Fear, Loathing and Hope in Ecuador's Cloud Forest

On the Hardships of Protecting a Little-known Place

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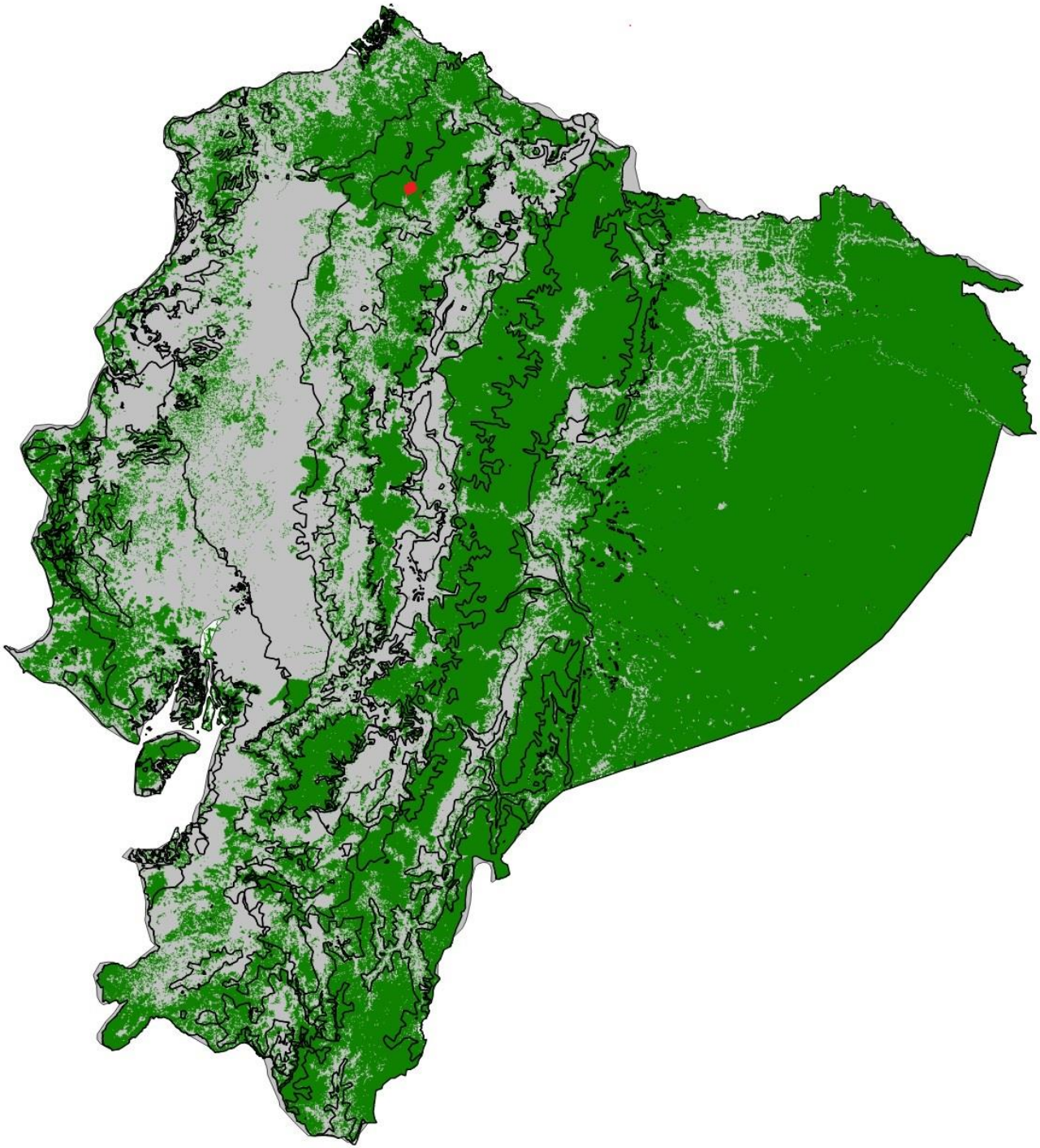
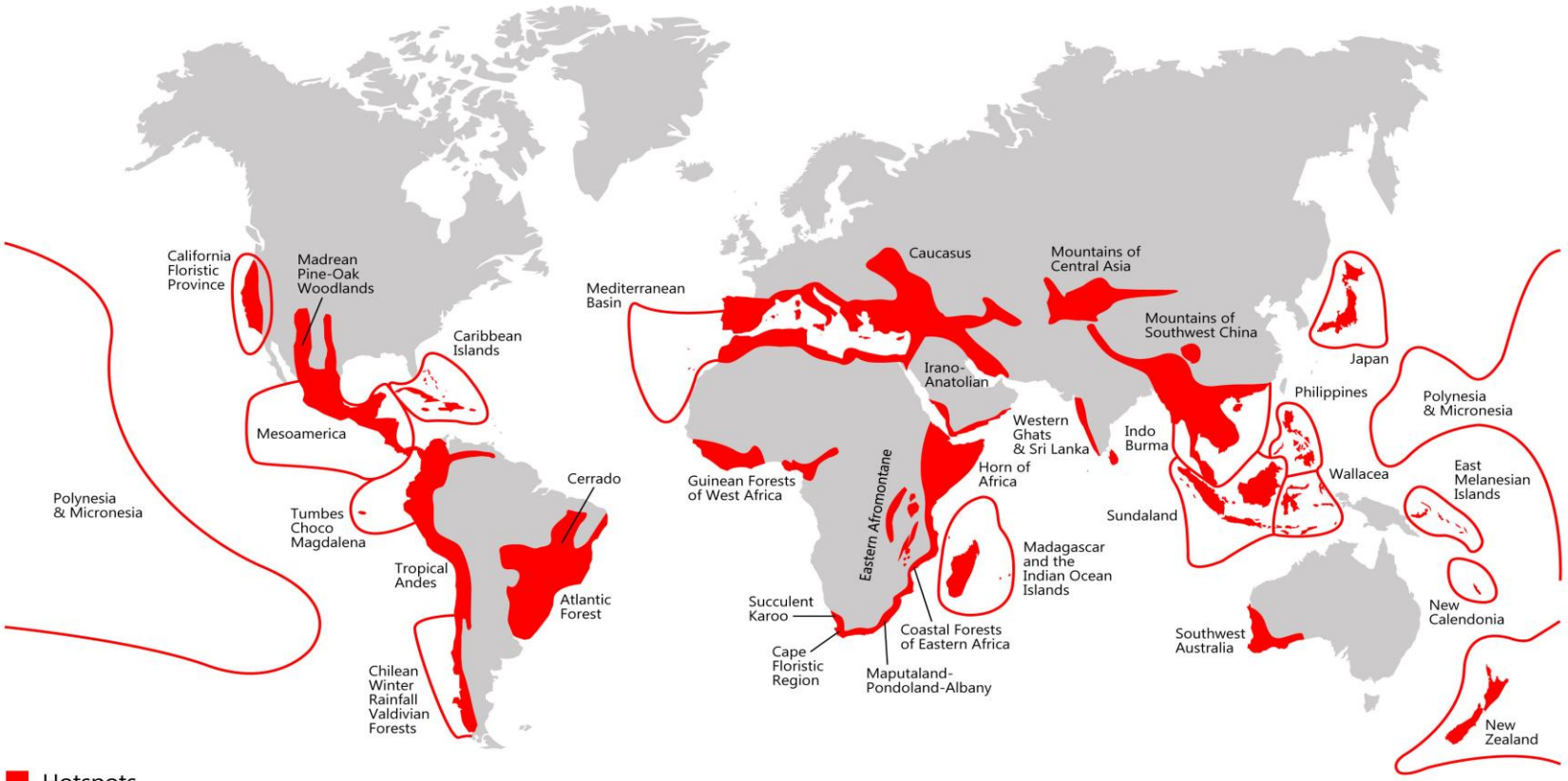
September 2014



Biodiversity Hotspot

CONSERVATION INTERNATIONAL



February 2005

Tropical Andes Biological Hotspot

Map of Ecuador

La Libertad
Barcelona
Cerro Pelado
El Palmal
December 2 Assault
Junín
Chalguayacu Alto
Chalguayacu Bajo
5.66 km
Image © 2010 DigitalGlobe
Image © 2010 GeoEye

La Libertad
Barcelona
Cerro Pelado
El Palmal
December 2 Assault
Junín
Chalguayacu Alto
Chalguayacu Bajo
5.66 km
La Magnolia
Santa Alicia
Image © 2010 DigitalGlobe
Image © 2010 GeoEye
Image © 2010 TerraMetrics

Aerial View: Chuquicamata Copper Mine

Image © 2007 DigitalGlobe
© 2007 Europa Technologies
2981 ft
Google
Pointer 22°17'39.32" S 68°54'43.14" W elev 8947 ft
Streaming 100%
Eye alt 18696 ft

SOCIAL AND ENVIRONMENTAL IMPACTS

The 1996 preliminary Environmental Impact Assessment prepared by two Japanese organizations PREDICTED these impacts:

- Relocation of hundreds of families from **four** communities-
- Increase in crime
- **Massive** deforestation, which would dry up our climate (almost literal quote from EIA)-
- Impacts to the Cotacachi-Cayapas Ecological Reserve- one of the world's most diverse protected area.
- Impacts to the habitat of **dozens** of threatened mammals and birds, including: jaguars, ocelots, spectacled bears, pumas, brown-headed spider monkey, and the plate-billed mountain toucan.
- Contamination with **lead, arsenic, chrome and cadmium** of rivers and streams

Since these impacts were based on a much lower estimate of the copper ore discovered by Mitsubishi, the impacts will be much greater, and as many as seven communities may have to be relocated and thousands of additional hectares deforested

Main Strategies used by mining companies

After in-depth socio-economic studies:

- Offers of infraestructure and services lacking in communities, including: roads, clinics, free medical assistance, computers, schools, sports stadiums, low-interest loans, even free housing.
- High paying jobs to key individuals
- Exagerated offers of jobs, and hiring of community members regardless of whether mining has been approved.
- Creation and financing of pseudo development organizations

Strategies / Principle Violations Against Opposition

When the "nice guys" strategies fail,

- Attempts to outright buy off key leaders
- Death threats
- Smear campaigns
- Attempt to create new local government
- Attempts to undermine local community organizations
- Land purchasing to debilitate communities
- Abuse of the country's legal system for intimidation
- Judicial set up
- Use of paramilitaries ("private security")
- Attempted homicide

High Cost of Attaining Social License

- ✓ Division of communities
- ✓ Conflicts within the family and between communities
- ✓ Death threats
- ✓ Violence
- ✓ Land trafficking
- ✓ Social disintegration
- ✓ Use of the courts to persecute and intimidate

Results: Deep divisions, severe degradation of communities, social chaos, economic stagnation, insecurity and a permanent climate of hostility, severe human rights violations.

Principal Actors and Factors Contributing to Social and Environmental Chaos in Communities Affected by Extractive Industries in Intag and Unsustainability

Development Agencies:
Belgian Government
JICA

IFI's: World Bank

Weak Gov Institutions

Lack of
Regulations

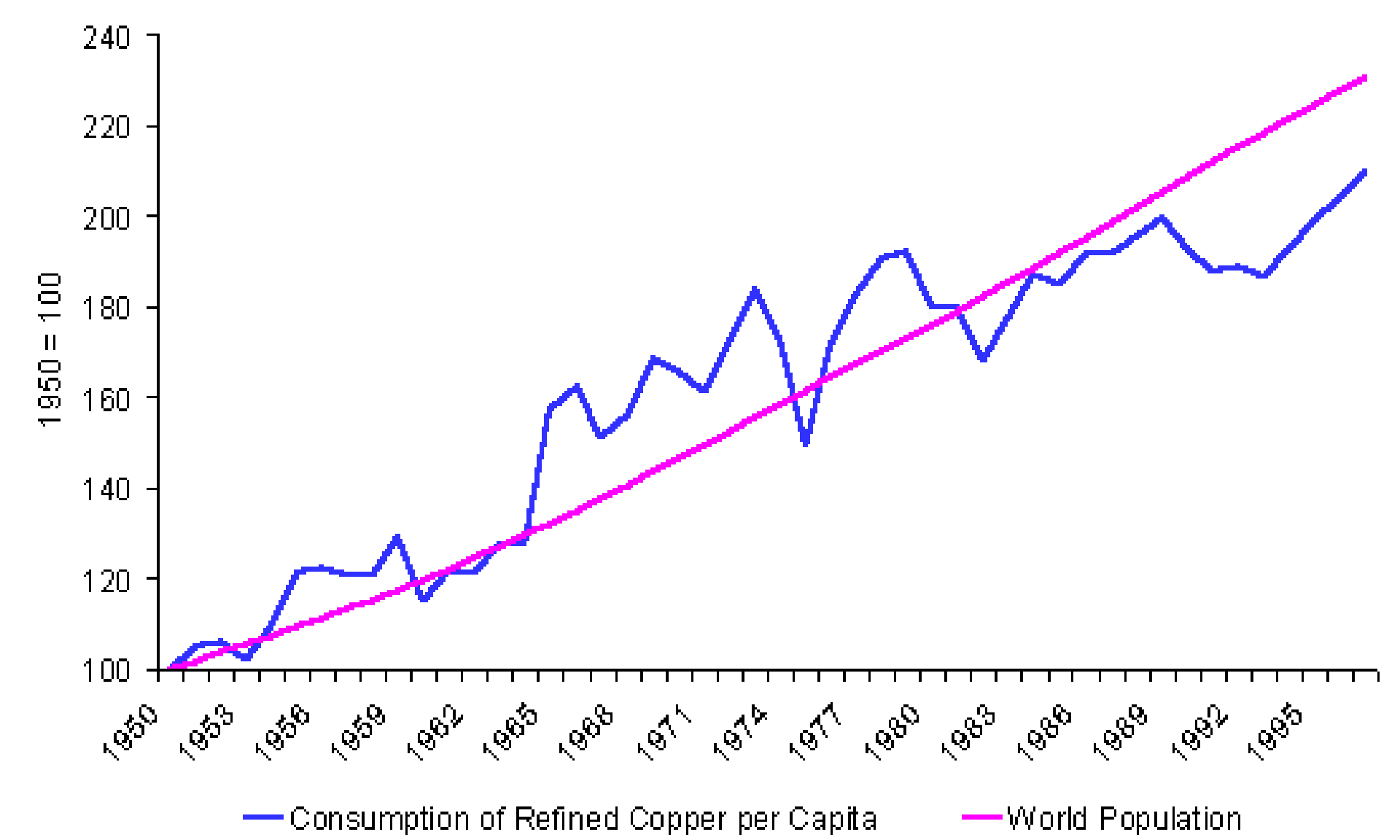
Corruption

Financincial: Unregulated Investment / Uncaring public

***High demand for Metals (unethical lyfestyles**
WRONG LIFE PREMISES

Copper Wars: Consumption

- ✓ 22 million metric tons of copper in 2010
- ✓ Average 500 tons of earth mined, and 50 to 60,000 liters of water tons of used for each ton of pure copper produced
- ✓ Over 60% of the world's copper is used by 15% of the citizens of the richest countries



Consumption of Refined Copper per Capita 1960-1995

Per Capita Copper Consumption

- ✓ The world consumed 22 million tons of copper in 2010.

Consumption per person in 2000:

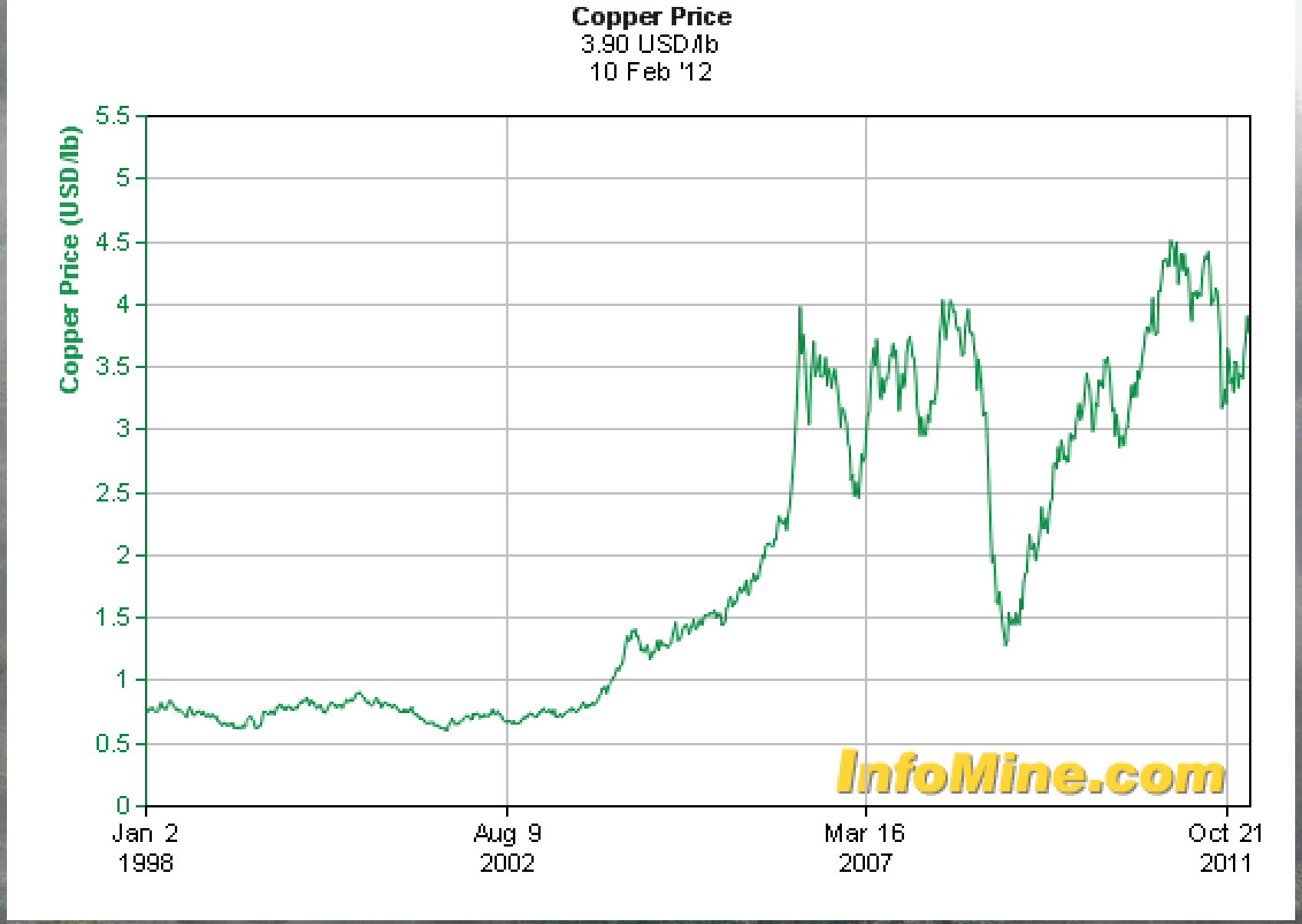
- ✓ US: 10.9 Kilograms per person
- ✓ Japan: 10.8 Kg*
- ✓ Australia: 8.9 Kg*
- ✓ Latin America: 2 Kg*
- ✓ China and India: 1 Kg*
- ✓ Africa, Middle East : 0.3 Kg*

Per capita world consumption is 2.6 kilograms

* For the year 2000

Sources. *Breaking New Ground.* Mining, Minerals and Sustainable Development Project.2002

United States Geological Survey. 2008



Increase in the price of copper 10 years: 500%

BIENVENIDOS
COMUNIDAD JUNIN
NUMERO DE HABITANTES 260
AGRICULTURA
GANADERIA
TURISMO
AQUI NO PERMITIMOS LA MINERIA

Alternatives created by communities and NGO's

- ✓ Shade-grown coffee (400 families and growing)
- ✓ Community ecological tourism
- ✓ Hand-made soap and shampoos
- ✓ Lufa handicrafts
- ✓ Sisal handicrafts (several women's groups)
- ✓ Agroecological groups- Organic products
- ✓ Fish farming;
- ✓ Agroecological farming coops
- ✓ Small-scale hydroelectric projects (proposed)

Alternatives

naturaloe
naturaloe
naturaloe

DEVELOPMENT
OR DESTRUCTION?
CANADIAN MINING
OUT OF INTAG
RESPETAR
Nunca nos consultaron
mineras en la
¡¡¡ NO QUEREMOS
NATURALES NOSOTROS
COTACACHI
¡FUERA ASCENDANT
Ultimas
Noticias

CHALGUAYACO ALTO
RECHAZA LA MINERIA
DEFIENDEN
OXY hoy mañana
La Coordinadora de Jóvenes
la a.c.a.i. Unidos
contra la minería.
MINERÍA: Pan para hoy
hambre y contaminación
mañana
20.05.2006 10:54

DEVELOPMENT OR DESTRUCTION?
CANADIAN MINING OUT OF INTAG
RESPETAR
¡¡¡NO QUEREMOS
FUERA ASCENDANT
Ultimas

LA MINERIA CONTAMINARÁ
Ley de Minería
Ley de las... Compañías

ATV
ATUNTAQUI TELEVISION

The Mineral Wars

- ✓ Many of the conflicts can be attributed to extractive industry policies meant to primarily benefit the north
- ✓ The conflicts will continue to ravage renewable natural resources, people and human rights unless effective measures are taken to curb the power of transnationals by creating enforceable international standards.
- ✓ Our lifestyle is an important factor in detemining the outcome of this tragedy

Importance of Global Awareness

A key factor in the struggle against the ravages of the transnational mining industry in developing countries is, and will always be, awareness... Awareness not only of the problem, but also of the part we play in the making of the tragedy, combined with a willingness to participate in finding a genuine solution to the problem.

What to do

International:

- ✓ i. Support the creation of international standards to curb the impacts of transnational extractive industries
- ✓ ii. Work to undo the de-regulatory damage done by the W Bank and similar IFI's

National:

- ✓ i. Support legislation to make companies abide by the strictest social and environmental regulations.
- ✓ **ii. Support the de-materialization of the economy**

Community/ Individually

i. AWARENESS: Find out more and share what you know

ii. Support and get involved in public transport initiatives and local government

iii. Demand accountability from corporations, Banks, government, Export Credit Agencies, etc.

Personal:

i. **Reduce** your use of materials / update, restore, fix, learn to live with less

ii. Green up your campus and community- **reuse**, recycle; **support fair trade,** and other socially and environmentally responsible alternatives

BECOME AN ACTIVIST

Thank you

Chronology of Intag's Mineral Wars

- ✓ 1991 Ecuador and Japan sign Technical Assistance Agreement
- ✓ 1992 Mitsubishi Subsidiary Bishimetals begins Exploration work
- ✓ 1995 DECOIN founded on concern over mining activities
- ✓ 1995-1997 Communities learn about real impacts of mining and try to engage government
- ✓ 1994-1996 Bishimetals discovers large Copper-Molybdenum deposit
- ✓ May 1997 Communities destroy mining camp; Mitsubishi leaves Intag- end of project- Relative peace ensues.
- ✓ Response to mining development by local groups include creation of many community-based successful economic alternatives.

- ✓ WORLD BANK
- ✓ 2000- DECOIN files complaint against PRODEMINCA World Bank mining project
- ✓ 2000 Pro-industry reforms to Ecuador's Mining Law funded by World Bank

- ✓ 2001 Mining exploration boom begins

Chronology, cont'd

_____ASCENDANT/ **COPPER MESA**_____

- ✓ April 2004 Ascendant acquires Junín Mining Concessions
- ✓ November 2004 Ascendant Copper Corporation is created primarily to exploit Junín's copper

- ✓ June 2004 Ascendant's tactics to obtain "social license" starts
- ✓ 2004-2008- Company is unable to access its mining concessions due to local government, NGOs and community opposition
- ✓ November –December 2006, paramilitaries stopped by communities- severe backlash, resulting in stop-work order for the company.
- ✓ 2008 National government issues Mining Mandate, reverting back to the state most mining concessions, including Ascendant's
- ✓ August 2008, company changes name to Copper Mesa and shifts operations to Arizona and Nevada
- ✓ 2009- Lawsuit in Canada against company and the Toronto Stock Exchange
- ✓ 2010 (Feb) Company is delisted from the Toronto Stock Exchange

World Bank Prodeminca Project

- ✓ Mineral *"Development"* Project financed by a 14 millon dollar loan. Main objective was to
- ✓ ***Increase private mining activity in Ecuador; by***
- ✓ Generatining mineralogical information useful to the mining industry (including from protected areas)
- ✓ Privatizing the mining sector
- ✓ Completely overhauling mining law ("modernize")
- ✓ De-regulating mining activities