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## Philippines: Mining over Minorities – Disaster in the Making

In her inauguration speech in 2004 the newly elected president of the Philippines, Gloria Macapagal-Arroyo promised “a pro-poor agenda that will lift up our poorest brothers and sisters, invest them with dignity, and imbue them with hope.” How these noble objectives could possibly be reconciled with an export-oriented pro-mining policy, which inevitably causes large scale environmental devastation, is hard to imagine. From past experience it is well known that under these circumstances poor and particularly indigenous people who for their livelihoods depend on an intact environment will suffer the most. In late 2006 about 2,000 mining permit applications were pending. Therefore extracting industries can be considered the greatest threat to the indigenous peoples of the Philippines which account for roughly 10% of a projected population of 88.7 million.

The Philippines consists of no less than 7,107 islands which are home to a fragile eco-system with an outstandingly rich endemic biodiversity. Thus they belong to a group of 17 countries classed as biodiversity hotspots. At the same time the country is – according to the *Department of Environment and Natural Resources (DENR)* – one of the few hotspots which is due to the staggering number of more than 52,177 identified species also a mega-diversity country. This extraordinarily rich biodiversity is greatly endangered, since the forest cover has been reduced from 270,000km<sup>2</sup> in 1898 over 150,000 km<sup>2</sup> at Independence in 1946 to no more than 8,000km<sup>2</sup> in 2006. Many mining operations are projected for the upland regions where they would reduce the remaining forest cover even further and leave their toxic legacy for succeeding generations. Therefore the DENR is most probably correct in recognising that there is only a “small window of opportunity in which it is still possible to save this global hotspot from total devastation and the unique life forms found within from extinction.”

But still even something like responsible mining along the standards of international best practice is almost unheard of around the Philippines. The resulting environmental risks are further aggravated by the fact that many of the resource-rich regions are located in areas prone to natural disasters or armed conflict. Thus it is no surprise according to the *United Nations Environmental Programme (UNEP)* the Philippines has one of the worst records regarding the failure of tailings dams. The consequences of such accidents are disastrous even if in cases less extreme than the well-known examples of *Marunduque Island* in 1996 and *Rapu-Rapu Island* in 2005. A certain disregard for existing legal frameworks and guidelines is widespread. Therefore Environmental and Social Impact Assessments cannot provide adequate protection for the people and the environment and mining permits are even granted in watershed areas and in conflict zones, the latter a practice contrary to the recommendations of the *World Bank's Extractive Industry Review (EIR)*.

The potential environmental damage done to water catchment areas, thousands of hectares of agricultural land and the invaluable marine environment is catastrophic. In the face of the fast-growing Philippine population which is expected to rise from the current 88.7 million to 150 million by 2036 the destruction of vital and productive ecosystems is likely to have serious repercussions for the food security and the sustainable development of the country. If the water catchment areas are not protected and massively replanted with native species, at least 50% of sustainable agriculture, which requires irrigation, could be lost.

With its pro-mining policy the government is obviously squandering the long-term future of the Philippines. Strangely enough even short-term benefits are hard to detect, since in addition to relaxing the environmental laws and the protection of indigenous peoples the government presents investors in mining operations with a tax-exemption for five years. But while the evidence of economic benefit on a national level is scant, there is overwhelming evidence that severe economic, environmental and social costs will remain with the Philippines and some of its poorest communities.

Particularly the indigenous peoples suffer the consequences of this misguided policy. Theoretically they enjoy a quite impressive legal protection which is particularly enshrined in the Indigenous Peoples Rights Act (IPRA), The problem is – as in so many cases – the implementation of the laws. For once investments are involved laws and regulations are all-too-often regarded as a mere technicality and overlooked or circumvented. A number of current mining operations undoubtedly contravene the law or are associated with human rights violations and government or international agencies are apparently incapable or not inclined to challenge or end this sort of misconduct. A point in case are reports regarding the free, prior and informed consent (FPIC) that is required of the indigenous by Philippine law, if development is going to take place on their recognised ancestral land. In a number of cases this consent was obtained by means of misinformation, misrepresentation, bribery and intimidation. In the face of such incidents many indigenous people also lost their faith in government agencies which are accused siding with the mining companies.

It is particularly alarming aspect of the conflict around mining operations is the extraordinary level of violence. A fact finding missions headed by the British MP Clare Short learned in 2006 that 700 citizens involved in the peaceful political opposition or protest causes have been killed since 2001. Eleven were directly related to the peaceful protest against mining operations. Allegedly police and military were also involved in a significant number of killings and abductions. Some mining companies even employ paramilitary security forces which are trained, armed and supported by the Philippine military but paid for and controlled by the companies. The damage done to the Philippines by this climate of violence and corruption is hard to gauge, but if it should not be addressed rather sooner than later, it will undoubtedly limit the chances to promote tourism and attract other potentially responsible foreign investment or other sustainable activities.

There are many instances for the violation of indigenous legal or even constitutional rights. Frequently they are tricked into giving up their ancestral lands. Sometimes they are displaced by intimidation or brute force. In many cases their sacred sites are desecrated and livelihoods are destroyed. In any event there is severe environmental damage to critical watersheds, ecosystems, agriculture and fisheries caused by mining operations which inevitably result in major social disruptions.

A good example is *Mt. Canatuan* a sacred site of the Subanon people in *Zamboanga del Norte (Mindanao)* where the Canadian mining company TVI pursuing its trade relying on a mining permit acquired by dubious means and against the wishes of the Subanon people on whose ancestral domain *Mt. Canatuan* is located. The area has been labelled “the rice granary

of Zamboanga del Norte". It is also important water catchment zone and classed as a biodiversity hotspot. To set up the mining operations families were evicted from the Subanon's ancestral domain. Local farmers and fishermen have reported damage to their livelihood and health. Reductions in crop yields and fish harvests are apparently caused by pollution from the mine. People developed skin infections after being exposed to river water polluted by the mine. The conflict's high level of violence includes killings, ambushes and shooting incidents.

In *Misalip, Zamboanga del Sure (Mindanao)*, the Subaanen people in the past successfully opposed past attempts of mining company Rio Tinto to mine the area. Currently a purportedly Chinese firm Geotechniques and Mines Inc. (GAMI) is trying to obtain a permit to mine iron ore from beneath Mt. Pinukis, which is not only a sacred site of the Subaanen people but also a source of three rivers and surrounded by fertile rice fields. Their right to free, prior and informed consent was circumvented by a combination of false promises, misrepresentation, a lack of effective participation and a serious deficit of information regarding the negative impacts of mining operations.

On *Sibuyan Island (Romblon Province)*, an island which due to its rich endemic biodiversity is labelled the "Galapagos of the Philippines", a number of companies among the Australian Pelican Inc. plan to mine Nickel, although large parts of the island are covered by a national park which received EU-funding and an ancestral domain of the indigenous Mangyan-Tagabukid. The companies simply failed to recognise that their operations could affect the indigenous populations and consequently failed to consult them. In a similar vein they ignored the objections raised by local communities and the local government. Currently mining seem to have ground to a halt after local councillor A. R. Marin was shot on 3<sup>rd</sup> October by the security force of a mining company while protesting.

Nickel mining is also an issue in *Victoria (Mindoro)*, another biodiversity hotspot where many local organisations including affected indigenous and downstream communities oppose extractive activities projected by mining company Crew Gold. Although so far the company failed to obtain either the necessary consent of the indigenous communities or the community consent or planning permission of the local authorities, the project remains high on the list of government's projects. In addition to ignoring the objections of local and indigenous communities there are also complaints that Crew Gold misrepresented their views and made false claims that consent to mining operations was given.

It is a sobering thought that in the face of the issues and examples outlined above the World Bank is still implicated in the expansion of mining in the Philippines. Despite the well-known problems with mining and a legacy of 800 abandoned mines it was one of the driving forces behind the revirement of the mining industry in the Philippines sponsoring and promoting the adoption of the National Mineral Policy and the Mineral Action Plan. In ignoring the negative effects of mining on the marginalised and the poor the World Bank is seriously failing in its duty to assist the country in taking steps towards a sustainable future. It is also failing to honour its own mandate and obligations und international human rights law.

Taking all this into consideration a lot is at stake for the Philippines. The government's pro-mining policy in combination with its apparent willingness to soften up or even ignore existing laws is not only undermining the landscape but also the credibility and reputation of the government itself and of the political class in general. In the long run the tremendous environmental damage in the country and the loss of its wealth in terms cultural and biological diversity is likely to pose a hardly surmountable obstacle for a return to a sustainable path of development. It is no less than the country's future that is at risk. For the sake of the indigenous peoples as well as for the Philippines as a whole it is high time to either stop mining altogether or at least adopt an extremely restrictive approach towards it.