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BRAZIL: PRESIDENT LUIZ INÁCIO LULA DA SILVA GOES TO BAT FOR BELO MONTE DAM PROJECT

By Benjamin Witte-Lebhar

Unfazed by entrenched environmental opposition, a threat of war by local indigenous groups, and celebrity lobbying by a handful of Hollywood stars, Brazilian President Luiz Inácio Lula da Silva is putting the pedal to the metal on a controversial hydroelectric project slated for the country's Amazon jungle region.

Planned for the Xingu River, a major tributary of the Amazon River, the Belo Monte dam project promises to add a staggering 11,200 megawatts of electricity to Brazil's grid. Once completed, it would be the world's third-largest hydroelectric complex after the Three Gorges Dam in China (21,500 MW) and the 14,000-MW Itaipú dam, which Brazil shares with neighboring Paraguay.

Brazil already boasts South America's largest electricity grid, with a total generating capacity of approximately 100,000 MW--more than twice the electricity available in nearby Argentina, Paraguay, Uruguay, and Chile combined (see [NotiSur, 2009-11-20](#)). Hydroelectric dams account for roughly 80% of that power. More energy is needed, however, as Brazil--long a proverbial "sleeping giant"--tries to live up to its potential as an economic powerhouse.

"A country that wants to be the fifth-biggest economy on the planet within the next decade...needs to think five years ahead, and that is why we are doing this," Lula said of the dam project in April.

Legacy on the line

Now in the final stretch of a presidency that began in January 2003 (see [NotiSur, 2003-01-10](#)), Lula has until the end of the year to cement his legacy. His storybook rise from shoeshine boy to head of the now-governing Partido dos Trabalhadores (PT) is already the stuff of political legend. More recently, he helped Brazil land the 2014 World Cup and 2016 Olympic Games, more feathers in his cap. But observers suggest he would also like to be remembered for helping lift Brazil to new economic heights.

"He's a lame duck. He's got just a few months left until the election, and he can't succeed himself, so he's worried about his legacy," Cornell University Professor Terence Turner, an anthropologist with decades of field experience in Brazil's Amazon region, told NotiSur. "Some things have worked out for him and some things haven't, but one of the things that seem to be working for Brazil is that it is becoming economically more and more a member of the top-developed-economies club. Lula is really seduced by the prospect of presiding over a crash development program."

That crash program is the Programa de Aceleração do Crescimento (PAC). The accelerated growth scheme, backed also by Lula's would-be successor Dilma Rousseff, calls for major investment in public works, infrastructure, and energy. The Belo Monte project is a key

component. Backers of the ambitious hydroelectric facility hope that, by the time the 2014 World Cup kicks off, the power station--which could begin construction as early as September--will already be meeting 6% of the country's electricity needs.

"Lula wants to set the terrain for Dilma, who he'd like to succeed him from the Workers Party, to basically go into the election being able to say to the Brazilian public that the Worker's Party [PT] gets things done, the Worker's Party is creating jobs, the Worker's Party is reducing poverty, so forth and so on," said Zachary Hurwitz, a campaign coordinator with International Rivers, a California-based group opposing Belo Monte.

Advancing on the Amazon

But for many both in Brazil and abroad, leftist Lula's backing of the project comes as both a surprise and a major disappointment. Belo Monte is hardly a new idea. Plans to dam the Xingu have been kicking around since the 1970s, when they were first proposed by Brazil's then military government. Always a source of controversy, the idea resurfaced in the 1980s but was eventually scrapped after a high-profile opposition campaign successfully scared off lenders.

Then, as now, pressure came from environmental groups, local indigenous communities, and some international celebrities, including British pop star Sting, a key contributor to the late 1980s opposition campaign who is once again voicing his concern about Belo Monte. Other show-business figures speaking out against the project are film director James Cameron and actress Sigourney Weaver, who collaborated on the recent blockbuster film *Avatar* and traveled last month to Brazil to protest alongside indigenous activists.

"All of the reasons I fought against it 20 years ago are still there. It will destroy an entire river system and destroy the lives and culture of the people who live there and have lived there for thousands of years," Sting told reporters earlier this month.

The project, say opponents, will wreak havoc on the environment and displace thousands, including some 800 indigenous people living in the direct vicinity of the Xingu's Volta Grande (Big Bend), the power station's specific target area. The plan actually involves a pair of large dams and calls for constructing two massive canals that would divert some 80% of the river's flow into a 500-sq km reservoir. The project will reportedly require the removal of more earth than was dug for the Panama Canal.

The artificial canals and reservoir will mean flooding an extensive area of rain forest. By diverting the flow of the river, the project will also leave a 100-km stretch of the Xingu's basin literally high and dry, affecting native fish species, environmentalists warn. The hydroelectric facility will have a major human cost as well--officially displacing some 19,000 people, mostly from the town of Altamira, which would be partially flooded. Independent reviewers suggest the number could actually be as high as 40,000.

"This is really a project that symbolizes more than any other dam project Brazil's advance into the Amazon for industrial purposes," said Hurwitz. "We know that a large percentage of the electricity produced for the dam will go to mining and construction sectors in the Amazon, in the states of Pará and Maranhão especially."

Tip of the iceberg?

Brazilian environmental authorities approved Belo Monte this past February. In the weeks that followed, legal challenges continued to pour in. But on April 20, despite widespread protests and several last-minute court injunctions, Brazil's electricity regulator held a contract-bidding auction and awarded rights to build the power station to Norte Energia, a nine-company consortium lead by state-owned Companhia Hidro Elétrica do São Francisco (CHESF). CHESF is a subsidiary of Brazil's giant public utility Eletrobras.

Only one other group participated in the auction. After showing initial interest, big-name contractors such as Camargo Corrêa and Odebrecht pulled out of the process, evidence, according to Belo Monte's many critics, that the project is not only environmentally flawed but financially suspect as well.

"As it's designed, there's a lot of risk. This is partly why a lot of private companies are really scared by this project. Part of that is that the Xingu River has a very high seasonality. In the winter months, there's tons of water coming through that river, in the summer months, July through October, it's very, very dry," said Hurwitz.

The project boasts an eventual generating capacity of 11,233 MW. But critics say the facility will only reach that production level during periods of maximum river flow--just a couple months per year. During dry months the dam's capacity could drop to as low as 1,000 MW, leaving the facility with an overall annual average of just 4,500 MW.

The government calls Belo Monte a stand-alone project. But given the Xingu's inconsistency, critics expect it will really be just the first of a series of dams to be built along the river valley. The only way to regulate the flow of water into Belo Monte--to ensure maximum flow, in other words--is to harness the entire Xingu via a network of dams and reservoirs.

"Belo Monte is the tip of the iceberg within the Xingu River system," said Turner. "Once they get one dam built, the one farthest toward the mouth of the river, there's then going to be a hydrological domino effect, where each dam will need another backup dam further up river, and the whole river valley, which is currently the most pristine, the most relatively intact of all the major river valleys of the Amazon, will be the most destroyed."

Prepared to go it alone

Neither the water-flow problem nor the project's lofty price tag (at least US\$10 billion) seems to be of much concern for Brazil's outgoing president, who has made it clear the state will go it alone on Belo Monte if need be. Even if Norte Energia eventually backs out of the process, Lula told reporters April 22, two days after the auction, "We will do it...We, as the Brazilian government, as a state company, will do what is needed on our own."

"Nobody is being forced to do anything. Whoever wanted to participate in the auction did so, and now that it is over, whoever wants out can leave. There is no locked door here. In fact, there are many doors," Lula said.

What perhaps should be a concern for Lula are plans by local indigenous groups--now bereft of legal recourse--to prevent Belo Monte dams by physical means if necessary. Indigenous activists have already taken control of a key Xingu River ferry crossing upstream of the Big Bend.

Led by the Kayapó, the largest of the area's Indian groups, local indigenous tribes have also aired the idea of establishing a multiethnic encampment directly on the proposed dam site. In a letter to the international press, Kayapó leader Megaron Txucarramãe described Lula as the "number-one enemy" of the Amazon's indigenous peoples.

"We Indians are being seriously abandoned, since we Indians, the first inhabitants of this country, are being neglected by Lula's government, which wants to destroy us," he wrote.

Another Kayapó leader, Raoni Metuktire, traveled to Europe last week where he met with former French President Jacques Chirac. During the visit, Metuktire spoke openly of "war" should Lula continue his quest to dam the Xingu. "I have always prevented my people from fighting, but I am very worried now. It is time that we take back what belongs to us," he said.

"The Brazilian policymakers, the bureaucrats, and Lula really just have no understanding of the frame of mind and the desperate determination of the indigenous folk," said Professor Turner. "They also don't understand that a lot of Brazilian settlers and their organizations have become very radicalized. Most important of all, they are firmly allied now with the Indians. Twenty years ago there was no such alliance. Really it was the contrary, they were blood enemies. But the whole thing has been turned around by the common threat that the dam scheme poses to the Brazilians settlers and the Indians."