



## **Construction of Belo Monte resumes, 1st Sept 2012**

**Work will resume on a multi-billion dollar dam project in the Amazon after Brazil's Supreme Court overturned a previous decision to halt construction:**



Two weeks ago, a regional federal court had ordered the immediate suspension of work on the Belo Monte dam saying that local indigenous people had not been properly consulted and that they had the right to air their views on the project in Congress. The court reasoned that in 2005, "when the project was approved by the Brazilian Congress, it mandated an environmental impact study that was made after the work began and not before, as mandated by the law". But that regional court still has to consider the merits of the case and examine further evidence.

The latest ruling by the Supreme Court thus overturns the order by a lower court and it is alleviating concerns that key work would not be done ahead of the rainy season. It is expected that 12,000 operators will work day and night on the construction site and that number should reach 22,000 in 2013.

The Belo Monte dam project is being built across the Xingu River and will include an 11 GW hydropower plant – the third largest in the world after the Three Gorges and Itaipu. Work on the dam started in 2011 but it has been strongly opposed by local groups because of the impact the project could have.

Belo Monte will flood an area of 500 km<sup>2</sup> and displace 16 000 people, according to the Brazilian government. Environmental groups believe that up to 40 000 people would be displaced. The government plans to invest \$ 1.2 billion to alleviate the negative impacts of the dam.

Legal action by opponents to the project led to work stopping at the dam in October 2011, but that ruling was also overturned. Belo Monte is an important element of Brazil's Accelerated Growth Programme (PAC). The government says the dam would make Brazil more energy self-sufficient, especially in the Amazon region, which relies on fossil fuels for much of its needs. President Dilma Rousseff has said such mega dams are needed to meet the energy demands of Brazil's growing consumer class.

The project is being built by a consortium controlled by Eletrobras, the national utility, and Brazilian energy group Chesf, which in 2011 awarded major supply contracts to Alstom, Andritz and Voith. The dam should produce its first MWh in 2015 and the last turbine will operate in 2019.