

**PRESS RELEASE N° 001-2014/SPDE**

**973 MILLION SOLES WERE LOST BY DEFORESTATION OF PRIMARY FORESTS IN THE PERUVIAN AMAZON**

**MINAGRI, Regional Government of Loreto and Regional Government of Ucayali act with negligence and willful misconduct in the promotion of agribusiness crops**

Between March and October 2013, 13,076 hectares of primary rainforest have been deforested in the localities of Tamshiyacu (Loreto) and Nueva Requena (Ucayali) for the installation of agribusiness crops by land traffic, extortion, theft of land, invasion of areas, and direct treatment with public officers.

A study on the Valuation of Environmental Goods and Services lost by deforestation in Tamshiyacu and Nueva Requena determined that the **total value of economic losses for the next 30 years amounted to 973,178,130 Nuevos Soles, (equivalent to US\$ 347,563,919), 423% more than the 230 million, which would be achieved by Oil Palm.**

VALUATION OF ECOSYSTEM GOODS AND SERVICES LOST BY  
DEFORESTATION IN THE TOWNS OF TAMSHIYACU (LORETO)  
AND NUEVA REQUENA (UCAYALI)

Ecosystem Goods and Services	Currency	
	NS/.	US \$
Timber	93'141,558	33'264,842
Carbon	16'726,712	5'973,826
Non-timber Forest Products	358'228,799	127'938,856
Wildlife	37'587,910	13'424,254
Water	48'170,892	17'203,890
Firewood	3'462,728	1'236,689
Soils	122'957,131	43'913,261
Restoration	292'902,400	104'608,00
<b>TOTAL</b>	<b>973'178,130</b>	<b>347'563,919</b>

E.R.: 2.8

The calculated amounts represent the value and benefits of maintaining the forest alive. Many of these resources directly contribute to maintaining the quality of life of people, because they may have goods and services which reduce the cost of living and have an incidence on poverty.

## Economic Losses in Tamshiyacu

In the town of Tamshiyacu (Loreto), 2,150 hectares of primary tropical forests were deforested without Soil Classification Studies, Use Change Authorization or Environmental Impact Assessment (EIA). **Total economic losses from the expense of environmental resources and services amounted to over 169 million Nuevos Soles (equivalent to over US\$ 60 million).**

VALUATION OF ECOSYSTEM GOODS AND SERVICES  
LOST BY DEFORESTATION IN TAMSHIYACU (LORETO)

Ecosystem Goods and Services	Currency	
	NS/.	US \$
Timber	5'531,597	1'975,570
Carbon	3'411,097	1'218,249
PFNM <sup>1</sup>	62'535,554	22'334,126
Wildlife	16'188,207	5'781,503
Water	12'581,431	4'493,368
Firewood	1'372,923	490,330
Soils	20'217,026	7'220,366
Restoration	48'160,000	17'200,000
<b>TOTAL</b>	<b>169'997,835</b>	<b>60'713,512</b>

The primary forests wiped out had vast natural wealth, constituting sources of resources, where the local population stocked up on ecosystem products and services. In addition to irreversible ecological damage, deforestation in these areas has caused incalculable financial losses to the people and the State, undercapitalizing the National Forest and Wildlife Heritage.



Deforestation in Tamshiyacu, 2013

<sup>1</sup> Non-Timber Forest Products (seeds, resin, bark, leaves, medicinal plants, etc.)

## Economic Losses in Nueva Requena

In Ucayali, Plantaciones Ucayali S.A.C. Company has deforested more than 10,926 hectares worth of primary forests in the District of Nueva Requena, Province of Coronel Portillo, due to the sale and purchase of forest areas by the Regional Government of Ucayali. **Economic losses from forest devastation and destruction of streams in Bajo Rayal, amounted to over 803 million Nuevos Soles (equivalent to over US\$ \$ 286 million).**

### VALUATION OF ECOSYSTEM GOODS AND SERVICES DESTROYED BY DEFORESTATION IN NUEVO REQUENA, UCAYALI

Ecosystems Goods and Services	Currency	
	NS/.	US \$
Timber	87'609,961	31'289,272
Carbon	13'315,615	4'755,577
PFNM	295'693,245	105'604,730
Wildlife	21'399,703	7'642,751
Water	35'589,461	12'710,522
Firewood	2'089,805	746,359
Soils	102'740,105	36'692,895
Restoration	244'742,400	87'408,000
<b>TOTAL</b>	<b>803'180,295</b>	<b>286'850,106</b>

**Environmental damages in Bajo Rayal are invaluable; the loss of environmental resources and services is irreversible.** Plantaciones Ucayali S.A.C. used heavy equipment (backhoes, crawler tractors, chain saws, etc.) to clear-cut, remove soil and destroy streams, generating large losses.



DEFORESTATION IN BAJO RAYAL, NUEVA REQUENA, UCAYALI

## **MINAGRI and Regional Governments of Loreto and Ucayali act with negligence and willful misconduct**

**The Ministry of Agriculture and Irrigation and the Regional Governments of Loreto and Ucayali continue to promote deforestation for palm oil by awarding rainforests as rural land, the reclassification and authorizations for use change of forest land to agribusiness uses.**

**Forest deforestation for monocrops agribusiness installations is a wrong business decision, if monetary income is compared in the short term with the sum of the environmental, social, economic and institutional impacts generated by this business. The activity seems attractive because business groups illicitly gain access to land in the Amazon, at bargain prices. The illusion of these benefits hides the incalculable losses caused by deforestation for the installation of such crops.**

**The environmental damage is irreversible and incalculable. The situation is exacerbated when the breach of the country's Natural Heritage, erosion and corruption of public entities responsible for ensuring the safeguard of the forests and the abuse of rights of citizens is perpetrated by the State itself, which in certain cases, has acted with negligence and a willful misconduct.**



DEFORESTACIÓN EN SECTOR BAJO RAYAL, NUEVA REQUENA, UCAYALI.



DEFORESTATION IN BAJO RAYAL, NUEVA REQUENA, UCAYALI

The absence of a long-term vision for the State to promote comprehensive management and recovery of forests generates the capitalization of the National Forestry and Wildlife Heritage. Promotion of futile and short-term alternatives, responds not only to a limited understanding of forest management. In many cases, such decisions are covered up by a veil of corruption that tends to favor special interests, whose gain is the ease of obtaining resources, and short-term financial speculation.

**This is evident when the Minister of Agriculture and Irrigation, Milton von Hesse, on January 27, 2014, publicly reiterated in the La República newspaper that Peru has 600,000 hectares for**



the installation of oil palm crops<sup>2</sup>, although the General Directorate of Agricultural and Environmental Affairs had stated its sector did not have any technical studies, soil surveys or maps, to identify the location of these areas. Thus, the Minister of Agriculture and Irrigation does not know and rejects ongoing investigation processes by environmental and criminal offenses regarding deforestation in Loreto and Ucayali, filed by the Public Prosecutors' Office:

- Provincial Prosecutors' Office Specializing on Environmental Matters – Iquitos, Loreto
  - Fiscal Investigation File N° 136-2012 (Deforestation in Buffer Zone of the Allpahuayo Mishana National Reserve)
  - Fiscal Investigation File N° 207-2013 (Adjudication of forests and rainforest land for Palm crops in the Loreto Region)
  - Fiscal Investigation File N° 234-2013 (Deforestation in the town of Tamshiyacu, Loreto).
- Provincial Prosecutors' Office Specializing on Environmental Matters of Ucayali
  - Fiscal Investigation File N° 72-2013 (Environmental Crimes and Deforestation in the town of Bajo Rayal, Campo Verde, Ucayali)
- Provincial Corporate Criminal Prosecutors' Office of Campo Verde - Coronel Portillo, Ucayali
  - Fiscal Investigation File N° 2013-247-0 (Theft of land in the town of Bajo Rayal, Campo Verde, Ucayali)

Finally, in recent years, the Peruvian State has been investing resources and efforts to promote the conservation of forests in the context of international policies and commitments related to climate change, as well as the negotiation of environmental services. However, contradictory policies within the Executive Branch have placed the Peruvian State in a questionable and dishonorable situation regarding the performance of its duties and obligations internationally assumed.

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The full study can be downloaded at the following link:

<http://www.biofuelobservatory.org/Documentos/Informes-de-la-SPDE/Valorizacion-de-danos-por-deforestacion-Loreto-y-Ucayali-2014.pdf>

<sup>2</sup> <http://www.larepublica.pe/27-01-2014/peru-tiene-600-mil-hectareas-para-cultivar-palma-aceitera>