



# Patagonia's Wild Rivers at Risk

The magnificent Baker River is threatened by plans for two dams. Photo: Jorge Uzon.

Patagonia is a region of mystery and striking diversity, one of the precious places on the planet where the array of natural beauty still defies humankind's imagination. Patagonia – a region that covers much of South America's southern cone – is a place where fjords, glaciers, coastal rainforests, dry steppes, pristine lakes, and rushing rivers can all be found within a short distance of each other.

Undaunted by the potential risks of damaging this refuge of natural beauty, a consortium of Chilean and European companies plans to dam two of Patagonia's wildest and most remote rivers – the Baker and the Pascua. They want to transport electricity from the dams 2,400 kilometers north to feed Chile's mammoth mining industry and biggest cities.

The Baker and Pascua rivers are located in Aysén, Chile's most sparsely populated region. The Pascua River literally jumps out of Lago O'Higgins into a series of class-6+ rapids and waterfalls, making it one of the most rapidly flowing rivers on the planet. It churns its way down through a maze of canyons that channel pristine freshwater into the Pascua from the jagged peaks and glaciers of Patagonia's Southern Ice Cap.

The Baker River, also born of Patagonian glaciers, is Chile's most powerful river. The Baker supports a thriving sport-fishing business and a burgeoning river rafting industry. This river also sustains some of Patagonia's most productive ranching lands. Tourism on the Baker River has brought sustainable income to the region of Aysén.

Aysén's stunning scenery and rare endemic ecology have led local citizens to declare the region a "reserve of life." The region's inhabitants are mostly ranchers who make their living off the land. For them, Aysén is a bastion for a pastoral way of life that is rapidly disappearing. These *Ayseninos* know that dams on the Baker and Pascua rivers would be the beginning of the end to their culture and identity.





Lago Chico and the upper reaches of the Pascua River would be flooded by the Pascua 1 Dam. Photo: International Rivers.

### THE PROFITEERS, THE PRICE – AND THE COSTS

The mega-companies behind the dam plans hope that abundant profits will flow to them from the Patagonian dams and transmission lines. The HidroAysén consortium is planning five dams – two on the Baker and three on the Pascua – that would provide approximately one-fifth of the total installed capacity projected for Chile’s central grid by 2020.

Two huge wood and pulp producers– the Matte Group and the Angelini Group – together control Colbún, HidroAysén’s Chilean owner. One of Europe’s biggest utility companies – Enel from Italy – controls Endesa, HidroAysén’s European owner.

HidroAysén’s most vocal owner-advocate, the Matte Group, claims that its plans will bring “clean” energy to Chile. But Matte’s definition of “clean” ignores the many dirty environmental and social costs of the proposed dams and transmission lines. These costs include displaced families, disrupted traditional livelihoods and damaged ecosystems. The transmission line would leave a long nasty scar – a clearcut covering thousands of acres – through ancient forest ecosystems that are unique to Patagonia. The line would slash through many Chilean communities and damage spectacular Chilean protected areas – such as Hornopirén National Park and Corcovado National Park – bringing destruction into a globally rare treasure.

The dams and transmission lines together would threaten numerous aquatic, bird and mammal species already at risk. The *Aplochiton zebra* fish, the torrent duck, the Chilean river otter and an endangered Chilean deer, the *huemul* – of which less than 3,000 survive today – would all be brought closer to extinction.

A massive seaport would be built on a fjord near the mouths of the Baker and Pascua rivers to facilitate the construction activities, and new roads would be built. In addition, thou-

sands of construction workers would be brought into the area to build the mega-project. This would bring pollution, crime, prostitution, and housing problems to the region. The invasion of this “boom and bust” non-local construction economy is incompatible with Aysén’s traditional way of life.

### ENVIRONMENTAL ASSESSMENT – A CASE STUDY OF CORPORATE IRRESPONSIBILITY

According to Chilean law, an Environmental Impact Assessment (EIA) must be approved before HidroAysén can move forward. HidroAysén submitted its EIA in August 2008, triggering a deadline of November 2008 for all public comments on the EIA – and the regulator’s decision to accept or reject the study.

The EIA was supposed to present enough information so that Chilean government departments could determine the likely environmental and social impacts of HidroAysén’s plans. All 32 of the government departments that reviewed the EIA found that it presented such insufficient or erroneous information that they were unable to properly assess the project. Legally the EIA should have been rejected. Instead, buckling under political pressure, the regulator gave HidroAysén a nine-month extension to address all 3,000+ problems found in the August 2008 EIA – and approved the EIA *in advance* of receiving this additional information.

HidroAysén’s lack of valid science in presenting the impacts of its plans is clear from some of the governmental observations about its EIA; upon review the departments found that the EIA failed to address project risks such as landslides, seismic or volcanic risks, sudden catastrophic flooding, damage to productive soils, violation of protected areas laws and destruction of rare plants and animals.

One government department found that HidroAysén’s study included *no maps showing the exact proposed locations of the dam structures*, and failed to provide sufficient information about tectonic activity in the areas where these structures would likely be located. The EIA presented figures for the proposed reservoir areas so different from governmental modeling that serious errors were suspected in HidroAysén’s calculations.

Other alarming omissions from the EIA included: no information on relocation of persons that the project would undoubtedly require; no discussion of impacts from worker camps that would include more than 5,000 people; no plan to minimize impacts from transportation of material, fuel and hazardous waste; and no analysis regarding the project’s widely predicted damage to tourism.

Despite their disregard for good governance and due process, the company has acknowledged publicly that it will not be able to begin construction on the proposed dams in 2009 as planned.

### WHO'S BEHIND HIDROAYSÉN?

The Matte Group (owner of wood products company CMPC) and Angelini Group (owner of wood products company Arauco) together control Colbún, the Chilean owner of HidroAysén. Italian electricity giant Enel controls Endesa, the European owner.

### US COMPANIES WITH TIES TO THE PROJECT

Home Depot, 84 Lumber, and other US companies buy wood products from the Chilean conglomerates involved in the dam scheme.

### PROJECT DETAILS

- 2 dams on the 170 km-long Baker River
- 3 dams on the 62 km-long Pascua River
- 2,750 megawatts of installed capacity
- New transmission lines over 2,450 km (1,500 mi) long with a corridor 120 m wide; forest clearcutting for at least 1,600 km (1,000 mi)
- 5,000 transmission towers, each at least 70 m high
- Cost: over US\$5 billion

### WHO WILL BE AFFECTED?

- Almost 60 km<sup>2</sup> will be flooded by the reservoirs, including some of the best agricultural and ranching lands of the region and some of the world's rarest forest types, home to the critically endangered *guaiteca cipres* (*pilgerodendron uviferum*) tree.
- Rare animal species including the torrent duck (*mergametta armata*) and the white-bellied seed-snipe (*attagis malouinus*) will lose critical habitat due to reservoir flooding.
- The transmission line route will traverse 64 Chilean *comunas*, including indigenous communities, and 14 legally protected conservation areas.



A map from HidroAysén shows the proposed locations of the dams in Chile's XI Region.

### ENERGY ALTERNATIVES

Chile's environmental impact assessment system does not require any consideration of the existence of viable alternatives to the proposed project. Nevertheless, according to a recent study by the University of Chile and Federico Santa Maria Technical University, more than half of Chile's future energy needs could be satisfied by improving efficiency of energy use and from renewable sources such as solar and wind. These alternatives could actually supply more electricity than HidroAysén could from damming the Baker and Pascua rivers. In addition, the study found that more efficient energy use and "non-conventional" renewable energy sources would reduce Chile's vulnerability to energy disruption, increase the quality of energy services, and improve competition and productivity of energy companies.

### CHOOSING PATAGONIA FOR LIFE, NOT PROFITS

A powerful national and international grassroots campaign opposes HidroAysén's plans to dam the Baker and Pascua rivers. The Council in Defense of Patagonia (CDP) coordi-

nates campaign activities in Chile, the US, Canada, Spain, Italy, and beyond. Over 50 groups in Chile are united under the banner of a Patagonia Without Dams – *Patagonia Sin Represas*. Such was the impact of this campaign in Chile during 2008 that one of the country's most influential daily newspapers, *La Nación*, chose the campaign as its "person of the year." Internationally, HidroAysén's plans have ignited extensive media coverage; in April 2008, *The New York Times* published a blunt editorial advising dropping the Baker/Pascua dam plans.

According to opinion polls, most Chileans oppose these plans because of the environmental damage they would cause. And, in a referendum held by the community of Caleta Tortel – a community that is closer than any other in Aysén to a proposed dam – 78% of voters said they did not agree with the project.

Since March 2008, the consumer campaign to protect Patagonia has grown rapidly in the US – Chile's biggest export market. Consumers are urging wood suppliers such

as The Home Depot and 84 Lumber to stop purchasing timber from the companies involved in the dam plans. In the face of the growing stigmatization of Chilean wood products in the US, as well as the expanding *Patagonia Sin Represas* campaign throughout the world, HidroAysén's



In November 2007, a cavalcade of Patagonians rode their horses hundreds of kilometers to protest the dams. Photo: Patagonia Sin Represas and Aysén Reserva de Vida.

key Chilean owner, the Matte Group, and even Chile as a country, have been forced to weigh economic costs against the supposed benefits of damming Patagonia. A governmental advisor to Chile has publicly said that destroying one of the planet's most treasured wild places could turn international markets against all Chilean products. This has created strong concern in a country whose economy is heavily dependent on international exports.

Many thousands of activists from around the world have joined the campaign by writing personal letters to the head of the Matte Group, the CEO of The Home Depot, and the owner of 84 Lumber. (See Box) Activists from the US and Italy have also targeted Italy's Enel, the largest single shareholder amongst the mega-companies who own HidroAysén. Italian activists intervened in Enel's annual shareholders' gathering in June 2008, serving clear warning of the reputational damage that Enel risks by continuing its involvement with HidroAysén. In 2009, Italian activists are partnering with International Rivers to pressure Enel's CEO and share-

holders through a postcard-writing campaign, as well as through work with Italian political actors – the Italian government owns one-third of Enel's shares – and labor unions.

Canadians have also joined the campaign because Canadian pensioners own a large piece of the Chilean company

that wants to cut the 2,400 km-long swath for transmission lines. Canadian nonprofit Probe International and others are working to ensure a future of truly clean energy that does not require destruction of places like Patagonia.

The *Patagonia Sin Represas* campaign will continue to educate people around the world about the devastation that HidroAysén would cause, and make the link between Chilean products – such as those from the Matte Group – and plans to destroy Patagonia. The promoters of this unnatural disaster have undue political influence with Chile's government, and are using it to safeguard their projected profits. We can overcome this powerful lobby to destroy the Baker and Pascua rivers by making sure that those who support HidroAysén suffer the consequences of their involvement in plans to dam Patagonia.

Together we can protect Patagonia – one of the last wild places on Earth!

## Help Home Depot Save Patagonia!

The Home Depot is the largest buyer of timber products from the Matte group, one of the owners of the company behind the Patagonia dam plans. In 1999, Home Depot signed an agreement to protect native Chilean forests, yet the dams and their associated transmission lines would require clearcutting and flooding of forests found nowhere else in the world!

Home Depot needs to prove that its claim of environmental stewardship isn't merely public relations rhetoric. The company asserts "As the world's largest home improvement retailer and an industry leader on sustainability issues, we have the ability to effect change by doing the right thing."

We're asking you to call on Home Depot to "do the right thing" and stop buying wood products from Chilean companies who plan to destroy Patagonia!

Join the thousands of others around the world who are fighting for a wild Patagonia. Visit [www.internationalrivers.org/patagonia](http://www.internationalrivers.org/patagonia) to take action!