Fear, Loathing and Hope in Ecuador’s Cloud Forest
On the Hardships of Protecting a Little-known Place

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Biodiversity Hotspot

CONSERVATION INTERNATIONAL

[Map showing biodiversity hotspots around the world]

Hotspots
February 2005
Tropical Andes Biological Hotspot
The forests of Intag and the Curse of Copper
Aerial View: Chuquicamata Copper Mine
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 infrastructure 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

• Exaggerated 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

Corruption

Financial:
- Unregulated Investment / Uncaring public

*High demand for Metals (unethical lifestyles)

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
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 JUNÍN
NUMERO DE HABITANTES 260
AGRICULTURA
GANADERÍA
TURISMO
AQUÍ NO PERMITIMOS LA MINERÍA
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
MINERÍA: Pan para hoy hambre y contaminación mañana

La Coordinadora de Jóvenes

La ACAI. UNIDOS contra la Minería.

MINERÍA ALTO RECHAZA LA MINERÍA LAS TIERRAS, NO DEFENDEN

20.05.2006 10:54
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 determining 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
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 million dollar loan. Main objective was to
✓ Increase private mining activity in Ecuador; by
✓ Generating mineralogical information useful to the mining industry (including from protected areas)
✓ Privatizing the mining sector
✓ Completely overhauling mining law ("modernize")
✓ De-regulating mining activities