



**AMAZON WATCH**

**2003 ANNUAL REPORT**



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## **PAPER**

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## **PHOTO CREDITS**

Cover: *Atossa Soltani*, Manu National Park, Peru

Inside Cover: *John Dalrymple*, Cofan Children, Ecuador

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Page 11: *Murray Cooper*, Buttress Tree, Ecuadorian Amazon

Back Cover: *Greg Bernstein*, Giant Leaf, Mindo, Ecuador

# MESSAGE FROM THE EXECUTIVE DIRECTOR



**2003** was another year of outstanding achievements for Amazon Watch. Our hard working campaign team challenged the oil and gas industry's aggressive expansion

into dozens of pristine rainforests in the Amazon basin. Targeting projects that threatened the survival of remote rainforests and indigenous peoples, we picked our battles strategically—and won:

- In response to pressure from Amazon Watch, U.S.-based Hunt Oil withdrew from the pristine Alto Purus rainforest on the Peru-Brazil border, citing concerns for the isolated and uncontacted indigenous populations.
- Following a two-year campaign led by Amazon Watch, the U.S. Export Import Bank denied Hunt Oil \$214 million in public subsidies for the Camisea fossil fuel project located in the remote biodiverse region of the Peruvian Amazon.
- After ten years of legal wrangling, the class-action suit against ChevronTexaco for causing massive pollution in the Amazon went to trial in Ecuador. We worked to ensure that this historic trial—the U.S. courts will enforce any judgment reached in Ecuador—garnered media attention and public support in both countries.
- U.S.-based Burlington Resources pulled out of an immense rainforest in the Northern Peruvian Amazon area known as block 64 citing as its reason indigenous opposition from the Achuar people to whom Amazon Watch provided significant support.
- Our campaigns repeatedly made news headlines, including front-page stories in *The New York Times*, *Los Angeles Times*, and the *Washington Post*.

These triumphs for forest peoples are a result of our two-prong strategy: channeling vital resources to front-line communities who are working to protect their forest homelands, while also educating and applying sustained pressure on key U.S. decision-makers (corporate executives, government officials, and financiers).

To this end, we employed a variety of tactics that made the critical difference, such as creating and distributing video exposés to decision-makers, organizing delegations of indigenous leaders to the U.S., mobilizing celebrities and religious leaders to speak out, and providing funding, media training, and audiovisual equipment to organizations on the ground in the Amazon.

But the work is far from over. News from the Brazilian Amazon shocked the world as researchers reported that deforestation rates in 2003 were the highest since 1995.

According to Dr. William Laurance of the Smithsonian Tropical Research Institute, during 2001-2003, "nearly 12 million acres of rainforest have been destroyed—that's equivalent to about 11 football fields a minute."

The alarming levels of deforestation and fragmentation of the Amazon result from the construction of new access roads into wilderness areas, oil pipelines (similar impacts as roads), and other mega-projects that are aiming to mine the forests' natural resources to supply global markets.

The battles on the ground in the Amazon basin right now are truly life or death for the world's largest rainforest and for its forest peoples.

The stories of indigenous peoples of the Amazon peacefully resisting powerful multi-national corporations, the images of their resistance, and their vision for another economic system that honors and protects their forest territories offer some of the most compelling forces for the transformation of our unsustainable societies.

Amazon Watch is committed to bringing the voices and visions of forest peoples to light and in this way catalyze change in the financial, consumer, and energy markets that are bankrolling Amazon destruction.

We thank you for your generous support and look forward to your continued collaboration in defending and celebrating the cultural and biological diversity of the Amazon basin.

**For the Earth and Future Generations,**

**Atossa Soltani**  
**Founder and Executive Director**



## OUR MISSION

**A**mazon Watch works to defend the environment and rights of the indigenous and traditional peoples of the Amazon basin in the face of internationally financed, large-scale industrial development--oil and gas pipelines, power lines, roads, and other mega-projects.

We work in partnership with forest peoples to defend and advance their rights and to win permanent protection for their territories and environment.

## OUR STRATEGIES

**Monitor and Redirect Mega-Projects** Track, investigate, and publicize controversial mega-projects slated for critical rainforest areas and indigenous peoples' lands in their early stages. Catalyze local and international response to cancel, redirect or redesign the projects.

**Influence Investments** Pressure US-based financial institutions and corporations to shift their investments out of projects that are destructive and into more sustainable alternatives.

**Amazon Communications Team** Equip Amazonian indigenous groups with media skills and communications tools-digital cameras, 2-way radios, etc.-in order to increase their capacity to defend their lands from destructive mega-projects through documenting and publicizing the threats they face.

**Support Rainforest Peoples** Mobilize direct support to affected communities and generate media and public attention to pressure key decision-makers. Since 1999 we have directed more than \$300,000 in small grants and communications equipment to partner groups in the Amazon basin.



# VICTORIES & ACHIEVEMENTS

## JANUARY

Amazon Watch staff traveled to Colombia to participate in a strategy session with the U'wa people to jointly develop plans for a new phase of the campaign to defend of their land and people from a large-scale oil project.

## MARCH

During the National Colombia Mobilization, focused media attention on the role of a military aid package of \$100 million--channeled to protect Occidental Petroleum's pipeline--in fueling rainforest destruction and human rights abuses in Colombia.

Held meeting with Enrique Iglesias, the President of the Inter-American Development Bank during the Bank's annual meeting to present evidence on the failures of the Camisea gas project in the Peruvian Amazon to adhere to international environmental standards in its initial phase.

**Victory!** Following pressure from Amazon Watch and Peruvian allies, US-based Hunt Oil agreed to withdraw from the pristine Alto Purus area near the Brazil-Peru border, citing concerns for the isolated and vulnerable indigenous population.

## APRIL

Carried out media blitz to publicize the lawsuit against Occidental Petroleum for the corporation's role in a massacre in Colombia. In coordination with the International Labor Rights Fund representing plaintiffs, organized events with one of the survivors at the company's Annual Stockholders Meeting in Los Angeles.

## MAY

Organized delegation of Peruvian organizations to Washington DC to meet with decision-makers on Camisea gas project, including the U.S. Export Import Bank, Inter-American Development Bank, the U.S. State Department, U.S. AID, the Treasury Department, and the White House.

Hosted a delegation of Shuar, Achuar, Kichwa, and Zapara indigenous leaders from the Ecuadorian and Peruvian Amazon to Houston to request that Burlington Resources withdraw oil drilling plans and leave their territories. The company was put on notice in the U.S.

Organized a two-week visit to the San Francisco Bay Area for 12 members of the communities affected by ChevronTexaco's extensive oil contamination in the Ecuadorian Amazon. The delegates received unprecedented support from schools, churches, and residents in San Ramon where ChevronTexaco has its headquarters. Local residents formed a support group to pressure the company to fully remediate nearly one million acres in the Amazon harmed by its oil operations. This trip also generated unprecedented local and national media coverage on the damage and the lawsuit filed the same month in Ecuador.

## JUNE

Amazon Watch organized a mission to gather video documentation of the environmental and social impacts of the Camisea gas project and published a report exposing the extensive environmental damage and erosion that is choking pristine rivers and killing off fish stocks. The report was distributed to international banks that were considering financing the project--including several that declined financing.





## JUNE

Amazon Watch provided a video camera and training to COMARU, the Machiguenga indigenous organization whose communities are in the path of the massive Camisea project in Peru. Training by our video team member has enabled the community to document the impacts of the project on the communities, and to gather testimonies.

## JULY-AUGUST

**Victory!** The U.S. Export-Import Bank (Ex-Im) rejected \$214 million in loans to the Camisea project in the Peruvian rainforest—the first time the Bank had rejected a loan on environmental grounds, thus setting a precedent. Amazon Watch's several years of work on the Camisea project was critical to blocking the Ex-Im loan and gaining Inter-American Development Bank loan conditions (see below)—from our fact-finding missions, to facilitating indigenous delegations to Washington DC, to the production of a hard-hitting video aimed at bank officials. Just days prior to the expected approval of financing for the Camisea projects in July, Amazon Watch released a 12-minute video exposé and together with Peruvian and Washington DC-based organizations undertook a successful effort to highlight unresolved negative impacts. This effort was critical in delaying the vote for months and in the ultimate rejection by Ex-Im.

## SEPTEMBER

Amazon Watch rallied support from 14 Hollywood activists and celebrities who sent a letter to the IDB urging that financing to Camisea be denied. Among them Sting, Ruben Blades, Cary Elwes, Chevy Chase, Kevin Bacon, among others. Human rights advocate, Bianca Jagger traveled to Washington DC in support of the campaign and met with IDB President Iglesias and U.S. government agencies and urged them to withhold financing to Camisea.

**Victory!** Following sustained pressure from Amazon Watch and DC-based allies, the Inter-American Development Bank attaches dozens of environmental and social conditions to the Camisea loan. Despite tremendous pressure to reject the loan, the IDB approved \$75 million in financing. However, continual pressure on the Bank led to repeated delays and eventually to the U.S. Government—which holds 30 percent stake in the IDB—to abstain from the vote. The controversy forced the IDB to add strict conditions to be met before the loan is disbursed. As a result of these conditions, the Peruvian government removed an extensive area in the Nahua-Kugapakori Indigenous Reserve from future oil drilling (see next page). Additionally, on-going documentation by Amazon Watch and allies about failures to adhere to loan conditions continues to delay loan disbursement. Overall the campaign has fueled an internationally coordinated movement to strengthen the IDB's weak environment and indigenous peoples' policies, both currently under review.

## OCTOBER

Through a publicity campaign leading up to and during the trial against ChevronTexaco in Ecuador, Amazon Watch garnered high-profile media coverage in the US, Ecuador and beyond (*The New York Times*, *Los Angeles Times*, *The Wall Street Journal*, *London Guardian*, *BBC-News*, *International Herald Tribune* and more), all critical to building pressure on the corporation to respond to the suit. Central to the coverage were the visit of a Secoya indigenous leader and plaintiff in the suit to the Bay Area as well as Bianca Jagger's tour of the toxic waste sites in the Amazon and her attendance at the trial in Ecuador, both organized by Amazon Watch. We produced a short video "The Trial of the Century" that includes footage and testimony from this precedent setting trial.







## OCTOBER

Amazon Watch facilitated the production of "Death in Zion," a 25-minute video exposé about the devastation that Occidental Petroleum left after 34 years of drilling in the Peruvian Amazon in the territories of Achuar people. The video project was carried out by filmmaker Adam Goldstein in collaboration with Racimos de Ungurahui, a Peruvian indigenous rights organization, and the Achuar Federations of the Corrientes River with funding from the Rainforest Action Network.

Our Amazon Communications Team delivered a digital video camera kit and a digital LCD projector to Racimos de Ungurahui who has been able to use this equipment to gather testimony and conduct legal rights workshops for indigenous communities in remote areas of the Peruvian Amazon affected by oil and mining projects.



## NOVEMBER

Amazon Watch organized a delegation of leading religious and labor leaders from the San Ramon Valley, California where ChevronTexaco is based for a fact-finding mission to the areas affected in the Ecuadorian Amazon. They visited oil waste sites left behind by the corporation, met with indigenous and rural leaders whose communities have been devastated by the pollution, and met with government officials. Upon returning to California, the religious and labor leaders initiated dialogue with ChevronTexaco officials to express their concern. They continue to spread the word in their communities.



Sympathetic Burlington Resources investors filed a shareholder resolution asking for the company to establish an indigenous peoples' policy. This came in response to outreach by Amazon Watch to investors about the company's controversial operations on indigenous peoples' rainforest lands in the Amazon basin.

**VICTORY!** Peruvian government removed a half million acre rainforest area from the national oil map, protecting an area inhabited by indigenous populations with little to no contact with the outside world. This victory comes as a direct result of campaign pressure and the conditions on the IDB Camisea loan mandating that International Finance Corporation safeguards be instituted in future oil and gas projects in the region. As a result, the Peruvian Government was forced to scrap a large part of a planned oil concession--block 57--covering nearly half-million acres in the Nahua Kugapakori Indigenous Reserve. This enormous on-the-ground victory for the forest and peoples was the direct result of leveraging financial actors to stipulate safeguards in their lending.



## DECEMBER

Following outreach by Amazon Watch, ChevronTexaco investors filed a shareholder resolution calling on the company to disclose all initiatives to address health and environmental concerns of villagers living near oil contaminated areas where Texaco operated.



Amazon Watch helped secure a front-page feature story in *The New York Times* about indigenous resistance to oil drilling in the Ecuadorian Amazon, in particular opposition by the Kichwa community of Sarayacu. Throughout the year, Amazon Watch raised \$7,000 in emergency funds and delivered communications training, a satellite phone and a digital video camera to Sarayacu to support their peaceful mobilizations against the entry of oil companies.

**VICTORY!** In response to local opposition and pressure from Amazon Watch and sympathetic investors, Burlington Resources announced plans to withdraw from the controversial block 64 on the Achuar people's forest territory in Peru, citing indigenous opposition.

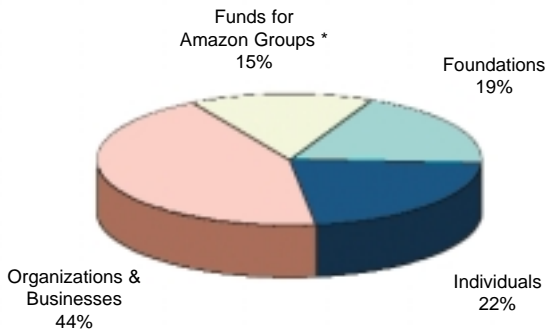
# AMAZON WATCH FINANCIAL REPORT

## STATEMENT OF FINANCIAL ACTIVITY

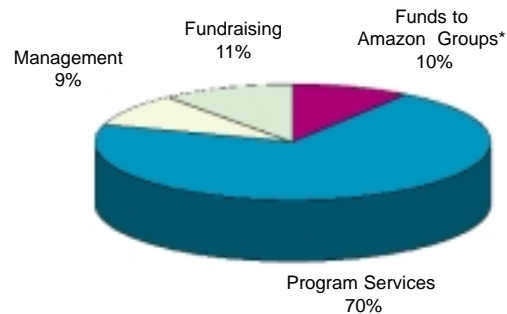
January 1 to December 31

REVENUES	2002	2003
Foundation Grants	\$ 285,000	\$ 53,667
Individual Donors	\$ 20,379	\$ 61,960
Non-profit Organizations and Business Donors	\$ 69,095	\$ 124,186
Restricted Funds for Amazon Organizations*	\$ 30,377	\$ 43,505
<b>Total Income Restricted &amp; Unrestricted</b>	<b><u>\$ 404,851</u></b>	<b><u>\$ 283,318</u></b>

YEAR 2003  
REVENUES



YEAR 2003  
EXPENDITURES



EXPENDITURES	2002	2003
Program Services	\$ 350,231	\$ 283,614
Funds to Groups in the Amazon*	\$ 36,430	\$ 39,609
Management & General Expenses	\$ 48,661	\$ 37,838
Fundraising Expense	\$ 34,289	\$ 43,868
<b>Total Expenditures</b>	<b><u>\$ 469,611</u></b>	<b><u>\$ 404,928</u></b>
<b>Net Income</b>	<b>\$ (64,761)</b>	<b>\$ (121,610)</b>
<b>Net Assets, January 1</b>	<b>\$ 154,570</b>	<b>\$ 89,809</b>
<b>Net Assets, December 31</b>	<b><u>\$ 89,809</u></b>	<b><u>\$ (31,801)</u></b>

\* Amazon Watch disburses 100 percent of all funds received for Amazonian partners. Apparent discrepancies between revenues and expenditures for Amazon partner groups reflect the timing of disbursements which may straddle fiscal years.



# BOARD & STAFF



## STAFF

Atossa Soltani, Executive Director  
Shannon Wright, Associate Director  
Thomas Cavanagh, Operations Manager  
Kevin Koenig, Amazon Oil Campaign Coordinator  
Janet Lloyd, Ph.D. Anthropologist, Peru Program  
Leila Salazar, Cleanup Ecuador Campaign Organizer  
Greg Bernstein, Digital Media Specialist  
Natalie van Zelm, Website Coordinator

## BOARD OF DIRECTORS

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**Atossa Soltani**, Founder/Executive Director of Amazon Watch

### Board Secretary

**Heather Rosmarin**, Esq. Attorney

### Board Treasurer

**Jeanne Trombly**, Board member of Fiber Futures and Solar Living Center.

**Andrew Beath**, Founder/Executive Director of EarthWays Foundation; Founder & Board President of Social & Environmental Entrepreneurs (SEE); and author of *Consciousness in Action*

**Dee Dominguez**, Chairwoman, Kitanemuk & Yowlumne Tejon Indians

**Cary Elwes**, Actor and human rights activist

**Jonathan Frieman**, Co-Founder of Center for Corporate Policy and Current Innovations; Member of Threshold Foundation, and Social Venture Network

**Daniela Meltzer**, Colombian activist, Vice President of Coptervision; Global Ecology Program Alumna

## CONTRACT & PROJECT TEAMS

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\* Communications Team

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Rebecca Adamson  
Project Bandalooop  
Julia Butterfly  
Jayni Chase  
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Joe Kane  
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