



BELO MONTE FACTS

10 MYTHS THE BRAZILIAN GOVERNMENT WANTS YOU TO BELIEVE ABOUT BELO MONTE

The Brazilian government has mounted a powerful campaign to tell its citizens and the world that building the Belo Monte mega-dam is needed to fuel the country's economic growth. Brushing aside serious objections to Belo Monte's social, economic and environmental viability, the government claims the dam is a model of sustainable development. Such flimsy logic is based on a series of myths, outlined here.

Myth #1: The dam will not displace or negatively affect indigenous people

The project's environmental impact assessment (EIA) considers directly affected areas to be only those that will be flooded by dam reservoirs. The distinction between "direct" and "indirect" impacts is a dubious one: Belo Monte's supporters claim that few people will be "directly affected" by flooding, yet indigenous communities will endure "indirect" impacts that will undoubtedly displace them from their traditional lands. These include severely reduced stream flow, water scarcity, loss of river navigation, the decimation of fish species, and an increase in water-borne diseases like malaria.

Myth #2: Brazil needs Belo Monte and 60 other major dam projects in the Amazon to meet its growing energy demand

According to a 2007 study published by World Wildlife Fund (WWF), Brazil could cut its expected demand for electricity by 40% by 2020, if it invests in energy efficiency. The power saved would be equivalent to several Belo Monte hydroelectric plants and would result in national electricity savings of up to US\$19 billion. Retrofitting existing hydroelectric infrastructure and investing in alternatives like solar and wind could add thousands of megawatts to Brazil's energy grid without needing to dam another river. On the other hand, Belo Monte would be one of the most inefficient dams in the history of Brazil, generating only 10% of its 11,233 megawatts (MW) installed capacity during the dry season, and an average of only 39% of its nominal capacity throughout the year.

Myth #3: Belo Monte is a good investment

Claiming that Belo Monte will be one of the "cheapest sources of energy" available in Brazil, the government auctioned Belo Monte at an artificially low price of US\$44 per MW/hour. Investors, however, think this price ceiling was too low and doesn't reflect the true cost of their investments. In reality, no one knows the true cost of Belo Monte: the government estimates a price tag of US\$ 8.7 billion, while independent assessors estimate closer to US\$ 17 billion. Clearly, the government is hiding the fact that Belo Monte is not an economically viable energy alternative when compared to energy efficiency and renewable energy. Uncertainties about the project's cost as well as seasonal fluctuations in the dam's generating capacity have made private investors wary. For this reason the Brazilian government plans to bankroll up to 80% of Belo Monte using mostly public pension funds to provide cheap credit through the country's development bank BNDES, making an otherwise unviable project feasible. Without these public subsidies, no private investor would touch Belo Monte.

Myth #4: Belo Monte will generate jobs

The EIA estimates that the project will attract 100,000 migrants to the region in search of work, while driving over 20,000 people from their homes. There are not enough jobs to cover such demand. At the height of construction, only 40,000 jobs—2,000 of them long-term—will have been created. The remaining labor pool will be driven to resort to illegal logging and cattle ranching, the two main causes of deforestation in the Amazon. In addition, new migrants could fuel social tensions as they look for work, pushing into indigenous territories and protected areas to carve out a livelihood. Meanwhile, the needs of those who do find jobs will add pressure to an already weak infrastructure and social services in the largest cities, Altamira and Vitoria do Xingú.

Myth #5: Belo Monte will provide "clean and renewable" energy

Belo Monte's 668km² reservoir will flood over 400km² of forest, generating enormous quantities methane, a greenhouse gas that is 25 times more potent than CO₂. Like other big dams, Belo Monte would cause considerable direct and indirect environmental destruction, such as deforestation and associated drivers of climate change like expanded cattle ranching, while disrupting of the environmental flows necessary to sustain a river's biodiversity. There is nothing clean or sustainable about Belo Monte.

Myth #6: Belo Monte will provide electricity for all Brazilians

While 70% of Belo Monte's energy will be sold for public consumption, the remaining 30% has been purchased by state electric utility Eletrobras to resell to energy inefficient industrial operations. The transmission lines from the dam will export the energy in large part to eight industrial mining and construction companies that consume 25% of all energy produced in Brazil but only produce half the energy they consume. Indeed, the government needs the subsidized electricity from Belo Monte and other hydroelectric dams to fuel its USD \$40 billion plans to expand mining in the Amazon through 2014. Meanwhile, Brazilian citizens would continue to pay among the highest energy tariffs in the developing world in exchange for electricity from perhaps the most inefficient dam in the country's history.

Myth #7: Belo Monte is only one dam complex, not a series of upstream dams

The government is aware that Belo Monte's seasonal inefficiency can only be managed by creating more dam reservoirs upstream, allowing technicians to regulate river flows for the entire year. As such, project plans continue to point to the eventual construction of four dams in addition to Belo Monte: Altamira, Iriri, Pombal, and São Felix. The economic inviability and technical inefficiency of Belo Monte as a stand-alone project raises the specter of additional reservoirs built upstream in the future to guarantee year-round generation and a higher return on investments. These upstream dams would compound the immeasurable environmental and social harm wrought by Belo Monte on the Xingu basin.

**Myth #8: Indigenous people were properly consulted according to Brazilian law and ILO 169's guarantee to Free, Prior, and Informed Consent**

The political and legal institutions that represent indigenous people of the Xingu basin have repeatedly, over a span of 20 years, stated to politicians that they have not given their consent to build Belo Monte. The government agency IBAMA rejects this notion, claiming their role was fulfilled by consulting indigenous communities at numerous gatherings. However, only four public hearings were held in the cities of Altamira and Vitória do Xingú, where security forces obstructed the entrance of civil society representatives. The few public queries that were made were dismissed, ridiculed, and answered evasively. For the Brazilian government, consultation was never about obtaining consent from indigenous peoples through public hearings; it was only about the clarification of impacts.

Myth #9: Belo Monte's Environmental Impact Study (EIA) was sufficient to issue an Environmental License

The study left many unanswered questions in regard to water quality, socioeconomic indicators and cataloging animal data; and made only loose plans to lessen the direct impacts of Belo Monte on local communities. In addition, despite a leaked document from IBAMA technicians in November 2009 protesting "elevated grades of uncertainty" in the EIA, studies on the amount of water to be reduced in the "Big Bend" remained incomplete, and questions about the quality of

water in the dam's reservoirs and canals remain unanswered.

Myth #10: The 40 conditions contained in Belo Monte's License and \$815 million of mitigation funds are enough to lessen the project's impacts

The project's conditions are highly ambiguous when it comes to mitigating Belo Monte's socio-environmental impacts. Of the 40 conditions, for example, nine relate to management of fish and reptile species, while only two conditions relate to the mitigation of impacts on indigenous people. Just one addresses mitigating the impacts on navigation and transport on Xingu's Big Bend region. These 40 conditions demonstrate how little attention is being paid to the grave social impacts of Belo Monte. Indeed, the project's conditions amount to government greenwashing of the project, in an attempt to hide the fact that it has little concern for the needs of local communities and environment upon which they depend.

WHAT YOU CAN DO

* Sign the online petitions at <http://gjae.org/belopet> and <http://gjae.org/belopet2>.

* Mail, fax, and email letters to Brazilian President Dilma Rousseff care of the Brazilian Embassy in Washington, DC, urging her to immediately stop the destructive Belo Monte project: President Dilma Rousseff, c/o Embassy of Brazil, 3006 Massachusetts Avenue, NW, Washington DC 20008-3634. Fax: (202) 238-2827 Email: ambassador@brasilemb.org

* Call the Brazilian ambassador, Mauro Vieira at (202)238-2700 to demand an immediate end to the Belo Monte project.

Global Justice for Animals and the Environment

(718) 218-4523 Email: info@gjae.org Web: <http://gjae.org>

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