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Blocking the road: Indigenous groups challenge government policies in the TIPNIS

On 15 August, 21 years to the day from the start of the 1990 March for Territory and Dignity, indigenous people from the lowlands again began a march to La Paz from Trinidad to make their demands heard. They want to stop the building of a road from Cochabamba to Trinidad which would pass through a national park and indigenous reserve, the Isiboro Sécure.

Partly as a consequence of the 1990 march, indigenous peoples have made great strides in claiming their rights over recent years. Indeed, the 2009 constitution lays down clearly the rights of indigenous peoples for the first time in Bolivian history. Amongst other things, these include greater levels of national and departmental representation, self-government and recognition of community justice at the local level, recognition of lands and territory held collectively, and the right to be consulted on matters affecting them, particularly on exploitation of natural resources on their lands.

...the proposed road has brought to a head differences between the government and the lowland indigenous peoples and their organizations...

But the proposed road has brought to a head differences between the government and the lowland indigenous peoples and their organizations, between opening up new areas for development on the one hand and protecting the environment and indigenous people on the other. The issue highlights the difficulties of ensuring respect for the new constitution in practice. Though an early consultation was carried out by the road construction firm, there has been no real consultation of the indigenous people affected.

The TIPNIS and population pressure

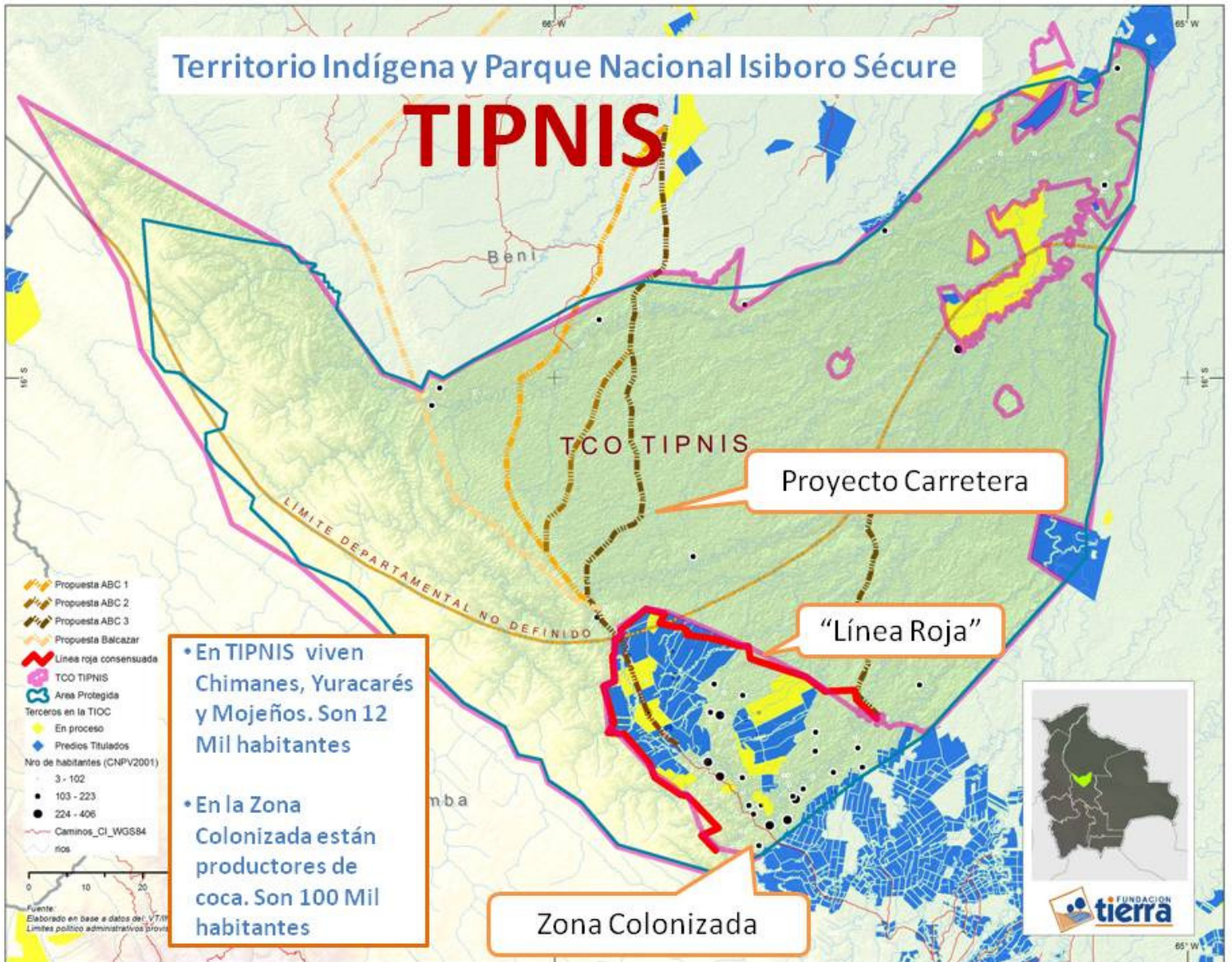
The Territorio Indígena y Parque Nacional Isiboro

Sécure (known as the TIPNIS) is a triangular piece of land shaped like the head of a cat, covering 1.2 million hectares, which straddles the southern part of the Beni department and the northern part of Cochabamba (see map). The area was declared a national park in 1965, and finally in 2009, the Mojeño-Ignaciano, Yuracaré and Chimán indigenous groups received the title to their territory (*territorio indígena originario campesino* -TIOC), amounting to over a million hectares. In 2001, according to the most recent census, there were then 12,388 indigenous people living in the area.

The TIPNIS is home to tremendous wealth of flora and fauna, and parts of the area are still untouched by development.

From the 1970s onwards, Aymara and Quechua *campesino* colonisers from the Altiplano and high valleys began to settle in the area to the south of the park, closest to Cochabamba and adjacent to the coca-producing Chapare area. They began to produce cacao, bananas, cassava, maize, citrus fruits and coca. With time, their numbers increased and pressure on the lands of the natural reserve grew.

From 1992 leaders of the indigenous peoples and coca producers were involved in marking out the boundaries between the reserve and indigenous lands on one hand, and the area occupied by the colonisers on the other. Indeed, Evo Morales, as a leader of the coca producers, was involved in early agreements between the two groups. A 'red line' was drawn marking the boundary, the colonisers occupying the part marked to the south of the reserve, called the Polígono 7. Though some indigenous groups remain in this area, it is now mainly populated by 20,000 colonising families (some 100,000 people), organised in 52 agrarian trade unions: they belong to the Federación del Trópico, one of the six federations of coca producers of the Chapare area.



Annotated map courtesy of Fundacion Tierra, www.ftierra.org

Road plans

Bolivia is little developed in terms of road infrastructure. The ABC, the state body in charge of road construction, is working to develop the country's basic road network, contributing thus to the country's physical integration.

The planned road will link Trinidad to Cochabamba, complementing another road being built from La Paz to Trinidad by way of San Borja. The route planned from Cochabamba joins Villa Tunari in the Chapare with San Ignacio de Moxos, where it will meet the road from La Paz, and thus on to Trinidad. This in turn links into the roads to Riberalta and Cobija in the far north of the country and the border with Brazil.

The construction of the road from Villa Tunari to San Ignacio – of which the first and the third parts have been established and agreed upon – is to be carried out by a Brazilian company, OAS

Ltda., with 80% of its funding coming from the Brazilian Economic and Social Development Bank (BNDES). The Bolivian Association of Engineers has criticised the cost of the undertaking, saying that it is overpriced, although the ABC maintains this is not the case.

It is the middle part of the proposed road that is the subject of dispute: though there are five different possible routes proposed by the ABC, all pass through the natural reserve, some through hitherto untouched areas.

The quest for resources

To the west of the TIPNIS are the lower slopes of the Andes, to the east is a floodable lowland plain, one of the main sources of water in the country. The TIPNIS is home to tremendous wealth of flora and fauna, and parts of the area are still untouched by development. The three main indigenous groups mostly live in 64

communities, but some are still nomadic and disappear back into the jungle when faced by any kind of threat.

For now the main economic attraction - besides land - comes potentially from the development of hydrocarbons (oil and gas) and precious woods. According to the Minister of Hydrocarbons, Petroandina (a joint venture between the state-owned YPFB and the Venezuelan PDVSA) is exploring possibilities of extracting oil/gas on the western border of the reserve, towards the Andes (Bloque Sécure), though this has gone no further than aerial photography for now; Repsol (from Spain) has also carried out prospection in this area. To the extreme northwest of the reserve, Petrobras (of Brazil) and Total (France) are also exploring for hydrocarbons (Bloque Río Hondo).

As far as precious woods are concerned, the building of a road through the reserve would eventually lead to extensive deforestation. A study carried out by the Fundación Natura for the Programa de Investigación Estratégica en Bolivia points to tree felling stretching between 3km to 50km either side of the road. Over a period of 18 years, the study foresees the loss of 65% of the forest, more than half the surface area of the national park. Whether legal or illegal, the wood from a single tree would be worth \$1,000. Even without the road, loggers are penetrating the TIPNIS from the northern side, according to Public Works Minister, Walter Delgado.

Conflicting Issues and pressures

The opening up of the TIPNIS reveals a number of conflicting pressures, indeed contradictory interpretations of what 'development' is taken to mean.

- First, there are the effects of building a road through a national park, the destruction of valuable forest, the effect on animals and plants in this very rich ecological reserve, but particularly effects on the way of life of the indigenous people living there.
- Against this is the geopolitical importance of the road, which would open up the Beni to integration with the rest of the country, whilst breaking the department's dependence on Santa Cruz as an outlet to the outside world.
- The numbers of coca producers (some

100,000 people) far outweigh the number of indigenous people (12,388 in 2001).

- The road will open up possibilities of expansion of coca and the *cocaleros* into new areas - irrespective of the land rights of indigenous people.
- The position of *campesinos*, colonisers and their organisations tends to see land as 'belonging' to those who work it, that is, individual ownership. This goes back to the Agrarian Reform of 1953. Lowland indigenous groups prioritise collective land ownership, allowing for nomadic practices and shifting cultivation. The whole idea of 'living well' (*vivir bien*) is thus interpreted in different ways by different people.
- There is also the question of what 'integration' and 'progress' involve: for Evo Morales, roads are the "veins" (a phrase he used recently when inaugurating a road link between Oruro and Llallagua) that bring greater development, though they must be built with due respect for the environment.
- The TIPNIS dispute is seen by many as contradicting Evo Morales' international stance on the rights of Mother Earth, on which Bolivia took a radical position at the 2010 UN climate change conference in Cancún. Morales is seen as inconsistent, championing anti-capitalist, anti-consumerist attitudes on the one hand, yet pursuing a traditional 'developmentalist' role in his domestic policies, giving greater weight to 'integration' and 'progress' than to the notion of living in harmony with nature.

Attempts to orchestrate a dialogue between the indigenous groups and the government have so far failed, both sides becoming increasingly intransigent as they seek to win over public opinion and to mount pressure. The marchers - initially involving not only indigenous groups from the TIPNIS, but also supporters elsewhere among lowland indigenous peoples through their confederation (CIDOB) - have widened their demands to include those of other indigenous peoples. For instance the Guaraní (from the south-eastern Chaco region) are demanding the immediate suspension of oil and gas operations in the Aguara Güe reserve, which would potentially affect the country's gas exports. Sensing they have public support, the marchers insist on talking only with Evo, not with government ministers.

Some updates on poverty and inequality in Bolivia

In July 2011, in response to a polemical document issued by a number of critics of the Morales government, Vice-president Alvaro García Linera published a lengthy response ('El 'Oenegismo', enfermedad infantil del derechismo') in which – amongst other things – he drew attention to the government's achievements in the social arena. Here we simply seek to disseminate some of the official data on which García Linera based his case.

Poverty

Using data from the Unidad de Análisis de Políticas Sociales y Económicas (UDAPE – the government think tank), gleaned from the Household Surveys conducted by the Instituto Nacional de Estadística (INE), we can see that:

- Those living in poverty fell both as a proportion of the population and in absolute terms between 2000 and 2010. In 2000, 66.4% of the population lived in poverty, falling to 60.6% in 2005 and to 49.6% in 2010. Numerically, there were 5.64 million people living in poverty in 2000, 5.71 million in 2005, and 5.17 million in 2010.
- The percentage of the urban population living in poverty fell from 54.5% in 2000, to 51.5% in 2005, and 41.7% in 2010. The equivalent figures for the rural population were 87.0%, 77.6% and 65.1%.
- The proportion of people living in extreme poverty fell from 45.2% in 2000, to 38.2% in 2005 and to 25.4% in 2010. The urban population living in extreme poverty fell from 27.9% in 2000, to 24.3% in 2005, and 15.5% in 2010. The percentages for the rural population living in extreme poverty fell from 75.0% in 2000, to 62.9% in 2005, and to 44.7% in 2010. This sector of the population corresponds mainly to indigenous peasants.

So it can be seen that although poverty levels were on a downward track (at least in percentage terms of a still fast-growing population) before the MAS government took office at the beginning of 2006, the process has been accelerated significantly since then.

Inequality

Again, citing figures from the National Household surveys produced by INE, García Linera pointed to a notable decrease in levels of inequality in Bolivia in recent years:

- In 2005, the highest 10% of income earners received 128 times the amount of income than those in the lowest 10%. In 2009, this had been reduced to 60 times.
- In rural areas, where inequality is even more pronounced, the ratio had been reduced from 157 times to 76 times. In urban areas, the reduction was proportionately less, but still notable. The ratio fell from 35 times to 22 times.

It should of course be remembered that monetary income for rural populations, especially subsistence farmers, is not necessarily an accurate guide to poverty.

In explaining the reasons behind this improvement in the conditions of social deprivation, García Linera pointed to the role of the state in increasing government revenues (primarily through increasing taxes payable by gas companies), and how this facilitated both social welfare programmes (such as the Renta Dignidad, the Bono Juancito Pinto and the Bono Juana Azurduy) and increased public investment, particularly through building and upgrading infrastructure at the local level.

The International Monetary Fund (IMF) has recently brought out information which echoes some of these findings. Commenting on data which indicates that 1.1 million Bolivians were lifted out of extreme poverty between 2007 and 2009, Gabriel Lopetegui, the head of the IMF mission in La Paz, suggested that this was due in large part to the cash transfer programmes implemented by the government.

Interview with Carlos Villegas, president of the national oil and gas company

Mr Villegas, what has been the purpose of your visit to London?

I've come for a congress of petroleum companies which is organised annually in London and to which I have been invited to present Bolivia's exploration plans.

What sort of partnerships does YPFB [the state oil and gas company] offer for foreign gas and oil exploration companies?

According to the constitution, YPFB can enter into service contracts with private companies. We have developed a contract and are negotiating with several companies. In the exploration phase YPFB contributes with the territory, the exploration. This belongs to YPFB. The [investor] company contributes capital, investment for exploration. If the result is negative, the company doesn't recover anything - it has made a loss. But let's suppose the result is positive and we enter the phase of development and production.

In the development phase it's necessary to make investments ... these are now made jointly by YPFB and the oil or gas company.

For this to happen we create a joint-venture partnership [*Sociedad Anónima Mixta*] in which YPFB participates as a minimum - it can be more - with 51%, and the private company with 49%. The first obligation of the new partnership is to return the investment made in exploration. When entering into the partnership, the operating costs (OPEX) are calculated, as well as the taxes payable. The balance goes to the company. Once the original investment has been recovered, the subsequent profits are distributed, with 51% going to YPFB and 49% to the company.

And how long do you think this process will take, once the contract has been agreed, taking into account the three stages you have mentioned?

The exploration phase could take more or less

five years, and the development phase, two. That's seven years. So if everything goes well, by the eighth year production would have started and income would be generated. In the development phase it's necessary to make investments in transport, gas and oil pipelines, and in refining facilities. These investments are now made jointly by YPFB and the oil or gas company. According to the percentages agreed, YPFB would invest 51% and the company 49%. We are already negotiating with some companies.

Could you tell us which companies these are?

We are negotiating with Gazprom, from Russia. I hope that we can close that deal in the next week. We are also negotiating with Total and Pluspetrol. That's it for the moment. We have signed, just last week, this sort of contract with a company called Gas to Liquid International, GTL, which is an Indian Company. We have also signed with another company called Ister Petroleum, which is a Chinese company. And well, we hope to sign many more contracts.

All hydrocarbons projects that require an environmental licence must pass through a [process of] consultation and participation.

How are these going to be accommodated with the demands of the indigenous peoples, such as the Guaraní, over the benefits that arise and their right to consultation before projects commence?

Respect for the rights of the indigenous peoples is contained in the constitution. It is also supported by a set of measures enacted by the ILO [International Labour Organisation] and the United Nations. All hydrocarbons projects that require an environmental licence must pass through a [process of] consultation and

participation. To this end, indigenous communities and peasant organisations participate actively with YPFB, the ministry of hydrocarbons and the environment ministry to see how to contain the environmental effects [of the project]. There are environmental effects, we cannot deny it. They exist in all hydrocarbons activity. What we want is for these effects to be minimised. For these residual effects, the social organisations or indigenous peoples benefit from compensation and indemnities that the companies pay to the communities.

It is fundamental that they participate in all consultations and participatory processes so that as a consequence they benefit collectively from the compensation and indemnities offered. And although there is no norm that obliges us to do so, we always emphasize that the resources obtained will be used for community projects with at least a medium-term time horizon and geared towards providing structural solutions for the population concerned.

I would like to say that a subsidy in itself isn't a bad thing. What is not acceptable is that a subsidy serves to benefit the population of a neighbouring country.

And is this done through the indigenous organisation, as a direct donation, or are there other organisations that carry out projects, such as NGOs?

In practice, they are usually direct payments to communities. And when we make these we try to ask that the money is spent in the best possible way. In other cases, payments are made for specific projects that they have submitted. They may want money for a school, for example. If so, the proposal is delivered, technical and economic evaluations are done, things are approved and the construction of the school building, college or hospital is paid for. But of course, they tend to prefer the former.

Regarding fuel subsidies for the internal market, these have been retained following the events last December. Looking forward, how is this situation going to be resolved? What policy will the government adopt?

First I would like to say that a subsidy in itself isn't a bad thing. What is not acceptable is that a subsidy serves to benefit the population of a neighbouring country. This is what happens and there is a lot of diesel and petrol being filtered out of the country at low, subsidised prices. Who benefits? The people living in neighbouring countries. What was done in December was done precisely to avoid this happening. But the measure didn't prosper. The subsidy continues. So what has been done is to define a policy to fight contraband. For now it's too soon to say that we have been successful. It's only early days.

So for now, the policy is to maintain the subsidy and the prices as they are?

Yes.

For the moment what we are doing is to commit ourselves to look for some mechanism that compensates companies for the effort they make in exploration for crude.

Another of the reasons given for the cut in fuel subsidies was to give incentives for investors in exploration and production. Now that the measures have been revoked, how is this question of incentives going to be resolved?

The companies that produce natural gas don't require subsidies. In the case of oil, they do need an incentive because the internal prices are low; \$27 a barrel, \$27.11 to be exact, when the international market price is on average £80-90 a barrel. For the moment what we are doing is to commit ourselves to look for some mechanism that compensates companies for the effort they make in exploration for crude.

Interview held on 20 June 2011 in London. Carlos Villegas is Executive President of Yacimientos Petrolíferos Fiscales Bolivianos (YPFB). He has previously served in the cabinet of Evo Morales as minister of planning and minister of hydrocarbons and energy.

Bolivia stands to gain from change of government in Peru

Ollanta Humala's succession to the presidency of Peru should be good news for Bolivia. The ending of Alan García's five-year term brings to an end a period of almost constant tension in relations between La Paz and Lima. Rafael Roncagliolo's appointment as Peru's new foreign minister will underscore the improvement in bilateral ties.

The García government's foreign policy was guided principally by forging the closest possible relations with the United States. This was evident both in terms of trade policy – it was the García administration which signed the Free Trade Agreement (FTA) with Washington – as well as in the broader sphere of foreign policy and in policy towards drug eradication. Within the Latin American region, Peru's closest ally was Colombia and principal adversary Venezuela. This put Peru firmly in the anti-ALBA camp, which affected its relations with Bolivia.

García's relations with Evo Morales came under considerable strain. They clashed on a range of issues, including trade liberalisation (both with the United States and the European Union), Peru's harbouring of opposition politicians, and the supposed spill-over effects of Bolivian politics into the Peruvian region of Puno. By contrast, Bolivia's traditionally tense relations with Chile underwent a major improvement under the Bachelet government.

Tensions arising out of the vexed triangular relationship between Peru, Chile and Bolivia, and Bolivia's long-sought quest for a sovereign outlet to the Pacific (*salida al mar*) were always close to the surface. Bachelet's replacement by Sebastian Piñera as president of Chile brought an improvement in relations between Bolivia and Peru in the last year of the García administration. García offered Bolivia improved port and transit facilities through Ilo, and the two presidents extended the hand of friendship at this southern Peruvian town in October 2010.

Humala brings a fresh approach to national and regional politics. He has pledged to introduce programmes of social inclusion that raise the status and living standards of the poorest sectors. He has promised to improve levels of dialogue between the Peruvian state and the country's social movements. He is promising a rethink in terms of traditional drug policy with all its emphasis on coca eradication. There is therefore much more common ground between the two

governments, and Peru may even look towards Bolivia as a model in some respects. As well as Roncagliolo, a number of those selected for cabinet office have a good understanding of Bolivia and its politics.

In foreign policy, if not quite 'non-aligned', Peru promises to be somewhat less aligned with the policy preferences of the United States. Humala looks to concentrate more attention on fostering regional alliances, particularly with Brazil. This should be good news for Bolivia. With respect to Chile, Roncagliolo has made clear that Peru will not stand in the way of an eventual solution to Bolivia's *salida al mar*. Under a 1929 treaty, any territorial changes in the part of northern Chile that used to be Peruvian (prior to the War of the Pacific), requires Peru's specific assent.

However the turbulent politics of Puno could cause problems for bilateral relations. The blockade of routes earlier this year in Puno over protests against the activities of local extractive industries brought an interruption to commercial and tourist transit between the two countries for a number of weeks. There has been a tendency in the past for Lima to see Bolivia as exacerbating social and ethnic conflicts in Puno. In fact, there is little reason for this belief, and indigenous communities along the border have little interest in interrupting commercial flows between the two. Shortly before leaving office, García rescinded the mining contract, cause of the unrest.

Peruvian commercial involvement in Bolivia has been strengthened over recent years: the Banco de Crédito del Perú, the Grupo Romero, which operates in Santa Cruz, and the Gloria milk products company, to name the better known enterprises.

Certainly among the main common areas of interest is the *salida al mar*. Peru is awaiting the results of the decision of the court in The Hague regarding the demarcation of the maritime frontier between Peru and Chile, an issue which also affects Bolivia's aspirations. Other common issues will include coca production and control of drug-trafficking, indigenous rights, mining activities and trading links.