

Who owns Belo Monte?

The foreign equity participation in the Belo Monte Dam Project



Photo Courtesy: Amazon Watch / Atossa Soltani / SpectralQ

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Executive Summary

The Belo Monte dam project is widely believed to be a national project owned, constructed and financed by Brazilian consortia. This analysis shows however, that roughly 10 % are indirectly owned by foreign – including European – corporations. Given the dam's tremendous environmental and human rights impacts, this case shows once more the lack of effective policies of these corporations to prevent their capital from getting involved in human rights abuses and environmental destruction. While the individual shares may be small, they point at the urgent need for implementing dam and human rights policies.

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The Belo Monte Dam and the foreign equity participation in the dam

The Belo Monte dam in the Brazilian State of Pará is to be the third largest dam in the world. Its social and environmental impacts have been documented in detail.¹ The participation of transnational (including in a number of cases European) companies in the project has been criticized both by persons affected and NGOs², while it has been widely demanded to finally create a legislative framework for the operating methods – including monitoring, controlling and accountability – of European companies abroad.³ The companies involved in the project violate their responsibility to respect human rights, as set out, for instance, in the UN Guiding Principles on Business and Human Rights⁴. In Europe, central to the concern over the past few years have been the suppliers as the Austrian **Andritz**⁵, the French **Alstom** and the German **Voith**⁶, **Siemens**⁷, and **Daimler**⁸ on the one hand and insurers and reinsurers like the Spanish **Mapfre**⁹, and the German **Allianz**¹⁰ and **Munich Re**¹¹ of the dam.

Regarding the ownership and financing of the dam, it is widely held that it is a national undertaking, owned by Brazilian companies and mainly funded by the public Brazilian Development Bank BNDES (Banco Nacional de Desenvolvimento Econômico e Social)¹². **However, more detailed analysis reveals that roughly 10 % of the project are indirectly owned by international corporations and finance institutions.**

With the following analysis we intend to showcase the corporations standing behind the companies that are directly involved in the Belo Monte project.



Photo: GegenStrömung | CounterCurrent

Our central aim is to uncover who holds what share in which company and what this means for the resulting indirect co-ownership structure – expressed as a percentage and the share of megawatt – of

¹ <http://www.internationalrivers.org/campaigns/belo-monte-dam>

² <http://blogs.taz.de/latinorama/2013/04/25/aktionarsversammlungen-3-proteste-gegen-die-munchener-ruck-und-deren-be-teiligung-am-belo-monte-staudamm/>

³ <http://www.corporatejustice.org/?lang=en>

⁴ „Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework“, see

<http://www.business-humanrights.org/SpecialRepPortal/Home/Protect-Respect-Remedy-Framework/GuidingPrinciples>.

The participation of these transnational companies in the Belo Monte dam violates their responsibility for human rights, as put for example for the case of Siemens:

http://www.kritischeaktionaere.de/fileadmin/Dokumente/Gegenantraege_2013/KA_Gegenantraege_Siemens_HV_2013.pdf

⁵ See <http://plattformbelomonte.blogspot.de/2012/03/kritik-andritz-ag-wegen-beteiligung.html>

⁶ See <http://amerika21.de/nachrichten/2012/06/52811/proteste-belo-monte-voith>

⁷ See <http://blogs.taz.de/latinorama/2013/02/03/aktionarsversammlungen-2-siemens-und-belo-monte/>

⁸ See <http://www.gegenstroemung.org/drupal/de/node/114>. More information on Daimler and Belo Monte see http://www.banktrack.org/show/dodgydeals/belo_monte_dam#tab_dodgydeals_companies

⁹ See http://www.banktrack.org/show/dodgydeals/belo_monte_dam#tab_dodgydeals_finance

¹⁰ <http://blogs.taz.de/latinorama/2013/05/09/aktionarsversammlungen-4-allianz-wegen-staudamm-belo-monte-in-der-kritik/>

¹¹ http://www.banktrack.org/show/dodgydeals/belo_monte_dam#tab_dodgydeals_finance

¹² <http://libraryeuroparl.wordpress.com/2013/07/06/brazils-belo-monte-dam-project-financial-impact-indigenous-peoples-rights-the-environment/>

this huge infrastructure scheme. Our analysis particularly focusses on the question of foreign equity participation in the Belo Monte dam.

Follow the Money!

The following breakdown¹³ of the complex ownership structures of the corporations engaged in Norte Energia, the Brazilian consortium that owns the Belo Monte dam, is based on information that is publicly available in accordance with the prevailing rules of the capital market. The analysis deliberately does not distinguish between *preferred* or *common shares* (*ações preferenciais* or *ações ordinárias*)¹⁴. Although there exist differences in terms of voting rights and possibilities of (in-)direct influence on the behaviour of the company, it does not touch the ownership structures and the resulting dividends, and thus the flow of profit. „*Follow the Money!*“ is therefore our motto in order to determine which international corporations are involved in the project.

Who owns Belo Monte?

The future Belo Monte Dam is owned by several shareholders who join forces in an association called **Norte Energia S.A.**, which has been awarded the construction and operation rights in the public auction on 20 April 2010. When three of the initial shareholders, Queiroz Galvão, J. Malucelli (partially) and Gaia, withdrew from the consortium, they were substituted by new shareholdings or additional purchase by already existing shareholders.

Norte Energia S.A. is now composed by the following companies:

Norte Energia S.A.	
100% Belo Monte	
15.00%	Eletrobras - Centrais Elétricas Brasileiras S/A
15.00%	Chesf - Companhia Hidro Elétrica do São Francisco (Eletrobras-Tochter)
19.98%	Eletronorte - Centrais Elétricas do Norte do Brasil S/A (Eletrobras-Tochter)
10.00%	Petros - Fundação Petrobras de Seguridade Social
10.00%	Funcef - Fundação dos Economistas Federais
10.00%	Belo Monte Participações S.A. (Neoenergia S.A.)
9.77%	Amazônia - Amazônia Energia S.A. (Cemig und Light)
9.00%	Vale – VALEPAR
1.00%	Sinobras - SIDERÚRGICA NORTE BRASIL S.A.
0.25%	J.Malucelli Energia
100.00%	Total

¹³ Glattfelder JB, Battiston S (2009) „Backbone of complex networks of corporations: The flow of control“ distinguish between direct control and network control, i.e. through further shareholdings and their ramifications (see <http://www.plosone.org/article/info%3Adoi%2F10.1371%2Fjournal.pone.0025995#s5>).

¹⁴ The Brazilian Instituto Mais Democracia deliberately bases its analysis "Who are the owners of Brazil?" ("Quem são os proprietários do Brasil?") on the *ações ordinárias*, as they guarantee their shareholders voting rights and therefore control and influence. Please see <http://www.proprietariosdobrasil.org.br/index.php/en/metodologia>

Which companies are behind the consortium Norte Energia S.A.?

49.98% of the shares of **Norte Energia** are held by the mainly public electricity suppliers of the Eletrobras group: **Eletrobras itself holds directly 15% share of Belo Monte dam, the 100%-subsidiaries of Eletrobras – Chesf and Eletronorte – accounts for 15% respectively 19.98% of the dam.** Of Eletrobras and all their subsidiaries, 44.63% is held by the **Brazilian State**, 11.88% by the public **BNDES** and 8.65% by the US American **JPMorgan Chase Bank** (through their shareholding in the parent group Eletrobras¹⁵).

Eletrobras, Chesf, Eletronorte: Eletrobras - Centrais Elétricas Brasileiras S/A (49.98% Belo Monte)	
44.63%	Brazilian State
11.88%	BNDES – Banco Nacional de Desenvolvimento Econômico e Social
8.65%	JP Morgan Chase
2.03%	Fonds Skagen K T Verdipapirfond
32.81%	free float
100.00%	Total

Petros and **Funcef** are big Brazilian pension funds, each of which holds 10% in Belo Monte.

The holding **Belo Monte Participações S.A.** owns 10% in Belo Monte and belongs to **Neoenergia S/A**. 39% of this company are held by the Spanish **Iberdrola Energia S/A**. The pension funds of the employees of Banco do Brasil, **Previ**, holds 22.24%. Two further shareholdings of the **Banco do Brasil** (the BB Banco de Investimento S.A. with 11.99% and the Fundo Mútuo de Inv. em Ações – BB Carteira Livre I with 26.77% of shares) also have additional ownership in Neoenergia.

Belo Monte Participações S.A.: Neoenergia S.A. (10% Belo Monte)	
39.00%	Iberdrola Energia S/A
22.24%	Previ – Caixa de Previdência dos Funcionários do Banco do Brasil
11.99%	BB Banco de Investimento S.A
26.77%	Fundo Mútuo de Inv. em Ações - BB Carteira Livre I
100.00%	Total

The holding **Amazônia Energia S.A.** belongs to the partly public electricity providers **Cemig** and **Light**, which purchased 9.77% of the shares of the consortium of Norte Energia in Octobre 2011, after **Queiroz Galvão** (2.51%), **OAS** (2.51%), **Contern** (1.25%), **Cetenco** (1.25%), **Galvão Engenharia**

¹⁵ See <http://www.econoinfo.com.br/governanca/estrutura-acionaria?ce=ELET> and the notional interest of J.P.Morgan Chases in Eletrobras due to the division between common and preferred shares (Ações Ordinárias: 76,248,894 (7.01%), Ações Preferenciais: 37,460,162 (14.10%)).

(1.25%) and J. Malucelli (1%, reduced its shareholding to 0.25%) had given up their shares due to the economically insecure prospects of the project.¹⁶ Cemig is owned with 22.27% by the Brazilian State of Minas Gerais, 14.41% by the energy company AGC Energia SA – a subsidiary of the construction company Andrade Gutierrez – and by further shareholders, among which the US American **BlackRock Inc.**, one of the world's leading asset management companies, holding 5.29%.

AMAZÔNIA ENERGIA S.A.: (9.77% Belo Monte)			
74.05% CEMIG Geração e Transmissão S/A		25.50 % Light Energia S/A	
22.27%	Estado de Minas Gerais	26.06%	Companhia Energética de Minas Gerais S/A)
14.41%	AGC Energia SA	13.46%	BNDES Participações S/A
5.29%	Blackrock Inc.	13.03%	RME Rio Minas Energia Participações
58.03%	free float	13.03%	Luce Empreendimentos e Participações S.A.
		34.42%	free float
100.00%	Total	100.00%	Total

Vale Energia S.A. purchased 9% in Belo Monte when a few companies formerly engaged in the Norte Energia consortium sold their shares due to corporate risk. In terms of shareholdings, these 9% are spread as follows: **Valepar** (33.7%), **BNDES Participações S/A** (5.3%) and 61% **free float** (divided in 20% national and 41% international free float).

Vale Energia (9% Belo Monte)	
33.70%	Valepar
5.30%	BNDES Participações S/A
20.00%	free float (Braz.)
41.00%	free float (intern.)
100.00%	Total

Valepar itself holds 33.7% of the 9% in Belo Monte and consists of **Litel Participações S.A.** (49%), **Bradespar S.A.** (21,2%), the government-owned development bank **BNDES** (through BNDES Participações S/A) with 11.5% and the Japanese company **Mitsui** holding 18.20% of the shares.

Valepar (33.7% of 9% Belo Monte)	
49.00%	Litel Participações S.A
21.20%	Bradespar S.A
18.20%	Mitsui & CO. LTD
11.50%	BNDES Participações S/A
0.10%	free float
100.00%	Total

¹⁶ See <http://www1.folha.uol.com.br/mercado/996914-cemig-e-light-compram-participacao-em-belo-monte.shtml>

Summing Up: The direct foreign equity participation in Belo Monte

The direct participation of foreign transnational companies, funds and asset management companies in Norte Energia, the ownership consortium of Belo Monte, according to our calculations, amounts to a **share of 10.124% in the Belo Monte Dam.**



Photo Courtesy: Verena Glass

Through its 8.65 % shares in the Eletrobras group (and therefore also in the Eletrobras subsidiaries Chesf and Eletronorte, which all together hold 49.98% in Norte Energia S.A.), **the US American Bank JP Morgan Chase holds 4.31% in the Belo Monte Dam**, which translates into a share of the potential **nominal capacity of 483.80 megawatts of the Belo Monte Dam.**

According to the Financial Statements of Eletrobras¹⁷, **the Norwegian Funds Skagen K T Verdipapirfond holds 2.03 % of this Brazilian electricity company.** Calculated for the Belo Monte Dam, this means a **share of 1.011% or 113.54 megawatts for the Norwegian Funds**¹⁸.

The Spanish Iberdrola Energia S/A holds 39% in Neoenergia S/A and therefore 3.86% in Belo

¹⁷ See <http://www.eletrobras.com/elb/data/Pages/LUMIS9B0F75F9PTBRIE.htm#Relat%C3%B3rio%20Anual%20e%20de%20Sustentabilidade%20-%202012>

¹⁸ <http://ipaper.skagenfondene.no/Skagenfondene/SKAGENFundsMR22013English/?epslanguage=de-CH>

Monte, according to the Brazilian Electricity Regulatory Agency ANEEL. That means a nominal capacity of **433.71 megawatts**, out of the 11.2331 gigawatts of the Belo Monte Dam.

The Japanese conglomerate Mitsui holds 0.55% percent in Belo Monte through its shares of 18.20% in Valepar, the main shareholder of Vale. That equals to a **nominal capacity of 62.00 megawatts**.

The US American asset management company BlackRock Inc¹⁹ holds 0.39% of the shares in the Belo Monte project through its shares of 5.29% in CEMIG Geração e Transmissão S/A, according to figures released by the regulatory authority ANEEL. That means a nominal capacity of 43.25 megawatts. As the shares of BlackRock Inc. refer to the parent company CEMIG, the calculated share of BlackRock Inc. in the Belo Monte Dam increases, because CEMIG does not only own the CEMIG Geração e Transmissão S/A, but BlackRock Inc. also holds shares in Light Energia S/A. For the US American BlackRock Inc. this would be equivalent to 0.393% of shares in Belo Monte or a nominal capacity of 44.14 megawatts.

The total of these shares – JP Morgan Chase with 4.31%, Skagen K T Verdipapirfond with 1.011%, Iberdrola with 3.86%, Mitsui with 0.55% and BlackRock Inc. with 0.393% – lead to a percentage of 10.124% of foreign capital.

Transnational Capital investment in Belo Monte companies 10.12% or 1,137.205 MW		
% Belo Monte	Name	MW of Belo Monte
4.3100%	JP Morgan Chase	483.81
3.8600%	Iberdrola Energia S/A	433.71
1.0110%	Skagen K T Verdipapirfond	113.54
0.5500%	Mitsui & CO. LTD	62.01
0.3930%	Blackrock Inc.	44.15
10.1240%	TOTAL	1137.21

Following the money ...

Considering further shareholdings and convoluted ownerships of foreign companies and funds between each other, the percentage of each foreign company involved indirectly in Belo Monte increases even more, but without changing the total percentage of 10.124% of foreign capital.

As the **BlackRock** Inc. also holds 3.212% in Iberdrola, their participation in the Belo Monte Dam increases by another 13.93 megawatts and results in a total of 58.07 megawatts or a share of 0.5169%.²⁰

¹⁹ By the reporting date of 30 June 2013 BlackRock Inc. units manage over 3.56 Trillion US-Dollar in assets (see <http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MTkzNjU3fENoaWxkSUQ9LTF8VHlwZT0z&t=1>). The vast majority is capital as trustee, administered by third parties.

²⁰ The following calculations of the shares of BlackRock Inc. in the Belo Monte Dam do not result in an increasing total amount of foreign funds of Belo Monte, as long as it refers to other foreign shareholdings.

BlackRock Inc. has also 2.82% of the JP Morgan Chase shares²¹. Thus, another 13.64 megawatts of Belo Monte belong to BlackRock Inc. and therefore would increase the BlackRock share in Belo Monte to 71.71 megawatts or a calculated total share of 0.6384% of BlackRock Inc. in Belo Monte.²² Including the JP Morgan shares by the reporting date of 30 April 2013 that belong to the asset management fund **BlackRock Equity Dividend Fund** with 17,600,300 shares (0.47% in JP Morgan) and with a value of 862,590,703 US-Dollar (even if it includes funds commissioned in the name of third parties), the **BlackRock Inc. share in Belo Monte increases by another 2.37 megawatts to 74.08 megawatts or by 0.02% to 0.6404% of shares of the nominal capacity of Belo Monte.**

Through the shareholdings of the following companies and institutions in **Iberdrola**²³, these also hold shares²⁴ in Belo Monte: **Qatar Investment Authority** with 0.3234%, which is equivalent to 36.33 megawatts; the construction company **Actividades de Construcción y Servicios S.A. (ACS)**, Spain, with 0.2215% or 24.89 megawatts; the **Banco Financiero y de Ahorros S.A.**, Spain, with 0.1981% or 22.26 megawatts; the **Kutxabank S.A.**, Spain, with 0.1945% or 21.86 megawatts; and the **Société Générale S.A.**, France, with 0.1224% or 13.75 megawatts of shares in the nominal capacity of Belo Monte.

According to the prevailing rules of the capital market, the following companies²⁵ hold shares in JP Morgan Chase and consequently, indirectly, in the Belo Monte Dam: The US American **Vanguard Group Inc.** share of JP Morgan equals to a 0.2017% share in Belo Monte, which is equivalent to 22.64 megawatts; the US American **State Street Corporation** holds a 0.1892% interest in Belo Monte, which is equivalent to 21.24 megawatts; the **Wellington Management Company LLP**, USA, holds a 0.1151% interest, which is equivalent to 12.92 megawatts; **FMR LLC**, USA, holds a 0.1030% interest, which is equivalent to 11.56 megawatts; **Price (T.Rowe) Associates Inc.**, USA, holds a 0.0927% interest, which is equivalent to 10.40 megawatts; **Northern Trust Corporation**, USA, holds a 0.0638% interest, which is equivalent to 7.16 megawatts; **Capital World Investors (Capital Group)**, USA, holds a 0.0612% interest, which is equivalent to 6.87 megawatts and **Massachusetts Financial Services Co.**, USA, holds a 0.0578% interest in Belo Monte, which is equivalent to 6.48 megawatts.²⁶

... and into the maze of funds and asset management companies

Many of the aforementioned companies – which through their participation exercise partial control over firms which have shares in the Belo Monte Dam – also belong themselves to other companies, or their shares are held by funds and asset management companies. These funds invest their clients' capital and hold it in trust, but under their own responsibility. A comprehensive and final analysis of each ownership by third parties has not been carried out and due to the amount of data is hardly feasible. However, there are three interesting examples from Europe: The **Norges Bank Investment Management** of the Norwegian State Fund and the **Allianz Asset Management AG** as well as the

²¹ See <http://finance.yahoo.com/q/mh?s=JPM+Major+Holders>

²² Any further shareholdings of the BlackRock Inc., such as in the State Street Corporation, the Northern Trust Corporation or the T. Rowe Price Associates Inc., have not been considered here, although they also show indirect forms of participation in the Belo Monte Dam (see below). See <http://stockzoo.com/search/?q=blackrock>

²³ The Iberdrola share of BlackRock Inc. has been presented above.

²⁴ The above mentioned shares are limited to the publicly available information on ownerships, according to the rules of the capital market.

²⁵ The majority of the mentioned companies holds shareholdings between each other. However, this fact could not be considered in this analysis.

²⁶ See table "Transnational capital investment in companies that invest in Belo Monte companies" t the end of this text.

Allianz Global Investors of America, both subsidiaries of Allianz SE.

The **Norges Bank Investment Management**²⁷ holds 29,960,305 shares in JP Morgan Chase, 10,715,391 shares in BlackRock Inc., 1,235,215 shares in the Northern Trust Corporation, 4,239,270 in State Street Corporation, 1,900,994 in T. Rowe Price and 1,088,333 shares in Vale²⁸. **The Norges Bank Investment Management is calculated to reach about a 0.03% interest/share in the Belo Monte Dam, which is equivalent to 3.36 megawatts of the nominal capacity of the Belo Monte Dam.**

The German **Allianz Asset Management AG**²⁹ holds 18.83 Million shares worth 893.53 Million US-Dollar in **JP Morgan** and additional 2,827,719 shares in **JP Morgan &Co**, according to the SEC-Filings by the reporting date of 31 March 2013³⁰. This is a total amount of 21,657,719 shares and corresponds to a share of 0.5720% in **JP Morgan Chase**. According to the SEC-Filings, the Allianz Asset Management AG also holds different packages of shares (1,641,712 and 11,735,951 shares) in **Vale** as well as 2,613,364 Vale shares. This is a total amount of 15,991,027 shares in Vale. **Thus, the Allianz Asset Management AG holds a 0.298% interest in Vale.** Besides, the Allianz Asset Management AG holds packages of 692,700 and 996,215 shares in **Companhia Energetica Minas Gerais (CEMIG)**, in total 1,688,915 shares. Furthermore, the asset management company of the Allianz holds 9,944,112 plus a package of 1,995,239 shares in the Brazilian Bank **Bradesco**, which for its part holds a 17.4% interest in Vale (and Vale a 9% interest in Belo Monte), through its equity investments Bradespar. The Allianz Asset Management also holds 397,742 shares in **BlackRock Inc.** and 1,842,856 shares in the **Northern Trust Corporation**, which also has shares in Belo Monte. Besides, it has 23,200 shares in the **State Street Corporation** and 18,656 shares in **T.Rowe Price**. **The Shareholdings of the Allianz Asset Management AG in the Belo Monte Dam result in a calculated share of about 0.05% or 5.61 megawatts.**

However, Allianz shareholdings in companies, which are indirectly involved in the Belo Monte Dam, are not restricted to the asset management of the Allianz Asset Management AG, but are also exerted by the US American subsidiary Allianz Global Investors of America as well as Pimco³¹. The **Allianz Global Investors of America**³² holds a package of 14,261,237 plus another package of 482,167 shares in **JP Morgan Chase &Co**, a package of 2,004,096 and another one of 364,639 shares in **Vale**, 919,250 shares in the **Bradesco Bank**, a package of 263,800 shares and another one of 46,266 shares in the **State Street Corporation** as well as 206,700 shares in the **Companhia Energetica Minas Gerais (CEMIG)**. In total, the **Allianz Global Investors of America holds a 0.03% interest/share in the Belo Monte Dam or another share of 3.36 megawatts.**

²⁷ Any data mentioned here, please see

<http://www.sec.gov/Archives/edgar/data/1374170/000137417013000015/0001374170-13-000015.txt>

²⁸ See <http://www.sec.gov/Archives/edgar/data/1374170/000137417013000015/0001374170-13-000015.txt>

²⁹ Any data mentioned here, please see

<http://www.sec.gov/Archives/edgar/data/1535323/000119312513221767/0001193125-13-221767.txt>

³⁰ <http://www.sec.gov/Archives/edgar/data/1535323/000119312513221767/0001193125-13-221767.txt>

³¹ Pinco is the biggest asset management of Allianz. Pimco's shareholdings are divided in a number of sub-funds, which could not be analysed for this study using the SEC-Files.

³² Please see <http://www.sec.gov/Archives/edgar/data/822426/000119312512224719/0001193125-12-224719.txt>

Transnational capital investment in companies that invest in Belo Monte companies		
% Belo Monte	Name	MW of Belo Monte
0.640%	Blackrock Inc.	74.08
0.323%	Qatar Investment Authority	36.33
0.221%	Actividades de Construcción y Servicios S.A. (ACS)	24.89
0.202%	Vanguard Group Inc.	22.64
0.198%	Banco Financiero y de Ahorros S.A.	22.26
0.195%	Kutxabank, S.A.	21.86
0.189%	State Street Corporation	21.24
0.122%	Société Générale S.A.	13.75
0.115%	Wellington Management Company LLP	12.92
0.103%	FMR LLC	11.56
0.093%	Price (T.Rowe) Associates Inc	10.40
0.064%	Northern Trust Corporation	7.16
0.061%	Capital World Investors (Capital Group)	6.87
0.058%	Massachusetts Financial Services Co.	6.48
0.050%	Allianz Asset Management AG	5.61
0.030%	Allianz Global Investors of America	3.36
0.030%	Norges Bank Investment Management	3.36

Conclusion: why is it important to name the foreign companies' direct or indirect involvement in the Belo Monte dam?

10.124% of foreign capital might seem to be a minor participation. But, who is making profits out of such a destructive project, is to be taken responsible as well – even if it might be arguable, that such a minor participation does not mean direct control and influence of the project. But these transnational companies are involved in other huge infrastructure and energy projects too, not only in Brazil but worldwide. And apparently, while these companies are making profits, they do care less about developing an effective corporate policy that would make sure, that they do not participate and benefit – directly or indirectly – from such projects.

Therefore civil society and social movements need to hold these corporations to account.

The shareholders should use their ties with the companies directly involved with the project sponsor Norte Energia in order to achieve compliance with the laws and constitution of Brazil and respect for the rights of the people affected by the Belo Monte dam.

Furthermore, the corporations need to develop policies which bring their investment portfolios in line with international environmental and human rights standards. Where they do not have enough influence to prevent companies they have shares in from getting involved in projects entailing human rights abuses and environmental degradation, they must withdraw.

Governments should define due diligence criteria for corporations which also include responsibility for shareholdings.

Dams, especially large dams, represent a massive infringement upon ecosystems and the rights of people. The World Commission on Dams (WCD)³³ has developed recommendations which were endorsed by dam industry and project affected people. Compliance with WCD recommendations must be an absolute condition for any further – direct or indirect - involvement in dam projects.



Photo Courtesy: Amazon Watch / Mitchell Anderson

³³ See <http://www.internationalrivers.org/campaigns/the-world-commission-on-dams>