

Globalization in the jungle

Canadian power company, conservationists face off over project in Belize

DAVID GONZALEZ
New York Times

STAN IGNACIO, Belize — When a Newfoundland-based power company proposed a dam along a branch of the nearby Mucal River, officials here welcomed the investment. They hoped the project would wean Belize from electricity bought from Mexico, and provide a new water source for an existing dam and power plant that struggle during the dry season.

But the plan has unleashed a barrage of criticism from environmentalists, who have also decided to look beyond Belize's borders for support, taking their case from the flows of global capital.

If local developers and government officials are wooing foreign investors with environmentally sensitive projects, they say, then environmental activists must respond by bringing in help from abroad.

The environmental groups fear the project would flood a sensitive 600 hectares of jungle habitat whose thick riverbank vegetation offers a bountiful green feast for tapirs — Belize's noodle-nosed national animal — which share the remote area with jaguars and scarlet macaws.

They have also questioned the dam as unnecessary and uneconomical, and say it will enrich only a small clique while not cutting electricity rates for residents.

But their campaign was kicked up a notch when they brought in the Natural Resources Defence Council, an international group that has placed the Mucal River on a list of 12 "biogeomorphologically important areas threatened by development."

The support of international groups has emboldened local conservationists, who have bucked the nation's typically quiescent political culture and demanded greater openness in the public debate.

"In this globalized world, we are saying that governments and companies have to be accountable for their actions no matter where in the world they take place," said Jacob Scherr, director of international programs at the Natural Resources Defence Council. "Globalization is a reality; you are seeing it in Belize. So we are using the tools of globalization to give concerned citizens a voice here and around the world."

In turn, the council and other international groups have been vilified in the local press, called lawbreakers and terrorists (though no evidence is offered). A few leading citizens have called the environmental groups enemies of the nation that are trying to impose racist schemes to keep Belize undeveloped.

More restrained voices have said the environmental groups are denying this country the kinds of modern conveniences that others take for granted.

"We don't think it is fair for these environmental groups to be beating up Belize over this little dam when their own countries have so many of them," said Prime Minister Said Musa. "Now they are trying to tell us we can't have one."

The Chalillo Dam has been proposed since the early 1990s. An initial feasibility study warned against it because of a potentially harmful environmental impact. More recent studies, including one funded by the Canadian International Development Agency, supported the project, though local environmental officials said those studies were inadequate.



Source: New York Times, Probe International, Conservation Strategy Fund. ALFRED ELICIRTO, GAZETTE GRAPHICS

Supporters of the project say it is necessary to resolve capacity problems with the country's current dam and generator at Mollejon. The new dam at Chalillo, they said, would give them enough water to power the Mollejon generators through several months of the dry season.

In addition to the dam and generator at Mollejon, which was recently bought by Fortis Inc., the St. John's company that runs a bulk power plant, Belize depends on pollution-prone diesel-powered generators for about a third of its power. Another third is supplied by a Mexican power grid.

"We need to find ways to remove our dependence on oil or Mexico," said John Briceño, the deputy prime minister and minister of natural resources. "Yes, we get Mexican electricity sold to us at a subsidized rate, but even that is tied to the price of oil. And our agreement with Mexico ends in 2006, and what guarantees do we have that Mexico will give us the same agreement?"

But environmentalists say that in the near term, the cost of building a new dam would outweigh any possible savings in power generation. They add that Mexican power is still cheaper during off-peak hours, regardless of whether a new dam was built — a fact confirmed in the CIDA-paid report. They also accuse the government of overlooking alternative energy sources, like bagasse-fueled cogeneration plants.

One diplomat in Belize expressed

doubt that the dam would bring down electric rates and said he suspected the project would enrich a few local business executives.

"You need to ask who will benefit from this," the diplomat said. "Dams are a past way of doing things. The United States is rethinking its dam system in the northwest, where it has ravaged the salmon population. In China, they found dams to be an environmental nightmare, but a few people involved became incredibly wealthy."

Environmentalists do not see it as a fair trade. The area where the dam is proposed is part of a biological corridor that Central American nations are trying to preserve against broader encroachment. The Mucal River flows through the Chiquibul forest reserve, whose biodiversity is unparalleled in the world: 7 per cent of the Earth's species can be found here.

"This is the centre of biodiversity, not only for Belize," said Sharon Matola, the director of the Belize Zoo and one of the dam's most outspoken opponents. "This is the cradle for biodiversity for Central America. Look at the scarlet macaw, they breed in that river valley. This is the only place in Central America where they live uncollected."

Environmentalists are also warning of an impending disaster from an infestation of bark beetles, which has reduced the pine forests and hillsides near the river to thousands of acres of leafless, dead trees. Within a couple of years, they fear, those dead trees could be consumed by forest fires, leading to erosion that would silt up the river and

the dam.

But Stanley Marshall, the president and chief executive of Fortis, which also holds a majority stake in Belize Electricity Ltd., said the critics were "talking without the facts."

The environmentalists have been too quick to condemn the project, he said. "They remind me of the people who are opposed to the seal hunt in Newfoundland," Marshall said last year in Toronto. "Before they know the facts, they are opposed to it."

"Our position has been and continues to be that we will develop it if it is economically feasible and environmentally acceptable," he said. "We are going through an environmental assessment process to determine if there is a significant impact on wildlife. Until it is completed, we are not in a position to comment, and neither are they."

Last June, CIDA agreed to pay Agra Inc. of Toronto close to \$250,000 to produce a "project justification report" and other reports aimed at identifying ways to mitigate threats to wildlife and other environmental damage by the Chalillo dam, according to Probe International, a Toronto-based environmental organization.

Probe was against the report from the start, pointing to a study by the World Commission on Dams, an independent body financed in part by CIDA, that concluded: "It is not possible to mitigate many of the impacts of reservoir creation on terrestrial ecosystems and biodiversity."

"Large dams," the study said, "have led to significant and irreversible loss of species and ecosystems."

Grainne Ryder, Probe's policy director, said: "No matter how hard CIDA and Agra try to justify this dam, there is no disguising the fact that it is a rotten deal for ... Belize."

"Belize has far better, cheap generating options that a \$30-million dam that won't work half the year and will destroy wildlife habitat forever."

Lynn Young, the president of Belize Electricity, faulted the environmental groups for refusing to budge.

"The trouble is, whatever we do as an electric company will impact the environment," he said. "We thought getting away from diesel was the right thing to do. Whatever we do, you have to face the fact that it is not a question of not affecting the environment, but how well we can manage our activities."

While the public response to the dam plan has been muted, the standoff between environmentalists and developers and government officials has become so heated

that some local opponents of the dam say they have become targets for retaliation.

Kimo Jolly, a teacher and environmentalist, said he had been dismissed from his teaching job recently after holding a seminar that touched on the dam as well as the proposed sale of Belize's water authority to overseas investors.

For much of the last year Matola has been fighting the government's proposal to put a regional waste landfill near her zoo and its environmental education centre, both of which she said would be devastated.

"They're angry at me," Matola said. "Somebody in government said to me, 'Look, Sharon, you have to understand that this is a very complex issue and complex financial arrangements have already been made.' Yes, I might lose, but at least I can look in the mirror and say I tried to do everything I could to do the right thing."

THE GAZETTE CONTRIBUTED TO THIS REPORT

"We are saying that governments and companies have to be accountable for their actions no matter where in the world they take place."

Jacob Scherr

(Opponents) "remind me of the people who are opposed to the seal hunt in Newfoundland."

Fortis's Stanley Marshall

o
i
r
o
M

de
cc
fr
st
A
T
S
C

p
n
s
t
c
c

l
c
i
n
M

F
A
te
he
gu
sa
Al
le

br
ro
re
th
m
"b
an
ag

C
I
i

2
S
G

C
W
ht
cr

al
ti
P
di
ta