeceras Aid. Mr. Montgomery demanded proof that the Camisea Gas Project was responsible for the deaths, as opposed to these illegal loggers. Putting aside the concern of our organizations that IDB staff charged with impartial social and environmental evaluation of the Project and with implementation of IDB environmental and social requirements show partiality to the Project by placing the burden of proof on non-governmental organizations even in matters of life and death, we submit the following:

1. The Private Sector Department appears to have overlooked the fact that the Cabeceras Aid report in question, *The Camisea Nanti: A Report on Factors Affecting their Welfare and Autonomy*, was published in 1998, long before the Camisea project began and long before the recent disease outbreaks.
2. We draw your attention, Mr. Iglesias, to the statement attached below made by Cabeceras Aid and the Department of Anthropology, University of Texas at Austin, in response to matter.
3. The Private Sector Department's argument is factually incorrect, as no logging has taken place within Nanti lands since 1998 due to the increased resistance of the Nanti, legal action against logging coordinators, and the activities of NGOs CEDIA and Cabeceras Aid.
4. The following baseline figures were calculated in early 2002 by Cabeceras Aid:

#### **Annual Figures for Nanti Child Fatalities from Contagious Diseases<sup>1</sup>**

1992 – 1998: 5.2 deaths per year

1999 – 2002: 5.9 deaths per year

15 Nanti children have died in only five months between August and December 2002 from a contagious disease previously unknown to the Nanti. This represents, therefore, an unprecedented increase in child fatalities since project construction began.

5. Scientific studies regarding the causes of this outbreak of disease have not been launched. Any future study after the rainy season will be hindered by the rapid decomposition of organic material in warm

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<sup>1</sup> Figures refer to the communities of Malankiato and Montetoni on the Camisea River where the majority of the semi-settled Nanti population lives.

and moist tropical climates and by the Nanti practice of burying their dead in shallow graves easily accessed by animals in scattered locations over the upper Camisea basin far from their communities.

### **Immediate Action Must be Taken to Prevent Further Harm**

The preponderance of the evidence, when fairly considered, indicates that Project activities have likely been responsible for the outbreak of disease among the Kirineri and Nanti peoples. To conduct adequate due diligence, the IDB must take this seriously.

Given the loss of life and rapidly deteriorating health of the Kirineri and Nanti peoples, immediate precautionary action should be taken by project companies.

*If Pluspetrol and Hunt Oil proceed with plans to construct wells and pipelines within the Nahua-Kugapakori Reserve, increased traffic will only exacerbate the spread of introduced diseases and social disruption. Hence, to avoid further tragedy and prevent further abuses of internationally recognized indigenous and human rights, the Camisea Project should withdraw completely and permanently from the Nahua-Kugapakori Reserve.*

*The irreparable impacts outlined above cannot be reversed or 'improved' by IDB financing of the Camisea Project. The IDB should end consideration of financing for the Camisea Project.*

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## **Record of Forced Contact By Camisea Project Companies in Nahua-Kugapakori Reserve**

Below is a record of cases of forced contact with peoples living in voluntary isolation within the Nahua-Kugapakori State Reserve by Pluspetrol - operator and sponsor for the upstream (gas extraction) part of the Camisea Gas Project – and Veritas Energy Services, a Canadian company contracted by Pluspetrol to conduct seismic testing operations in Block 88.

This report refers only to contact situations that have occurred with the Kirineri or other unidentified peoples located within the seismic testing area of Block 88 within the Nahua-Kugapakori Reserve. The Kirineri are the most isolated of the known indigenous peoples living in the Reserve. Full transcripts of recorded interviews are available.

### **A) Forced Contact By Pluspetrol**

#### **1) Guides Sent Ahead of Work Parties to Locate Reserve Inhabitants**

At the request of the Machiguenga organizations COMARU, an International NGO Delegation visited Lower Urubamba in August 2002. The delegation included Dr. Janet Lloyd (Amazon Watch, US), Nadia Martinez (Institute for Policy Studies, US), Henry Tito (CEADES, Bolivia), and Carlos Cuasace (OICH, Bolivia) and was accompanied by Roger Rivas, Leader of COMARU.

Pluspetrol anthropologist Jose Luis Carbajal met with the International NGO Delegation and COMARU at the company's Nuevo Mundo Camp, August 9, 2002. He openly admitted that Pluspetrol seeks and makes contact with Kirineri peoples living in voluntary isolation in the Reserve. **Mr. Carbajal stated that a group of company representatives accompanied by a Machiguenga guide approach isolated peoples announcing their presence through a loud speaker. An indigenous guide makes initial**

**contact followed by company representatives who take gifts such as food and clothes.** A Veritas Worker, who reported that indigenous guides move ahead of company work parties using loud speakers to communicate with isolated peoples in the Machiguenga language, confirmed this account.

## **2) Pluspetrol Seeks Out Kirineri Peoples**

### **i) Report by Anthropologist Kacper Swierk, July 2002**

In July 2002 Shinai Serjali reported that **Pluspetrol had deliberately sought and made contact with Kirineri groups living in voluntary isolation in several settlements in the extremely remote Upper Paquiria River deep inside the Reserve.** The anthropologist Kacper Swierk visited the area and learned from the former residents of the settlement of Shiateni that in May 2002 they had been forced to leave their homes after Pluspetrol representatives accompanied by Machiguenga guides approached Shiateni and told them to leave because if they stayed, the army would arrest them as terrorists or diseases would wipe them out. Shiateni had been home to 13 individuals. The Shiateni residents told Mr Swierk that Pluspetrol representatives had first appeared in their territory in late March 2002 and started leaving presents of clothes and metal tools.

### **ii) Statement by Jose Luis Carbajal, Pluspetrol Anthropologist, August 2002**

During a meeting with the International NGO Delegation and COMARU, Pluspetrol anthropologist Jose Luis Carbajal stated that in May 2002 **a Pluspetrol search party accompanied by a Machiguenga guide went to the Upper Paquiria to make contact with Kirineri groups living there.** He stated that the party was only able to make contact with one elderly woman as the rest of the Kirineri group had moved away from the area.

### **iii) Statement by José Gonzalez, head of Pluspetrol's Nuevo Mundo Camp, June 2002**

In an interview with José Gonzalez, the head of Pluspetrol camp at Nuevo Mundo conducted on 4th July 2002 by Peruvian press agency Econews, Mr Gonzalez states that **Pluspetrol workers have had frequent visual contact with 'uncontacted people.'** He then goes on to confirm that two indigenous guides are routinely sent out ahead of work parties to locate peoples living in voluntary isolation in the seismic testing area.

## **B) Forced Contact by Veritas Energy Services**

### **1) Forced Contact Outlined by Veritas Consultant Anthropologist**

On August 10, 2002, the International NGO Delegation and Mr. Rivas visited the Veritas Energy Services Camp – Peruanita – the main base for seismic testing operations. The following is part of a transcript of an interview with Michel Saenz, anthropologist and consultant to Veritas.

Saenz: There is a flux, a movement that has always gone on (of native peoples inside the Reserve), we are taking good care of this....For example, there's a Kugapakori (person) who lives in the upper part that's uncontacted. Here there are Nanti, but they are not uncontacted but they are isolated, very isolated. **There is the Shangoveni family group that are very isolated and don't want to know anything about national society. They don't want to know anything.**

Janet Lloyd, Amazon Watch: What are your methodologies, how have you got in contact with these people, how have you gone around the area?

Saenz: **...When we advance with our forest group and Machiguenga guides, we see if we speak today. I speak a bit of Ashaninka. I speak Machiguenga with them. They laugh and we become friends and we start to have a relationship with these people...** This Shangoveni man he tells me that my brother lives up the Shiateni gully and my father lives there too, I'm married to such and such a person. Because my job as an anthropologist is to do a kinship plan. It's normal. It's normal

...We are under control. **Now I won't say that we aren't creating impacts. There are impacts all over the place.** You can see that many animals have left. Many have stayed but many have gone. It's normal. There's a lot of racket. Also the Nahua. Here in this area, we know there could be Nahua. Now we know there are Machiguenga there. **It's a relief to know that they are Machiguenga so at least there won't be aggressive contact, just undesired contact.** If you've read the anthropological contingency plan drawn up by Pluspetrol and PCA, it says that there's a distinction between peaceful undesired contact and contact with people who could be aggressive.

Lloyd: Do you believe that, at the end of the day, regarding these groups inside the reserve, whether they are uncontacted or isolated, the fact that you are present in their territory doing this type of work is a violation of their fundamental rights as indigenous peoples?

Saenz: Probably. But human rights are being violated at any given minute in Lima. It's very easy to seek refuge in that. But yes I agree that, for example, a helicopter making what to us is acceptable noise, is not acceptable to a native who is much more sensitive to his environment. **Yes, there are quite a few massive impacts [bastantes masivos impactos]. But what solution is there? To stop the project?**

## 2) Veritas Encounter With Unknown Indigenous Group in Seismic Line 40

While waiting to conduct a meeting with Veritas staff in the Peruanita Camp, Lower Urubamba on August 10, 2002, the Delegation interviewed a group of project workers waiting in the camp reception tent. When asked about peoples living in voluntary isolation, workers responded they were involved in a hostile encounter with "calatos"/"naked ones" on August 9 in Seismic Line 40 inside the Reserve. The translation into English of a transcript of an interview with a worker who did not want to be named reads:

Worker X: **It was in [line] 40, in the Salines [line], they were here [indicates on map]. There were 7 people, they shouted, but they didn't... they broke branches and jumped up and down and shouted, but they didn't say anything**

Janet Lloyd, Amazon Watch: Could you see them clearly?

Worker X: they just shouted, they snapped branches, like this.. they shouted and shouted as if they wanted to scare us, you see? Scare the workers... but we didn't do anything.. well, people ran away

Lloyd: The workers ran away.

Worker X: **And the helicopter went and flew over the area so that they would run away and withdraw too.**

Henry Tito, CEADES: What do they do in this type of situation?

Worker X: They stopped work, that day. There are guides; the guides go ahead with loudspeakers, megaphones.

Tito: And if they find (people) like them?

Worker X: **The guides take megaphones; they talk through the megaphones, really loudly. They talk in their language.**

### 3) **Veritas Encounter With Unknown Indigenous Group in Seismic Line 34**

After conducting a meeting with the International NGO Delegation, Mr. Michel Saenz held a one-to-one conversation with Janet Lloyd, anthropologist from Amazon Watch.

When questioned whether hostile encounters had taken place between Veritas workers and peoples living in voluntary isolation, **Mr. Saenz asserted that a contact incident had occurred along Seismic Line 34 in early August.** He had not been able to ascertain the ethnic group of the band encountered in Line 34 but affirmed that the matter was under investigation.

### 4) **Veritas Encounter With Unknown Indigenous Group in Seismic Line 44**

Mr. Juan Seido, a member of the Nahua community of Santa Rosa de Serjali, reported to the Nahua advocacy organization Shinai Serjali that while he was employed as a guide for Veritas during seismic testing operations in the Nahua-Kugapakori State Reserve an encounter occurred between Veritas Energy Services and peoples living in voluntary isolation. **The encounter took place in seismic line 44 near the headwaters of the Serjali River. He confirms that the "naked peoples" encountered did not speak Nahua or Machiguenga and their ethnic group could not be identified.**

On different occasions while working in the same area, Mr. Seido's team of guides also saw eight houses and gardens planted with maize and manioc plants belonging to peoples living in voluntary isolation who inhabit the seismic testing area.

Two other Nahua men working in the same team of guides independently confirmed this report.

### 5) **Veritas Encounter With Unknown Indigenous Group near Ipariato Gully**

In August 2002, representatives from the Peruvian government agency Defensoria del Pueblo visited the Machiguenga community of Cashiriari. In trip report #026-2002/DP-PCN they state that two members of the Cashirairi community informed them **that 24 'naked ones' (calatos) carrying arrows had been seen by cooks working at a heliport near the Ipariato Gully,** located one hour from Cashiriari. Company worker Regio Rios had relayed the information by radio to community leader Jesus Camiri. Community health worker, Tomas Vargas Cashiriari, confirmed the account.

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## STATEMENT FROM CABECERAS AID PROJECT

TO: All persons concerned with health issues affecting Nanti communities within *La Reserva del Estado a favor de las poblaciones nativas nómades Nahua y Kugapakori*  
FROM: Cabeceras Aid Project, Austin, Texas, USA  
DATE: 15 February 2003

It has recently come to our attention that our 1998 report, *The Camisea Nanti: A Report on Factors Affecting their Welfare and Autonomy*, has been cited in recent discussions concerning the health impacts of current and planned activities by companies involved in the development of the Camisea gas fields on indigenous communities, especially nearby Nanti communities. We are concerned that in the context of these important discussions, the conclusions we drew in our 1998 report may be used to draw unwarranted conclusions about the current situation and its impact on the Nanti communities.

We wish to make unambiguously clear that the observations made in our 1998 report concerning threats to the health of individuals in the Nanti communities are based on data concerning illness and death up to, but not past, August 1997. Consequently, the conclusions reached in the 1998 report have only very limited applicability to current and recent health issues in the Nanti communities, since many factors affecting Nanti health have changed significantly since August 1997.

In particular, we understand that one conclusion we drew in our 1998 report has recently been applied to the present health situation in the Nanti communities, and we wish to state that this conclusion is not applicable to the present situation. We are referring here to our conclusion in 1998 that loggers were a significant vector for disease transmission to the Nanti communities, and that logging activity near Nanti communities was ultimately responsible for a considerable fraction of illness and disease in these communities. Although this conclusion was valid at the time, it is no longer valid, since there has been no logging activity in Nanti territory since 1998. Shortly after the publication of our 1998 report, laws against logging in the reserve began to be more stringently enforced, and logging activity near the Nanti communities ceased. Because there has been no logging activity near the Nanti communities since 1998, at present it is not valid to attribute the transmission of illness to the Nanti communities to contacts with loggers.

We welcome any questions regarding the issues raised in this message or by our original 1998 report.

Lev Michael  
Christine Beier

Cabeceras Aid Project  
and  
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