

Press Release

Brazilian judge ruling puts government under pressure to withdraw Teles Pires hydro dam from UN offsetting scheme

Brasilia, Brussels, 2 April 2012 – Last week, a federal judge in Brazil ruled the controversial Teles Pires Dam’s installation license invalid due to breaches of domestic legislation and international agreements on consultations with indigenous peoples. The consortium responsible for the Teles Pires dam, under construction since last August in the south-central Brazilian Amazon, applied to earn carbon credits through the UN’s carbon offsetting scheme, the Clean Development Mechanism (CDM) despite opposition from local communities. Environmental groups are now calling on the Brazilian government to withdraw the national approval letter which is required for the UN approval process.

Although UN rules require a thorough stakeholder consultation process and an environmental impact assessment, indigenous communities have complained in a letter dated December 2011 that the environmental licensing process of the Teles Pires Hydropower Plant was faulty. On 26 March 2012, Judge Célia Regina Ody Bernardes confirmed this and declared the installation license to be invalid due to the lack of free, prior and informed consultation, which is a constitutional right of indigenous peoples in Brazil.

“We welcome the decision by Judge Bernardes to uphold the rights of the Kayabi, Apiacas and Mundurucu communities and we now call on the Federal Government to follow suite and withdraw the national approval letter it had issued to the project to apply for carbon credits”. commented Brent Millikan from International Rivers.

Under UN rules, the government hosting the offsetting project has to confirm that the project contributes to sustainable development with a “letter of approval”. It is unclear if the letter of approval then becomes invalid if the project is found to have violated national or international obligations, such as in the case of Teles Pires.

“This is yet another case where a CDM project violates national legislation” added Antonia Vorner from CDM Watch *“The UN must ensure that CDM projects breaching national or international laws are disqualified from earning carbon credits”.*

In January 2012, the Teles Pires Dam, a 1820MW hydropower project, began the approval process under the CDM seeking carbon credits for about 25 million tons of CO₂e over the next 10 years. Although the project will flood about 95 km² of surrounding land once finalised, expecting enormous environmental, social and cultural impacts, indigenous people living in the surrounding areas had not been consulted adequately.

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MORE INFORMATION:

- [PR: Judge Suspends Dam in the Amazon](#) - 30 March 2012
- Federal Court suspension of Teles Pires' installation license due to lack of free, prior and informed consultation of affected indigenous communities (in Portuguese):
<http://www.prpa.mpf.gov.br/news/2012/mp-pede-suspensao-do-licenciamento-e-obras-da-usina-de-teles-pires-por-falta-de-consulta-a-indigenas>
- Letter from indigenous peoples groups on the Teles Pires Dam (in Portuguese)
<http://www.internationalrivers.org/files/manifesto%20kayabi-mundurucu-apiaca-dez2011.pdf>
- International Rivers submission to the CDM on the Teles Pires Hydropower Project:
<http://www.internationalrivers.org/node/7188>
- Philip Fearnside (National Institute for Research in Amazonia) submission to the CDM on the Teles Pires Hydropower Project: <http://www.internationalrivers.org/node/7189>
- Letter from 33 civil society groups opposing the CDM application of Santo Antônio Hydropower Project: <http://www.internationalrivers.org/en/node/7301>