

Presentation to the Standing Committee  
on Foreign Affairs and International Trade

Review of the Export Development Act

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MiningWatch Canada  
Suite 508, 880 Wellington Street  
Ottawa, Ontario K1R 6K7  
Telephone 613-569-3439  
Fax 613-569-5138  
[www.canada.miningwatch.org](http://www.canada.miningwatch.org)

Joan Kuyek, National Co-ordinator

## **MiningWatch Canada**

MiningWatch Canada (MWC) is a pan-Canadian initiative supported by environmental, social justice, Aboriginal and labour organisations from across the country. It addresses the urgent need for a co-ordinated public interest response to the threats to public health, water and air quality, fish and wildlife habitat and community interests posed by irresponsible mineral policies and practices in Canada and around the world.

The MiningWatch Canada office opened in April 1999. The founding members are the Environmental Mining Council of British Columbia, the Canadian Nature Federation, the Canadian Environmental Law Association, Northwatch, the Innu Nation, the Yukon Conservation Society, the Canadian Arctic Resources Committee, and Inter Pares.

The aims of MWC are to:

- ensure that mineral development practices are consistent with the goals of sustainable communities and ecological health;
- strengthen technical and strategic skills within communities and organisations faced with impacts of mineral development;
- impose appropriate terms and conditions on mining and in some cases prevent the development of projects that would adversely affect areas of ecological, economic and cultural significance; and
- advocate policies to improve the efficiency and reduce the risks of mineral development.

MiningWatch Canada is a direct response to industry and government failures to protect the public and the environment from destructive mining practices and to deliver on their sustainability rhetoric. With technical and strategic expertise from across Canada, MWC carries out and/or support the monitoring, analysis and advocacy necessary to affect the behaviour of industry and public decision-makers.

A national non-profit supporting initiatives from partners in affected communities in Canada and around the world, MiningWatch Canada is governed by a Board of Directors comprised of a range of experts, community leaders and activists from across Canada. We are members of the Export Development Corporation Working Group.

## **Why are we concerned about the Export Development Act?**

The Export Development Corporation has been brought forcefully to our attention by communities and non-governmental organizations that have to deal with the impact of Canadian mining development abroad. They want to know what role Canadian institutions play in perpetuating the problems they face, and what – if anything – Canadian citizens are doing to support them. In order enable you to better understand the on-the-ground impacts of the mining projects that EDC supports, allow me describe some of these problems.

### ***The Ok Tedi Mine in Papua New Guinea:***

In August of this year, Ok Tedi Mining Ltd, held a press conference to announce that the environmental impacts of the Ok Tedi Mine would be far greater and more damaging than predicted. The company announced that none of the solutions it had studied to date would solve the mine's environmental problems.

OTML is presently owned by Australian giant BHP and 18% by Inmet, a Canadian company. The government of Papua New Guinea is also a shareholder. It is located in the Western province of PNG and is the third largest open-cut copper mine in the world. In 1982, EDC provided \$88 million in export credits toward the construction of the mine. In 1984, a landslide destroyed the dam retaining the mine's toxic tailings, sending 80,000 tons of waste rock containing lead, cadmium, zinc and copper in to the Fly and Ok Tedi Rivers. The mine continues to operate despite its lack of a tailings retention facility, just dumping the toxic wastes directly into the river. Over 130 kms of riverbank have been severely degraded and 30,000 downstream land owners have lost their ability to derive an income from fish or garden crops. An 1996 out-of-court settlement obligates the company to build a tailings retention system, dredge the river and pay

compensation to landowners. OTML argues that it cannot meet these obligations, and that the PNG government must allow them to continue to operate in present conditions.

#### ***The Omai Mine in Guyana***

On August 19, 1995, at about 11:45 pm, 200 meter cracks opened in the lining of a tailings pond on the Omai Gold Mine. The pond was full of cyanide laced wastes from a goldmine. Within seconds, millions of cubic meters effluent gushed out and into the nearby Omai River. It flowed downstream to the Essequibo River, the largest waterway in Guyana, wiping out the fishery, poisoning residents and changing their way of life forever. The mine was owned 60% by Cambior, 35% by Golden Star and 5% by the Guyanese government. Months before the spill a geologist warned of the impending disaster: the dam had been leaking since it was constructed.

The mine was re-started in 1996. The people say it is still not safe. No compensation will ever make up for what they have lost. “Our now pristine river here in Guyana’s rainforest, which scientists say is the largest intact section of virgin rainforest left in South America, is now polluted. We have learned that some of the toxic chemicals that your mine is putting into our water will remain in the environment for hundreds of years.” (from a letter to Cambior President Louis Gignac, August 19, 1999 from the People of Essequibo). In 1992, the EDC issued \$163 million in political risk insurance to Cambior for this mine.

#### ***The Lihir Gold Mine in Papua New Guinea***

EDC recently guaranteed \$29.6 million of a syndicated loan from the Union Bank of Switzerland to investors in the Lihir goldmine project in Papua New Guinea. This is an enormous project owned by Lihir Gold Limited a subsidiary of Rio Tinto. It is one of the most colossal gold mining projects in the world, on an island near a pristine coral reef. The gold is locked in a geo-thermally active volcano. Extraction will involve lowering the water table, using the sea to cool the fiery ore then discharging the water back into the marine environment – all of this to within 100 meters of the coast from a pit that will eventually reach 300 meters below sea level. The mine is expected to last 15 years. The waste rock and tailings – some 400 million tons – will be dumped directly into the ocean. Submarine tailings disposal is not allowed in Canada. Even the company acknowledges that the mine water, geothermal water and leachate from the stockpiled ore will destroy 7 km of coral reef and a major nesting zone for the Melanesian scrub fowl. The US OPIC has refused to support the project because they said it violates international conventions prohibiting waste disposal at sea.

#### ***The Kumtor Mine in Kyrgyzstan***

On May 20, 1998, a truck carrying sodium cyanide to the Kumtor Gold Company – two-thirds owned by the government of Kyrgyzstan and one-third owned and operated by the Saskatchewan-based Cameco Corporation – overturned into the Barskoon river, spilling two tons of deadly cyanide. The Barskoon flows into Lake Issyk Kul, the country’s biggest lake and largest tourist attraction. Since then, it has been reported 2,500 people were poisoned, 800 hospitalized and four died as a result of the accident. Local community leaders are demanding an independent investigation, compensation and that those responsible be held to account. The company and international bodies have minimised the accident and refused to accept responsibility. In 1995, EDC provided \$50 million US in senior debt to Kumtor and insured 90 % of Cameco’s subordinated loan and its equity contribution.

***These are shameful stories, and as Canadians we all have a responsibility to do something about them.***

Even those EDC supported mines that are generally considered by Canadians to be “good” mines have serious consequences environmentally, socially and culturally, and cry out for a proper assessment and evaluation by independent parties.

#### ***The PT INCO Mine in South Sulawesi, Indonesia***

“The Larona river falls a stupendous 1,000 feet from Lake Towuti, along a forty kilometre stretch into Usu Bay, in southern Sulawesi”, writes Roger Moodie. “Set almost dead-centre in the island, it’s the kind of stamping-ground for which today’s eco-tour operators would give their eye-teeth.” Twenty four years ago, however, PT Inco - 58% - owned by the world’s single biggest nickel producer, INCO of Toronto - got to Larona first and dammed the river to power its nickel smelter complex at Soroako. The

Larona dam flooded the ricefields, coconut plantations and a mosque belonging to villagers who lived around Lake Towuti. It also prevented the migration of native eels- a major food source for villagers. EDC put \$60 million into this venture.

INCO entered into many agreements with the Suharto regime for its mine and mill, for dams and hydro power, for army support and control of indigenous people, for roads and infrastructure. Suharto opened the Soroako mine with great fanfare in 1977 and he was still in power in 1996 to negotiate a major 25 year extension to INCO's existing contract. In 1994, INCO announced that, under a new contract with the government, output from Soroako would be increased by 50% before 1999, and two new hydro plants on would be constructed on the river. We are not sure of the extent of EDC involvement in this venture.

In the area live the Bungku – the indigenous people - and about 3000 “transmigrants” who were settled about 80 kms from Soroako by the Indonesia government in 1992. Both groups are opposed to any expansion of the mine, as it will mean relocating them away from the fertile land where they now live. The Bungku have had thirty years of experience dealing with INCO. Their land is riddled with test pits and bore holes, and with logging companies that have taken advantage of the mine roads. The expansion plan was approved with no public review process, no published environmental or social impact assessment, and certainly no meaningful consultation between the company and local people.

### ***Mining in Chile***

As Canada works out its Trade Agreements with Chile, our mining industry is anxious to take advantage of the rich mineral resources and opportunities for selling technical expertise to Chileans. Canadian mining in Chile is not without its problems. At a recent meeting, Miguel Stutzin from the CDEFF, the oldest environmental NGO in Chile, said that the budget of the environment ministry was reduced by 10% this year, that some parks had been surrendered for mining, that there were serious conflicts over water use and consumption, that closed and abandoned mines were a serious problem and that there were few mechanisms for real public participation in environmental assessment. We know that EDC is heavily invested in Chile through a new \$100 million financing facility set up with Corporacion Nacional del Cobre de Chile (Codelco), as well as other project specific supports.

MiningWatch Canada also gets calls for help from people affected by other Canadian mining companies. We do not know if the mining project described below receives EDC support, but we do know it would be a candidate under present rules.

### ***Tiomin in Kenya***

The coastline of Kenya from the port of Shimoni to the ancient village of Mambruis is under severe threat from irresponsible mining. The Kenyan coast is a stunning tropical paradise with 250 miles of palm-fringed beaches. It is the ancestral lands of the Digo and Duruma people who are subsistence farmers. Tiomin Resources of Toronto has secured permission to strip mine titanium at five coastal sites. Kenya has very weak guidelines and laws governing mining. Following the mining, the soil structure of the land will be destroyed. Farmers claim they are being forced to sign surface right lease agreements without legal representation and without information about the consequences for their livelihoods. The extraction of titanium rich sands at the rate of 1,500 tons an hour will leave the land sterile and useless. Most Kenyans are unaware of the plans for the mine, and Tiomin is eager to get funding confirmed before the public understands what they are doing and demands input.

## **The Need for Accountability and Transparency**

MiningWatch Canada is a relatively new organization, formed by other organizations that have been struggling with mining issues for many years. Our members tell us how they found out about those investments, not through the EDC, but through occasional good luck and hours of hard slogging through news, trade journal reports and government documents in the recipient country. As you know, in this country, EDC does not generally reveal information about their loans, investments and insurance, claiming “commercial confidentiality” as a reason. The secrecy of EDC leads to spiraling frustration on the part of

organizations like Probe International, that have spent twenty years trying to piece together this information for their overseas partners.

EDC is a public financial institution that enjoys many benefits – immunity from paying taxes, a limited liability clause, a government guaranteed credit rating and a capital base derived from tax dollars. It should be disclosing enough information so that the public can evaluate whether Canadian policy is being met, and whether the projects are causing harm in the communities in which they operate. The Gowlings Report came to the conclusion that “ the publication of general information regarding EDC clients and activities would not, in most cases, adversely affect the commercial interests of EDC customers. Moreover, owing to its status as a government entity, EDC customers should not expect their EDC relationship to be shielded from public knowledge.”

We agree with the Gowlings Report recommendations that would require EDC to disclose the name of the borrower, country, name of exporter, amount and type of financial support, term and a brief description of the goods, services and project involved. We believe that such information should be available for public comment at the proposal stage.

EDC should be placed under the Access to Information Act.

***It is our view that this basic requirement for public accountability and transparency is so basic, that if it is not met, the EDC should not exist at all.***

## **The Need for Environmental Assessment of Projects**

The EDC has supported projects that have had some of the most serious mine disasters in the world. Mining is risky business. It is risky not only for investors but for the communities and eco-systems where it takes place. They need to be assured that the mining project will not damage their environment irreparably. The mine is rarely there for more than 20 years, but the people and the land will be there forever.

Even a large relatively clean mine can upset the balance of a fragile eco-system on which indigenous people depend for life. The construction of roads can lead to side effects like increased farming and logging. During the life of a mine pollution flow-throughs are a concern. Mining and milling takes enormous amounts of water and energy, both of which have effects on the environment. Some extraction processes are very dangerous, like cyanide-heap leaching.

But it is mine closure that must be given the highest priority. Depending on the quality of ore and the method of extraction, up to 99% of the rock removed becomes waste. Rock surfaces that are exposed to air and water oxidize and create Acid Mine Drainage. Acidified water dissolves the heavy metals in the waste rock, and takes with it into rivers, aquifers and lakes, lead, cadmium, zinc, nickel, arsenic and other heavy metals. Often this problem does not appear until many years after the mine closes, and it can last for hundreds of years. AMD is the mining industry’s greatest environmental problem and its greatest liability. It is the largest cost of doing business and it is rarely on the company ledger.

### ***The Marcopper Mine in Marinduque in the Philippines***

In 1982, EDC lent \$1.36 million for the Placer Dome Marcopper Mine on the tiny island of Marinduque in the Philippines. Between 1975 and 1991, Marcopper dumped more than 200 million metric tons of tailings from its Mount Taipan mine into the shallow and coral-rich waters of Calancun Bay. The 12,000 fisherman and their families who depend on the bay for their primary food source have been devastated by its demise. Because of the loss of income caused by the poor fish catches, some villagers can no longer afford to buy rice and some have become ill after eating seafood caught in the bay.

A study conducted in 1997 confirmed the villagers worst fears. A medical team from the University of the Philippines and the Philippine Department of Health found elevated mercury and lead levels among the children from the Calancun Bay area. Philippine President Fidel Ramos declared a “state of medical calamity for health reasons” for the area. In his proclamation 1172, he noted that soil samples collected as

well as air monitoring results, indicated lead levels higher than allowable limits. Children are now being flown to Manila for treatment for lead poisoning.

That wasn't the end of problems for the people of Marinduque. In 1999, Marcopper began dumping its tailings into the mined-out Mount Taipan pit. On March 24, 1996, a tunnel beneath the pit failed and over a period of several weeks, more than 2 million cubic metres of tailings poured from the tunnel into the Makulit and Boac Rivers. At least 20,000 people were affected by the spill.

According to United Nations investigators, Marcopper failed to exercise good management at the mine. Local people have yet to receive compensation, and Placer Dome refuses to accept responsibility for remediating the site, despite a Philippine court ruling that found the company to be responsible.

### ***The Antamina Project in northwestern Peru***

This huge polymetallic mine adjacent to an old mine site initiated by partners Noranda, Rio Algom, Teck and Mitsubishi, is expected to be in commercial production by 2002. The deposit is high in the remote mountains of Peru at an elevation of 4300 metres, in one of the poorest regions in the world. It is immediately adjacent to Huascarán National Park. To avoid punching a road through the Park, the company has decided to build a 300 km pipeline for concentrates to the coast. The company has plans for training the local work force and undertaking community development. Peruvian mining activists would like to see independent monitoring of company promises and performance; they would like to know what the plans are for closure. This is an extremely ambitious project, in very treacherous conditions, and many things could go wrong, and if they do go wrong, it is the communities downstream that will suffer.

EDC is exempt from the Canadian Environmental Assessment Act, and has only a weak and unenforceable Environmental Framework of its own. The EDC Framework provides no opportunity for public participation or for mandated independent scientific investigation of the proposed project. In practice, this means that the proponent will provide most of the information and analysis about environmental effects and "anticipated positive effects of the project". The CEAA process in Canada has certainly made it clear that communities and independent scientists often hold widely diverging perspectives on a development. Taking these divergent opinions into account is a critical part of a good decision-making.

Most disturbing is section 1.7 of the Framework: "EDC will not support projects which, after taking into account the implementation of mitigation measures are, in its opinion, likely to cause significant adverse Environmental Effects that cannot be justified by the anticipated positive effects of such projects". This is not a commitment to sustainable development.

We support the critique of the EDC Environmental Framework done by the EDC Working Group, and the recommendations of that body to make EDC more environmentally responsible.

The EDC should fall under CEAA and report to the Commissioner for Sustainable Development and the Environment.

Even in Canada there is a serious critique of the scope and effectiveness of the Canadian Environmental Assessment Act. With many other groups, MiningWatch Canada takes the position that CEAA should be strengthened, especially in the areas of assessment of cumulative effects, requirements for monitoring and closure plans. We also believe that CEAA decisions should be binding on the parties.

### **The Need for Social and Cultural Assessment of Projects**

Mining not only has a dramatic impact on the environment, it also affects the social life of communities and the cultures of the people. A consultation MiningWatch Canada held with aboriginal communities affected by mining elicited the following concerns:

"Mega-projects dis-organize and disrupt the life of a community. Scarce financial leadership and technical resources get re-directed from dealing with other community

problems into dealing with the mining company. Given the potentially huge social and environmental impacts of large-scale mining, the leaders and staff of aboriginal organizations generally try to learn as much as they can in a short time-frame and with limited financial or human resources in order to negotiate with governments and mining corporations; it should, however, be recognized that this entails significant opportunity costs and many of the participants in the conference felt that they needed to do this work, but that it was thrust upon them and they would rather be dealing with other problems.

One of the key lessons identified in the case studies and through discussion at the conference, is that communities facing potential or actual mining projects need to develop and keep to their own agenda, and not simply react to the agenda set out by the mining company or government. To do this effectively requires both educating the community regarding the proposed project, and working out what it is the community values and wants. Community values and goals should not be limited to those related to the proposed mine, but need to be situated in the context of its broader social, cultural, economic and environmental development. This requires a great deal of time and resources to do well, and this should be recognized and paid for by project proponents.

The work environment at the mines is often hostile to women's direct participation due to living conditions in the work camps and problems finding adequate childcare. As men from the community take jobs at the mine, responsibility for community leadership and involvement in the traditional economy generally falls to the women of the community, which can increase their workload and lead to tensions when workers return from the mine-site.

The wages paid by mining companies and greater participation in the cash economy can create or exacerbate social problems such as alcoholism within communities. The youth and the elders of Aboriginal communities may have different perspectives on how the traditional economy and way of life are changing under the impact of these mega-projects. Concerns were also expressed regarding the loss of Aboriginal languages and culture in a work setting where they are not valued.

Mineral development, and the economic benefits and costs that come with it, inevitably create conflict among community members. It is important to develop means of mediating conflict and building consensus within the community. Rumours often run rampant, creating distrust, while the possibility for some community members of getting jobs or starting businesses can create inequalities within the community. Companies may well attempt to divide the community or exacerbate existing divisions in order to overcome resistance and limit the demands being made of them.

(Summary of conference proceedings, September 12, 1999).

At present there is no social assessment required before EDC support is given to a project. We recommend that social and cultural assessment be a part of the environmental review.

### **The Need for Human Rights Assessment of Projects**

EDC has supported mining projects in a number of countries with very questionable human rights records, and where there is known government corruption. In some cases, this support has been in the form of political risk insurance. This kind of insurance covers up to 90% of a businesses losses attributable to three types of political risk: loss due to the exporters inability to transfer funds or convert foreign earnings into hard currency; loss due to expropriation of assets directly by a foreign government or indirectly by a foreign person; and loss due to politically motivated violence. Support of this kind puts EDC squarely on the side of the government in power. In Indonesia, EDC's support of INCO at its South Sulwesi site

contributed to the power and prestige of the Suharto regime. In the Philippines, EDC helped finance the construction of the disastrous Ok Tedi Mine during the Marcos regime.

Land use and title is a key issue for mining companies all over the world, and is a certain trigger for human rights violations and abuse.

*Calgary based mining company TVI Pacific Inc.* (Toronto Ventures Incorporated) is accused of harassment and intimidation of indigenous Subanen people in the Philippines. Urgent reports sent out by local support groups and by the Mennonite Central Committee in the Philippines document violent dispersal, physical assault and harassment, illegal entry, food and economic blockades, and illegal/warrantless arrests and detention of Subanen people and of small scale miners that oppose mining by TVI Resource Development Philippines, a subsidiary of TVI, on ancestral land of the Subanen.

The Subanen and local small-scale miners have been struggling to stop the incursion of TVI on their area since 1995. In 1997 TVI acquired the already heavily contested mining rights over 508 hectares of land within the 6,557 hectares that makes up part of Subanen ancestral domain in the municipality of Siocon, in the province of Zamboanga del Norte on the southern island of Mindanao.

A recent report from the area, sent out on September 9, 1999, listed some 50 victims, including women and children. Two of the latest victims are members of DCMI, a broad coalition of six Roman Catholic dioceses, non-governmental organizations, and the Task Force Detainees of the Philippines that supports the Subanen and small scale miners. Fifteen victims are reported to be members of the Siocon Subanen Association, Inc. (SSAI), 27 victims are small-scale miners and members of the Canatuan Small-Scale Miners Multipurpose Cooperation (CSSMPC). Both groups contend that TVI has used bribery, blockades and heavily armed security forces to break resistance to its operations. The Subanen filed an indigenous land claim in 1992. Their claim was finally recognized in 1998, but only after TVI had acquired the rights to mine in the area making it more difficult for the Subanen to exercise their rights to deny access to the company under the Indigenous People's Rights Act.

Osino Mato, Secretary of the Siocon Subanen Association, Inc. protests: "We made an ancestral land claim in 1992 before TVI were ever here but the company has been allowed to go ahead and our claim has been blocked. This is our land. We have always lived here." He says, "I don't believe the Government in Canada know what is going on in our place. I do not believe TVI give an honest report."

How would EDC evaluate this project?

Mining projects are never politically neutral. Canadian mining companies have been a driving force in the privatization of state-owned mines in Latin America, the former Soviet Union and other parts of the world. "Expertise" in regulation and mining law is drawn on from a variety of company sponsored organizations and their lobby groups. Obedience to the laws of the host country is not sufficient to protect Canada's reputation in these circumstances.

We understand that no support has been given to companies in Burma, because of the "commercial risk". It would be reassuring to know that Ivanhoe Mines – Robert Friedland's open pit cyanide heap leach mine - was off limits because it used forced labour, and depended on terror to keep operating. Diamond mines in Sierra Leone and Angola use mercenaries and private armies to protect their operations. In present EDC policy, this would not be a reason to reject a request for support.

We support the recommendations of the EDC Working Group in regard to Human Rights.

## **The Need to Evaluate and Monitor Performance**

The mining industry is characterized by a substantial gap between its initial optimistic forecasts of technical competence, and its performance. Even in Canada, state-of-the-art mines fail to perform to



promise. At Lac de Gras, the Ekati Diamond Mine is showing unexpected levels of phytoplakton in one lake downstream from the mine. Companies that rode high in 1996 are bankrupt four years later. In 1996, a Mining Association advertisement (Sept 1966 Report on Business supplement) featured a glowing report of success at the Faro Mine in the NorthWest Territories. It is now bankrupt, leaving behind toxic waste that is poisoning the rivers and earth around it. Chatelaine Woman of the Year, Peggy Witte, is now known as the former owner of the bankrupt Giant Mine (Yellowknife), Kemess (British Columbia) and Pamour-Nighthawk (Timmins) and Hope Brook Mine (Newfoundland). These mines have such huge remediation liabilities attached to them that they cannot even be given away.

In Canada, there has been a steady erosion of the government's ability to monitor pollution. From 1994-8, four science-based federal departments reduced their scientific personnel by 17%. A federal study done to evaluate the Mineral Mining Liquid Effluent Regulations under the Fisheries Act found that 46% of companies were in non-compliance, but no charges had ever been laid under the regulation. If this is the case in Canada – a relatively rich country with an engaged public – how will monitoring and compliance with regulations ever be enforced?

Imagine the problems in countries like Panama and Burma. It is not enough to have environmental assessment at the front end of the project, consistent, measurable evaluation of environmental performance must be done, and where EDC has a major financial stake in the project, it must have the power to step in and force improvements before disasters happen.

Assessment of mining projects must include assurance that appropriate security is in place to cover the costs of any accident and any reclamation and/or compensation at mine closure.

## **The Growth and Influence of the Canadian Mining Industry**

From the 1950's to the 1970's state-owned resource industries were common. Copper, for example, was nationalized in Chile, Peru, Zaire. Mines were nationalized in Venezuela, Peru, Bolivian and Mauritania. Other countries like Indonesia, Malaysia, and Nigeria increased government equity in mines. Some other countries put up legal and other barriers to foreign investment.

In the late 1980's in a series of conferences convened by the multilateral institutions, the IMF, the World Bank, and the UN, global industry players concluded that the barriers to investments in mining industries must be restructured on a global scale (Metal Mining Agency of Japan 1997). The World Bank in particular promoted the liberalization and privatization of state-owned mining industries through structural adjustment lending. By The early 1990's, mines throughout the south were being privatized, and laws governing mining and foreign investment in the resource sector were being changed. 70 countries in Latin-America, Africa, Asia-Pacific have revised their mining laws to accommodate transnational corporations. Canadian companies have been quick to take advantage of this, and have, in fact, been active proponents and "experts" in the re-writing of these laws.

As of 1998, the Canadian mining industry has interests in over 8300 properties worldwide, 3400 of which are in foreign countries. Canadian mining companies have 1,700 mine projects outside North America: 240 in Mexico, 75 in Central America, over 500 in Latin America, 330 in Africa, and over 120 in South East Asia.

It is in the interests of EDC to publish information about the projects, governments and companies it supports, if for no other reason than to avoid blame for projects it has rejected. The Canadian public has a right to know where their money and reputation are being spent.

**Summary of Recommendations:**

1. We support the recommendations of the Export Development Corporation Working Group, attached as Appendix A.
2. We agree with the Gowlings Report recommendations that would require EDC to disclose the name of the borrower, country, name of exporter, amount and type of financial support, term and a brief description of the goods, services and project involved. We believe that such information should be available for public comment at the proposal stage.
3. EDC should be placed under the Access to Information Act. It is our view that this basic requirement for public accountability and transparency is so basic, that if it is not met, the EDC should not exist at all.
4. We support the critique of the EDC Environmental Framework done by the EDC Working Group, and the recommendations of that body to make EDC more environmentally responsible.
5. At present there is no social assessment required before EDC support is given to a project. We recommend that social and cultural assessment be a part of the environmental review.
6. Assessment of mining projects must include assurance that appropriate security is in place to cover the costs of any accident and any reclamation and/or compensation at mine closure
7. The EDC should fall under CEAA and report to the Commissioner for Sustainable Development and the Environment. Even in Canada there is a serious critique of the scope and effectiveness of the Canadian Environmental Assessment Act. With many other groups, MiningWatch Canada takes the position that CEAA should be strengthened, especially in the areas of assessment of cumulative effects, requirements for monitoring and closure plans. We also believe that CEAA decisions should be binding on the parties.
8. We support the recommendations of the EDC Working Group in regard to Human Rights.