

2013 FALL CAMPAIGN

# A VOICE FOR JUSTICE:

## AN OMBUDSMAN FOR RESPONSIBLE MINING



### A CALL TO ACTION FROM OUR PARTNERS IN THE GLOBAL SOUTH

From Madagascar to Peru to the Philippines, communities and church leaders are sending us an urgent call to action. DEVELOPMENT AND PEACE's partners have been documenting how the land, water, and health of their communities have been changing since the arrival of Canadian mining companies.

They want Canadians to know that the precious minerals and metals under their feet are being extracted and exported, with the promise that the required investment will bring development

to their region. However, the revenues from mining are not leading to long-term development for communities, and in many instances, communities are also facing gross injustices. These include the displacement of homes, erosion of agricultural land, deforestation, pollution of water sources, conflict, reprisals against those opposed to the mine, sexual violence against women, and the bribing of government officials to facilitate operations. Their voices need to be heard.



CANADIAN CATHOLIC ORGANIZATION FOR

**Development  
and Peace**





A nickel and cadmium processing plant beside a village in Madagascar.



**“The mine represents wealth in the short term. Bread today, hunger tomorrow. What will the future generation live on?”**

- Carlos Umberto, Honduras

## CANADIAN MINING OVERSEAS: WHO BENEFITS?

Canadians use the products of mining every day. From copper, silver and steel to cadmium, nickel and zinc, mining products are in our cars, our computer screens, our eyeglasses and our phones. Canadians also benefit from the international mining industry through our investments, including our retirement funds.

International mining operations form a large part of Canada's economy. According to the Canadian Mining Journal, Canadian mining companies' overseas investments increased from \$30 billion in 2002 to \$210 billion in 2011. Most of this growth was in developing countries in Latin America, Asia and Africa, where governments have limited capacity to negotiate with multinationals.

With nearly 75 per cent of the world's mining and exploration companies listed on Canadian stock exchanges due to favourable stock market regulatory frameworks, tax incentives and protection from prosecution, Canada is the dominant world player in this industry.

Yet, even as companies greatly benefit from these mining activities, the countries and the people from where these minerals and metals are being taken gain little in terms of actual development.

Although Canadian companies may respect the mining codes of the countries from where they are extracting natural resources,

paying both taxes and royalties to local governments, these mining codes are often weak, and the amounts paid are sometimes as low as one or two per cent of the market value of the resources.

Rather than paying fair taxes and royalties, which could enable the nation to strengthen its governance, infrastructure, and social services, mining companies, as part of their corporate social responsibility programs, often provide education and health services. However, local governments rarely have the means to maintain these programs once the mine closes.

In recent years, the Canadian government has shifted its foreign aid policy to promote Canadian investment overseas, particularly in the extractive industry. Through the government envelope for overseas development assistance, public-private partnerships between Canadian-based multinational mining companies and Canadian NGOs are being funded. The Canadian government has also assisted in reviewing national mining codes with the result that laws are more favourable to companies rather than to the host countries.

Our partners are calling for real change. Their communities are rich in natural resources but citizens are trapped in poverty. Key issues they have identified include equitable distribution of benefits, respect for the environment, consultation, the right to free, prior, and informed consent for Indigenous peoples, and access to justice when standards are not respected.

## CHURCH LEADERS CALLING FOR DEVELOPMENT BASED ON ECOLOGICAL JUSTICE

In communities whose land, health, and livelihoods have been negatively affected by the extractive industry, Catholic bishops are speaking out to advocate internationally on behalf of the communities they serve. They recognize that the current model of development is unsustainable and is bringing harm to their people.

The **Madagascar** Conference of Bishops is denouncing the impact of mining on their country's development: "The abundance of our riches in natural resources contrasts sharply with the poverty of the majority of our population. We will have oil and we already have all sorts of minerals and precious stones, but this potential is not transformed inside our country. Rather than creating jobs and improving the quality of life of the citizens of Madagascar, it is being pillaged by multinationals with the complicity of our national leaders."

The bishops of the **Philippines** have decried the impacts of irresponsible international mining practices including serious environmental destruction and the erosion of the right to survival of the country's Indigenous peoples. They supported a petition for legislators to pass an alternative mining bill. The petition states that "the promised economic benefits of mining" by foreign companies are "...outweighed by the dislocation of communities, especially among our Indigenous brothers and sisters, the risks to health and livelihood and massive environmental damage. The government mining policy is offering our land to foreigners with liberal conditions while our people continue to grow in poverty."

The Canadian Conference of Catholic Bishops has added its voice to the call for ecological justice. In the document ***Building a New Culture: Central Themes in Recent Church Teaching on the Environment***, we are reminded that solidarity with the poor is a cornerstone of ecological justice: "Since environmental degradation is often related to poverty, solidarity demands that structural forms of poverty be addressed. It also demands that those who use and exploit resources bear the true costs of this use, which must take into account the environmental repercussions on future generations."

"They told us that the arrival of the mine would offer new opportunities. But the young people are unemployed and our community's situation has not improved."

- Ralotoarimanana, Madagascar



"Our land is our life. If we give our land to the mining company, what will happen to us, where will we stay? There will be no more land to be inherited by my children and my grandchildren."

- Felomino Argo, Philippines

### What has Canada's CSR Counsellor achieved?

The Office of the Extractive Sector CSR Counsellor, established in 2009, has proven to be too weak to address complaints because it is a voluntary conflict resolution mechanism that cannot investigate cases nor recommend sanctions or remedy. Since its creation, only three cases have been concluded, and in two out of the three, the companies pulled out of the process.

In one of these cases, miners working at a Canadian-owned mine in Mexico expressed their view that they do not feel safe because they are not "adequately trained and that the process of investigation after an accident does not help in avoiding future problems." When they tried to organize around this issue, they felt that their freedom of association was not respected, and they faced retaliation by the mine's management. The CSR Counsellor determined that mediation would be beneficial, but the company withdrew its participation, thus ending the Counsellor's role.

The Office of the CSR Counsellor will come under review in 2014. It is time to insist that this office is not sufficient for holding Canadian companies accountable for injustices that occur outside of Canada and should be replaced by an independent ombudsman.

## WE WANT A STRONGER VOICE FOR JUSTICE

DEVELOPMENT AND PEACE has been calling for stronger accountability standards for Canadian extractive companies since 2006. Half a million Canadians supported DEVELOPMENT AND PEACE's campaign asking for more accountable mining companies, including the creation of an independent ombudsman with the power to act on complaints.

Instead of putting in place an ombudsman, the government established the Office of the Extractive Sector Corporate Social Responsibility (CSR) Counsellor as a way to address complaints from affected communities. This voluntary, non-judicial grievance mechanism can address a complaint only if a company agrees, and the company can withdraw from the process at any time. The only service the CSR Counsellor can offer is mediation if the company is willing to participate. The Counsellor cannot recommend remedy for harm done to people by the company.

As such, there is still an international accountability gap where those who are harmed by the operations of Canadian companies find themselves unable to seek recourse anywhere: not in their own countries, not in international arenas, and not in Canada where these mining companies are based.

We aren't alone in recognizing the urgent need to improve access to remedy for the victims of corporate abuse. Since our last campaign on this issue, the United Nations developed its **Guiding Principles on Business and Human Rights**, which gives international support to the principle that corporations must respect human rights and prioritizes the creation of effective judicial and non-judicial mechanisms that allow access to remedy.

DEVELOPMENT AND PEACE and its members are part of a growing international movement of people concerned with the ongoing negative impact of the extractive industry on communities. This year, we are joining our voice with that of the **Canadian Network on Corporate Accountability (CNCA)**, an extensive network of environmental and human rights NGOs, faith-based organizations, labour unions, and research and solidarity groups across the country, to again call for the creation of an independent ombudsman in Canada to receive complaints and verify the compliance of Canadian extractive companies operating overseas.

The ombudsman would be a strong voice in Canada for those whose rights are being violated by Canadian-owned mining companies.



A gold, silver, zinc and copper mine in the Philippines.



**“We would like the companies who want to invest here to consult the population directly. We would like development for the two countries, as much for Canada as for Peru.”**

- Arturo Castro, Peru

For more information and resources to support your work on this campaign, visit:  
[www.devp.org/voiceforjustice](http://www.devp.org/voiceforjustice)



#voiceforjustice



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