



AMAZON WATCH



2008 ANNUAL REPORT





Outside Occidental Petroleum Annual Shareholder Meeting (Thomas Cavanagh / Amazon Watch)

MESSAGE FROM THE EXECUTIVE DIRECTOR

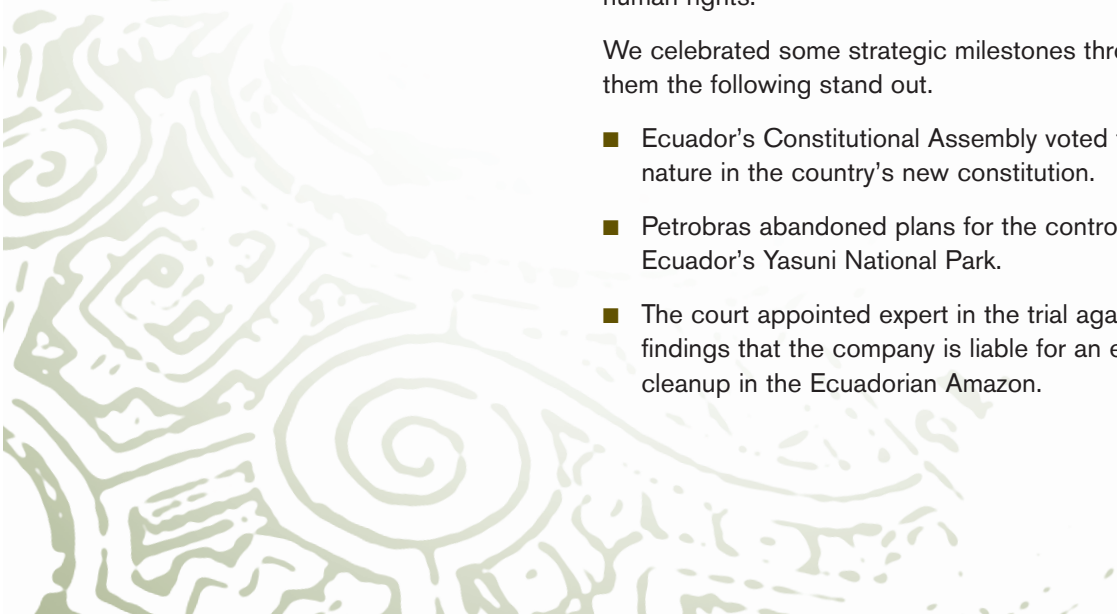
From regime change in the White House to the major shake up of the global economy, 2008 marked the beginning of a new era. The meltdown on Wall Street awakened people to the perils of rampant corporate greed, lack of accountability and the failures of unbridled capitalism.

While the oil industry reported record profits through most of 2008, Amazon Watch worked hard to shine the spotlight on the industry's abuses in the Amazon.

Our dedicated staff organized delegations from affected communities to the annual stockholder meetings of Occidental Petroleum, ConocoPhillips, Talisman, and Chevron calling for corporate accountability and respect for human rights.

We celebrated some strategic milestones throughout the year; among them the following stand out.

- Ecuador's Constitutional Assembly voted to grant inalienable rights to nature in the country's new constitution.
- Petrobras abandoned plans for the controversial oil block 31 in Ecuador's Yasuni National Park.
- The court appointed expert in the trial against Chevron released his findings that the company is liable for an estimated \$27 billion for cleanup in the Ecuadorian Amazon.



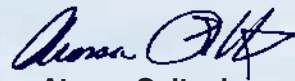
- Nominated by Amazon Watch, Pablo Fajardo and Luis Yanza won the 2008 Goldman Environmental Prize for leading the 16-year legal battle against Chevron. The company chose unwisely to attack them in the media with their efforts backfiring.
- Amazon Watch and the Amazon Defense Coalition's multifaceted Chevron campaign for clean up of the Ecuadorian Amazon took first place at the Business Ethics Network's 2008 Benny Awards.
- With support from Amazon Watch, Peru's indigenous movement effectively forced the Peruvian Congress to modify several Presidential decrees that attempted to roll back indigenous land rights. The problem however did not get fully resolved in 2008 foretelling an uprising in 2009.
- In Los Angeles, Tomas Maynas Carijano, the Peruvian Achuar elder and lead plaintiff in the oil pollution lawsuit against Occidental Petroleum, delivered his message to the company's doorstep. Favorable editorials by the LA Times called for "corporations doing business around the world to take their best practices with them." The editorial brilliantly framed the issue: "Call it a reverse incursion—tribes following corporate giants into their native habitats . . . Maynas and other indigenous leaders are bearding business lions in their own cultural dens: at shareholder meetings, in boardrooms and, increasingly, in court."

- In Calgary, Talisman's CEO met with our delegation and pledged to respect the Peruvian Achuar's right to consent.
- Throughout the year, Amazon Watch campaigners traveled to remote regions of the Amazon to carry out fact-finding missions and advocacy training with local organizations and communities.
- Amazon Watch completed its strategic plan and vision for the next 3 to 5 years. We identified strategies that are working and created a plan to scale up programs and campaigns in the face of daunting challenges facing the Amazon region, namely the reality that the Amazon rainforest is approaching the tipping point of ecological collapse in our lifetime.

As 2008 came to a close, signs of hope appeared on the horizon. We witnessed a growing public awareness for addressing the global climate crisis and the role of tropical rainforests in stabilizing our global climate became more widely recognized.

On behalf of everyone at Amazon Watch, I thank all of our supporters and invite you to continue investing in Amazon Watch in this critical time as we generate greater momentum for defense of our planet and human rights.

For Future Generations,



Atossa Soltani
Founder / Executive Director





Peruvian Achuar Territory (Nathalie Weemaels)

OUR MISSION AND VISION

Amazon Watch works to protect the rainforest and advance the rights of indigenous peoples in the Amazon Basin. We partner with indigenous and environmental organizations in campaigns for human rights, corporate accountability and the preservation of the Amazon's ecological systems.

Our Vision

We envision a world that honors and values cultural and biological diversity and the critical contribution of tropical rainforests to our planet's life support systems.

We believe that indigenous self-determination is paramount, and see that indigenous knowledge, cultures and traditional practices contribute greatly to sustainable and equitable stewardship of the Earth.

We strive for a world in which governments, corporations and civil society respect the collective rights of indigenous peoples to free, prior and informed consent over any activity affecting their territories and resources.

We commit, in the spirit of partnership and mutual respect, to support our indigenous allies in their efforts to protect life, land, and culture in accordance with their aspirations and needs.

OUR STRATEGIES



Human Banner in Ecuador (Lou Dematteis / Spectral Q)



Protest outside Oxy (Thomas Cavanagh / Amazon Watch)



Kevin Koenig and Achuar Leader in Houston (Amazon Watch)

In the Amazon region of Brazil, Colombia, Ecuador and Peru, Amazon Watch is working directly with indigenous communities to build local capacity and advance the long-term protection of their territories. In partnership with indigenous peoples, non-governmental organizations, concerned shareholders and citizens, we utilize the following strategies:

Campaign to persuade decision makers in corporations, international financial institutions and national governments to honor the rights of indigenous peoples to self-determination and free, prior and informed consent over “development” decisions in their territories and to fund full cleanup of areas devastated by past and present oil drilling. We use media exposure,

legal action and shareholder campaigns to demand corporate social and environmental accountability.

Strengthen capacity of indigenous organizations in the Amazon to defend their rights in local, national and international fora. Through legal, advocacy, media and technology training and the donation of equipment, we help our indigenous partners assert their collective and territorial rights and advance an alternative vision for conservation-based development of their territories

Seek permanent protection for threatened areas and vulnerable indigenous populations in the Amazon rainforest. In partnership with national governments and ally organizations in South America, we promote new, sustainable alternatives to resource

extraction-based economic development. At the same time we monitor and publicize new threats in pristine or vulnerable Amazon frontiers and seek an end to public financing for destructive projects.

Educate corporate executives, shareholders, public officials and the general public using media coverage, websites, publications, documentary films and dialogue. We strive to foster widespread understanding of the intrinsic value of indigenous peoples stewardship and the global significance of the Amazon rainforest. By building awareness and promoting green economic alternatives to the current export-oriented fossil fuel based development model, we are helping to bring about a paradigm shift within key institutions and society.





Pablo Fajardo and leaders of the Frente de Defensa marching in Lago Agrio, Ecuador (Courtesy of the Goldman Environmental Prize)

THE CLEAN UP ECUADOR CAMPAIGN

2008 was a landmark year for the campaign to hold Chevron accountable for the environmental disaster caused by Texaco (now Chevron) in the Ecuadorian Amazon. During three decades of drilling, Texaco dumped over 18 billion gallons of toxic wastewater into rivers and streams, and abandoned 916 open-air waste pits. In support of the class action lawsuit against Chevron, now in its final stretch, Amazon Watch intensified a public pressure campaign urging the company to clean up its toxic pollution and compensate the roughly 30,000 residents of the area for the epidemic of cancer and other health problems they continue to suffer.

Developments in the lawsuit against Chevron came to a head when a court-appointed expert determined that Chevron was liable for up to \$27 billion in damages. Through media outreach and direct communication, Amazon Watch alerted Chevron shareholders to the company's efforts to conceal this liability, which had also been illegally omitted from its SEC filings. Throughout the year, we worked with major institutional shareholders to bring attention to Chevron's tarnished record on environmental and human rights abuses. The Clean Up Ecuador Campaign received high-profile recognition winning first place in Business Ethics Network's annual BENNY awards.

PROGRAM HIGHLIGHTS

January

Berkeley City Council votes to boycott Chevron products and services. The authority adopts a resolution mandating that it "cease all purchases from Chevron" as a result of the corporation's record of ecological destruction and involvement in human rights abuses in Angola, Burma, Ecuador and Nigeria, as well as the San Francisco Bay Area, where Chevron operates a refinery widely suspected of causing cancers and other health problems among local residents.

April

In Ecuador, court-appointed expert Richard Cabrera recommends to the judge that Chevron pay up to \$16.3 billion in damages, for environmental remediation, compensation for cancer deaths, and an "unjust enrichment" penalty for the money Texaco saved by deliberately using inadequate environmental practices. The assessment is based on three years of scientific data collection, which reveal massive levels of soil and water contamination.



Luis Yanza and Emergildo Criollo at the Chevron Annual General Meeting (Thomas Cavanagh / Amazon Watch)

Nominated by Amazon Watch, Pablo Fajardo, the lead Ecuadorian lawyer for the communities suing Chevron, and Luis Yanza, founder of the Amazon Defense Coalition in Ecuador, are honored with the Goldman Environmental Prize, the world's most prestigious environmental award. Chevron attempts to defame Luis and Pablo taking out full-page ads in the *San Francisco Chronicle* resulting in a mainstream media flurry that further damages Chevron's reputation.

New York City and New York State pension funds, two of the nation's largest, calling on Chevron to assess the adequacy of compliance with host



Goldman Prize Winners, Attorney Pablo Fajardo and Lead Organizer Luis Yanza (Mitch Anderson / Amazon Watch)

May

Amazon Watch again has a powerful presence at Chevron's annual shareholder meeting at its headquarters in San Ramon, California. Three Ecuadorians from the affected communities travel to participate in confronting CEO David O'Reilly face to face about Chevron's deadly legacy. Amazon Watch helps promote a shareholder resolution filed by the



(Mitch Anderson / Amazon Watch)

country laws to protect human health and the environment. A "Clean Up Chevron" demonstration outside the meeting, attended by over 100 activists in hazmat suits, draws signifi-

cant media attention to growing public outrage at the company's actions.

June

The San Francisco Board of Supervisors votes to condemn Chevron for "a systemic pattern of socially irresponsible activities and complicity in human rights violations." Amazon Watch's efforts to bring the Ecuador controversy directly to Chevron's doorstep has visible results in the Bay Area.

October

The Clean Up Ecuador Campaign wins first place in the Business Ethics Network's annual BENNY awards, for "outstanding achievement in advancing corporate ethics."

November

Amazon Watch participates in a delegation to the affected region in Ecuador, which includes U.S. Representative Jim McGovern (D-MA), chair of the House Human Rights Caucus. McGovern, upon seeing first-

hand the devastation caused by Texaco, writes a letter to President-elect Barack Obama urging him to offer the support of the U.S. government to improving conditions for those living in the polluted area.

Court-appointed expert Richard Cabrera increases his assessment of Chevron's liability to \$27 billion, in light of findings that he had dramatically underestimated the likely number of cancer deaths (now estimated at 1401) attributable to oil contamination. The *New York Post* runs a story.

Flares in Ecuadorian Amazon (Mitch Anderson / Amazon Watch)





Achuar Leader in Ecuador (Antoine Bonsorte)

PROTECTING ECUADOR'S REMAINING RAINFORESTS

Amazon Watch continues to promote an alternative vision of sustainable development in the well-conserved rainforests of Ecuador, a country whose economy is highly dependent on oil exports. Having supported local communities in halting destructive drilling plans in the southern Ecuadorian Amazon by Burlington Resources and ConocoPhillips, Amazon Watch continued to work to ensure that ecologically and culturally sensitive areas remain “no-go zones” to the oil industry in the future.

In 2008, Amazon Watch continued to play an important role supporting the Government of Ecuador in its pioneer proposal to protect world-renowned Yasuni National Park by not allowing extraction of Ecuador's largest undeveloped oil reserved, the Ishpingo-Tambococha-Tiputini (ITT) oil block. The 2.5 million-acre Yasuni Park, one of the world's greatest biodiversity hotspots, is the home to the Huaorani people and two indigenous groups in voluntary isolation.

During the year, the Yasuni-ITT proposal acquired major political support within Ecuador and abroad, particularly from the governments of Spain, Norway, Italy and Germany. Amazon Watch was instrumental in safeguarding the proposal's integrity from co-option by private oil

companies, pushing for a diverse range of funding sources beyond the sale of carbon credits, and seeking to obtain greater engagement and participation by Ecuadorian civil society in the proposal, especially the national indigenous organizations.

PROGRAM HIGHLIGHTS

May

Amazon Watch joins forces with socially responsible investor colleagues Lily La Torre of Racimos de Ungurahui and Navajo activists from New Mexico. Together, they meet with ConocoPhillips senior management during their annual meeting in Houston, demanding that the company adopt a policy requiring free, prior and informed consent—with a focus on operations in Peru and Ecuador. In terms of its Ecuador holdings, the company confirms that it has attempted to sell its Block 24 concession and 50 percent share in Block 23 without success—an indication that the company intends to leave Ecuador permanently.

June

The German parliament unanimously approves a resolution backing the Yasuni-ITT initiative and commits the government and Chancellor Angela Merkel to financially and politically supporting the proposal, as well as promoting it among European Union countries and the Club of Paris. At the request of Germany's Parliament, President Correa extends the deadline for securing funds until December, and all signs point to another extension if concrete financial advances can be shown.

July

On July 22 in the coastal city of Guayaquil, Amazon Watch, along with the national Ecuador campaign Amazonía por la Vida and the



(Antoine Bonsor)

Fundación Pachamama, participates jointly with the Minister of Foreign Affairs, the Ministry of Energy and Mines, and other government officials in making the first financial contributions to the Yasuni-ITT initiative.

September

Ecuadorian voters approve a groundbreaking new national constitution, the first in the world to grant specific recognition to the "Rights of Nature."

In essence, the constitution provides explicit legal protection for the existence of nature and for all of its life cycle functions, including regeneration and evolution. Legal claims can be brought by any individual to stop a damaging activity and restore an ecosystem to its original state. Article 409 of the new constitution now theoretically bans resource extraction in national parks and areas declared "áreas intangibles," or no-go zones.

Also in September, Brazilian oil giant Petrobras announces its departure from controversial oil Block 31 within Yasuni National Park. This victory for the campaign to protect Yasuni from oil drilling follows intense criticism of Petrobras's drilling plans from Amazon Watch and an international network of ally organizations. Amazon Watch provides support for an indigenous mobilization of local Huaorani people who traveled to Quito in protest.

December

Amazon Watch participates in a high level strategy meeting with the Ecuadorian President's team and leading environmental experts in Washington, DC to develop and promote the Yasuni-ITT initiative. Following the meeting, the government team begins a tour of the EU to seek greater support for the proposal.



Northern Peruvian Amazon (Nathalie Weemaels)

NORTHERN PERU PROGRAM

With 74 percent of the Peruvian Amazon now zoned for oil and gas extraction, Amazon Watch worked with our indigenous partners to curtail industry's expansion and instead advance indigenous peoples' vision for an alternative development path that does not destroy nature or culture. Amazon Watch worked with the Achuar and other indigenous groups to protect nearly 20 million acres of well-conserved primary rainforest. We supported indigenous land claims and pressured and engaged companies currently holding concessions in the region, including Talisman, Petrolifera, Amerada Hess, Ramshorn, Hunt Oil and ConocoPhillips, to respect the rights of indigenous peoples to free, prior and informed consent over any activities affecting their territories and livelihood.

In Northern Peru, Amazon Watch continued support for the Achuar people as they sought justice for past harm to their health and environment. During its 30 years operating in the Corrientes River basin, Occidental Petroleum (Oxy) dumped over 9 billion barrels of toxic production waters directly into the rainforest. Oxy sold the operation to Argentine company Pluspetrol in 2000. In 2008, Amazon Watch joined as a plaintiff in a U.S. lawsuit filed by EarthRights International against Oxy for its pollution of Achuar communities in oil Block 1AB. Although the court ruled that the U.S. is an "inconvenient forum" for the lawsuit, the legal team appealed the decision while preparing to file the lawsuit in Peru.

PROGRAM HIGHLIGHTS

April

The campaign to hold Oxy responsible for polluting the Achuar territory is dealt a setback when a federal judge in Los Angeles rules that the case should be heard in Peru. The plaintiffs, including Amazon Watch and the Achuar, publicly vow to continue pursuing all legal means of redress, including appealing the decision in the U.S. and bringing the case to Peru. The *Los Angeles Times* issues a favorable editorial.

Amazon Watch leads its first advocacy mission to Calgary, the heart of Canada's oil industry, bringing two Achuar representatives from Peru to confront the latest companies active in their territory: Talisman Energy and Petrolifera. Following a meeting with Talisman's CEO John Manzoni and other executives, Talisman publicly commits in front of the company's shareholders to operate only where it obtains community consent.

May

Amazon Watch attends Oxy's annual meeting at its Los Angeles headquarters, accompanied by Achuar leaders from Peru. Several days before, a large demonstration at Oxy headquarters, attended by Daryl Hannah and Stuart Townsend, garners strong media attention. At the shareholder meeting, Achuar leaders confront senior management and call for Oxy to take responsibility for its legacy of contamination. This results in major press coverage.

Amazon Watch meets with ConocoPhillips senior management at

their annual meeting in Houston demanding that the company adopt a policy requiring free, prior and informed consent. We continue to monitor Conoco's exploration and drilling plans in its 10 million acre "mega-block" of adjacent oil concessions in northern Peru, an area which overlaps ecological reserves, titled indigenous lands, and the territory of indigenous peoples living in voluntary isolation.

product of oil drilling. However, an analysis later conducted by Amazon Watch partner E-Tech International concludes that remediation of toxic waste pits in the area was insufficient.

November

Amazon Watch calls on Talisman Energy to suspend its operations in the Pastaza River basin due to concerns that that the company has not



Henderson Rengifo, Achuar Leader, and Daryl Hannah speak at a rally outside the Oxy Annual Meeting in Los Angeles (Thomas Cavanagh / Amazon Watch)

August

Amazon Watch joins a fact-finding and partnership building delegation to visit the remote Corrientes River region to engage Achuar communities, evaluate capacity-building needs and monitor active oil concessions. Amazon Watch verifies that Argentinian company PlusPetrol is abiding by the terms of an earlier agreement with the Achuar and the Peruvian government to reinject the toxic waters that are a by-

obtained free, prior and informed consent for oil exploration from the communities in Peru's oil Block 64. 34 communities in this Achuar, Shuar and Shapra territory declare their intent to prevent Talisman from starting work in the area. Amazon Watch maintains a dialogue with the company about the adequacy of its consultation process. The controversy receives favorable coverage in Canadian press.



Achuar Leaders and Amazon Watch staff strategize during a workshop in the Peruvian Amazon (*Amazon Watch*)

INDIGENOUS CAPACITY BUILDING AND SOUTHERN PERU

On a national level, as part of our efforts to fight hydrocarbon expansion in the face of the Peruvian government's disregard for indigenous rights, Amazon Watch stepped up our capacity building work to provide tools and resources for our partners to leverage political pressure both in Peru and abroad. Specialized trainings, targeted funding and sharpened communications skills have enabled groups in Peru to more effectively communicate directly with national and international decision makers.

In Southern Peru, Amazon Watch continued to monitor the Camisea natural gas project. Located in the remote Lower Urubamba Basin in the southeastern Peruvian Amazon, the project includes two pipelines to the Peruvian coast, cutting through an Amazon biodi-

versity hotspot described by scientists as "the last place on earth" to drill for fossil fuels. Through extremely poor environmental oversight, the project has been plagued by repeated spills and has harmed the local Machiguenga, Nanti, Nahua and Yine peoples while bringing little economic benefits to the communities. Following the Inter-American Development Bank's unfortunate decision to approve funding for Camisea Phase II in January 2008, Amazon Watch supported local partners in monitoring and documenting the project's impacts on local communities and bringing their concerns to key international financial institutions. Moreover, we continued to call for a halt to oil drilling in territories of isolated indigenous peoples within the Kugapakori Nahua Reserve.

PROGRAM HIGHLIGHTS



Amazon Watch launches IDB WATCH

January

Amazon Watch encounters a major setback when the Inter-American Development Bank (IDB) loan package for Camisea II is approved. This loan approval again clearly indicates the lack of accountability within the IDB and its lack of respect for its own social and environmental safeguard policies.

Amazon Watch and Environmental Defense jointly fund an *Analysis of the Peru LNG Project* by a Harvard University professor. This economic analysis argues that exporting Peru's natural gas reserves, as to be carried out in Camisea II, would be economically detrimental to Peru in the long term.

April

Amazon Watch brings its message to Miami for the annual meeting of the

Inter-American Development Bank (IDB), one of the principal financiers of destructive large-scale "development" projects in the Amazon. We coordinate the publication of an "IDB Watch" publication by civil society groups, which provides a critical look at IDB policy and investments, including the Camisea project. We also facilitate a delegation of Peruvian leaders from partner groups *Asociación Labor* and *Derechos, Ambiente y Recursos Naturales* (DAR) to attend meetings with senior management and board members of the Bank.

June

Amazon Watch participates in the second year of Escuela Senen Soi, a training program by and for indigenous leaders of the Peruvian Amazon to build leadership in defense of their human rights and environment. Two staff members travel to Pucallpa, Peru to teach a curriculum focused on strategic communication including spokesperson training and media outreach. Some 35 indigenous participants attend from across the Peruvian Amazon.

October

In early October, our Environmental and Human Rights Campaigner participates in a fact-finding and capacity building mission with Oxfam America to visit the Machiguenga communities of the lower Urubamba River region including Timpia, Camisea, Segakiato, Cashiriari and Kirigueti. While in the region, we also participate in the congress of the Machiguenga federation, COMARU,

and deliver a video camera and training to its communications team.

November

In November, we set in motion a process to have DAR, a local partner organization, investigate the social and environmental impacts of Camisea and to file a complaint through the International Finance Corporation's internal ombudsman's office in 2009.

December

Throughout the year, Amazon Watch provides continued support to AIDSESEP, the National Organization of the Amazon Indigenous People of Peru, in their efforts to protect the Kugapakori-Nahua Reserve for isolated indigenous peoples affected by the Camisea project. In December, after traveling to Washington, D.C. to present arguments at a hearing of the Inter-American Commission on Human Rights, AIDSESEP presents a formal request for precautionary measures with the Commission.



Camisea fact-finding mission along the Urubamba River in Peru (Andrew Miller / Amazon Watch)



U'wa Leader at River Crossing (*Proyecto Mujer U'wa*)

U'WA DEFENSE PROJECT

In 2008, Amazon Watch strengthened our collaboration with the leadership of Colombia's U'wa indigenous people as we jointly responded to the renewed threat of hydrocarbons projects within their cloud forest homelands.

Ecopetrol, the Colombian state oil company, moved quickly to construct a gas production plant in Gibraltar, within the U'wa's ancestral territory and presented its plans to explore for oil in the heart of the U'wa's legal reserve.

Ecopetrol's activities have coincided with increased militarization and presence of guerrilla groups in the U'wa region. During 2008, the number of incidents of human rights abuses increased, including several killings of innocent community members by armed groups.

Amazon Watch continued to spearhead an international campaign to halt oil and gas operations on U'wa land and pressured the Colombian government to demilitarize the area. In 2008, Amazon Watch staff visited Colombia several times to strategize with the U'wa leadership. We worked closely with the U'wa to support their grassroots activities, including a mobilization of hundreds of community members in opposition to Ecopetrol's activities. We alerted the international financial community to the human and environmental costs of Ecopetrol's projects as the company looked to raise capital on Wall Street. In addition, we helped connect the U'wa to international supporters and political leaders during a tour to New York City and Washington, D.C.

PROGRAM HIGHLIGHTS



Sirakubo Tegria, U'wa President (Atossa Soltani / Amazon Watch)



Girl in the U'wa territory photographed by the late Terence Freitas, founder of the U'wa Defense Project

February

Two Amazon Watch staff make an emergency field visit to Bogotá, meeting face-to-face with U'wa leaders about their security situation, due to reports of increased armed presence starting in December of 2007. Amazon Watch facilitates a larger coordination meeting between the U'wa and Bogotá-based organizations involved in the campaign.

March/April

Amazon Watch provides small grants to support both visits by U'wa Association (ASOUWA) leaders to U'wa communities and the mass U'wa presence at the Permanent Peoples Tribunal's regional hearing in Saravena.

June

Amazon Watch coordinates an open letter to Colombian President Alvaro Uribe, calling for the demilitarization of

both Colombian military forces and illegal armed groups from U'wa territory. 42 Colombian groups, 70 international organizations from 27 countries, and dozens of individuals sign onto the letter. In conjunction, we launch an on-line action, urging the public to pressure the Colombian Ambassador to the U.S., Caroline Barco, in support of the U'wa's call for de-militarization of their territories.

September

As Ecopetrol prepares to sell shares on the New York Stock Exchange, Amazon Watch targets JPMorgan Chase, the underwriting bank. Amazon Watch engages the bank in dialogues about the human and environmental costs of Ecopetrol's projects on U'wa land, as well as the financial and reputational risks for JPMorgan Chase.

October

Over 1,000 U'wa peacefully occupy Ecopetrol's Gibraltar oil platform,

which is located within their ancestral territory against firm and reiterated U'wa opposition. Amazon Watch provides media support in the form of distributing an English press release and facilitating connection between U'wa leaders and Bogotá-based journalists.

November

Amazon Watch brings U'wa indigenous leaders to the U.S. for a two-week delegation. In New York, they meet with a dozen financial analysts and representatives of institutional investors, urging them not to buy shares of Ecopetrol. In Washington, DC, the U'wa delegation raises its case with congressional leaders, including Representative Jim McGovern, and the Inter-American Commission on Human Rights. Amazon Watch launches an on-line urgent action, building public pressure for JPMorgan Chase to terminate its financial support for Ecopetrol.

CLIMATE CHANGE, IIRSA



Rapids on the Madeira river (Glenn Switkes)



The Ecuadorian Amazon (Lou Dematteis)

Climate Change

Deforestation, especially of tropical forest, accounts for approximately 17 percent of total greenhouse gas emissions, contributing significantly to climate change and creating a positive feedback loop that threatens the survival of the Amazon rainforest and life on our increasingly fragile planet.

Given that indigenous peoples own three times more forest than national governments, the emerging discussion on Reducing Emissions from Deforestation and Degradation (REDD), as well as the inclusion of forest-based climate mitigation in the carbon markets, is of great concern to them.

In the Amazon and elsewhere, many indigenous communities lack official legal title to their ancestral territories. Thus, there is a great risk that their rights and access to forest territories could be adversely affected by REDD as a market based emissions reduction mechanism, with grave cultural and social repercussions.

In 2008, Amazon Watch staff participated in various strategy discussions on the topic of REDD with our indigenous and NGO allies. We focused on identifying strategies to engage around REDD in the series of international climate meetings throughout 2009 leading up to the UN Framework on Climate Change COP-15 meeting in Copenhagen. Amazon Watch is uniquely positioned to help indigenous organizations in the Amazon Basin understand the implications of REDD and engage in the global climate debate.

IIRSA

The Initiative for Integration of Regional Infrastructure in South America (IIRSA), a pan-regional development blueprint of over 500 infrastructure projects, will bring major ecological and social devastation to the Amazon through extensive alterations to landscapes and livelihoods in the region. IIRSA's development framework views mountains, forests, and wetlands as barriers to economic growth to conquer while rivers are seen as the means for extracting natural resources and the generation of hydroelectricity. Amazonian indigenous peoples and traditional communities, whose lands lay in the path of these "development" projects, will be deeply and irreversibly affected, yet their perspectives are rarely if ever considered relevant to project planning, approval, and financing. Among the most controversial of IIRSA's projects is the Madeira River Complex, the cornerstone of IIRSA's Brazil-Bolivia-Peru development hub, that seeks to turn the principal tributary to the Amazon river into a major corridor for energy production and raw material export.

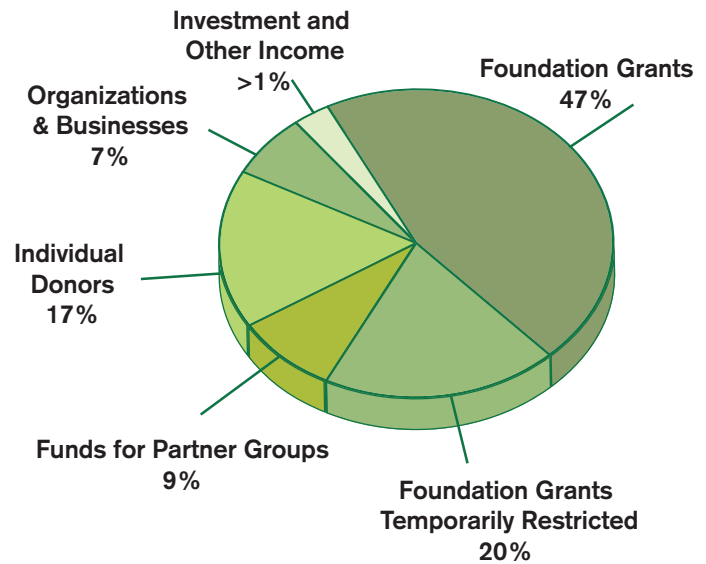
Amazon Watch continued to expand its work on IIRSA in 2008 confronting officials from the Inter-American Development Bank once again at its annual meeting in Miami about their funding for IIRSA projects. We identified additional financial leverage points, namely Brazil's National Development Bank and the Andean Development Corporation. Amazon Watch hired a dedicated Brazil IIRSA campaigner as we sought to build a stronger network with allied civil society groups in Brazil and beyond.

AMAZON WATCH FINANCIAL REPORT

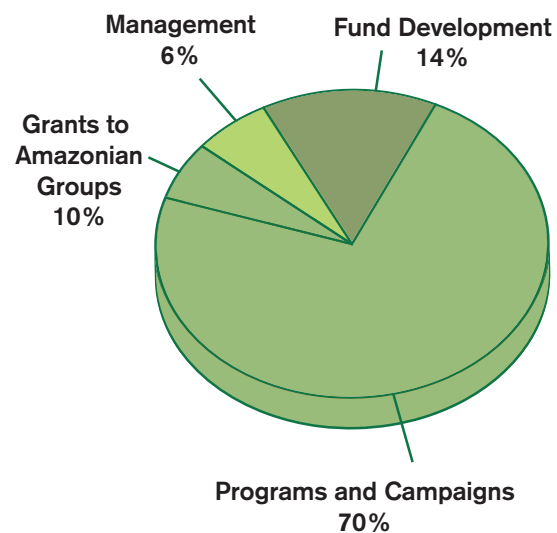
Statement of Financial Activity

January 1 to December 31	2008	2007
INCOME		
Foundation Grants	460,436	252,328
Foundation Grants Temporarily Restricted	195,676	201,352
Funds for Partner Groups	91,614	111,005
Individual Donors	162,712	175,281
Organizations & Businesses	73,540	53,560
Investment & Other Income	709	27,165
TOTAL INCOME	984,687	820,691
EXPENSES		
Programs and Campaigns	661,252	570,584
Grants to Amazonian Groups	97,501	136,097
Total Program Services	758,753	706,681
Management	58,851	53,551
Fund Development	127,648	116,527
TOTAL EXPENSES	945,252	876,759
Net Income	39,435	(55,765)
Net Assets on January 1	418,644	474,409
Net Assets on December 31	458,079	418,644
Net Assets on Dec 31 Include		
Cash Assets	181,040	189,164
Short-term Investments	61,375	30,405
Prepaid Rent	7,452	7,452
Grants Receivable	195,676	161,200
Net Equipment Assets	6,556	8,400
Other: Stock Donations	12,192	24,229
Less: Accounts Payable	(6,212)	(2,206)
TOTAL NET ASSETS	458,079	418,644

Note: This report is based on the 2007 and 2008 audited financial statements.



INCOME 2008



EXPENSES 2008

Amazon Watch Staff

Atossa Soltani
Founder and Executive Director

Paul Paz y Miño
Managing Director

Thomas Cavanagh
Technical and Financial Manager

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Development Director

Simeon Tegel*
Communications Director

Kevin Koenig
Northern Amazon Program Coordinator

Mitchell Anderson
Corporate Accountability Campaigner

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Dee Dominguez*

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Ken Larson
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Lily la Torre

Daniela Meltzer
Chair

Jeff Mendelsohn

Jonas Minton

Ana Maria Murillo

Leila Salazar-Lopez

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Ambassadors

Antoine Bonsorte

Benjamin Bratt

Cary Elwes

Daryl Hannah

Bianca Jagger

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Youth Ambassador

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SPECIAL THANKS TO

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Mark Stuver

Shannon Wright

Michael Zap

Our Partners in the Amazon

We offer special thanks to all of our Amazonian partners who stand on the frontlines of this struggle for life, land and dignity. We are honored to stand with them.

Acción Ecológica AIDSESP

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Thomas Maynas and Youth Ambassador Q'orianka Kilcher speak outside the Oxy AGM (Thomas Cavanagh / Amazon Watch)

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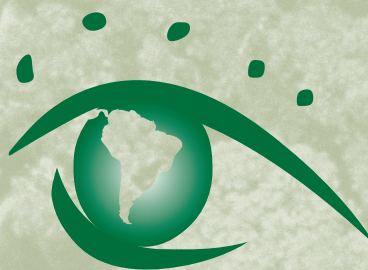
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