



Carter S. Roberts  
President and CEO  
World Wildlife Fund

1250 24th Street, NW  
Washington, DC 20037-1193 USA

Main Phone: 202-293-4800  
Phone: 202-778-9665  
Fax: 202-778-9637

[www.worldwildlife.org](http://www.worldwildlife.org)

March 30, 2009

Denise Hamu  
WWF Brazil  
SHIS EQ QL 6/8  
Conjunto E  
71620-430 Brasilia

Dear Denise:

I hope this letter finds you well. Last month, Gabriel Azevedo gave two excellent presentations to WWF staff and board members on the Santo Antonio hydroelectric project and the various safeguards the company has developed to address social and environmental concerns, including their proposal to direct part of the legally obligated environmental compensation payments from the dam to ARPA.

The consensus among the staff and board members to whom Gabriel presented the proposal is that linking ARPA to compensation payments from the Santo Antonio dam (and potentially other infrastructure projects) could make an existing law that WWF-Brazil help draft finally work as intended and create an unprecedented long-term revenue source for ARPA and other protected areas.

Gabriel noted the important support he has received to date from WWF-Brazil and FUNBIO in engaging key Government officials, particularly the Vice-Minister of Environment, Izabella Teixeira. I want to congratulate you on the incredible progress that has been made over the last several months in moving this issue forward. Moreover, I want to confirm WWF-US's commitment of \$1 million in matching funds for ARPA's endowment to leverage from the Government the Brazilian *real* equivalent of \$12 million in compensation payments directed to ARPA before the end of 2009. The *real* equivalent of \$12 million figure is based on the presentation that Gabriel gave during his visit to WWF-US and is in line with the proposal that Odebrecht and FUNBIO have submitted to the Government.

With regards to WWF-US's \$1 million commitment, a few comments are warranted:

- We understand that Vice-Minister Teixeira is aware of the potential match funding from WWF-US and that the *Camara de Compensação Ambiental* is meeting in the coming weeks to discuss the deal you've been promoting with FUNBIO and Odebrecht. If you think a letter formally announcing WWF-US's \$1 million commitment to the ARPA endowment prior to this meeting would strengthen your ability to secure final Government approval, we are ready to work with your team to get you the document you need;
- During his presentations to WWF-US, Gabriel stressed the need to secure final approval of this deal before in the next several months, as his board is not likely to wait for Government approval beyond this year. Like Gabriel, we are facing similar time constraints as well for our commitment, which we will only be able to guarantee until the end of 2009.

The issue of hydroelectric dams in the Amazon is a controversial one, and there have been concerns raised by WWF-Brazil and other Network offices on various problems associated with the Santo Antonio dam. Moreover, we are aware of the July 2007 WWF-Brazil public statement criticizing as premature (due to insufficient technical studies and public participation) the licensing by IBAMA of the Santo Antonio and Jirau dams, and that under the Amazon Network Initiative, WWF-Brazil participated and approved an internal WWF Position on the Madeira dams in September of 2007, which is currently being updated. Given these concerns, we believe it is important to promote ARPA as an effective mechanism to channel legally obligated compensation payments to protected areas while clearly reserving the right to criticize the Santo Antonio dam or any other infrastructure project that we believe does not adhere to the highest environmental and social standards.

To proactively address any potential criticisms of WWF's support for channeling compensation payments to ARPA, Roger Sant suggested to Gabriel that a workshop or similar event be held in Brazil with key WWF staff and local stakeholders to make clear that WWF-Brazil's support for compensation payments to ARPA does not constitute support for this or any other infrastructure project. The event could also provide a forum for WWF-Brazil to air its concerns about the Santo Antonio project and to proactively communicate WWF-Brazil's position on the project.

I would like to suggest that our staff work together in the coming weeks to address the current negotiations with the Government and how we can ensure our support for compensation payments to ARPA is not interpreted as support for the Santo Antonio dam or any other infrastructure project. It will be important that a clearly defined and jointly agreed Network position on the issue is communicated to our staff, our partners and the wider conservation community over the next few months.

I look forward to hearing from you on when we can have a more substantive discussion on this in the coming weeks.

Best,

A handwritten signature in black ink, appearing to be 'C. Sant', written in a cursive style.