

# MiningWatch Canada Mines Alerte Newsletter

## Number 16: Spring/Summer 2004

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## Kanak Delegation Addresses MiningWatch Annual Meeting

A delegation of indigenous leaders from New Caledonia addressed the MiningWatch Canada Annual Meeting which took place in Ottawa April 23, at the Embassy Hotel. They were in Canada to attend the INCO Annual Meeting in Toronto and to meet with allies.

Sue Moodie and Brennain Lloyd stepped down from the Board this year after five years of dedicated service. They were founding Board members and served on almost every committee. They will be greatly missed.

Peter Usher, David MacKinnon and Marilyn Crawford were welcomed onto the Board. Their bios are below.

The Annual Report and Financial statements were accepted as distributed.

Peter J. Usher is a geographer with graduate degrees from McGill University and the University of British Columbia. Dr. Usher worked and lived in the Western Arctic between 1962 and 1976. During that time he was involved in community economic development, the Inuvialuit land claim, and the Mackenzie Valley Pipeline Inquiry. Since 1977 he has operated an independent consultancy based in Ottawa, and has established a broad client base across the North, from Labrador to Alaska. His work has focused on social and environmental impact assessment, land use and resource management, and Aboriginal claims. From 1991 to 1997 Dr. Usher was Director of Research at Inuit Tapirisat of Canada, in Ottawa. Dr. Usher was appointed by the Government of Canada as a member of the Joint Environmental Assessment Panel

to review the proposed Voisey's Bay Mine-Mill Project in Labrador (1997-1999). He was appointed by the Government of the Northwest Territories to chair the Wildlife Management Advisory Council (NWT) (1997-2000). He resides in Lanark County, west of Ottawa.

Marilyn Crawford has considerable knowledge of the Ontario Mining Act and associated regulations and policies. She has assisted land owners in preparing for disputes and hearings against mining claims on their property. She is a licensed prospector and a member of Ontario Prospectors Association and views standardised training and regulating of prospectors as a benefit to the mining industry. Marilyn is also a member of the steering committee for the Bedford Mining Alert and works with the Citizens Mining Advisory Group to address common issues. Marilyn values information sharing and communication as a way of identifying and bringing about necessary changes.

David MacKinnon is Executive Director of the Transboundary Watershed Alliance and lives in Whitehorse. He has been with the TWA in different capacities since 2000. He also serves on the Yukon Conservation Society Board and Mining Committee. He has an honours undergraduate degree in International Development and Political Studies from Guelph University and completed a Master's degree at Trent University focused on community impacts of and community-based alternatives to industrial forestry. He has wide-ranging experience in environmental, First Nations, and human rights work in

Canada and abroad including stints as Coordinator of the Central America Monitoring Group, researcher on environment and indigenous peoples' issues at the Instituto de Estudios Indígenas in Temuco, Chile, Employment and Training Counsel-

lor for the Lower Columbia All First Nations Council, and Native Program Officer for the BC Ministry of Environment, Lands and Parks.

## Lynn Lake and Marcel Colomb First Nation Meet with Manitoba Gov't

On April 15, the Town of Lynn Lake and Marcel Colomb First Nation asked MiningWatch Canada to accompany them for a meeting with five ministers of the Manitoba Government. they were seeking justice in their prolonged struggle to save their community and heal their lands from the effects of mining.

When Sherritt Gordon Mines and Black Hawk Mining had taken all the copper, zinc, nickel and gold they could get out of the Lynn Lake, Manitoba, they closed their mines and took their profits, but they left millions of tonnes of toxic tailings and a devastated community behind.

Sherritt-Gordon used their profits from northern Manitoba to build the basis for a number of very profitable companies, including Agrium, Dynatec and Sherritt International. Sherritt International is the main proponent in the controversial Cheviot Mine. Black Hawk is now Glencairn Gold, owner of the Limón Mine in northwest Nicaragua, the Bellavista Mine in Costa Rica (under construction), and a number of exploration properties.

Now the First Nation and the Town of Lynn Lake are working together to heal the land and reclaim a future for their

children. On April 15, they met with five Ministers of the Manitoba Government to present their case one more time. The Manitoba Government had been responsible for protecting the public interest in the operation of these mines; they also collected any royalties and taxes that they paid.

Marcel Colomb First Nation and the Town have been requesting the following from the Manitoba government:

- a new water system. The old one has been corroded by tailings (the acidic toxic waste left behind after ore is extracted), until the tap water is the colour of tea.
- a proper health assessment of the impact of tailings on the community: the only study done to date includes no human testing, no medical or epidemiological studies
- clean-up and proper management of the abandoned tailings areas, which cover over 250 hectares beside the town.
- support for the development of an urban reserve in the Town of Lynn Lake
- support for the Town's court case to get \$6 million in unpaid back taxes from Black Hawk.

More information is available on our web site.

## Cree Cultural Perspective on the Natural World

Attawapiskat First Nation Member Mike Koostachin submitted the following statement to the Federal Regulators on January 21, 2004. It concerns the impact of a possible diamond mine in the James Bay lowlands.

#### Wachay!

We would like to thank you for providing us the opportunity to share a few beliefs from the principles of our traditions. As you know, we had few opportunities to do this when your ancestors arrived in our land. Just as we have few opportunities to explain how we feel about the development since it was proposed. We believe that all things, plants, animals, people, water, trees, air, rocks and mother earth, need to be considered for such projects, not just in the present, but also for seven generations. We are here after all, because of the foresight of our forefathers, and like them, we must be mindful of those who are yet unborn for seven generations to come. If we may, we would like to invite you to do the same. We know that it is difficult to think this far ahead. The rapid changes that are occurring in the world today have overtaken our Turtle Island and soon to be our community as well, and the first step in accomplishing the foresight that is needed, is to carefully consider the whole environment around us. When this is done with kindness and respect, then the spirit internal to all living things will reveal itself. The elders have instructed that the knowledge thus gained is the basis of planning for the future.

First and foremost of our concerns regarding this development is the impact on our river. Since ancient times we have regarded water as a precious element, and hold it as a sacred part of our ceremonies. The creator used this sacred element, along with that of air, the spirit of fire, and mother earth herself to create humanity. All living things are made up of water and depend on it to live. Indeed, not one of us can blink an eye, draw breath, or even speak without water. Every cell in our beings requires this element in order to function. Today, as in ages past, we still honour this life giving force in our daily ceremonies. The women of our nations are the ones who conduct the water portion or our ceremonies, since they share with water the power to bring forth life. It is the eldest and wisest women present, usually a grandmother who conducts the teaching and instructs the rest of the women about responsibility to care and protect the water as a powerful spiritual and medicinal entity. We know that our community, as well as the James Bay and the surrounding rivers are like the veins of mother earth. We are, therefore, deeply concern about the Victor Project proposed for the development. (Will these septic beds leach into those veins and pollute them?) We are also worried about the many substances that will be used by the proposed victor project. Will the chemicals begin to poison these veins of water that the mother earth has graciously supplied? If this project proceeds, we would like assurances that the river will continually monitored, so that problems will not go unnoticed.

Our final concern is the proposed shredding of the forest. This may increase the flow of pollutants as the soil and thus groundwater (muskeg) movement will change. It will also open this area to the introduction of new plants and animals, at the

expense of those already here. Though this development proposes to spare many trees, it will sacrifice just as many. When we look out into this wooded area, we do not simply see a bunch of trees. For us, every tree is an individual entity. Some are male, and some are female, not in the botanical sense, but in the role that each tree plays. For every species and variety, some will grow more slender and stretch their branches upwards; these are males. Some will grow wider and stretch their branches outwards; these are female. They can be seen in families, with the young saplings of the mature mothers and fathers being shelter by the giant grandmother and grandfathers trees. As more than one species begin to grow together in the same forest, they start to form a community. These communities have steadfast in their tasks since the beginning of time. The trees hold a very special meaning and purpose to all living things. They have provided medicines for our sick and the materials to built our homes. They fed our fires so that we could cook our food and warm our shelters. They shade us from the sun, shelter the small animals, birds, and insects, and most importantly of all, purify the air that we breathe and the water we drink. We believe that such unwavering devotion is truth, the truth of kindness and love, the truth of strength and respect. As with all other creatures, trees willing provide our needs. In return they must be treated with kindness and respect due to any family and community. Will their kindness to us be forgotten? Will the respect they are due be ignored? Will the truth they represent to us be, quite literally, cut down?

We know that when your ancestors arrived, it would mean more people and that more people would mean a great use of the land. But, our ancestors also knew that survival required a respectful relationship with the land. They knew as well that it meant a respectful between our two peoples, and an understanding one another's ways of life. Have we been granted a second opportunity to work towards a shared responsibility in our relationships? The creator placed the plants on mother earth first,

then the animals, and finally the humans. We need to reciprocate the kindness given to us by the water, by the animals, and by the trees. We are concerned that the rapid changes which will be brought about by this development and the addition of potentially toxic chemicals will alter the behaviour of the plants, the trees, then the animals, and eventually us. In our language there is no word for "planning", the closest expression we have is "Neegan kee naw paa ten pay keatch" It translate as "Thinking Ahead Carefully" If this is to be done, then both you and we must act on the wisdom learned from the past, share kindness in the present, and respect a common hope for the future.



#### Gitchi Meegwetch!

## Mine Wastes Still Not Toxic - According to the Federal Government

Most of the pollutants caused by extractive phase mining are exempt from the National Pollutant Release Inventory (NPRI).

The exemption for mining is for activities related to the actual removal of ore, rock or overburden, up to and including primary crushing. Releases and transfers of NPRI substances produced in the processing of rock ore, such as milling, concentrating, smelting and refining, are reportable.

In Canada, the NPRI is the means by which Canadians can access information about the pollutants released to the environment and transferred by companies in the their communities. It assists governments and other groups by identifying priorities for action to protect health and the environment in Canada.

In the United States, the Toxics Release Inventory or TRI, plays the same role. Since mining was added to the TRI in 1997, the mining industry has topped the list of polluters, contributing over half the 7.77 billion pounds of toxic chemicals released to the environment. Most of the pollutants came from the waste rock and tailings that are created at the mine site.

For a number of years now, a struggle has been taking place in Canada between the mining industry and organisations that care about public health, to get mining wastes and tailings included in the NPRI. The mining industry argues that low concentrations of toxins in waste rock and tailings occur in nature and are therefore not "releases to the environment". MiningWatch and other groups argue that removing the rock from the ground and crushing it exposes more chemicals to air and water and releases them into water and air. We say that their effects are cumulative and toxic, and the public has the right to know about them.

In the USA, Canadian-owned Barrick Goldstrike took the Environmental Protection Agency to court over this issue, and in April 2003 won a ruling that mine operators do not have to report trace minerals in waste rocks to TRI. The decision was based on a legal principle called *de minimus* – that the court should not be concerned with a triviality. The mining industry and its allies argue that the same ruling should apply in Canada.

The industry also argues that the new Metal Mining Effluent Regulation captures releases from mine sites. In reality, the MMER reports releases of only a limited number of substances to water. Under the regulations, a mine effluent that kills half the fish placed in it gets a passing grade, and some highly toxic substances such as cadmium are not on the list of regulated substances.

Some provinces have acts that regulate mining pollutant releases, but they cannot take the place of federal legislation.

## The Taxman Needs to Help Shift from Mining Virgin Materials to Recycling

MiningWatch has been recently published new research on the bias of the tax system towards mining exploration (Understanding Mining Taxation in Canada).

The astonishing cost of the minerals we take for granted must be respected in government policy and industry practice. This means treasuring the minerals that have already been extracted and reducing the need for mining wherever possible. Many more jobs and more sustainable economies can be created in the minerals industry if the focus shifts from mining to the re-use of minerals already taken from the ground and to value-added production in Canada.

In the last decade a number of voices have been expressing growing concern about Canada's special tax treatment for the extraction of virgin minerals:

- The Organisation for Economic Cooperation and Development (OECD) recommended in its 2000 country report on Canada that, "the preferential tax treatment of conventional resource sectors, such as oil and gas, and minerals and metals should be eliminated" on both environmental and economic grounds.
- Principle 8 of the 1992 *Rio Declaration* and Chapter 4 of *Agenda 21 Changing Consumption Patterns* committed the parties to the elimination of unsustainable patterns of production and consumption. It has been estimated that, to achieve sustainability worldwide, the material intensity of each unit of economic output will need to be reduced by 50 per cent and, in industrial countries like Canada, it will have to fall by factors of between four and ten.
- A 1995 report prepared for the Canadian Council of Ministers of the Environment that found tax expenditure provided by federal and provincial governments provided a bias against recycling, and stated that recycled materials would have to taxed 13 percentage points less than virgin materials for optimal waste reduction
- A peer-reviewed article by Kimberley Sharf of the University of Warwick, drew the following conclusions: "The Canadian tax system significantly favours the use of virgin materials rather than recycled materials in the case of metal and glass products..." Sharf found that "Metal produced with virgin material has a Canada-wide weighted average tax rate of 23.4%, while metal produced with recycled material has a rate of 27.9%."

#### Some of the benefits from recycling metals include:

- Pollution prevention mining produces 1 million tones of waste rock and 950,000 tonnes of toxic tailings annually, often requiring perpetual care and maintenance. This is more than twenty times the amount of municipal solid waste generated each year by all of the residences, industries, commercial establishments, and institutions in Canada combined. According to the US Institute of Scrap Recycling Industries, recycling steel results on a 97% mining waste reduction and a 76% water pollution reduction.
- Energy savings on metal production: zinc 60%, steel 74%, copper 85%. Falconbridge Nickel mines in Ontario currently consumes as much electricity as 250,000 homes.
- Reductions in greenhouse gas (GHG) emissions: producing a tonne of aluminum creates four tonnes of GHGs and

making a tonne of steel gives off 0.8 tonnes of GHGs. Small increases in their rates of recycling would yield substantial reductions in GHG emissions. The Enhanced Recycling Program at Natural Resources Canada is working with industry and other stakeholders to find ways to improve recovery of these metals.

• Reductions in human health risk, illness and associated public health costs. Heavy metals released by mining are a significant contributor to ill health in communities such as Sudbury and Port Colborne in Ontario, Lynn Lake, Manitoba, Trail (BC), Labrador City (Labrador) and Rouyn Noranda (Québec). Over 60,000 tonnes of particulate matter are released into the atmosphere from tailings in Canada each year, while the metal smelting sector is a leading source of a range of heavy metals, including cadmium, mercury, lead, nickel and arsenic, as well as acid rain precursors, such as sulphur dioxide.

Metals are especially good candidates for recycling and conservation. Metals do not lose their mechanical or metallurgical properties when recycled, while retaining their economic value. As a result metals can be re-used and recycled through the economy almost without limit.

In a study undertaken by the Pembina Institute and MiningWatch Canada in 2002 (Looking Beneath the Surface), we discovered that even in Canada, the return on investment from the mining industry to federal and provincial governments is shrinking in cash revenues, in contribution to GDP and in employment, while the environmental and social costs are rising. At the same time, ore reserves are being depleted. Investment in mining would be better spent on innovative community economic development strategies for mining dependent communities and support to recycling and conservation.

It is extremely difficult to sort out the tax and royalty benefits of the mining and concentrating industry for a number of reasons. Many figures are confidential. Mining data is frequently aggregated with data from downstream industries like smelting, refining and metals manufacturing - industries which would still exist if the inputs were re-cycled materials. Mining data is also often aggregated with tar sands, oil and gas.

According to the federal Department of Finance, the last year for which detailed tax data on mining was available was 1997. We have been able to determine that in 1997, mining only contributed \$251 million in direct federal taxes, and \$147 million in provincial income taxes (from all provinces) for a total of \$398 million. (from Statistics Canada catalogue number 61-219, 1998).

According to their 2003 annual financial statements, four of the largest mining companies in Canada paid the following totals in taxation. The figures include their subsidiaries and taxes paid to governments elsewhere in the world (numbers in brackets indicate negative taxes).

Sales (US \$)	<u>Taxes 2003</u>	<u>Taxes 2002</u>
\$ 2.035 billion	\$5 million	(\$16 million)
\$1.763 billion	\$44 million	(\$34 million)
\$2.474 billion	(\$49 million)	(\$639 million)
\$4.657 billion	\$24 million	(\$168 million)
	\$ 2.035 billion \$1.763 billion \$2.474 billion	\$ 2.035 billion \$5 million \$1.763 billion \$44 million \$2.474 billion (\$49 million)

## Canadian Companies Profit from Destruction at Bajo la Alumbrera Mine in

### Argentina

An earthquake on September 17, 2004 measuring 6.5 on the Richter scale caused a pipeline to break at the Alumbrera mine in Argentina, sending copper and gold concentrate into the Villa Vil river.

An unknown amount of mineral concentrate filled approximately 2 kilometres of the Villa Vil river, which provides water for domestic consumption and irrigation to the municipality of Andalgalá in Catamarca province. This caused great alarm within the community, according to local councilman Edgardo Salas. The pipeline begins at the Bajo La Alumbrera mine site and culminates in the province of Tucumán.

While the flood of concentrate – which according to local observers reached 12 metres in height – left a layer of solids on top of the riverbed and river banks (as can be seen in the photo), the water component of the slurry penetrated up to two metres deep carrying with it the toxic metals.

As a precaution, water supplies for irrigation and domestic use were cut in the whole area. Through a team of legal advisers, the inhabitants of Villa Vil in Andalgalá will present a complaint in Federal Court against the mining company, Minera Alumbrera Ltd. for "dissemination of dangerous waste" (as stipulated by Argentine Law 25,612).

Minera Alumbrera is 50% owned by Xstrata Copper, subsidiary of the Swiss company Xstrata plc; Wheaton River Minerals Limited of Canada owns 37.5%, and Northern Orion Resources Inc., also Canadian, owns the remaining 12.5%.

The 316 kilometre mineral pipeline was constructed to transport concentrated copper and gold from the mine, in Catamarca, to the treatment and filtration plant and railway terminal, located near Tucumán. It has 3 pumping stations,



Crews clean up spill from Bajo La Alumbrera mine slurry pipeline into the Villa Vil River in Agentina.

and is designed to transport up to 103 tonnes of material per hour; the material moves at approximately 5 kilometres per hour. The pipeline has a 2 millimetre polyethylene outer shell, and a 6 millimetre inner polyethylene coating.

The pumps elevate the slurry to a height of 2559 metres; from this height, it flows by gravity 150 kilometres to the Cruz Alta de Tucumán processing facility. There the water (60% of the slurry) is extracted and dumped into the Salí River, contaminating it with copper, chromium, arsenic, and uranium.

The spill follows legal action initiated by the Governor of Tucumán against Minera Alumbrera for the contamination of the Salí River. Julian Rooney, Vice President of Alumbrera, has been named by the Federal Court to answer pollution charges.

Meanwhile the Canadian media and the Ontario Securities Commission have made no investigation of the liability and responsibility of the Canadian companies involved.

## Cameco Comes Under Fire for Mismanagement at McArthur River Mine

On September 15, the Canadian Nuclear Safety Commission (CNSC) conducted the second day of hearings into the renewal of Cameco Corporation's licence to operate the McArthur River underground uranium mine and Key Lake uranium mill in northern Saskatchewan.

In both this session and the first day of hearings on July 7, Cameco came under fire from Commissioners and intervenors for its handling of the April 6, 2003 cave-in and flood of radioactive water at the McArthur River mine, the world's largest uranium mine. The flood threatened to engulf the lower levels of the mine and a lot of expensive equipment; it ended up stopping production for three months while the company contained the flood and rebuilt the underground workings.

Cameco representatives admitted that consultants' reports had warned of the possibility of a cave-in and major "inflow" and that they had inadequate pumping and water treatment capacity and no contingency plans. They also admitted that their internal geology and engineering used non-standard methodology and therefore couldn't be analysed and compared to standard mine practice.

According to CNSC staff, workers' radiation exposure was within guidelines, and no contaminated water was being

released without treatment and testing. It turns out that this was more by good luck than good management. A series of reports by CBC reporter Dan Kerslake showed how Cameco had known about the danger of a cave-in for months if not years and how "miners worked without ventilation masks to save the mine and their jobs."

According to Keewatin Visions, a miners' group, CNSC staff were at the mine site within a few days of the event, but they did not go underground. They also reveal that miners installing bulkheads to contain the water flow were not informed that radon levels were 0.2 working levels (WL) between the bulkheads, but reached 28.9 WL downstream of the bulkheads and 129.6 WL upstream.

It was also revealed that the company had steel emergency doors had been previously fabricated but were left in storage at the company Key Lake site and never installed.

Standard mining practice is that a mine should have pumping capacity of five times its average inflow, according to Keewatin Visions. If this capacity had been in place there would have been no risk to the miners. Nevertheless, Cameco's upgraded pumping capacity still falls short of this standard, with a capacity of barely twice the average inflow.

According to Keewatin Visions, dirty water was inadvertently pumped into the clean water line; as a result, miners experienced high radon exposures whenever they washed the floor in the refuge station or washed their hands.

Cameco's excuse is that they had mined in the danger

zone before, and they thought they could continue without taking precautions like installing extra pumping capacity or preventive measures like freezing the ore before drilling into it.

Given past experience, we expect the CNSC to approve the licence without any more stringent conditions.

## Statement of the Africa Initiative on Mining, Environment, and Society (AIMES) Meeting in Accra, Ghana, April 30-May 2 2004

We, members of the Africa Initiative on Mining, Environment and Society (AIMES) from Angola, Ghana, Guinea, Madagascar, Mali, Mozambique, Nigeria, South Africa, Tanzania, and Zambia in collaboration with our northern partners from Canada and the United Kingdom meeting in Accra Ghana, from April 30 to May 2, 2004 to discuss the pressing challenges facing Africa's extractive sector, in particular mining, oil, gas, and forestry, and concluded thus:

#### **Observations**

Participants observed that the extractive sector activity in its current setting is contradictory to the interest and concerns of local communities and the developmental priorities of African national economies. Although perceived as catalyst for economic growth and development, extractive sector activity undermines economic development and environmental diversity; destroys community livelihood; violates peoples rights; and account for civil strives, social dislocation, and health impact.

The meeting observed that foreign direct investment in Africa's extractive sector has significantly increased over the last few decades. The increase however, has been inconsistent with poverty reduction, environment protection, and respect for human rights in recipient countries.

#### **Impacts**

The increased investment has rather resulted in:

- 1. Increased poverty due to retrenchment, employment uncertainties, repatriation of extractive sector wealth, discriminatory tax regimes, low royalties, and general inequality regarding benefits sharing.
- 2. Heightened environmental problems manifested in deteriorating health conditions, air and water pollution, dewatering effect, rapid decline of forest estates and biodiversity hotspots, land degradation and access to land, and the increasing externalisation of environmental cost by corporations.
- Increased social conflicts including civil strives of different levels of intensity, resulting from denial of extractive sector wealth, destruction of sources of livelihood, dislocation and displacement.
- Human rights abuses especially against rural communities living within the precincts of extractive sector projects.
- 5. Diminishing role of the state in extractive sector governance and citizens' protection, measured against the increasing power of transnational corporations, and also the increasing role of the state in protecting and promoting the interest of transnational corporations.

The meeting noted that increased extractive sector activi-

ty has led to increasing debt burden of African countries and a declining quality of life for peoples living in extractive communities and states as nations derive cosmetic, little or no benefit from the extractive industries. These problems are reinforced by the attitude, behaviour and practices of the state and transnational corporations, and also neo-liberal regional development frameworks and international agreements.

#### The State

The meeting noted that the repressive power of the state has increased. The attitude and behaviour of the state and its institutions has been hostile towards its citizens who are determined to promote their interest and rights vis-à-vis that of transnational corporations. There are instances across Africa where we witness state repression through the use of private and state security against communities and citizens for expressing dissenting views or making legitimate demands. This attitude and behaviour of the state inhibits transparency and participation in extractive sector issues.

Further, it was noted that the political and administrative structures of the state are so weak to address extractive sector impacts more so when these structures are compromised by corruption and abuse of power.

#### Regional Integration and NEPAD

Although the meeting welcome the principle behind regional integration initiative, participants expressed concerns that the institutions and neo-liberal development frameworks would further advance globalisation and increase exploitation of Africa's extractive sector.

The meeting noted that NEPAD (the "New Partnership for Africa's Development") as a regional development framework has already set the stage for excessive exploitation of Africa's mineral resources. The meeting regretted that while NEPAD identifies mining as a critical area for market access for achieving sustainable development in the 21st century it however fails to develop adequate strategies for maximising the returns on mining and mitigating its impact. NEPAD as a regional development framework is fundamentally flawed in a number of respects: a) it lacks an international framework for environmental governance; b) it sets out conditionalities which are a direct replica of the IMF/WBG conditionalities.

#### **Industry**

Participants noted that the practices and behaviour of industry in the extractive sector has been manipulative as they become more aggressive in their lobby and influence of national policy choices for the extractive sector to serve industry interest. In spite of increased participation by industry in Africa's extractive sector there has been virtually very little or

no forward and backward linkages and value-addition due to high offshore retention and lack of processing.

#### Geo-political Threat of the US in Africa

The Gulf of Guinea – now labelled as the "New Persian Gulf" – is increasingly becoming a prime focus for some northern governments especially the United States of America. Aware of the implications of oil on conflict and poverty the meeting expressed concerns about the increasing interest of the United States in the "New Persian Gulf".

#### IMF/WBG/WTO

At the international level, participants observed with concern that the policy prescriptions by the International Monetary Fund (IMF) and the World Bank Group (WBG) and agreements within the World Trade Organisation (WTO) are inconsistent with the development needs and priorities of African countries.

The policy prescriptions for the extractive sector are pitching mineral endowed African countries in a competition for the bottom. Indeed, under the WTO general agreement on trade in services, multilateral and bilateral donors are fragmenting African economies by demanding services liberalisation. This agreement is set to prise open the extractive sector for the benefit of transnational corporations at the expense of national economies, workers, local communities, the poor and vulnerable groups on the continent.

#### **Demands**

- The meeting welcome the Extractive Industries Review (EIR) final report and demand its full implementation by the World Bank Group, African Governments and Industry. In particular the recommendations on respect for human rights, prior informed consent, revenue management, no-go areas, and good governance and policy reforms.
- We denounce the criticisms of the EIR final report by some African governments as the report made some progressive recommendations that should be adopted and promoted.
- 3. We demand that African governments should resist any pressure to commit the extractive sector in the General Agreement on Trade and Services (GATS).
- 4. We re-affirm our earlier demand for the World Bank Group (WBG) to stop any financing for extractive industries until adequate and transparent mechanisms are established for lending as well as damages to national economies, local communities and environment by current World Bank Group financing, among others, are addressed.
- We demand of African governments to conduct adequate and independent cost-benefit analysis on the extractive sector.
- 6. African governments should respect the human rights and fundamental freedoms of their citizens, recognise civil society as partners and therefore cease any further state repression against local communities.
- We demand the total cancellation of African debt. Debt servicing has been and continues to be one of the major

- constraints to African economies. The cancellation of debts coupled with good governance will allow African countries to invest in more productive and sustainable sectors of the economy for the benefit of the mass of the peoples.
- We demand of industry and the World Bank Group to pay reparation for environmental destruction, pollution, and human rights abuses caused through extractive sector activity.
- 9. We welcome the EIR final report and demand the World Bank Group to fully implement its recommendations.
- 10. We re-affirm our solidarity with local communities affected by extractive sector activity.

#### **Conclusion**

In recognition of the foregoing we reaffirm our determination to work together, and in solidarity with our partners in the global south and north, to building and strengthening a Pan-African platform for advocacy on extractive sector issues.

#### List of Organisations

- 1. Isaac Osuoka, Environmental Rights Action/Oilwatch Africa, Port Harcourt, Nigeria
- 2. Jamie Kneen, MiningWatch Canada
- 3. Kabinet Cissé, CECIDE, Conakry, Guinea
- 4. Mario de Paiva, Jubilee 2000 and Media XXI, Luanda, Angola
- 5. Mauricio Sulila, Livaningo, Maputo, Mozambique
- 6. Modibo Keita, Guamina, Bamako, Mali
- 7. Nsirimovu Anyakwee, Institute of Human Rights & Humanitarian Law (IHRHL)
- 8. Peter Sinkamba, Citizens for a Better Environment, Kitwe, Zambia
- 9. Rarivoarivelomanana Josianne, GREENDEV, Antananarivo, Madagascar
- 10. Roger Moody, Mines and Communities (MAC), London
- 11. Thabo Madihlaba, Environmental Justice Network Forum, Johannesburg, South Africa
- 12. Tundu Lissu, Lawyers Environmental Action Team, Dar Es Salaam, Tanzania
- 13. Bonnie Campbell, University of Québec à Montréal, Montréal, Canada
- 14. Rose Mensah Kutin, ABANTU for Development, Accra, Ghana
- 15. Kwadwo Afriyie, Kwame Nkrumah University of Science and Technology (KNUST), Kumasi, Ghana
- 16. Kyeretwie Opoku, Civic Response (CR), Accra, Ghana
- 17. Augustine Niber, Centre for Public Interest Law (CEPIL), Accra, Ghana
- 18. Clement Kofi Scott, Amansie West Community, Obuasi, Ghana
- 19. Abdulai Darimani, Third World Network-Africa, Accra, Ghana
- 20. Donkris Mevuta, Friends of the Nation, Takoradi, Ghana
- 21. George Awudi, Friends of the Earth-Ghana
- 22. Hannah Owusu-Koranteng, Wassa Association of Communities Affected by Mining (WACAM), Tarkwa, Ghana

## Announcing the Canary Institute

The Canary Research Institute on Mining Environment and Health was incorporated on November 3, 2003, to promote the advancement of education and the reduction of poverty in Canada and elsewhere relating to and resulting from the impacts of mineral development on the physical, cultural, social and emotional health of humans and human communities, and on the health of terrestrial and aquatic environments by:

- 1. Undertaking scientific and social research;
- 2. Publishing, promoting and distributing the results of the Institute's research in articles, journals and monographs and by developing and delivering workshops and seminars to disseminate the results of the Institute's research; and
- 3. Providing seminars and workshops for rural and remote communities dealing with the impacts of mining;

#### Our activities will include:

- Creation of a Knowledge Network for Communities Affected by Mining
- On the Ground Research: research and technical support in response to the expressed needs of local communities
- · Community Health and Mining: studies issues related to health risk assessment
- Water Impacts Assessment: development of a research agenda on the relationship of mineral extraction to water
- The Curriculum Project: development of educational modules for use in schools about the effects of mineral extraction on the environment and society.

You can support our work. Please consider a donation!

MiningWatch Canada and the Canary Institute are sister organisations, both working to analyse and affect mining practices in Canada and by Canadian companies around the world.

The Canary Research Institute for Mining, Environment, and Health carries out research and education projects, and does not advocate with governments. Canadian donors to the Canary Research Institute will be given a charitable donation receipt.

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