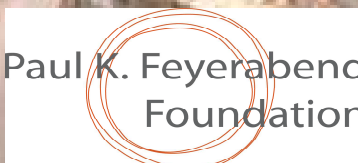
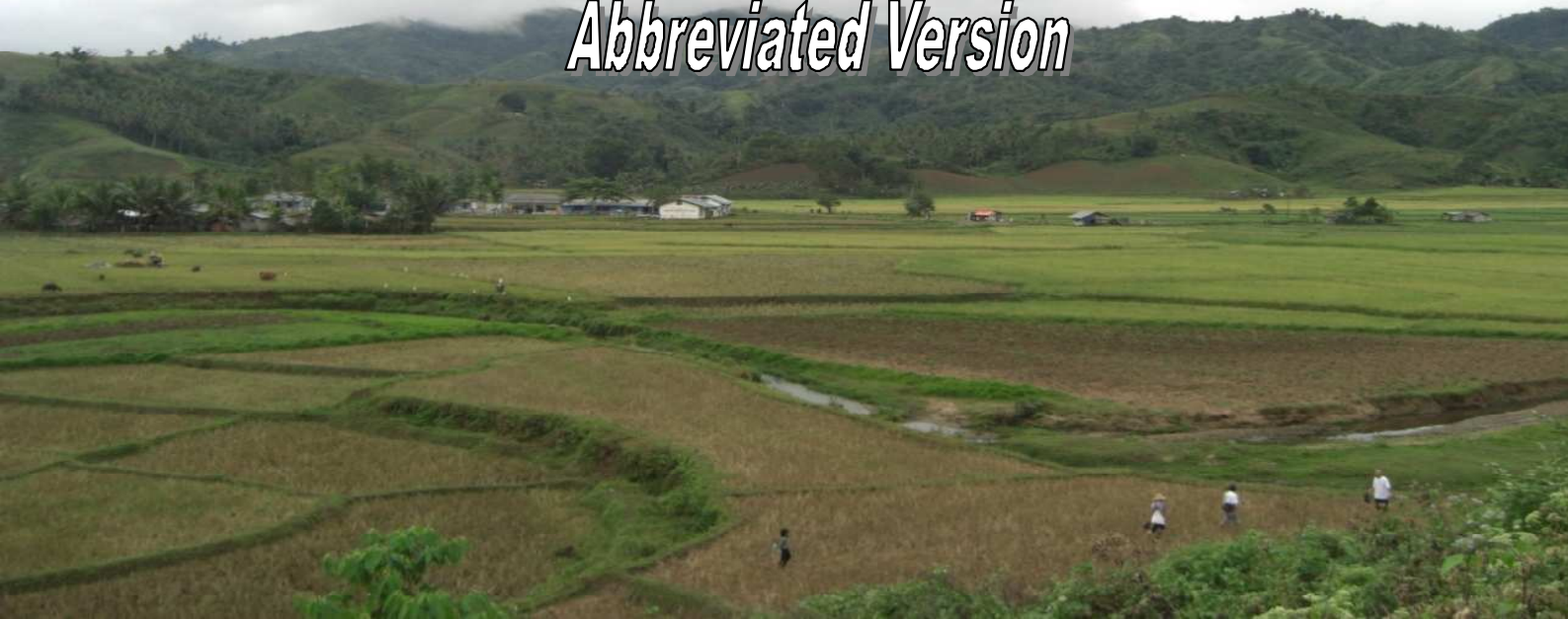


Philippines

Mining or Food ?

Abbreviated Version



Philippines: Mining or Food?

Abbreviated Version

by

Robert Goodland and Clive Wicks

for

The Working Group on Mining in the Philippines

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs

The Brundtland Report, Our Common Future,
UN World Commission on Environment and Development, 1987

In a world overflowing with riches, it is an outrageous scandal that more than 826 million people suffer hunger and malnutrition and that every year over 36 million die of starvation and related causes. We must take urgent action now.

Jean Ziegler
UN Special Rapporteur on the Right to Food, April 2001

DEDICATION

The Working Group on Mining in the Philippines and the authors respectfully dedicate this report to all the courageous and dignified people who have been killed while protecting the environment and upholding human rights in the Philippine archipelago.

Disclaimer

The views expressed in this report are those of the authors and not necessarily those of the participating or supporting organizations. The authors have, however, done their utmost to reflect the views of the many people they met in the Philippines and the views and reports of the people and organizations who have commented on earlier drafts of this report.

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wgmpuk@tiscali.co.uk

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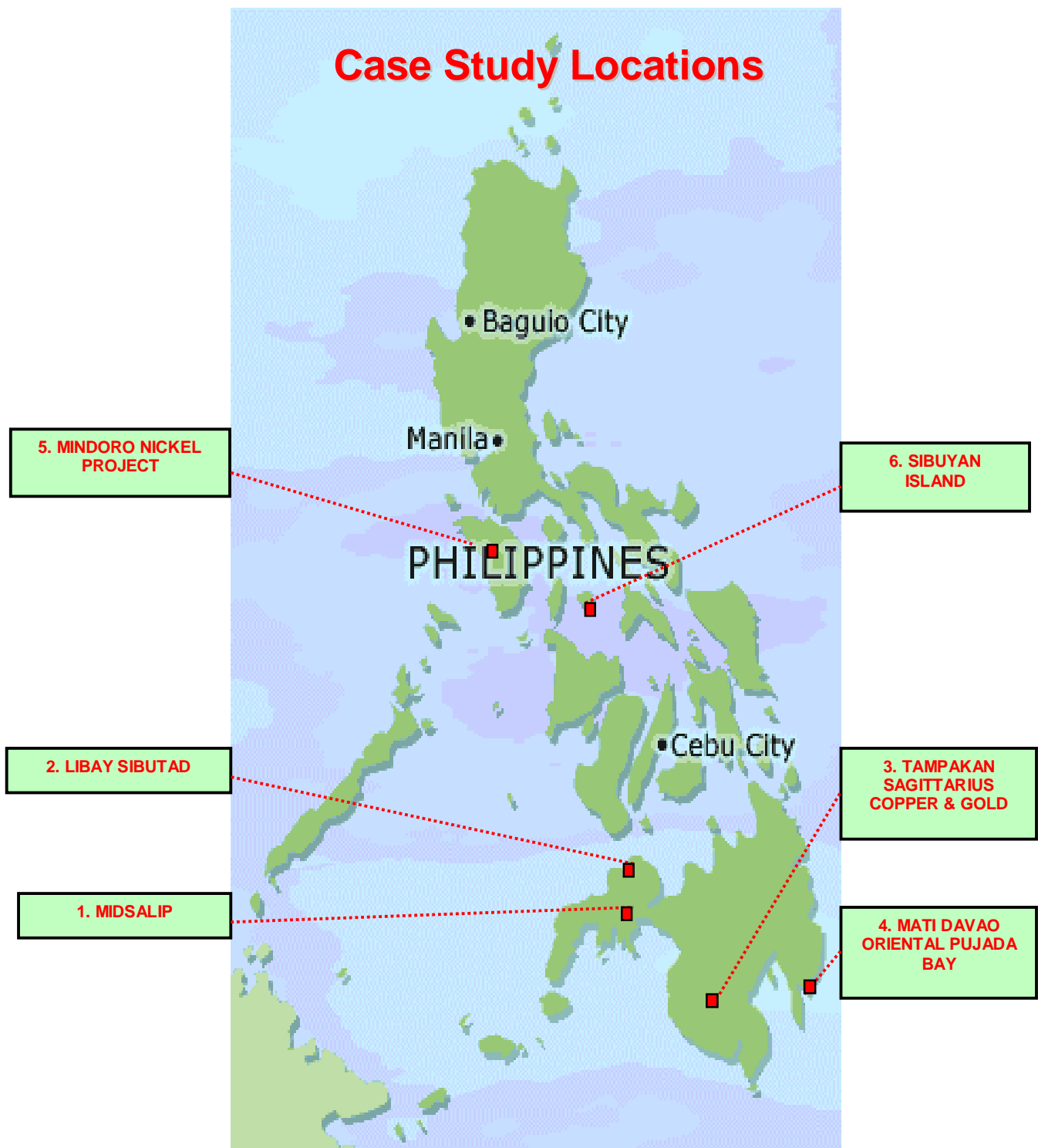
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- Placer Dome Marcopper Mine Marinduque Island by Dr Catherine Coumans, MiningWatch, Canada;
- Rice fields on Authors Field Trip to Midsalip

Map of the Philippine Archipelago



MAPS associated with these 6 Case Studies
are available at <http://www.piplinks.org/maps>
Full version of the report available at www.piplinks.org/miningorfood.com

The Working Group on Mining in the Philippines

The Working Group on Mining in the Philippines was established in 2007, after the publication in January that year of the report, *Mining in the Philippines: Concerns and Conflicts*. Based in Britain and chaired by the Right Honorable Clare Short MP, UK's former Minister of International Development. It includes representatives from the Columban Missionary Society, the Ecumenical Council for Corporate Responsibility, Philippine Indigenous Peoples' Links and IUCN- CEESP.



The Authors

Robert Goodland is an environmental scientist specializing in economic development. He advised the World Bank Group from 1978 through 2001. He then became the technical director to H.E. Dr. Emil Salim's independent Extractive Industry Review (<http://www.ifc.org/eir>) of the World Bank Group's portfolio of oil, gas and mining projects. He was elected president of the International Association of Impact Assessment, and Metropolitan Chair of the Ecological Society of America. He was awarded the World Conservation Union's Coolidge medal in October 2008. (RbtGoodland@aol.com)

Clive Wicks has 48 years of experience of working in engineering, agriculture and environment, specializing in the impact of extractive industries on the environment. He is a vice chair of IUCN-CEESP (IUCN's Commission on Environmental, Economic and Social Policy) and co-chairs SEAPRISE (IUCN-CEESP's Working Group on the Social and Environmental Accountability of the Private Sector). He worked in the international environmental movement for the last 24 years, mainly with WWF UK. He headed WWF UK's African, Asian and Latin American programs, and represented WWF at G8, World Bank, International Finance Corporation, UNEP and UNDP meetings on extractive industries. (Clivewicks@gmail.com)

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The Authors wish to thank all those who helped them, both during their trip to the Philippines and in the last year, for the substantial information provided to help them with their research. This report would not have been possible without the support of many people in all the areas visited, including Indigenous Peoples, who opened their hearts and shared their concerns with the authors about the environmental and human rights abuses caused by mining. They are the real authors of this report.

However, in view of the vast number of extrajudicial killings that have taken place since 2001, now believed to be over 1,000, including a Bishop of the Independent Church, the authors are reluctant to name people or organisations in the Philippines.

The authors admire the courage of the politicians, bishops, priests, sisters and pastoral workers of the Catholic Church and the leaders of many other faiths and none and human rights lawyers who have the courage to speak out against the destruction that mining is currently causing and will increasingly cause to their beautiful, fruitful and bio-diverse archipelago. It has been a great honour and a humbling experience for the authors to work with such brave and committed people.

They would like to thank the Local Governments Units, the Catholic Church, especially the Columban Missionaries and the bishops, priests, sisters and communities who welcomed them during their trip and provided accommodation, transport and food for the team.

The best help the authors could provide was to apply their long years of experience and professional knowledge of the extractive industry around the world and their knowledge of environmental and human rights best practise, laws and conventions in an impartial and professional way.

They would like to especially thank PAFID for their contribution to the mapping of the areas visited on their February 2008 Field Trip, LRC-KSK-Friends of the Earth for their expertise on the law and assisting Indigenous Peoples protect their rights, Professor Arturo Boquiren and Professor Ernesto Gonzales for their contribution and insights about the economics of mining versus environmental value and Cathal Doyle of the Irish Centre for Human Rights for input on the rights of Indigenous Peoples.

From The Working Group on Mining in the Philippines (WGMP):

The Working Group would like to thank Robert Goodland and Clive Wicks for their dedication and passion for human rights and environmental justice, which has led them to generously give of their time and expertise to travel to the Philippines and answer the call of an ever increasing number of communities to help them protect their rights, their lands, their lives and livelihoods. We wish to thank Cordaid, the Holly Hill Charitable Trust, Paul K. Feyerabend Foundation, the Columbans, the IUCN-CEESP (Commission on Environmental Economic and Social Policy), for their financial support to realise this report and maps.

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Foreword to Second Mining Report

By the Right Honorable Clare Short MP



When I led a Fact Finding Mission to the Philippines in 2006, I was deeply shocked by the negative impacts of mining on the environment and people's livelihood. These were documented in the report *Mining in the Philippines: Concerns and Conflicts*, which was published in January 2007 in both the UK and the Philippines, receiving extensive media coverage in Philippine newspapers.

This second report *Philippines: Mining or Food?* highlights the threat that mining poses to food security. Once self-sufficient in rice, the Philippines is now the world's biggest importer and, with world rice prices tripling this year, it has had to pay record prices. In a country where two-thirds of the population live on only \$2 a day, this means that more Filipino families are being forced into poverty. The problem is rooted in the failure of the Philippine Government to maintain the health of its agricultural sector and to conserve vital natural resources, such as tropical forests and water, which contribute to national rice output. The loss of watersheds, for example, has a direct impact on the water supply for irrigation that is so vital for rice farmers. Yet, the Government seems to regard forests purely as a source of timber and as potential areas for mining.

The Working Group on Mining in the Philippines, which I chair, was established after the publication of the first report. We are delighted that the authors, two British environmental experts, were able to visit the Philippines in February this year in order to investigate more fully, document and map some key sites targeted for mining. This report is the fruit of their excellent work and makes clear how food production will be damaged irreparably if the mining projects on the drawing board go ahead. One of the authors, Robert Goodland, worked for the World Bank for 23 years, latterly as senior environmental advisor and as the technical director to the independent Extractive Industry Review (EIR) of the World Bank Group chaired by Dr Emil Salim. He is very critical of international investor support for mining expansion in the Philippines. Clive Wicks worked in the corporate sector for many years, then for the Worldwide Fund for Nature, and now as the co-chair of the IUCN CEESP (Commission on Environmental, Economic and Social Policy). Clive has become increasingly concerned about mining activities failing to meet sustainability criteria and their increasing propensity in some places – many of them fertile but fragile environments – to undermine food production.

These two men traveled the length of the Philippines visiting a range of communities from those dependent on the remaining forested mountains to those who rely on the tropical seas, observing and cataloguing the precious natural resource capital being put at risk. We thank them for their dedication on behalf of poor Filipinos whose still beautiful and fruitful environment is their health and wealth. This report, and the accompanying illustrations and maps, have been prepared by them and their dedicated Philippine team, with support from members of the Working Group in London.

The report calls for more responsibility from mining companies, foreign chambers of commerce, western governments, development agencies, international financial institutions and investors, in the way they promote and support mining in the Philippines. It points to serious reservations about the practices of the big mining companies, many of which have headquarters in Britain and are listed on the London Stock Exchange. It also highlights the clash between the Philippine Government's rhetoric about supporting agriculture and the crises on the ground. The Working Group would like to express continuing admiration for and solidarity with the Catholic Bishops' Conference of the Philippines and all those local campaigners who have challenged the country's 1995 Mining Act and current plans for mining expansion. The following words from the report are worth repeating here:

The stark choice facing the Philippines is between a few years of mining and thousands of years of irrigated rice and fisheries production. Mining reduces the options for future generations. The lessons learnt from the (2002-2004) independent World Bank-funded Extractive Industry Review have not been followed in the Philippines.

Clare Short

Clare Short MP

House of Commons, December 2008

Message from Senator Aquilino Pimentel Jr.



Senate of the
Philippines
14th Congress

Senator Aquilino Pimentel Jr.
Senate Minority Leader

I have read the Report of the visit to the Philippines by the team headed by Robert Goodland and Clive Wicks and found it not only accurate but comprehensive. The maps prepared by Clive Wicks with Pafid show the location of deleterious mining operations in various parts of the country and graphically portray the destructive aspects of the industry on food farms and the water supplies of the hapless districts concerned.

As the only Senator from Mindanao and as the author of the Local Government Code that is cited in the Report, I can attest to the veracity of the complaints of the tribal groups in Mindanao and throughout the Philippines who are being oppressed by government policies relating to two extractive industries, Mining and Logging. The scarred landscapes of the barangays and the municipalities are obscene reminders of the devastation that loggers and miners have caused to the islands and especially to the people of Mindanao.

Since the date of the first visit of Clare Short MP in 2006, foreign mining interests, in complicity with their powerful local allies, have widened the areas of their greed, apparently abetted by loose government controls over their industry. In four towns in the Luzon, province of Zambales alone, at least ten mining companies are - as I write this - competing to level mountaintops in their ravenous search for nickel, copper, gold and chromite.

Because the companies are going for massive open-cast mining in upland communities, they are denuding the already depleted forests and exacerbating the problems in lowland agricultural lands which suffer increasingly from erosion, siltation and flooding. More specifically, three mayors I have spoken with, say that the rice fields of farmers at the foot of the mountains concerned have been ruined.

The mayors told me that the mining companies began their operations even without the legally required environmental clearance certificates (ECC). They spoke of their inability to stop the mining operations because mining companies hauled the ores by trucks "secured by higher" government armed elements. Moreover, the haulers usually had in their possession "permits" signed by "higher" local and national government authorities.

Incidentally, since the Marcos years, I have denounced and will continue to condemn the use of force - now mainly done through the civilian paramilitary units - to intimidate tribal groups that oppose the entry into their ancestral domains of mining and logging interests, without engaging them in honest-to-goodness consultations.

No country claiming to be democratic should allow that to happen within its territory.

Senator Aquilino "Nene" Pimentel Jr
Senate of the Republic of the Philippines
Senate Minority Leader
22 October 2008



Message from Bishop Zacarias C. Jimenez, DD

Episcopal Commission on Indigenous Peoples-Mindanao
Bishop's House, Butuan City, Philippines
24 October 2008

Reading this Report, *Philippines - Mining or Food?* I deplore and lament with the prophets of old what is happening to our beloved land. Our own experiences here in Mindanao validate the report.

“Remember, O Lord, what has come upon us; look, and behold our reproach! Our inheritance has been turned over to aliens, and our houses to foreigners. We have become orphans and waifs, our mothers are like widows. We pay for the water we drink, and our wood comes at a price. They pursue at our heels; we labor and have no rest. We have given our hand to the Egyptians and the Assyrians, to be satisfied with bread. Our fathers sinned and are no more, but we bear their iniquities.” (Lamentations 5:1-5)

I chair the Episcopal Commission on Indigenous People – Mindanao and have been to many workshops with our indigenous peoples representatives all over Mindanao in recent years. I heard their stories of anguish, saw them cry as they narrate their deplorable state, and I feel their anger against the game that our power-hungry national and local government officials are playing with them in alliance with greedy corporations. The situation is at its worst at the present moment.

The very government that is supposed to protect their rights is the very one abusing them, manipulating them, turning many of their leaders into “Tribal Dealers”. The very people, save a few, we elected to supposedly ensure their basic need of food, shelter and clothing, created laws that instead further the interests of foreigners, investors, multi-national corporations and have turned these laws into a “machinery of death” for our indigenous peoples and their precious culture.

What is worst is their deception. They are the modern Trojans bringing gifts of empty promises of progress and development. *Timeo Danaos Dona Ferentes!* I fear the Greeks bringing gifts to our people.

I also condemn all forms of harassment by government agencies against the people, foreigner and local, who are working in whatever way to help the situation of our indigenous peoples.

I would like to remind readers about and strongly endorse the 2006 Statement on Mining Issues and Concerns of our Catholic Bishops Conference of the Philippines (CBCP) President:

- To support, unify and strengthen the struggle of the local Churches and their constituency against all mining projects, and raise the anti-mining campaign at the national level;
- To support the call of various sectors, especially the Indigenous Peoples, to stop the Priority Mining Projects of the government, and the closure of large-scale mining projects.
- To support the conduct of studies on the evil effects of mining in dioceses;
- To support all economic activities that are life-enhancing and poverty-alleviating.

God help our indigenous brothers and sisters Our precious land ... all of us!

Bp. Zacarias C. Jimenez, DD
Chair, Coordinating Team, ECIP - Mindanao

Partial list of Acronyms and Abbreviations

ADSDPP	Ancestral Domain Sustainable Development Protection Plans
AMD	Acid Mine Drainage
ASEAN	Association of South East Asian Nations
CADT	Certificate of Ancestral Domain Title
CAFGU	Citizens Armed Forces Geographical Unit
CALT	Certificate of Ancestral Land Title
CBCP	Catholic Bishops Conference of the Philippines
CEDAW	Convention on the Elimination of all forms of Discrimination Against Women
CERD	Convention on the Elimination of all forms of Racial Discrimination
CHR	Commission on Human Rights
CRC	Convention on the Rights of the Child
DENR	Department of Environment and Natural Resources
ECC	Environmental Clearance Certificate
ESIA	Environmental and Social Impact Assessment
EIR	Extractive Industry Review
ESIA	Environmental Social Impact Assessment
EC	European Commission
EP	Exploration Permit
EU	European Union
FPIC	Free, Prior, Informed, Consent
FTAA	Financial and Technical Assistance Agreement
FFT	Fact Finding Team
GoP	Government of the Philippines
ICCPR	International Covenant on Civil and Political Rights
ICESCR	International Covenant on Economic Social and Cultural Rights
IFC	International Finance Corporation
ILO	International Labour Organization
IPRA	Indigenous Peoples' Rights Act
IPs	Indigenous Peoples
IRR	Implementing Rules and Regulations
IUCN	International Union for Conservation of Nature
IUCN-CEESP	Commission on Environmental, Economic and Social Policy
LGU	Local Government Unit
LRC-KSK	Legal Rights and Natural Resources Center-Kasama sa Kalikasan. / Friends of the Earth Philippines
MAP	Mineral Action Plan
MDGs	Millennium Development Goals
MILF	Moro Islamic Liberation Front
MPSA	Mineral Production Sharing Agreement
NASSA	National Secretariat for Social Action
NCIP	National Commission on Indigenous Peoples
NDF	National Democratic Front
NEDA	National Economic and Development Authority
NPA	New People's Army
PAFID	Philippine Association for Intercultural Development
OECD	Organization for Economic Cooperation and Development
SCAA	Special CAFGU Armed Auxiliary
SEA	Strategic Environmental Appraisal
SRSG	Special Representative of the Secretary General
STD	Submarine Tailings Disposal
UNEP	United Nations Environmental Programme
UNCTAD	United Nations Commission on Trade and Development
WBG	World Bank Group

EXECUTIVE SUMMARY AND RECOMMENDATIONS

In July 2006, the Right Honorable Clare Short MP, former UK Minister of International Development, led a Fact Finding Mission on Mining to the Philippines, the report of which was published in 2007, *Mining in the Philippines: Concerns and Conflicts*.¹ The report raised concerns about the implications for food security if mining in the Philippines continued on the scale planned. This second report follows up on the issue of food security. It is based on a field trip to the Philippines in February 2008 by the authors, Robert Goodland and Clive Wicks, who visited a number of mining locations on the islands of Mindoro and Mindanao. This follow up report also entailed a mapping exercise to demonstrate the overlap of mining locations – both existing and proposed – with indigenous ancestral domains, watersheds and areas of environmental importance, all of which are critical for agricultural and food security in the Philippines.

Past willful negligence of the fundamental connection between natural resources management and food security has cost the Philippines dearly. As a result of this the country has suffered from two massive hemorrhages: the loss of most of its forests from the 1950s to the 1980s; and the loss of much of its fisheries since then. The forest loss has led to a decline, in turn, in the production of rice, the country's staple food, as the loss has affected rainfall and water supply. The unnecessary and nationally unprofitable loss of forests and fisheries are akin to killing the goose that would have laid “golden eggs” in perpetuity. Those “golden eggs” provided sustainable livelihoods for poorer people.

Most worrying is the rapid speed at which the country's natural resource base has declined over the last 30 years and its increasing proneness to so called “natural” disasters, which have a link to human activities. The country will suffer many more such disasters unless drastic action is taken. The general state of the outstanding natural environment in the Philippines – a global treasure as one of the world's top biodiversity hotspots² – prompts urgent application of the Precautionary Principle³: to prevent more damage immediately. The priority must be on how best to approach this emergency, as there will almost certainly be no second chance (European Commission 2005).⁴

Despite these warnings, the large-scale mining that is now proposed for the Philippines threatens to wreak further havoc, compounding the legacy of deforestation and habitat destruction. There is strong evidence from areas in which mining has

¹ “*Mining in the Philippines: Concerns and Conflicts*” by Doyle, C., Wicks, C. and Nally, F. 2007. Society of St. Columban, Solihull, UK: 62 p.

² http://www.biodiversityhotspots.org/xp/hotspots/hotspotsscience/Pages/hotspots_defined.aspx
Hotspots are ‘characterized both by exceptional levels of plant endemism and by serious levels of habitat loss’.

³ 1992 Rio Declaration on Environment and Development Principle 15

⁴ European Commission, 2005. Philippines country environmental profile. Makati City, Delegation of the European Commission. 75 p. <http://www.delph.ec.europa.eu/docs/cep%20Philippines.pdf>

already taken place over the past few decades that the extraction process damages rice production, often permanently. The Philippines already relies on rice imports because of the decline in its domestic production. Meanwhile the prices of rice and other basic foodstuffs have more than doubled in recent years on world markets, making rice a more valuable cash crop and imported rice very expensive and thus increasingly out of reach of the poor who comprise in the region of 50% of the population.

In comparison to agriculture, fisheries, and tourism, mining contributes the least of any sector of the economy to reducing poverty or ensuring sustainable development; on the contrary, mining often increases poverty. Mining creates fewer jobs per unit of money invested than agriculture, fisheries or tourism. Domestic and value-added processing in mining can create some jobs, but they are short term as most mines have a relatively short lifespan. According to a recent study, “the mining industry’s economic impact remains negligible – jobs created are only 0.4% of total employment, and revenue is less than 1% of total government collection each year.”⁵ In most cases, the ore is exported unprocessed, just as unprocessed logs were exported during the massive deforestation of a few decades ago.

More agricultural lands, including irrigated rice paddies, will be damaged or destroyed as the mining companies compete for land and water, particularly if they are allowed to mine in water catchment areas. The cumulative impact of mining on fresh water and marine ecosystems does not appear to have been studied sufficiently – or it is simply being ignored.

Mining is universally acknowledged to be a high-risk activity that is especially precarious in areas of high rainfall (more than three meters per year); seismically active areas; steep slopes downstream of deforestation; and densely populated areas. These conditions are common in the Philippines. Mining is particularly risky in agricultural areas, especially above irrigation and fish pond zones. All these risks are receiving scant attention from the Philippine Government or mining corporations.

Mining is also frequently associated with generating or exacerbating conflicts, militarization, corruption, and human rights abuses. For these reasons, many codes of conduct, reviews and international standards conclude that mining should not be permitted in conflict zones, at least not until the conflict has been permanently resolved (*see* Chapter 4 Box 3: “*Sensitive Areas or ‘No-Go Zones’*”). In Mindanao, armed insurgents have labeled overseas mining companies as exploiters of the people, and thus legitimate targets. On 1st January 2008, the New Peoples’ Army claimed responsibility for destroying buildings at Xstrata’s mine base camp in Tampakan in Mindanao (*see* Case Study 3). The country’s armed forces frequently come into conflict with local communities protesting against mining. This leads to further human rights abuses and undermines the constitutional position of the military as protector of the rights of Filipino citizens rather than multinational interests.

Mining profits accrue primarily to mining corporations, most of which are based outside the country; some go to the government, but little trickles down to poor Filipinos. Thus profits are privatized by companies while the costs are externalized to

⁵ Miriam Grace Go, “First, Please Clean Up,” in Roel Landingin & Marites Vitug (eds.) *Newsbreak*, 2008. *The Big Dig: Mining rush rakes up tons of conflict*. Special Edition (July-September). Philippines, Quezon City. 3 p.

communities. Many of these costs remain long after the mining corporation has left the country. The Mining Act of 1995 has virtually handed the country's patrimony over to foreign mining corporations. It only provides for excise tax on mineral products and allots no share in benefits to the State as owner in trust of the resources. The authors join campaigners and the Catholic Bishops' Conference of the Philippines in calling for this Act to be revoked and urge an immediate Moratorium on all new applications for exploration and mining and a review of existing contentious applications and operations.

While the Philippines may appear to have some of the best laws in the world to protect the environment, human rights and Indigenous Peoples, their application is unacceptably poor. Many countries without such good legislation have far better practical protection for their people and environment.

Indigenous Peoples are particularly vulnerable to the negative effects of mining. The ancestral domains of indigenous communities tend to be in forested upland areas, many of which are now targeted by mining corporations. Stewardship over these lands is enshrined in oral history, myths, prayers, and traditional laws that pre-date the Philippine state. These indigenous communities have traditionally lived sustainably in the forest, but have been displaced or are currently threatened with displacement by what they call "development aggression" such as commercial logging and mining. The Philippine Indigenous Peoples Rights Act (IPRA) requires that Indigenous Peoples' Free and Prior Informed Consent (FPIC) be obtained for mining on their lands. However, manipulation of the FPIC process, resulting in the fabrication of their consent, is widespread.

The Philippine Government presents mining as "*sustainable*", but the extraction of finite resources such as minerals can never be sustainable. Many people in the Philippines do not believe that mining can make any contribution to sustainable development. This output of the Philippine Biodiversity Conservation Priority-setting Program (2002 See Annex H) illustrates the immanent threat mining poses to the very sustainability of the Philippine Archipelago. This is reflected in the 2006 statement of the Catholic Bishops' Conference of the Philippines, that "our experiences of environmental tragedies and incidents with the mining transnational corporations belie all assurances of sustainable and responsible mining that the Arroyo Administration is claiming".⁶ Addressing these concerns would necessitate that mines be developed according to practices that factor in the climatic (increasingly regular and powerful typhoons), geographic (high number and frequency of earthquakes, volcanic potential, proximity to oceans, impacts on watershed areas, high sedimentation of rivers, areas of high agricultural productivity and rich biodiversity) and demographic (proximity to areas of high population density, impacts on local livelihoods) conditions. It would also require adherence to the legislative protections already in place, respect for Indigenous Peoples' rights and ensuring that the income generated be used to support sustainable activities.

Indigenous Peoples regard large-scale mining as a direct threat to their survival. Given no other option, there is a risk that they and others could be driven to take up

⁶ Catholic Bishops Conference of the Philippines, A Statement on Mining Issues and Concerns, Jan 29, 2006

arms to protect their lands and rights. That they have not already done so is a testament to the will of their leaders to resolve the issues in peaceful ways. The prospect of violence has been stated publicly on several occasions, and was forewarned by the Catholic Bishops of the Philippines in their Statement of January 2006 (Annex A).

The powerful divisions within the Department of the Environment and Natural Resource (DENR), such as the Mines and Geosciences Bureau (MGB), have full information in the mining permit processes, while, in stark contrast, the DENR's environmental and social departments are often kept in the dark. When differences of opinion arise, the DENR tends to side with the mining corporations against their environmental bureaus. This is a classic case of regulatory capture: "the Government's regulatory agency that is supposed to be acting in the public interest becomes dominated by the very industry that it should be supervising".⁷ Likewise, the National Commission on Indigenous Peoples (NCIP) has been obstructed from executing its mandate in the interests of "harmonizing" IPRA legislation with the goals of the DENR-MBG and the Mining Act.

The 2007 Report, *Mining in the Philippines: Concerns and Conflicts* highlighted the extent to which the World Bank was implicated in the expansion of mining in the Philippines. Despite historical problems with mining and a legacy of 800 abandoned mines, the Bank was one of the major actors influencing the Mining Act of 1995. Although the Bank's support for mining diminished in the late 1990s, it was announced in 2008 that the private sector arm of the World Bank Group, the International Finance Corporation (IFC), is considering massive investment in the Philippine projects of a Canadian mining company, Mindoro Resources Ltd. This is extremely worrying. This controversial move is widely opposed by campaigners in the Philippines concerned about large-scale corporate mining. The IFC's resumption of mining seems to undermine the position of the rest of the World Bank Group to stay out of mining in the Philippines.

In all, mining is reducing the options for future generations of Filipinos. The lessons of the 2001-2004 independent World Bank-funded Extractive Industry Review (EIR)⁸ have yet to be learnt in the Philippines.

Mining has never been effectively integrated into the Philippines National Sustainable Development plans. In a November 2007 statement to a lawyers' conference in Mindanao, a former Supreme Court Justice quoted then DENR Secretary Angelo

⁷ <http://www.reference.com/browse/regulatory%20capture>

⁸ The 2001-2004 Extractive Industries Review was chaired by Dr Emil Salim, former Environmental Minister of Indonesia, and Chair of the UN World Summit on Sustainable Development, WSSD 2002. The EIR's final report identified three main conditions that must exist in a country before the World Bank should consider supporting extractive projects: transparent pro-poor governance, based on the rule of law, including the notion that an equitable share of a project's revenues should go to the local community; respect for human rights, including labor rights, women's rights, and Indigenous Peoples' rights to their land and resources; a revision of the World Bank's own policies to ensure they promote social and environmental policies, including banning involuntary resettlement and destructive practices like the disposal of tailings in rivers or seas. Mining companies' obligation to obtain the free and prior informed consent of affected communities should also be enshrined.

Reyes' statement that the financial benefits from mining at present range from "zero to nil".⁹ The authors of this report believe that when the costs of environmental and social damage and the costs of decommissioning, rehabilitation and restoration are included, the net figure will in fact be negative.

There is a need to apply the Precautionary Principle in all decisions pertaining to large-scale mining in the Philippines. This applies to national and local governments, corporations and investors. The combination of corruption, militarization, human rights abuses and the small size of many of the thousands of islands where millions of poor people depend upon an environment already under pressure, together with the Philippine's climatic and geographic conditions, argue strongly for adherence to this principle. Increased investments in gold in response to the global financial crisis only serve to compound environmental damage, exacerbating the on-going food crisis.

As a result of the authors' field visits to a number of proposed and existing mining locations on the islands of Mindoro and Mindanao, combined with our various experiences and discussions, we would like to make recommendations to the Philippine Government, mining corporations, development agencies, the investment community and potentially-impacted communities to ensure that mining does not undermine the food base of the country.

In making recommendations, we feel it is essential to point out that, based on our interactions with the various affected communities, local government officials and civil society groups, we noted a clear and disturbing lack of confidence in existing government processes. In particular, the experience of indigenous communities, who are in theory entitled under the 1997 Indigenous Peoples Rights Act to a legal right to Free and Prior Informed Consent over any development within their ancestral domains, suggests that in practice they are provided with little or no protection while their decisions and indigenous traditions and processes are not respected. Time and time again, communities complained that their sentiments and wishes had been ignored or distorted in favor of advancing mining development.

The deterioration in the credibility of Government processes of licensing mining operations seems to the authors a serious and deepening problem: this and the potentially calamitous impacts of mining on the country's food producing capacity are the key concerns that need immediate attention.

The authors' overarching recommendation is therefore for the government of the Philippines to declare a Moratorium on any new mining development. A review of existing mining projects by a credible independent body is also necessary to determine if they impact on food producing capacity, afford adequate protection to the environment and respect existing legal provisions and rights, including the requirement to obtain Indigenous Peoples' Free and Prior Informed Consent. Based on their experience and extensive analysis of the issues facing the Philippines, the authors firmly believe that this Moratorium and review are fundamental to restoring the Philippine Government's credibility, protecting the environment, upholding human rights and guaranteeing the food security of the Philippine people.

⁹ www.newsbreak.com.ph/index.php?option=com_content&task=view&id=3975&Itemid=88889094: Antonio T. Carpio, 30 November 2007.

Summary recommendations to the Philippine Government

A1 Declare a Moratorium on Mining

In accordance with the widespread call from civil society, Indigenous Peoples and the Catholic Bishops' Conference of the Philippines (CBCP), a Moratorium on mining should be declared in the Philippines and a credible independent body established to review all existing contentious mining operations.

In particular, no mining should take place in the areas visited by the authors and addressed in the case studies, namely in Mindanao: 1) Midsalip, Zamboanga del Sur, 2) Libay, Zamboanga del Norte, 3) Tampakan, South Cotabato, 4) Pujada Bay, Davao Oriental; and in 5) Victoria, Mindoro Island; and in 6) Sibuyan Island (see Case Studies 1 -6). Mining in these locations would cause massive environment problems jeopardizing food security and supplies by damaging agriculture and fisheries.

This Moratorium should remain operational until structures and processes are in place that enjoy public confidence, especially the confidence of those communities whose lives, livelihoods and environment would be potentially adversely affected by mining. Revised processes and structural changes in line with the following recommendations will be necessary to ensure this.

A2 Prioritize Food Production

In a hierarchy of policies, the highest priority should be given to domestic staple food production. Mineral exploration and mining should only be developed if and where it is consistent with this. The liberalization and promotion of the mining industry should be de-prioritized in the Philippine Government's economic policy.

A3 Ensure that Department of Agriculture Prevails over Mining Departments (DENR-MGB)

Give precedence to those Government departments that have responsibility for food production and food security. This should entail consultation and respect for the planning processes and decisions of local government.

A4 Suspend the Conversion of Agricultural Lands to Other Uses

Extend the duration and scope of Administrative Order No. 226, issued in May 2008. The processing and approval of all agricultural land conversion applications should be suspended. This should include the conversion of upland ecosystems upon which the productivity of downstream agricultural lands and fisheries are dependent.

A5 Establish an Extractive Industries Coordination Committee

Set up a multi-sectoral and inter-departmental coordinating mechanism or committee for extractive industries. This committee would be responsible for reviewing, monitoring, evaluating and approving or rejecting all extractive industry projects. Credible civil society and Indigenous Peoples' representatives should participate in this committee on an equal footing with Government.

A6 Address Decision-making Conflicts between Local and National Executive Powers

The legislature should urgently address the on-going conflicts between National and Local executive powers in relation to the authorization of mining. The principle of subsidiarity should prevail and give respect to decisions taken by local or regional governments consistent with their sustainable development plans. Participation of civil society advocates should be ensured with oversight from congress or the senate.

A7 Restructure the Department of the Environment and Natural Resources (DENR)

Restructure the DENR to eliminate the conflict of interest in relation to its contradictory roles of promoting mining and conserving the environment. Create a National Environmental Management Agency which would independently enforce environmental laws and regulations (in line with the World Bank's recommendation *see* section 8.1 on World Bank,) equivalent to environmental protection agencies that operate in other countries. Congress should act upon the bill that would make this possible.

A8 Revoke the Philippine Mining Act (1995) RA 7942

Revoke this Act immediately and replace it with legislation which is consistent with the Philippine Constitution, applies the Precautionary Principle and adequately protects human rights, Indigenous Peoples' rights, and the environment, while regulating mining for the public interest and ensure that the State has an adequate share of the benefits as owner in trust of the resources.

A9 Uphold the Right to Food and Stop Human Rights Abuses

A9.1 Uphold its human rights obligations, especially in relation to the right to food. This requires guaranteeing that the Foreign Direct Investment (FDI) and related agreements do not unfairly compete with, or violate, the right of communities to food security, a healthy environment and Indigenous Peoples' self-determination rights.

A9.2 Ensure that Peace Negotiations are given primacy over the interests of the extractive industries in areas directly affected or impacted by conflict, particularly in Mindanao. Investments in areas with ongoing armed conflict are usually accompanied by the proliferation of arms and militarization and lead to serious human rights violations, further jeopardizing the well-being of the community.

A9.3 Stop the use of military, police, paramilitary or any other armed groups to suppress legitimate objectors to mining operations. Prosecute all those responsible for human rights abuses, including officers under whose command such abuses occur.

A9.4 Ensure that independent technical monitoring on the impact of mining is mandatory and enforced. Monitoring of air, soil and water quality downstream of mining operations should address impacts on yields of agricultural and fisheries produce and on the health of communities, particularly women and children. Companies should be held accountable for any negative effects detected or observed. Defaulting on environmental and health regulations should lead to immediate suspension of operations.

A10 Enforce International Standards and Best Practice

A10.1 Require adherence to best practice and international standards and full respect for national legislation that puts all nationally declared watersheds off-limits to mining. Extend this prohibition to all other watersheds declared by local and regional governments to be critical.

A10.2 Mining permits should be issued only to proponents with acceptable track records in terms of respect for human rights and the environment.

A10.3 The Government should establish effective legal mechanisms to hold companies to account for environmental damage, human rights violations and all practices involving any form of bribery or corruption. It should ensure that departments responsible for agriculture, fisheries, health, and tourism, as well as local government units take effective legal action in the event of a mining company causing environmental, health or social problems.

A11 Carry out Strategic Environmental Assessments

A11.1 Carry out a Strategic Environmental Assessment (SEA) prior to any consideration of exploration or mining in an area or region.

A11.2 Use the output of the ‘Philippine Biodiversity Conservation Priority-setting Program’ the National Biodiversity Strategy and Action Plan as the cornerstone of the National Sustainable Development Strategy. (See Annex H)

A12 Restore Meaningful Environmental and Social Impact Assessments (ESIAs)

A12.1 Restore credible ESIAs, guaranteeing checks-and-balances, transparency of information and a grievance mechanism. Eliminate the potential for their automatic approval and provide the public with the possibility of rejecting projects.

A12.2 Revoke Memorandum Order No. 2007-08 which declared that permits and clearances by the Local Government Units are no longer required in the processing of Environmental Compliance Certificates (ECCs).

A13 Ensure that there are no “Double Standards”

Secure written assurances from foreign mining companies that they will follow host and home country legislation governing mining, whichever standard is higher.

A14 Stabilize Livelihoods of Indigenous Peoples through Reforestation

Involve Indigenous Peoples in the protection of water catchment areas by accelerating reforestation and watershed management and ensuring sustainable livelihoods that benefit Indigenous Peoples and improve downstream conditions for farming and fishing communities.

A15 Uphold the Right to Self-Determination and Obtain Free and Prior Informed Consent (FPIC)

A15.1 Ratify International Labour Organization Convention 169 and ensure the genuine implementation of the Philippine Indigenous Peoples Rights Act (IPRA) and the UN Declaration on the Rights of the Indigenous Peoples. Indigenous Peoples' right to self-determination and their priority rights to ancestral domains should be given precedence over the economic interests of mining companies.

A15.2 Put a halt to the current manipulation of FPIC processes by ensuring that a) potential adverse impacts to communities and ecosystems are fully disclosed; b) Indigenous Peoples' customs and practices are respected; c) independent and accountable oversight and grievance mechanisms are established; and d) bribery of all forms is eliminated. Revise IPRA's FPIC guidelines to ensure that they comply with national and international commitments.

A15.3 Ensure adherence with the spirit and letter of IPRA and the UN Declaration on the Rights of Indigenous Peoples. To achieve this, the National Commission on Indigenous Peoples must become representative of, and accountable to, Indigenous Peoples and be allocated adequate resources to fulfill its mandate.

A16 Enforce the Polluter Pays Principle

Enforce the Polluter Pays Principle, specifying how it will be applied and enforced and ensure that mining companies take out mandatory environmental insurance coverage adequate to short and long term potential risks before granting a mining permit (*see* A17 below).

A17 Implement Mandatory Environmental Insurance Coverage

Rescind the suspension of and implement the DENR guidelines for Mandatory Environmental Insurance Coverage (MEIC) of 6th April 2005. (*see* B7 below).

A18 Implement the Extractive Industries Transparency Initiative

Sign and adhere to the Extractive Industries Transparency Initiative (EITI) and publish details of all payments, taxes and royalties made by mining companies. Implement EITI in accordance with the six criteria, ensuring participation by genuine self-selected representatives of civil society groups at each stage of the process.

A19 Ensure Water Quality and Prevent Acid Mine Drainage

Ensure that a company has in place measures, including best practice closed loop water systems, to ensure the water quality downstream of mining operations. Require proof of mechanisms and plans for prevention or treatment of Acid Mine Drainage (AMD) prior to granting permission to mine. Proof that the International Network for Acid Prevention's goals can be met in high risk areas, such as areas prone to seismic activity or typhoons, should be obtained. Active and immediate treatment of any AMD that does occur is mandatory, such as by annual applications of limestone or water treatment plants. (See Chapter 4 Box 4 and Recommendation B7 Below)

A20 Enforce Regulations on Cyanide Use and Consider Banning It

Ensure greater enforcement of existing regulations on cyanide use. Establish an independent commission to examine cyanide use in heap leach mining and consider banning its use in line with recent developments in other countries.

A21 Carry out Impact-Benefit Agreements

Where there is community agreement to proceed with a project, establish a legally binding Impact-Benefit Agreement upon completion of FPIC and ESIA processes.

Summary recommendations to Mining Corporations

In light of the enormous threat to food security, human rights and the environment posed by the massive expansion of mining in the Philippines, the authors echo the widespread call for a Moratorium on any new mining development. They call on the Mining Industry to refrain from applying for or developing any new mining project in the Philippines until the protections outlined above (A1 to A20) are adequately addressed.

B1 Follow International Standards and Best Practice

Commit in writing that the mining company will adhere to best practices and international standards, including all local, national and international human rights and environmental legislation, treaties and declarations. The company should also commit in writing to taking full responsibility for the actions of its subcontractors.

B2 Avoid “Double Standards”

Guarantee compliance with home country and host country legislation and standards. (See A13 Above.)

B3 Respect “No-Go Zones”

Do not apply to explore or mine in conflict zones, Indigenous Peoples’ ancestral domains without their Free Prior Informed Consent, sacred sites, protective watersheds and water catchments and other “Sensitive Areas” or “No-Go Zones” (see Chapter 4 Box 3).

B4 Ensure Free and Prior Informed Consent (FPIC) is Obtained

Obtain the FPIC of Indigenous Peoples before starting exploration or mining operations if the land on which the company wishes to mine is land that Indigenous Peoples use, own or traditionally occupy. (see A15 Above).

B5 Prepare and Budget for Mine Closure When Applying for Permits

Provide as part of the initial budget for all costs of decommissioning, rehabilitation, restoration and clean up of the mine area, tailings, and open pits, including social costs (such as training in decommissioning before a mine is closed).

B6 Comply with the Polluter Pays Principle (PPP)

Comply with the PPP by setting up an escrow account to guarantee independence from the company adequate to pay for any and all pollution its mining operations might cause.

B7 Take out Industrial Insurance and Set up Performance Bonds

Take out performance bonds, issued by an insurance company or a bank, to cover accidents and damages. Post a bond for each specific mine before exploration begins. The bonds must be long dated so that negative impacts, such as acid mine drainage, can be addressed even if it is detected years after a mine has closed. Insurance guarantees must be made public before mining begins.

B8 Ensure Water Quality

Ensure and publicly guarantee that water quality downstream from a mine matches or exceeds upstream water quality. There should be no discharge or outflow of any pollution, including acid mine drainage, into natural water bodies during operations and after mine closure. The International Network for Acid Prevention's goals must be met in all areas, especially high risk areas such as those prone to seismic activity or typhoons.

B9 Do not Dispose of Tailings in Rivers

Companies must not carry out any riverine tailings disposal.

B10 Do not Dispose of Tailings at Sea

Companies must not practice Submarine Tailing Disposal (STD) or offshore disposal of tailings.

B11 Do not Use Cyanide

Do not use cyanide in areas of high rainfall that are seismically active, where agriculture, particularly rice cultivation, is practiced, or in areas that have significant population densities downstream. As mandated by Philippine law, projects that have been permitted to use cyanide must recover it.

B12 Employ Environmental Professionals

Employ permanent in-house and experienced environmental officials and empower them to veto any projects that fail to meet environmental standards.

B13 Employ Social Science Professionals

Employ social scientists, anthropologists and human rights experts and empower them to veto projects that violate national legislation and or international human rights standards.

Summary recommendations to Development Agencies, NGOs, World Bank

In light of the enormous threat to food security, human rights and the environment posed by the massive expansion of mining in the Philippines, the authors echo the widespread call for a Moratorium on any new mining development. They call on the global development community to support this call and discourage governments, mining companies and investors from developing any new mining projects in the Philippines until the protections outlined above (A1 to A20) are adequately addressed.

C1 Encourage the Philippine Government to Implement Recommendations

Vigorously encourage the Philippine Government to follow the recommendations set out above, particularly those on human rights, rule of law, good governance, industry best practice and better protection for Indigenous Peoples, the environment and food security. Provide an example to government agencies by updating and disseminating internal policies on Indigenous Peoples to reflect the UN Declaration on the Rights of Indigenous Peoples.

C2 Help the Philippine Government Achieve Food Security

Foster dialogue with the Philippine Government on how to ensure that mining does not jeopardize poverty reduction programs, food security and agriculture. Support departments involved in food production, irrigation and environmental protection, especially through research examining links between mineral extraction and impacts on food production.

C3 Support Capacity Building within Civil Society Institutions

Support capacity-building through education on the extractive industries within civil society and academia and encourage their involvement in independent monitoring of decision-making processes regarding the mining industry.

C4 Strengthen Government & Civil Society Institutions

Support institution strengthening and advocate that the Department of the Environment and Natural Resources' two conflicting functions, namely protection of the environment on the one hand and the promotion of mining on the other, should not be maintained under one and the same Department. (See A7 above)

C5 Monitor “No Go Zones”

Monitor and help prevent mining companies from gaining access to “No-Go Zones”, especially in areas with ongoing armed conflict. (See Chapter 4 Box 3)

C6 Engage International Donor Community

Development Agencies, NGOs and the World Bank Group should all use their influence with the international donor community to pressure the Government of the Philippines to act responsibly and comply with its own laws and international obligations.

C7 Influence Home Country Governments, Investors and Companies

Development Agencies, NGOs and the World Bank Group should also urge those foreign governments that actively support mining in the Philippines to review their policy in this sector. These governments should also be urged to enact extra-territorial legislation to hold their companies to account. This is particularly important for the British, Canadian and Australian governments where most of the mining companies operating in the Philippines are based.

C8 Assist Communities with Mapping of Ecosystems and Geohazards

Development agencies and NGOs should assist mining affected communities to map the resources that sustain them (forests, rivers, rice fields and all agricultural and, marine ecosystems). This report and the maps provided at the end of each case study (available at <http://www.piplinks.org/maps>) provide a model that can be used. It is suggested that in order to optimize the effectiveness of such maps they be integrated with the maps developed through the Philippine Biodiversity Conservation Priorities setting Program (PBCPP) which highlight geohazards and priority conservations areas. see Annex H. Such maps would provide communities with the capacity to better assess and make informed decisions regarding the impact mining would have on their livelihoods, environment and food security.

C9 The World Bank Group (WBG) should not Support Mining Expansion in the Philippines

The World Bank Group should:

C9.1 Uphold its mandate to help reduce world poverty, protect the environment and assist the Philippine Government to meet its Millennium Development Goals, targets while respecting the conclusion of the 2004 Extractive Industries Review. It should fully implement its guidelines and safeguard procedures which, if applied, would under current conditions preclude investment in most, if not all, Philippine mining projects. This would include the proposed IFC equity investment of up to Can\$5 million in a project of a Canadian mining Junior, Mindoro Resources Ltd. (MRL), which is planning operations throughout the Philippines.

C9.2 Ensure that its guidelines and safeguard policies are updated to be in accordance with the UN Declaration on the Rights of Indigenous Peoples, particularly in relation to the requirement to obtain Free and Prior Informed Consent (FPIC).

C9.3 Continue to support the clean-up of abandoned mines in the Philippines. This must not be used as an excuse to recommence mining in previously abandoned mining sites. Such clean-up projects should also be subject to local acceptance criteria and processes.

Summary recommendations to the Investor Community

In light of the enormous threat to food security, human rights and the environment posed by the massive expansion of mining in the Philippines, the authors echo the widespread call for a Moratorium on any new mining development. They call on the global investment community to refrain from investing in mining project in the Philippines until the protections outlined above (A1 to A20) are adequately addressed.

As a minimum, investors are advised to exercise extreme caution when considering funding exploration or mining activities in the Philippines. Mining, as currently practiced in the Philippines, poses extremely high social, environmental and financial risks. It is therefore essential that rigorous due diligence regarding potential human rights and environmental impact of projects is conducted.

D1 Determine the Governance Quality

Assess the extent to which the rule of law prevails.

D2 Examine Track Records

Assess the environmental and social track record of the mining corporations on the ground by due diligence with communities and by engaging with NGOs in home countries that work with them. (See Annex F London Mining Declaration for list of NGOs active in this area.)

D3 Assess Policies and Norms

Assess the policies and norms adopted by the mining corporations and their implementation in practice.

D4 Review Past Experience

Verify that an adequate corporate framework to ensure social and environmental prudence is in place by consulting with communities and NGOs who have recognized competence in working with impacted communities. (See Annex F London Mining Declaration for list of NGOs active in this area.)

D5 Ensure Prudent Policies

Ensure that a prudent set of policies is in place with regard to Indigenous Peoples' rights.

D6 Require a Panel of Experts

Verify that an external independent high-level Panel of Social and Environmental Experts has been engaged and obtain and review their reports.

D7 Review Environmental and Social Assessments (ESIAs)

Ensure independent review of the ESIAs for adequacy; obtain copies of these and check that this information has been made available to communities.

D8 Insist on Adequate Bonds and Insurance

Check that social and environmental performance bonds or industrial insurance commensurate with potential social and environmental risks and the decommissioning phase of the project have been posted.

D9 Examine Independent Third Party Audits

Review the history of third party audits conducted in relation to their projects.

D10 Ensure Free and Prior Informed Consent (FPIC) is Obtained

Ensure that the proponent has indicated if Indigenous Peoples will be impacted by proposed mining projects and, if this is the case, has obtained their Free and Prior Informed Consent (FPIC). Check the proponent's track record with regard to respect for FPIC in practice. Failure to obtain an impacted indigenous community's FPIC should constitute grounds for disinvestment. Check if the company has proceeded with mining operations in the past without the FPIC of impacted communities. (see A15 Above)

Summary recommendations to Mining-Impacted Communities

In light of the enormous threat to communities' food security, human rights and the environment posed by the massive expansion of mining in the Philippines, the authors echo and support their calls for a Moratorium on any new mining development and a review of review of existing contentious projects by an independent review body .

This report and the associated maps have been prepared primarily to ensure that the voices and concerns of mining-affected communities, especially Indigenous Peoples, are heard and heeded and their human rights and food security are realized.

E1 Challenge inappropriate FPIC processes

Due to the abuses of FPIC processes, one piece of advice increasingly given is to shun or boycott all FPIC processes until a) these processes are brought into line with the spirit and intent of IPRA, guaranteeing respect for Indigenous Peoples customary laws and practices, b) effective measures are adopted to eliminate any subsequent manipulation of FPIC by companies and/or government agencies, including the National Commission for Indigenous People, and c) appropriate grievance mechanisms have been established to address any related violations of Indigenous Peoples' rights.

While the authors understand the frustration leading to this advice and recognize this is a valid strategy in attempting to rectify the situation, it is clear in some cases this approach has resulted in unrepresentative voices and bogus groups being given a free unchallenged place in such meetings and thereby allowed them illegitimately to grant "consent" on behalf of those boycotting these meetings.

An additional strategy, which might afford more safeguard and be used as a basis for upholding community decisions, is to ensure - whether in attendance or in boycott of FPIC processes – that the clear sentiments of the community are made known, not only to the NCIP and local company officials but also to various levels of the company and Government divisions and departments and to independent groups and the press. This is best done in writing. The authors believe it is essential to register and re-register opposition at every opportunity so that those far away can be truly guided by community sentiment.

E2 Challenge inappropriate Environmental and Social Impact (ESIA) Assessment Processes

Demand effective participation in ESIA processes impacting the community. The community has a right to full disclosure of technical information from mining companies, government bodies and financial institutions covering the proposed activities. Information demanded should include the potential risks and cumulative short and long term environmental and social impacts and the measures undertaken to address these. It should also include details of the risk assessments performed and all assumptions made. Insist on clarity with regard to implementation of similar projects under comparable climatic and geographic, demographic conditions.

Ensure that all this information is independently reviewed and critiqued and presented to the community in an understandable manner. Where this information is not forthcoming or the contents are not in line with the communities expectations, follow the advice provided in E1 above and immediately lodge written requests and complaints with as many implicated parties as possible. Demand effective community participation in monitoring processes and the establishment of effective grievance mechanisms with provisions for adequate compensation.

E3 Challenge Abuses through Legal Mechanisms

The authors encourage all communities and local authorities adversely affected by mining impacts to continue to explore and pursue all avenues available within the law at local, national and international levels, to register their concerns and aspirations and seek redress for wrongs. The authors offer their continued support to all communities in efforts to realize their food security and sustainable development aspirations. The Working Group on Mining in the Philippines is willing to assist communities by providing information on how to raise complaints to international mechanism and bring community statements and letters of concern to the attention of mining companies and their shareholders.

E4 Consider Setting up Citizens' Advisory Councils

While upland and rural communities bear the immediate impact of mining, large urban populations who are also impacted by the rising cost of food prices and who have easier access to financial and technical expertise could look at approaches to establishing independent citizens' councils, following a model implemented in Alaska. These councils would be accountable to the community and be responsible for reviewing, monitoring and reporting on the impacts of mining. Such councils should operate independently from the government, the mining industry and the military. Transparency and accountability must be guaranteed. Members of the councils should be elected or selected by their own constituencies. They should respect existing indigenous and other community-based structures or groups and, where requested, compliment and interface with them.

E5 Raise Awareness of Impacts of Mining on the Environment, Food Security and Human Rights

Information dissemination and awareness-raising are vital for tackling issues pertaining to the impacts of mining on the environment, food security and human rights. The internet provides a useful and practical medium for this, in particular through the posting of video clips of mining operations and their impacts on youtube. Communities in the Philippines and throughout the world have already done so and have generated international attention to their plight. These video clips, which may provide communities considering mining with a greater understanding of its potential impact, can viewed at www.youtube.com by searching with the key words "Mining Philippines". Information on issues facing communities in the Philippines and elsewhere in relation to mining can also be found at www.minesandcommunities.org.

REPORT INTRODUCTION

The Philippines has rich and diverse natural resources. However, these resources are being rapidly depleted due a variety of mutually reinforcing negative factors: high population pressure with the majority of the poor deriving their income from natural ecosystems; advancing industrialization, conflicts of interest between long term environmental concerns and short term profit motives in particular regarding logging and mining; absence of political will (and therefore of allocation of resources) to enforce effective implementation of a relatively comprehensive legal and regulatory regime and lack of clearly defined mandates and responsibility between the various layers of central and local authorities.

The European Commission, 2005¹⁰

The Philippines, an archipelago of 7,107 islands, is rich in minerals: gold, copper, chromite, nickel, coal, limestone, iron ore, silver, platinum, palladium and uranium (although much is considered low-grade ore). Many of these deposits, however, are located in areas of rich biodiversity which contain the country's few remaining forests, in geohazard zones prone to typhoons, earthquakes, landslides and volcanoes, or within the ancestral domain of Indigenous Peoples.

Large-scale mining in the Philippines typically consists of open-pit mining of minerals, especially copper and gold ores, and strip-mining for nickel. To extract the ores, thousands of tonnes of earth and rocks have to be removed, forests cleared, and water and drainage systems diverted. Strip-mining for nickel is especially problematic as nickel-rich earth is stockpiled causing massive damage to the land. The industry also requires large volumes of water for mining, milling and waste disposal, directly competing with the water necessary for rice growing, agricultural production and human needs.

Such mining has had severe environmental impacts, not only in the areas mined, but also on land, waters and seas further afield. Rivers, lakes and irrigation systems have been polluted by mine tailings and toxic metals; forest loss has led to rivers drying up in some seasons and flooding in others.

Yet, since 1992, the Government of the Philippines has been pursuing an aggressive policy to "revitalize" the mining industry, potentially opening up 30% of the country's land area to mining. The resulting massive increase in mining projects will accelerate the rate at which the country's remaining vital tropical forest cover is being lost. Apart from exacerbating devastating soil erosion, such expanded mining will further damage watersheds and the 371 major river systems that are still biologically alive. Loss of watershed functions directly reduces the water supply and irrigation.

¹⁰ <http://www.delphi.ec.europa.eu/docs/cep%20Philippines.pdf>: European Commission, 2005. Philippines country environmental profile. Makati City, Delegation of the European Commission to the Philippines. 75 p.

In July 2006, the Right Honorable Clare Short MP, former UK Minister of International Development, led a Fact Finding Mission on Mining to the Philippines, the report of which, *Mining in the Philippines: Concerns and Conflicts* was published in 2007.¹¹ This report noted that:

“Mining in the Philippines is being developed at a speed...scale...and in a manner likely to cause massive long-term environmental damage and social problems. Current mining plans will undermine the Government’s own strategy for sustainable development by destroying or severely damaging critical eco-systems, including watersheds, rivers, marine eco-systems and important agricultural production areas.”

The report raised particular concerns about the implications for food security if mining in the Philippines continues on the scale that was planned.

“The [Fact Finding Mission] team fears further damage to the environment by mining...will increase the threat to the country’s long-term food security and the survival of future generations of Filipinos.... International experience suggests that if pursued on the scale currently proposed by the Philippine government, mining could weaken the food security of affected communities and even of the country as a whole. Local communities feared that pollution and siltation of rivers may deplete water sources, reducing rice production and fisheries.”

The food crisis at the beginning of 2008 which was linked to the shortage and consequent skyrocketing price of rice, the staple food for Filipinos, alerted many Filipinos to the urgency of this concern regarding the country’s food security. Thus a stark choices now face the Philippines: a few years of mining or thousands of years of sufficiency of irrigated rice and fisheries production? If mining is to make a positive contribution to national development, it will have to fit within the country’s sustainable development strategy. The Philippines is one of the top 10 countries in the world likely to be most affected by climate change, and the impacts of mining will compound the environmental problems the country already faces. As the then Secretary of the Government Department for the Environment and Natural Resources (DENR), Heherson Alvarez, put it in 2001:

“What does it gain a nation to be short-sighted and merely think of money when ... irreparable damage to the environment will cost human lives, health, and livelihood capacity of our farmers and fisherfolk endangering the food security of our people?”¹²

This second report, *Philippines: Mining or Food?*, follows up on the issue of food security highlighted in the 2007 report. It is based on a field trip to the archipelago by the authors, Robert Goodland and Clive Wicks, in February 2008. They visited a number of mining locations on the islands of Mindanao and Mindoro. An important part of the process has been a mapping exercise to demonstrate the overlap of mining

¹¹ “*Mining in the Philippines: Concerns and Conflicts*” by Doyle, C., Wicks, C. and Nally, F. 2007. Society of St. Columban, Solihull, UK: 62 p.

¹² *Philippine Star*, 13th November 2001

locations – both existing and proposed – with indigenous ancestral domains, watersheds and areas of environmental importance, all of which are critical for agriculture, fisheries and food security. It is hoped these maps will be useful tools for those campaigning against destructive large-scale mining.

This Report aims to:

- Outline the Philippine Government's approach to mining in the light of emerging evidence of its social and environmental impacts.
- Support and inform people impacted by mining, and inform decision-makers. These include the governors, mayors, and local government officials whom the authors met during the field visits who asked for help to better understand the mining industry, its impacts and how they could protect their people from long-term harm.
- Ensure that aid agencies, banks, investors, foreign chambers of commerce, and governments supporting mining companies from their home countries are fully aware of the problems that the expansion of mining is causing for the Filipino people, and for their tropical islands archipelago and biodiverse environment, and especially with regard to impacts on Indigenous Peoples.
- Foster a productive working relationship between North and South. Greater cooperation would help to ensure that northern mining corporations are clear about local sentiments and concerns, while at the same time potentially impacted Indigenous Peoples, farmers, and fisherfolk are informed about mining proposals, their voices are heard, and they are involved in decision-making.

The Report is divided into three sections. The first contains eight chapters covering thematic areas of concern, the second covers the six case studies highlighted by the authors, with each one prompting its own set of recommendations, and the third section concludes with the authors' main cross-cutting recommendations.

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About the Authors



Robert Goodland is an environmental scientist specializing in economic development. He advised the World Bank Group from 1978 through 2001. He then became the technical director to H.E. Dr. Emil Salim's independent Extractive Industry Review (eir.org) of the World Bank Group's portfolio of oil, gas and mining projects. He was elected president of the International Association of Impact Assessment, and Metropolitan Chair of the Ecological Society of America. He was awarded the World Conservation Union's Coolidge medal in October 2008. (RbtGoodland@aol.com)



Clive Wicks has 48 years of experience of working in engineering, agriculture and environment, specializing in the impact of extractive industries on the environment. He is a vice chair of IUCN-CEESP (IUCN's Commission on Environmental, Economic and Social Policy) and co-chairs SEAPRISE (IUCN-CEESP's Working Group on the Social and Environmental Accountability of the Private Sector). He worked in the international environmental movement for the last 24 years, mainly with WWF UK. He headed WWF UK's African, Asian and Latin American programs, and represented WWF at G8, World Bank, International Finance Corporation, UNEP and UNDP meetings on extractive industries. (Clivewicks@googlemail.com)

.. Perhaps reluctantly we come to acknowledge that there are also scars which mark the surface of our earth: erosion, deforestation, the squandering of the world's mineral and ocean resources in order to fuel an insatiable consumption. Some of you come from island nations whose very existence is threatened by rising water levels; others from nations suffering the effects of devastating drought. God's wondrous creation is sometimes experienced as almost hostile to its stewards, even something dangerous. How can what is "good" appear so threatening? ...My dear friends, God's creation is one and it is good. The concerns for non-violence, sustainable development, justice and peace, and care for our environment are of vital importance for humanity.

His Holiness Pope Benedict XVI, 23rd World Youth Day, Sydney, Australia, July 12-21, 2008

Photos of the fact-finding trip can be found on:
<http://workinggrouponmininginthephilippines.blogspot.com>

Working Group on Mining in the Philippines
(WGMP)

28 Redington Road, London, NW3 7RB
wgmpuk@tiscali.co.uk

