INTRODUCTION

The relationship between World Bank and the Indigenous Peoples’ of the Philippines has always been unpleasant, to say the least. This is because World Bank-funded projects had caused the (or threatened) displacement of indigenous peoples from their ancestral domain. The case of the World Bank Funded Chico River Dam Project in the Cordillera has become a nodal point the history of the region and the entire nation. This and many other cases had engendered a perception among the Indigenous Peoples’ in the Philippines, that the Bank had caused them great suffering. It is within this historical experience that the Extractive Industries Review (EIR) is being undertaken.

The main aims of the review process are to:

- assess the experience of indigenous peoples with World Bank-financed projects and policy interventions in the oil, gas and mining sectors;
- promote a direct dialogue between World Bank operational staff, the extractive industries and indigenous peoples’ spokespersons; and
- develop concrete recommendations for the World Bank, specifically with regard to indigenous peoples, in respect of future engagement in the oil, gas and mining sector.

This study is one of the seven (7) case studies being undertaken as part of this whole process. It specifically aims to: a) determine the role of World Bank in the formulation of the Mining Act of 1995 (an act instituting a new system of mineral resources exploration, development, utilization, and conservation); b) assess if adequate effort was made by the Bank to ensure that this legislation would not harm the indigenous peoples; c) analyze the impact/implications of the mining act on indigenous peoples’/communities; and d) come up with policy recommendation with regard to the mining sector.

To attain the objectives of the case study, we employed two methods: document study and key informant interviewing.

This report consists of three main parts. In the first part, we attempt to trace the influence/role of World Bank and other multilateral bodies in the process of crafting the Philippine Mining Act of 1995. In the second part, we evaluate the impact of the Mining Act on the indigenous peoples (in general). In the third part, we focus our study on one indigenous community in Northern Philippines to show the impact of the mining policy at the micro-level.

The Philippine Mining Industry

The Philippines has rich mineral resources. It has one of the leading global reserves in minerals such as gold, copper, nickel, chromite, iron, bauxite, marble and limestone, among many others. Because of its complex geologic history and diverse rock types, the Philippines is also characterized by an equally diverse group of mineral deposits.

The Philippines continues to be a major world producer of gold and copper. In 1991 the nation was 13th in the world in cooper production and 11th in gold production. A 1997 survey of major mining firms operating in the Asia-Pacific, revealed that the Philippines ranked second only to Indonesia in terms of geological prospectivity.
The country is also has abundant deposits of iron, lead, zinc, platinum, manganese, molybdenum, cobalt, aluminum, and mercury.\(^4\)

Nonmetallic minerals of economic significance are gypsum, salt, sand and gravel, marble, clay, limestone, feldspar, dolomite, magnesite, phosphate rock, guano, and sulfur.\(^5\)

Gold mining dates back to at least the 3\(^{rd}\) Century A.D., when Chinese traders referred to Luzon as the Isle of Gold. However, major commercial mining activity did not begin until the “gold rush” of the 1930’s and and 1940’s when, by 1941, 41 mines were producing approximately 30 mt of gold per annum. In 1965 the first porphyry copper deposit was opened by Atlas Mining Company in Cebu, which marked the beginning of modern day mining in the Philippines.

The decade of the 70s is considered as;

*the busiest for the mining industry as old dormant gold mines were reopened, new gold projects developed, existing copper mines expanded and new copper projects undertaken. The deluge of activities seemed to be part investment, part speculative or just “follow trend ventures.” An interplay of various factors held promise for the mining industry- one, the brilliant performance of copper and other metals in the world market, the presidential declaration that mining would be the “industry of the 70s” and finally, the stock market boom.*\(^6\)

In 1974 there were 18 major copper mines in operation and in 1980 copper production peaked at 304,500 mt of copper metal. In 1980, about forty-five (45) operating mines were contributing over 21% to total Philippine exports. Then, the progressive decline of the Philippine mining industry started during this decade.

**The Crisis**

Since 1985, the mining industry has suffered from a “crisis.” Copper production drastically dropped by a staggering 90%. Chromite production in 2000 was only 5% of those two decades ago. The drop in copper production can be attributed to the closure of mining companies. The main reason was the financial crisis, and aggravated by other incidents. Atlas mine, once Asia’s largest producing copper mine, due to the financial crisis (1994); Marcopper mines due to the infamous tailings spill incident (1996); Dizon mines after a massive erosion caused by a typhoon (1998); and Maricalum in view of operational and financial problems, including failures in the tailings dam, and the shift by the Manila Mining (this too stopped after 2 tailing spills and poor community relations) and Lepanto Mining to gold (2001).\(^7\)

In 1993, the Chamber of Mines of the Philippines reported that: “out of the 39 mining companies in the early ’80s only 16 have remained active in production today.”\(^8\)

Gold managed to increase production due to the contribution of gold rush areas, notably the Diwalwal gold rush area. Since the mid-90s, production from these gold areas has accounted for about 50% of total Philippine gold production. Nickel production also increased due to fairly stable metal price.\(^9\)

The mining industry slowdown was felt by the national economy. From 1970 to 1974, mineral exports accounted for an annual average of 21.66% of total exports, mainly due to favorable world prices. This contribution declined to 16.14% from 1975 to 1985, a brief
comeback (21.33%) in 1980. Since 1986, the average value of mineral exports per year has been equal to only 7.25% of the total foreign exchange earnings.10

Various groups offered different explanations of the crisis in the mining industry. The Chamber of Mines in the Philippines attributed the crisis to three reasons: first, the absence of new mining code that will “provide for a production sharing structure with government and local and foreign investors … a situation that has discouraged new investments into the industry; second, the excessive (5% then) taxes imposed on the gross receipts of mining companies; and third, the fact that “the operating mines on the average are extracting generally low grade ore.”11

The Asian Development Bank (ADB) also argued that the decline in mineral production was due (in addition to downsizing of major operations) to the fact that “additional foreign investment in the mineral sector has all but ceased as a result of the investment climate in the Philippines, which is perceived by the worldwide mining industry as negative.” The ADB report adds:

The Philippines ranks 98th overall (below China and Vietnam, two major regional competitors for foreign investment in the mineral sector). Similarly when the Philippines was compared with other ASEAN nations in terms of its overall investment climate (not minerals specifically) it did not receive a superior rating in any 18 rating categories.12

By “good investment climate,” ADB meant an open economy, where: foreign investors are offered competitive fiscal incentives and guarantees. ADB specifically proposed that 60-40 provision* of the 1987 constitution should be corrected and the mining companies allowed full access to mineral lands and resources. It also adds that mining companies should be given tax holidays, full repatriation of profits, and others. All these, ADB ultimately suggests, should be protected by a new mining code for the Philippines.

It should be noted that both the Chamber of Commerce and the ADB focused on the production aspect when they explained the crisis in the mining industry. Both institutions did not pay much attention on the consumption side, and the overall global crisis affecting the industry. From the perspective of the ADB and the Mining Companies, expansion of mineral production will and should happen only when the Philippine mining industry is opened up for infusion of huge amounts of foreign capital.

Towards a Mining Code

The problem confronting the mining industry is not purely local in origin and character. Indeed, the past two decades has seen the slowdown in mineral production due to the global economic recession. Slow economic growth means that less people are buying jewelries and other products made from mineral products. Low demand for mineral products is also due to the fact that more and more companies are using substitutes to metals in their production processes.

Still, key industry actors such as the World Bank (WB) and its regional counterpart, the Asian Development Bank (ADB), the United Nations Development Program (UNDP), United Nations Department Of Technical Cooperation and Development (UNDTCD), the local Chamber

* Section 2, Article XII of the 1987 Philippine Constitution stipulates that... the state may enter into co-production, joint venture, or production sharing agreements with Filipino citizens or corporations or associations at least 60% of whose capital is owned by such citizens.
of Commerce and (later) the Philippine Government agreed that the crisis could be solved once the policy fundamentals are in place. These policy fundamentals, these institutions prescribe, should result in an improved “investment climate” that the ADB mentioned in its final report. These various actors played distinct roles and their relationships were characterized by dynamism. As they engaged in other in “policy dialogues” they were guided by the same principles of free market and export-oriented development framework. Thus in the end, their distinct as well as coordinated efforts finally resulted in the Mining Act of 1995.

It must also be pointed out that these above-mentioned studies never mentioned nor considered the possible impact of mining on indigenous peoples. The ADB technical assistance did recognize the social dimension of mining, but, according to the final report, this is something that should be studied by academic research institutions.

**The Role of World Bank**

The role of World Bank in policy reform development of the mining industry in member countries is succinctly captured by the following statement:

*The World Bank contributes to the process of developing policy responses to development issues in the minerals sector by collecting and disseminating knowledge about topical minerals development issues. It does this, not only through its involvement with member countries in its operations, but also by participating in and sponsoring seminars, conferences, and industry roundtables.*

In 1989, the World Bank participated in a seminar organized by the United Nations Department of Technical Cooperation and Development (UNDTCD). The seminar was themed “Prospects for the Mining Industry to the Year 2000.” The Philippine Government was represented by then Director of the Mines and Geosciences Bureau of the DENR, Guillermo R. Balce and Michael V. Cabalda. During the said seminar, Mr. Felix Remy, the Senior Industrial Specialist of World Bank, shared the perspectives of the World Bank on mining policy. Mr. Remy explained the nature of their (World Bank’s) “problem” thus:

*The first set of sector-specific problems that we find in our mining sector work are the “mining law” issues, that is, the constraints arising out of the existing mining legislation. The issues that we encounter most frequently in the mining legislation of our borrowers are: problems of inadequate or difficult access to land and mineral rights by the productive agents of the sector; restrictions to foreign investment which are specific to the mining sector; the existence of “sector-specific taxes which can take the form of royalties, production, sales or export, taxes; and legislation of discretionary nature.*

The World Bank pushed that high priority must be given to the public availability of mineral land and reasonable taxes. It also proposed an institutional set up that would provide the mining sector with quality services. The World Bank then proposed that “an institutional strategy that responds to existing legal framework in a given country and that will make good use of it must be developed, and the role of World Bank is to provide support for this.”

During the same period (late ‘80s), the World Bank launched a Mining Policy Study on the African region. According to John Strongman, the Principal Mining Officer of The World Bank:
While the study focuses on African mining policy, as a first stage the findings of the suggested survey are meant to be expanded in such a way that conclusions can be reached on policy initiatives that have the greatest potential for improving mining sector performance in different countries, and the relative emphasis that should be given to: (i) opening up the sector to encourage new private sector participation; and (ii) improving the efficiency and competitiveness of mining enterprises. (emphasis ours). 16

Unfortunately, these studies did not seek to identify the issue of indigenous peoples as an important policy concern (i.e., the possible negative impact of mining on indigenous peoples and the poor). This, despite the wealth of knowledge and experience on indigenous peoples that were already available to the World Bank at that time.

The findings and recommendations of this World Bank Study are quite instructive of its role in the crafting of national mining codes not only in Africa but also in other parts of the world, including the Philippines. It reiterates WB policies of deregulation, privatization and liberalization of the mining industry.

The main finding of the report is that the recovery of the mining sector in Africa will require a shift in government objectives towards a primary objective of maximizing tax revenues from mining over the long term, rather than pursuing other economic or political objectives such as control of resources or enhancement of employment. The study further recommends that this objective will be best achieved by a new policy emphasis whereby governments focus on industry regulation and promotion and private companies take the lead in operating, managing and owning mineral enterprises. 17

The study recommends that “an efficient and rapid mineral development requires governments to allow private companies to take the lead in operating, managing, and owning mineral enterprises.” The study further proposed that countries wishing to attract foreign investments to support mineral development should support or develop:

- A Legal framework that adequately defines the investor’s rights and obligations;
- Security of tenure to give the investor assurance of the fruits of success;
- A fiscal package that shares the rent of profitable production equitably between the government and the investor; and
- Guarantees of access to foreign exchange at market rates for repayment of debts, repatriation of capital and profits, and purchase of essential inputs. Without these essential conditions, new investment is unlikely. 18

The study also proposed that an effective mining code should:: 1) apply equally to all investors; 2) clearly specify the ownership of mineral resources; 3) contain explicit criteria for the allocation of rights and allows them to be transferable and saleable; 4) ensure that land is either actively explored and worked or relinquished; and 5) prescribe procedures for settling disputes in the courts or by arbitration. 19

We notice these set of conditions are indeed biased for the mining companies and against the indigenous peoples. For example, there was no requirement whatsoever to secure the rights of indigenous peoples as a prior condition. Therefore, the entry of mining corporations would inevitably add to the insecurity of indigenous peoples’ tenure over their lands.
That the prescriptions of an ideal mining code have strong similarities with the Philippine Mining Act of 1995 is no pure coincidence. An official document reports that during this period, in 1988, “a joint effort of government, the mining industry, professional associations, and academe, with some input from United Nations advisers, has resulted in new draft Mining Code.” The same document explicitly states that representatives of the UN Department of Technical Cooperation for Development (UNDTCD) were directly involved in the formulation of the Mining Code.

These initiatives drew their data from and were supported by several mining and geological studies conducted by different international/multilateral agencies. Some of these were: German Development Institute (GDI), *Development Perspectives of the Philippine Mining Sector* (August, 1980); United Nations Department of Technical Co-operation for Development, *Strengthening The Government Capability In Gold Exploration* (1987); USAID, *Detailed Policy Guidelines For Mine Tailings Disposal*; ADB, *Mineral Sector Study* (1994).

### The Mining Act of 1995

On March 6, 1995, President Ramos signed into law Republic Act 7942, the Philippine Mining Act of 1995. On August 15 that year, the Department of Environment and Natural Resources (DENR) issued the Implementing Rules and Regulations (IRR).

The law was hailed on one side, by the Chamber of Mines of the Philippines as a landmark legislation, a fruit of their years of persistent lobby in Congress and Senate. On the other side, the law was opposed by environmentalists, social activists and indigenous peoples organizations.

The law is based on Article XII of the Philippine Constitution and thus mandates the State to manage the country’s mineral resources as owner and administrator, and to control and supervise exploration, development and utilization of mineral resources. The law reiterates the Constitutional provision that only the government may grant mining rights to individuals and corporations.

Under the new Mining Act, the government may grant three major kinds of mining rights:

**Exploration Permit** – grants the exclusive rights to the permittee to explore a tract of land based on an approved work program. If a mineral deposit is delineated and found to be technically and economically feasible to be developed, and the permittee has the right to enter to any type of mining right with the government.

**Mineral Agreement** – grants the contractor the right to conduct mining operations within the contract area for a period of 25 years, renewable for another 25 years. There are three types of this agreement: Mineral Production Sharing Agreement (MPSA), Joint Venture, and Co-Production Agreement. It allows 40% foreign equity.

**Financial or Technical Assistance Agreement (FTAA)** – a contract involving large-scale mining operations with an investment of not less than $50 million. It allows the entry of 100% foreign-owned mining corporations who possess the qualifications set forth in the law and its implementing rules and regulations. This agreement has a term of 25 years, renewable for another 25 years.
This provision (on FTAA) was severely criticized by civil society organizations. The Legal Rights and Natural Resource Center-Kasama sa Kalikasan (LRC-KSK) believes that the FTAA in the Mining Act is unconstitutional. They cite Article II, Section 2 of the 1987 Constitution which provides that the FTAA is an agreement for mere assistance, either technical and financial, in the development of mineral resources. “The FTAA contemplated by the Constitution is not a mineral agreement, or a contract for the exploration of minerals. Nowhere in this provision does the Constitution allow foreign corporations to actually control, manage or engage in full mining operations.” But the Philippine Mining Act of 1995 has allowed 100% foreign control over large-scale mining operations, through the FTAA. Other militant organizations have accused the government of selling the patrimony of the Philippines to foreign capital.

To attract foreign investors through the FTAA, the Philippine government, through the Mining Act of 1995, offers a package of fiscal incentives such as: fiscal and non-fiscal incentives in the 1987 Omnibus investment Code (this includes income tax holiday for 4 years for non-pioneer and 6 years for pioneer projects; tax and duty free importation of capital equipment); pollution control devices; income tax-carry forward of losses; income-tax accelerated depreciation.

The Mining Act also offers investment guarantees, such as: repatriation of investment; remittance of earnings, remittance of foreign loans and obligations from contracts; freedom from expropriation, freedom from requisition of investment and confidentiality.

The law professes to respect the rights of indigenous peoples by containing a provision on Free and Prior Informed Consent (FPIC). It also includes provisions on environmental safeguards. Critics view these as token provisions or lip service, to sugar coat the primary motivation of mining corporations, that is, maximization of profit. Community experiences (see discussion on “impacts” below) on the use of the FPIC provisions tend to validate CSO/NGO skepticism of the sincerity of mining companies, with regard to their pronouncement of concern for social and environmental impacts of mining.

Finally, the Mining Act grants mining corporations (foreign and local) the rights to use water and forest resources. It grants easement rights, which means the right to “ease out” any impediment to mining operations. “Effectively, the government has granted mining corporations the right to dislocate and displace farming, fishing and indigenous communities.”

**Impact of The Mining Act of 1995**

One immediate result of the Mining Act was the flurry of mining applications into the Philippines. As of year 2002, there were 43 FTAA applications under process covering around 2.16 million hectares of some 8% of Philippine territorial land. It is interesting to note that there were already six (6) FTAAAs filed, even before the Mining Act was approved by the Senate. This may be attributed to the substantial promotional campaigns conducted by the government, with support from UNDTCD and UNDP. These campaigns gave assurances that the proposed mining codes will soon be approved by the legislative assemblies.

Since the enactment of law, the government has approved: 180 Mineral Production Sharing Agreements (MPSAs); 70 Exploration Permits; 126 Industrial Sand and Gravel Permits; and 5 Special Mineral Extraction Permit. This excludes the 2 Financial and Technical Assistance Agreements (FTAAAs) and Mining/Placer/Lode Lease Contracts granted under previous mining laws. Collectively these mining rights cover an area of 850,000 hectares or about 2.8% of the total Philippine land area.
On May 6,8, 2002, Tebtebba Foundation, in cooperation with Philippine Indigenous Peoples’ Links (PIPLINKS), Legal Resource Center, Bagong Alyansang Makabayan (BAYAN), DCMI, KALIKASAN, CEC and Cordillera Peoples’ Alliance (CPA), organized a national conference on mining. This conference was participated in by some 131 representatives of various national, regional and community-based peoples’ organizations, including indigenous peoples/communities directly affected by mining. The conference highlighted, the impact of the Mining Act of 1995 and the adverse effects and threats (actual and potential) of that they called TNC Mining in their communities. Below, we present these effects as articulated by the affected communities themselves.

**Divided Communities**

The most glaring impact of the Mining Act of 1995 has been the disunity of local communities. This has been caused mainly by the “divide-and-rule” tactic employed by mining corporations. Examples of “bad practices” by mining companies are as follows.

In Southern Mindanao, the Australian-owned Western Mining Corporation (WMC) was reported to have organized “tribal Councils” that turn out to be non-representative of indigenous communities concerned. Genuine tribal councils (the Lugal Tribal Association which was organized by the B’laans long before the WMC came) were pitted against the company-organized tribal council, dividing the ranks of Lumads or indigenous peoples.

In the islands of Mindoro, Mindex, another Australian company, have caused community conflicts among Mangyans in Mindoro. The company organized its employees into the pro-company Lupaing Ninuno Mangyan Inc., to undermine the opposition representing legitimate Alangan and Tadyawan Mangyan organizations.

In the Cordilleras, Lepanto’s mine prospecting activities in Mainit, Bontoc, Mountain Province, employed the same tactics of using one family over the others. Lepanto convinced Chinalpan, et.al., who were no longer staying in Mainit for a long time, to stake their ancestral land claims in the community. From these claims, the family applied for an MPSA which they used to negotiate for a mining project in partnership with Lepanto.

**Sham Consultation of Indigenous Peoples**

Companies have abused/misused the principle of Free and Prior Informed Consent (FPIC) to get the consent and participation of indigenous communities. They have employed various means, ranging from coercion to deception, to cooptation, if only to get the supposed consent of indigenous peoples.

The most revealing example of company’s misuse of the FPIC is again seen in the case of WMC in Southern Mindanao. Nestor Horfilla, an anthropologist and the executive director of Davao City-based Kaliwat Performing Arts Cooperative (KPAC) and Convenor of Panagtagbo, a Mindanao-wide forum of non-government and peoples’ organizations, claims that WMC “dealt with, short of literally bribing, individual leaders to accept (and sign agreements with) Western Mining.”

Juanito Malid, of the Salnaon banwu (a B’laan settlement) revealed that his father, Majon Malid was promised a big house, other infrastructures and livelihood projects, in exchange for his signature to the Head of Agreement with WMCP.
The agreement, signed on February 17, 1995, binds the B’laans “to support and will make no objection to the grant of an FTAA to WMCP and acknowledge and confirm the WMCP’s exclusive right to conduct mining activities.”

The young Malid was forced to sign the documents, too, to prevent fighting among the clan members. The company employed other “forms” of pressure for the B’laans to sign the agreement, Juanito said. Prior to his father’s signing, clan members were brought by the two WMCP employees into what Juanito simply called a “hotel” in General Santos City. Juanito described the scene: There was dancing, nude women, lots of food and drinks, and women for partners.” Juanito also narrated other occasion when leaders from the Denlag community were also brought to the city. “There were 10 of us, for two days we were billeted in a hotel, four in each room well stacked with food and drinks.” At the hotel, Juanito quoted one Patricio as saying: “The military will come if you oppose. The project has been approved by the government.”

In Zamboanga, Toronto Venture, Incorporated (TVI) employed deception, prompting the local people to sign a blank sheet of paper during a meeting and later using this a “proof” of endorsement of its mining project. Boy Ano, a youth leader, said: “TVI gathered some students, including myself, prodded us to affix our signatures in a paper with a TVI letterhead, and declared that we have permitted the company’s operation in our communities.”

**Displacement from Ancestral Domain**

Massive legalized land-grabbing by mining transnational corporations (TNCs) through the new Philippine Mining Act has deprived indigenous peoples of their ancestral domain rights. Narratives of actual and potential displacement reverberated throughout the Philippine islands especially since the mining industry was liberalized.

In Zamboanga Peninsula, since 1994, Toronto Ventures, Incorporation has been forcing its way into a territory that is within the 6, 523.684 hectare ancestral domain claim of the indigenous Subanen people. The government has recognized the Subanen’s ancestral territory under a certificate of Ancestral Domain Claim (CADC).

In Zamboanga del Sur, big companies had applied for one FTAA and six (6) MPSA’s in the 27,000-hectare town of Midsalip in Zamboanga del Sur. The town, inhabited by Subanens, still had 1,500 hectares of virgin forests, 1,000 hectares of second-growth forests, and 500 hectares were reforested. The biggest FTAA applicant was CRA/Rio Tinto, with an FTAA covering 100,000 hectares.

In Far South Mindanao, the FTAA application of Western Mining Corporation (WMC) was one of the first two FTAAAs that was approved by the government. The FTAA covered 99,400 hectares of the area-boundary provinces of South Cotabato, Sarangani, Sultan Kudarat, North Cotabato and Davao del Sur. The entry of the project (now operated by Sagitarius Indophil) will displace indigenous peoples- Tagakaulo, B’laan, and Manobos from their ancestral domain.

In Mindoro, in Southern Luzon, The Mindex-Crew got a permit from MGB-DENR to conduct exploration in Mindoro Oriental and Occidental. The exploration permit covers areas that include the ancestral domain claims of indigenous Mangyans. In fact, the government, through the National Commission on Indigenous Peoples (NCIP), granted the Mangyans a CADC over the same area on February 26, 1996, almost a year before the Mindex-Crew’s exploration permit was granted.
Thousands of Indigenous Peoples’ have been actually physically displaced from their ancestral lands due to militarization that usually accompanied the mining exploration.

Repression, Violence and Militarization

Dr. Rodolfo Stavenhagen, the United Nations Special Rapporteur on the Rights of indigenous Peoples, during his mission to the Philippines on December 2-11, 2002, observes:

> Serious human rights violations have been reported to the Special Rapporteur regarding the implications for indigenous communities of economic activities such as logging, mining, the building of dams, commercial plantations and other development projects. Of particular concern have been the long-term effects on the environment and the livelihood if indigenous peoples of open-pit mining and the expansion of existing mining operations.”

Dr. Stavenhagen could not have been wrong with his observation. The following testimonies are just some of the stories of repression and violence being experienced by indigenous peoples nationwide.

In Guihulngan, Negros Oriental, fanatic groups, CAFGUs and military troops terrorized communities where the Australian Western Mining Corporation have staked mining claims. In a fact-finding mission conducted by Kilusang Magbubukid ng Pilipinas (KMP, Philippine Peasant Movement) in April 1-3, 2002, the mission blamed the rights violations on militarization, which intensified with the entry of mining in the island. WMC was awarded 88,000 hectares FTAA spread over 14 towns where 300,000 villagers live.

A campaign was initiated by KMP-Negros against the entry of WMC, landgrabbing and militarization. The KMP accused the government, through its military machinery, of being the company’s virtual security guard. The military set-up detachments in three villages where farmers had strongly protested against mining. They also helped organize fanatic and paramilitary groups, which stalked poor farmers who are asserting their rights to land and who questioned the planned entry of the WMC to the island.

In Siocon, Zamboanga del Norte, military checkpoints became part of the community’s terrain after Toronto Ventures Inc. (TVI) entered the Subanen’s ancestral domain. “These checkpoints became the company’s tool to intimidate and harass hapless community folk.” These also barred community folks from bringing home food supplies, which the company and the soldiers, suspect, were being given to rebels.

TVI hired goons and mobilized the police to intimidate traditional small-scale miners who had been in the area long before the company came. In one instance, company goons hurled a grenade and indiscriminately fired upon a group of small-scale miners.

In Lepanto, Mankayan, Benguet, on March 6, 2003, a company of the 50th IB of the Philippine Army conducted operations in villages of Quirino and Cervantes Ilocos Sur allegedly to flush out communist rebels. They entered several villages purportedly to act as blocking force because of a reported encounter between Army troops and New Peoples Army guerillas.

Dinteg, an alternative indigenous law center in the Cordillera belied the claims. Dinteg dismissed the AFP reports of encounters to justify deployment of troops and the recruitment of
CAFGUs and paramilitary forces in the area. The villages in Quirino and Cervantes, along with several towns of Benguet and Mountain Province have recently launched a campaign against Lepanto’s operation and expansion. The villagers claimed that Lepanto’s tailings dam have adversely affected farm production, destroyed the fertility of their lands and contaminated irrigation water from the Abra river.37

In the province of Aurora, in the northwest portion of the country, residents are report that they are now facing the consequence of their anti-mining campaign with the increasing presence of military and paramilitary troops in upland communities. 51,000 hectares of Aurora province, larger than the actual size of the province have been granted to three FTAA applicants, namely the Omnigroup, BHP and Chase Mining Ltd.

It is clear from the testimonies of indigenous peoples’ and farmers that they are not only against the mining act of 1995. They are also opposed to TNC mining or any other kind of extractive industry activities to take place in their ancestral domain/territories.

Indigenous Peoples’ lament that decades of mining in their lands have only resulted in massive ecological destruction and wanton exploitation of natural resources. Mining corporations, protected by state legislations/laws, have displaced indigenous peoples from their ancestral domain. This resulted in the loss of livelihoods, thereby worsening poverty in indigenous peoples’ communities.38 Indigenous peoples’ also claim that the entry of mining has also led to the destruction of the rich culture of indigenous peoples, as decadent values and practices (e.g. drinking, gambling and prostitution) came or became more rampant when mining came.

TNC mining has also disproportionately impacted indigenous women. For instance, as the water dries up (due to mining operations), women have to fetch water from a distance and have to worry when their children get sick because of lack of water. The closure of mining has also increased the (multiple) burden of women. They take on the role of breadwinners as their husbands are deprived of livelihoods.

From a brief rendering of the national experiences vis-à-vis the Mining Act of 1995 (and mining in general), we now proceed to discuss the experience of a local/indigenous community in Northern Philippines. Our objective here is to amplify the issues presented above, and to give and show the “flesh and blood” impacts of the World Bank-supported mining industry in the Philippines.

The Climax Arimeco Project in Nueva Vizcaya: A Case of Best Practice?

_The development of the Dinkidi orebody is socially acceptable. It conforms to all material criteria specified by the World Bank, to ‘world’s best practice’ principles adopted by all major mining groups in Australia and North America and to the particular requirements of the government of the Philippines._ 39

This is the assessment of the Climax Arimco Mining Company (CAMC) about the community participation and social acceptability of its mining project in Didipio, Kasibu, Nueva Vizcaya, northeast of the Philippines.

The paper states the role of World Bank in the said project, thus:

_The project funding arm of the World Bank, International Finance Corporation (IFC) independently audited the proposed development plan. In approving the plan,
the IFC consultant stated that the acceptance by the host community of the development plan represented the best case of prior informed consent he had ever witnessed. Steffen Roberts and Kersten (SRK) independently reviewed and approved the community development plan on behalf of potential members of the international banking syndicate. 

These claims are challenged by the people who are directly involved and adversely impacted by CAMC’s mining activities. What follows is a record of the voices from below.

The Project

In June 20 1994, the Philippine government granted CAMC a financial and technical assistance agreement (FTAA) covering 37,000 hectares in Nueva Vizcaya and Quirino provinces for mining exploration and development activities. The CAMC project was one of two the other is Western Mining Corporation in Mindanao, south of the Philippines) FTAAAs that were granted before the enactment of a new mining law in 1995.

The Didipio Gold/Copper Project, which covers about 1,500 hectares, was established out of CAMC’s FTAA. It is a mineral development project subjected to feasibility study on the Dinkidi deposit, one of a number of mineralized bodies located in the Didipio Valley. The project has reached the “advance stage of exploration having substantially completed geological mapping, stream sediment geochemistry, geophysical induced polarization surveys and subsurface drilling.” The same project has been granted an Environmental Clearance Certificate (ECC) in August 11, 1999.

Climax Arimco registered in July 5, 1990. It is owned jointly by two Australian mining companies, Arimco NL and Climax Mining Limited. Through CAMC, Climax holds an aggregate 92% interest in the FTAA. Certain Philippine investors like Mr. J. Gonzales hold the remaining.

The CAMC project is expected to operate for a period of 12 years – 3-years development period and 9-years operations.

The Didipio Earth Savers Multi-Purpose Association, (DESAMA) stated that “(t)he Didipio Gold-Copper Project aims to extract as much as 1,200,000 ounces of gold and 99,000 tons of copper metal. The open pit and cave-block mining process is expected to produce 4,550,000 tons of waste rock.”

CAMC estimated that a budget outlay of $138 million is needed to develop the project, which it has drawn from various funding sources in Asia and Europe.

Didipio - land of plenty and opportunity

The pioneers of Didipio were originally from the Ifugao indigenous peoples of Hungduan, a municipality of Ifugao province. In the 1950’s, they came to the valley in waves, in response to government’s offer to open up frontier (homesteads) areas for resettlement.

The new settlers encountered Ilonggots or Bugkalots in the area who were hunters and food gatherers. It was from the Ilonggots or the Bugkalots that the Ifugao settlers heard the word ‘Kasibu’, which means ‘venue where people to settle their differences.’ The first settlers found that it was good so they adopted the word as the name of the place.
Didipio is one of the 30 barangays of the municipality of Kasibu. Today, it is home to approximately 1,500 individuals belonging to 250 households or an average of 6 persons per household.4

Didipio is a fertile valley. Its base is planted mainly to rice, lined in neat rows of terraced plots, as well as with crops and vegetables for domestic consumption. It is also dotted with clusters of mostly wood and concrete houses and other buildings where the community occasionally gather, like the various churches, multi-purpose halls, the school, among others.

The valley is endowed with natural resources. Its forests provide wild game, which occasionally feed family members and neighbors. The forests provide timber for which houses. These same forests are the sources of crystalline waters that feed the Camgat and Dinauyan rivers. Both rivers join the Didipio River. They provide the irrigation that sustains agricultural production. The rivers are also a rich source of fishes for additional protein and important food nutrients.

The lands yield various crops for subsistence. The settlers started clearing lands by slash and burn method, taking off from lands earlier cleared by the logging company. The Luzon Loggers Inc was reportedly owned by the Kuas, a political clan in the nearby province of Quirino. Gradually, permanent terraces were built.

The Ifugao people established irrigation canals. They employed their indigenous practices like the muyong* to protect the watershed. They managed to preserve the fertility of the soil. Up until now, they take pride in the fact that they need not use fertilizers, herbicides and pesticides to increase production.

In areas where water was scarce, the farmers produced citrus and other fruits. This proved to be a lucrative endeavor, as well as banana production. In 1995 the bananas contracted tungru or a fungus-based disease. Mr. Antonio Dingcog the newly elected Barangay Chairman, attributes the fungi to CAMC. He said that the bananas got infected with the fungi after the CAMC plane came flying over Didipio in 1995 to survey the area. This anecdote needs validation. However, it is a clear expression of the low esteem and lack of trust towards the mining company. Meantime, the tungru had adversely deprived the people of Didipio to generate more income from banana production.

Other members of the community engage in small-scale mining to supplement to their income. Some others have raised farm animals like chicken, hogs and goat for food.

The community used to be close-knit. They lived in peace and harmony. They settled whatever their differences amicably with the active intervention of elders. At present, they no longer practice rituals that their kin in Ifugao continue to do. However, the have retained some of their useful cultural practices.

Community folks engage in the practice of batarisan or ammoyo. This is pooled work, voluntarily offered by neighbors to anyone who needs to finish certain jobs like building a house, making an irrigation canal, planting or harvesting.

---

*Muyong is a clan-owned forest in Ifugao. The Ifugaos still observe customary laws with regard to the use and management of this common resource.
Didipio was a picture of a simple, economically subsistent community. It was idyllic and peaceful. The people lived in harmony with one another and with nature. A perfect picture indeed. Until the CAMC came.

**Enter the Giant**

In 1989 mine prospectors arrived in Didipio, sampling the lands. Community folks were surprised, but were nevertheless friendly and accommodating to the visitors, as usual. The visitors assured them that nothing extraordinary was happening. Then they left, to return later. They did this several times, until they decided to establish a more permanent camp in 1994.

Without their knowledge, a foreign company named Climax Arimco Mining Corporation had already secured the approval of then President Fidel V. Ramos to explore and eventually mine Didipio. The people felt deceived and betrayed. They protested this transgression of their hospitality. The company hired local hands to lay the groundwork for the project.

The company was now ready to start development work in the community. It would establish a small open pit mine. Later they would excavate the earth underground through block caving method. It would build a diversion tunnel, process plant facilities, and tailings dam to contain the waste.

Engineering and construction equipment would come in: large hydraulic excavator, blast hole drills, large haul trucks, large bulldozers, load, haul and dump units, ventilation shafts, crushers, conveyors, feeders, and the like.

The project promised to generate jobs, which was projected at 745 employees during the development stage and 555 employees during the operations stage.

In compliance with the Mining Act of 1995, the CAMC conducted an Environmental Impact Statement (EIS). The company also prepared an Environmental Protection and Enhancement Program (EPP) which they submitted to the government Department of Environment and Natural Resources (DENR).

Amidst mounting opposition, CAMC in the year 2000, had to revise its mining proposal to make it more publicly ‘acceptable.’ The CAMC revised proposal was called Yawanoo Concept Study:
Table 1: Comparison Between the Previous Proposal and the Yawanoo Concept Study.

<table>
<thead>
<tr>
<th></th>
<th>Previous Proposal</th>
<th>Yawanoo Concept Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserve</td>
<td>17 mt</td>
<td>3 mt</td>
</tr>
<tr>
<td>Mining Method</td>
<td>Small open pit</td>
<td>Small open pit</td>
</tr>
<tr>
<td></td>
<td>Block cave (underground)</td>
<td>Cut and fill</td>
</tr>
<tr>
<td>Construction period</td>
<td>Three years</td>
<td>One year</td>
</tr>
<tr>
<td>Production rate</td>
<td>2 mt year</td>
<td>.3 to .5 mt year</td>
</tr>
<tr>
<td>Mine life</td>
<td>Nine years</td>
<td>Eight years extendable</td>
</tr>
<tr>
<td>Design</td>
<td>6 km drainage tunnel, diversion tunnel, large tailings dam</td>
<td>No drainage tunnel, no diversion tunnel, small tailings dam</td>
</tr>
<tr>
<td>Capital</td>
<td>US$150 million</td>
<td>US$32 million</td>
</tr>
<tr>
<td>Government share</td>
<td>60% net revenue</td>
<td>60% net revenue</td>
</tr>
<tr>
<td>Community share</td>
<td>1% operating costs</td>
<td>1% operating costs</td>
</tr>
</tbody>
</table>

Source: Didipio Gold Copper Project - Climax Arimco, … building the Philippine future through responsible mining, undated.

The concept study also attempted to point out the advantages of the new proposal compared to the previous one. These are shown in Table 2 below.

Table 2: Advantages of the Yawanoo Concept Study compared to the Disadvantages of the Previous Proposal

<table>
<thead>
<tr>
<th>Advantages of the Yawanoo Concept Study</th>
<th>Disadvantages of the Previous Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>— Low initial capital cost at US$32 million</td>
<td>— Cut and fill is a high cost mining method</td>
</tr>
<tr>
<td>— One year construction period</td>
<td>— More labor intensive</td>
</tr>
<tr>
<td>— Low environmental impact</td>
<td>— Extract only a portion of the orebody: various pillars are required for ground support like stope pillars and crown pillars</td>
</tr>
<tr>
<td>— Small tailings dam</td>
<td>— Less gold and copper produced</td>
</tr>
<tr>
<td>— Fewer tailings</td>
<td></td>
</tr>
<tr>
<td>— Tailings also used as underground stope backfill</td>
<td></td>
</tr>
<tr>
<td>— 6 km drainage tunnel not required</td>
<td></td>
</tr>
<tr>
<td>— Use pumps for dewatering</td>
<td></td>
</tr>
<tr>
<td>— Pumped water can be distributed for agriculture and irrigation purposes</td>
<td></td>
</tr>
<tr>
<td>— No diversion tunnel required</td>
<td></td>
</tr>
<tr>
<td>— New tailings dam location</td>
<td></td>
</tr>
<tr>
<td>— Fewer people.</td>
<td></td>
</tr>
</tbody>
</table>

Token consultations

It took CAMC three years to publicly acknowledge its intention to mine Didipio. In 1997, three years after the government granted CAMC’s FTAA, the company conducted its first public consultation. This was later followed by several other consultations.

Upon learning of the CAMC mining project, the people mounted protest activities within the community as well as in the municipal and provincial centers, up to Manila. Even the rocks
around Didipio and the walls of houses bore signs of the peoples dissent. The people expressed their outrage through petitions and resolutions. They also engaged in dialogues with government leaders from the barangay up to the national levels. However, the people were not satisfied with the manner in which these meetings were conducted.

Our informants related that in one of the supposed consultation meetings called by CAMC, company representatives would only listen to pro-company elements. Allegedly, the company intentionally dismissed protestations of anti mining adherents. Mr. Peter Duyapat’s testimony was disturbing: "The official documentor would deliberately switch off a tape recorder when I presented the community’s position. The documentor would record only the company representative’s statements."45

The same story was mentioned in during the National Conference on Mining. We quote: “The people found out that even before a dialogue, the MGB and the company had already agreed on what they would like the dialogue’s outcome to be. The company and the MGB also went to the extent of deceiving people, saying they would not use any chemical in separating gold from the ore.” 46

Often, CAMC would dismiss peoples’ dissent as plain sentimentalism and anti-developmentalist. For the indigenous peoples of Didipio it seems that CAMC’s only goal is to pursue its profit-making project, at all cost. In this paper, we want to give a space to these voices.

Dinaon Cut-ing maybe an old woman, but she vowed to join the other members of her community to protest the insistence of CAMC to go on with the project. She argues:

Even if I am an old woman, I will fight them ... with land, even if it is small, if you are industrious, you will be able to eat. There is kamote, gabi and rice. If you plant vegetable, you will have viand. That is plenty to live on. Even if you have a lot of money, but you don’t have rice, would you be able to chew your money?48

The youth of Didipio believe that their voices too should be heard on the issue. Julian Inlab, who lives in sitio Surong believes that “there is nothing it will bring us in terms of long term livelihood.”49

Sixty-seven year old Andres Lumatic, who lives in the same sitio was more specific about the destruction that the tailings dam would bring to his land. He says:

I have not seen (any) mines, but I know that the threat is what they refer to as the proposed tailings dam. This land is our life. If they do build the tailings dam, where will we get what we will live on? That’s why mines are destructive.”50

Lumatic also expressed his sentiments about CAMC, having been an employee in the past:

I observed that there was favoritism towards the workers. They did not give equal treatment. (This would indicate) that when they begin operation, they will not give equal treatment to our community.”51

Didipio’s farmers felt strongly about the effect of the mining activities to the community’s water resources. Alfredo Cul-hi has this to say:
I know why we do not want it. This is because I know that this area gives us life like a wellspring where we get our water. So if they go and bore holes in it or do open pit, what will happen to our place? We know that our water will be the first to dry up, no matter how much planning is done, whatever small terraces we have built will dry up then where will we get our sustenance from?

Benny Ansibey, a youth from Surong agreed and expressed his fears on the ecological impact of mining, thus:

I believe that mining will only pollute the water, destroy our land and source of misunderstanding within the community. I believe sustainable development can only be obtained if we are industrious, if we work hard. ...like in Barangay Malabing (which) have proven this concept by planting citrus and other. Products. (T)hey became prosperous. Mining can only teach us to be lazy because people become dependent on what the mining company can provide.

Carrots for the taking

The CAMC did not fail to emphasize the benefits that the mining operation would bring to the community. It dangled a package of benefits to the people in exchange for their consent. It promised better roads, communication facilities, electricity and jobs. It promised more and better schools, and hospitals. It also promised income generating projects, compensation and relocation. For the local government, it offered more income through taxes.

CAMC needed to win over the support of the Didipio Barangay Council. This was a strategic sector because they were the duly elected leaders in the community. The Council was previously staunchly opposed to any mining activity in Didipio. Most of them acquiesced after the Company’s aggressive cooption campaign. Manila-based non-government Legal Rights Center observed that, "(b)arangay officials were offered jobs in the CAMC bunkhouse until all of them, save for one kagawad, have acquiesced to the operation of CAMC." CAMC oppositors added that these pro-mining officials received regular, and arguably illegal payments from the company, in exchange for their active support.

The offers were indeed tempting. Mr. Peter Duyapat, the only Councillor who did not fall into this trap, testifies: “I have been offered by the company a 20-hectare farm in Bayombong, also in Nueva Vizcaya, sum of money that I could not spend in my lifetime, a house and lot and a Pajero land cruiser.”

This practice of providing ‘aid’ to gain acceptance or concessions is as much relevant at the community level as it is at the national level. In the case of Didipio, a health center, supposedly paid for by the Australian government, was built for the community in the early ’90s. The Roman Catholic Church, through the St. Patrick Parish in Kasibu, was to assist in maintaining the health center. The center however is now being heralded as a project of the mining company, and attempts by the Parish to move for its fiscal independence has not been received positively.

Ms. Mary Bajita, a midwife in charge of running the clinic, confirms that indeed, CAMC appeared it owned the project, by paying for the salaries of its two staff, a commitment made with the previous pro-CAMC Barangay Council in the Memorandum of Agreement (MOA). Bajita claimed that CAMC reneged on this commitment when the company stopped paying their salaries. Similarly, the CAMC also stopped paying the salaries of three contractual teachers, which were supposed to be drawn from this same MOA.
CAMC did not leave any stone unturned. It made sure that it had its own coterie of supporters from all sectors in the community, in addition to the support of the local government unit. Benny Ansibey, DESAMA’s vice chairperson observed that “the company organized and assisted in the activities of sectoral organizations of women, youth, the religious sector, a farmers’ cooperative and others. From these organizations, the Barangay Development Council (BDC) was organized to pursue commitments made in the MOA. But the BDC functioned rather as a spokesman and an apologist of the company, effectively parrying public outcry against CAMC and its mining project.59

And now the Stick

As early as 1994, a unit of the Philippine Army was deployed in Didipio to secure the operation of the CAMC. In 1997, an irate farmer whose land was trespassed by CAMC people, shot at a helicopter flying over Didipio, killing CAMC’s Canadian consultant. This incident justified the deployment of more government soldiers to Didipio.60

Recently, able-bodied youth from Didipio, mostly from the ranks of the pro-mining group were recruited to the Citizens Armed Forces Geographical Unit (CAFGU), a paramilitary formation. It was only in Didipio, one of thirty barangays (freely translated as “village,” the basic unit of territorial division in the country) composing the municipality of Kasibu, that the CAFGU was organized. The CAFGU unit had about 20 persons, joined by three regular forces from the army. They were armed with high-powered rifles like M16, M14.61

The CAFGU in the Philippines has had a bad Human Rights record. The residents in Didipio report that “the CAFGU would quarrel with one another after being drunk. They would enter houses without search warrant; they would scatter things in the house. They would steal food and livestock. This went on until the people complained.”62

The people of Didipio also complained about cases of harassments and other abuses committed by the CAFGUs and the Army. The story of Tony Pinkihan is just one of these incidents.

In November 2001, around 6pm, a certain Primo Duhalngon, a member of the Citizens Armed Force Geographical Unit (CAFGU) approached me. He was armed with a Caliber 45 pistol. Duhalngon was a staunch supporter of the pro-mining organization and received allowance from CAMC. Mr. Duhalngon poked the gun at me and said ‘you anti mining, what do you think of yourself a tough guy, do you want me to shoot you?’ I reported the incident to Barangay Kagawad Simeon Ananayo, who is also an active member of the pro-mining organization. Until now such complaint have not been acted upon.63

Lorenzo Pulido from Baebacan, Didipio testifies:

I was approached by Oscar Nicano, Community Relations Officer of CAMC, compelling me to issue certification against those who signed a petition against the mining operation in Didipio. He instructed me to state in my certification that those who made the petition were not residents of Didipio. I did not issue a certification because they are residents of the barangay. Because of my refusal to issue a certification, Nicano got angry, threatened to slap me and inflict bodily harm. I was also verbally abused. Nicano instructed the pro-mining supporters not to load my
harvest including the harvests of other anti-mining supporters to the truck that usually delivers our products to the market. As a result, our harvests were left rotten which resulted to financial hardships to me and my family and the others.

Lopez Dumulag cries for justice as he bewails:

I am an owner of a small piece of land in Dinauyan. In 1995, a staff of CAMC entered my property without my consent. They conducted clearing activities, which included cutting of trees, digging holes, removing crops. They conducted the activities without my consent and against my will. I was not compensated. When I demanded compensation, the CAMC Community Relations Officer informed me that I would be compensated with 5 trucks of gravel. In exchange, I would agree to allow the use of my land for the construction of the road. They only delivered one truckload of gravel. Until now the promise of the CAMC has not been fulfilled.

One sorry impact of CAMC’s intrusion into Didipio is the breakdown in relationships among relatives, friends and kinfolk. The community is now divided into the pro and anti-mining camps, where in the past, they lived like one big happy family. The squabbles between the pro and the anti become more painful as children are dragged into it.

Here is the testimony of Eduardo Ananay o, father of Adelina, 13 years old:

My daughter was in good terms with her classmates and childhood friends. After the arrival of the mining corporation, the relationship was severed. Every time my daughter passed in front of the houses of the pro-mining group, the children of the later (would) curse her... (t)hey would point a finger at her, followed by a statement 'so you are the daughter of Eduardo, the anti mining (fellow).

It appears that this process of polarization within the community will continue. On the other hand, CAMC struggles to secure legitimacy for its mining operations as it continue to contend with insistent peoples’ protests.

In 1999, CAMC was able to secure a MOA with majority of the members of the Barangay Council and leaders of the pro-CAMC organizations, signifying concurrence to the project. The company used the MOA to secure another important document to push further its mining project, the Environmental Compliance Certificate (ECC). The DENR promptly issued one.

The anti-CAMC section of the Didipio population demanded from their barangay officials to revoke concurrence to the MOA, but the later refused. They decided to organize the Didipio Earth Savers Movement Association (DESAMA) to initiate the campaign against the CAMC mining project. Consequently, DESAMA submitted a petition to the Commission on Election (COMELEC) on July 16 1999 invoking their power of initiative. The local initiative is a mechanism embodied in both the 1987 Constitution and the Local Government Code to allow the recall of certain officials and laws deemed detrimental to the interest of the people.

Up to this day, the COMELEC has not set a date for referendum to satisfy the call for local initiative. But this did not dampen the spirit of protest. In fact, this time, the people of Didipio were no longer alone. The public was now willing to listen, and to lend support.
Outpouring of Support

The Roman Catholic Social Action Commission stood by the people of Didipio on the issue. It mobilized support in many forms, including organizing and mass campaigns assistance. The Legal Rights Center responded with training, researches, legal actions, among others. The bishop was likewise, very supportive. Other Civil Society Organizations sympathized and actively lent their support.

In June 2001, the DESAMA joined the Cordillera Peoples Alliance (CPA), an organization of indigenous peoples in the Cordillera. The CPA adopted the former’s struggle against the intrusion of CAMC in Didipio. Earlier, a 30-strong delegation of DESAMA members joined their Cordillera counterparts and their supporters in the celebration of Cordillera Day, in the mining town of Mankayan, Benguet. These provided an opportunity to project widely the issues in Didipio.

DESAMA also attended the National Conference on Mining held in Baguio City on May 6-8, 2003. They also participated in the Dapitan Initiative in Zamboanga in October 2002. These occasions provided a wider network of support as well as broader arena for struggle.

The Didipio people’s dissent over CAMC’s project have not escaped the attention of even some government officials, who one way or another provided ‘some space for breathing.’

The Regional Development Council (RDC) of Cagayan Valley issued Resolution No. 02-34-2000 Rejexting the Proposal of Climax Arimco Mining Corporation to Operate the Didipio Gold/Copper Mining Project. Part of the resolution states, “… the body was convinced that the harmful effects of the project to environmental integrity of the project areas in the provinces of Quirino and Nueva Vizcaya and other rivers and watershed areas in Region 02, outweigh the projected economic and social benefits that may be derived from the implementation of the project.”

All 70 members of the Regional Development Council reconfirmed their decision not to endorse the CAMC project. “While Climax had planned to start mine construction in January 2001, its representative was reported to be disappointed when the proposed mine was rejected again.”

In October 11, 2001, then DENR Secretary Heherson Alvarez issued a “Notice of Suspension of Exploration Activities to CAMC” on the following grounds: 1) That the Project has allegedly not secured Social Acceptability; 2) That the Project is located inside the Addalam River Watershed.

Secretary Alvarez ordered CAMC “to refrain from undergoing any exploration activities in the area covered by the FTAA until such time that the above issues are resolved and that the favorable endorsement of the Project by the Sangguniang Bayan and Panlalawigan are secured.” The action of DENR Secretary Alvarez, which was in direct contradiction to that of IFC, was apparently a political accommodation amidst public outcry over CAMC’s operation, Alvarez being a well-known political figure of this region.

The 30-member Association of Barangay Captains of Kasibu, Nueva Vizcaya, representing all 30 barangays of the municipality, signed a joint resolution “Requesting the Sangguniang Bayan Members Not to Endorse the Didipio Gold/Copper Mining Project of CAMC and to Spare the Entire Municipality from Any Mining Application.”
Part of the resolution states “… we believe that Kasibu is best suited for agriculture as it is the fruit and vegetable bowl of the province; … mining will destroy the agricultural lands which is the main source of livelihood in the area; … the CAMC project is not socially acceptable by the community.”

Finally, the entire Kasibu Municipal Council issued Resolution 156 series 2002 “Denying the Request of the Sangguniang Barangay of Didipio Nueva Vizcaya for the Endorsement of the Proposed Didipio Gold/Copper Project of Climax Arimco Mining Corporation.” The Resolution in part states “ c) that the project is not acceptable to the people of Didipio as shown in various petitions and resolutions from DESAMA and other groups.”

This is a reiteration of the earlier resolution of the municipal government of Kasibu to reject the CAMC project, in Resolution No. 10 series of 2001. The said resolution agreed with the call of the Regional Development Council of Region 2, to reject the CAMC proposal to operate the Didipio Gold/Copper Mining Project.

Earlier, a signature validation was conducted by the Committee on Environment and Natural Resources of the Kasibu Municipal Council on June 13, 2002 in Didipio. The signature validation was in response to the resolution of the previous Didipio Barangay Council (Resolution no 12, Series 2002 dated March 1, 2002) seeking the Municipal Council’s endorsement of the CAMC project. The barangay resolution was supported by endorsements from 311 individuals and organizations like the DFIA, DIMCO, BARO, SK and DWMCP. These organizations openly support the CAMC project. The result of the validation was supposed to be the basis of the Municipal Council to endorse or not to endorse the CAMC project.

The signature validation revealed that “ a) There were some who retracted their signatures on the endorsement; b) There were some who were neutral; c) There were some who claimed that they were not the one who signed; d) There were some who were below 15 years old.” The Committee concluded “that the result of the validation was not enough basis to recommend to the August Body whether to endorse or not to endorse the Didipio Gold/Copper CAMC project.”

The Kasibu Municipal Council further recommended that a ‘consensus election’ be held, but which the new Didipio Barangay Council promptly rejected in its Resolution no 3, Series of 2002, dated September 12, 2002. In its resolution, the Didipio Barangay Council stated:

The findings of the Municipal Validating Team on the endorsement of the Pre-Development MOA that was entered into by the previous Barangay Council with Climax Arimco Mining Co., are enough basis to determine the validity or non-validity of the endorsement; … if the referendum that was earlier proposed did not materialize, why should we submit the barangay this time for a Consensus Election?…the result of the July 15, 2002 Barangay Elections is one manifestation of the support of the community.”

Indeed, the result of the Barangay Elections in July 2003 would bolster the contention of the mine oppositors that the Didipio community was against the CAMC mining project. Save for two, all newly elected Barangay Council members run under the anti-mining platform. The election exercise provided the people of Didipio the legal opportunity to boot-out their officials, who in the past, were serving more as agents of CAMC rather than listening at the least, to the voices of the people. Citing his personal experience as a reelectionist to the Barangay Council, Mr. Peter Duyapat claimed he garnered 233 votes against more than 100 votes of the most
popular pro-CAMC candidate. The highest number of votes, 333, was garnered by an anti-CAMC candidate.

**Opportunities and Threats**

Recent developments have clearly made it difficult for CAMC to smoothly proceed with the project. This includes the decision of the newly elected Barangay Council to oppose the project.

The challenge for the newly elected barangay officials, is to come up with tangible community projects since the CAMC operations have been suspended. Along this line, Barangay Captain Antonio Dingcog has led in the efforts to negotiate with the officers of the Nueva Vizcaya Electric Cooperative (Nuvelco) to install transmission lines for the generation of electric current in the area. In January 28, 2003 Nuvelco approved the request.

Recently, the Didipio Barangay Council, jointly with two other adjacent barangays submitted a resolution to Congressman Padilla asking for monetary assistance to repair part of the road from Wangal to Didipio. The request was granted. A second resolution is being prepared, to request for more funds to improve the all-weather Wangal-Didipio road.

Antonio Dingcog and his barangay officials assisted three elementary teachers who have not received their salaries since July 2002. These teachers were under the payroll of Climax Arimco Mining Corporation as part of the promised package of benefits and assistance to the community in the MOA signed with the previous Barangay Council. In order to resume the payments, CAMC required the new officials to agree to the MOA.

But Dingcog did not want to compromise his anti-mining position, so he sought assistance elsewhere. Congressman Carlos M Padilla, Kasibu Mayor Romeo C. Tayaban and the Department of Education Division Office have agreed to pay the salaries of the teachers from July up to December 2002.

But the CAMC is not down and out of Didipio. In fact, it is continually firing the enthusiasm of its hired supporters to drumbeat the virtues of mining and its purported new image. It is waiting and hoping for the government, its biggest ally, to make good its promise of full support to the industry.

The government appears to keep its promise. In December 2002, the president Gloria Macapagal-Arroyo announced in a policy statement that the government would prioritize the development of the mining sector, among others, to boost the need for more income in the midst of the worsening budget deficit. The president asked her new DENR Secretary to fasttrack the consultations on the National Minerals Policy (NMP). The NMP is believed to be largely pro-industry and would harmonize and even remove all stumbling blocks to the full exploitation of the country’s mineral resources.
CONCLUSION

Over the past decade, a powerful bloc of institutions led by the World Bank have been obstinately pushing for the development of the mining industry. The World Bank has, in various ways (directly and indirectly) influenced the crafting of national mining codes primarily within the framework of liberalization, privatization and deregulation. They believe that these policies create a good investment climate to attract foreign investors. Thus, these policies catered mostly to the interests of Transnational Mining Corporations (TNCs).

The World Bank created in the Philippines and elsewhere an impetus for mining legislation reform and liberalization. Its influence also led and even financed other agencies (such as UNDP, NTC, ADB) to support such programmes. Yet in so doing this section of the bank neither consulted with nor researched the impacts upon indigenous peoples nor required any adequate safeguards.

The role of World Bank in the formulation of the Philippine Mining Act of 1995 may not be as conspicuous as in other countries (e.g. Africa). However, its influence over Asian Development Bank, UNTCD, and the MGB-DENR, institutions that had a direct hand in the formulation of the mining act, cannot be denied. In this study, we have tried to show the relationships and connections between and among these actors, towards the final enactment of the law.

The impact of the Mining Act of 1995 was immediately felt by the sectors who were to be directly affected by mining activities—the indigenous peoples and farmers. Even in the initial stage of mining exploration, conflicts mainly over ownership and access over land already emerged throughout the country. This is because, in almost all instances, the areas being targeted for mining are the same areas being claimed by indigenous peoples’ as their ancestral domain. They were in fact supported by a more recent law, the Indigenous Peoples’ Rights Act (IPRA) of 1997, in their claims.

Besides conflict over the lands, the Mining Act of 1997 also engendered social tension and conflict within the indigenous/farming communities. Mining companies used the provision of the Mining Act to seek the “Free and Prior Informed Consent” especially of indigenous communities. However, local testimonies from practically all communities where the FPIC was supposedly employed, reveal rampant violation of the real intent, principle and methodology of the FPIC. We have documented examples of these violations in this study.

The expansion of mining activities is also vehemently opposed by local communities on account of actual and potential threat to biodiversity and sustainable development of indigenous peoples’ territories. For indigenous peoples’, no amount of well-packaged Environmental Impact Assessments- approved by the DENR- will cover up for the damage that TNC mining would bring into their ecosystems. History and experience validate these fears.

In the light of strong civil society protests against TNC mining, proponents and apologists of mining are now talking of “sustainable mining.” As of this writing, the government is conducting regional and national consultations on its National Minerals Policy (NMP). This policy has substantially discussed the environmental and social costs and implications of mining. However this is still within the framework of growth-driven, profit-motivated export-oriented industrialization as encoded in the Philippine Mining Act of 1995. This is the main reason why indigenous peoples’ organizations and civil society organizations in the Philippines are skeptical of the National Mineral Policy of the present administration.
RECOMMENDATIONS

In the course of the debate on the Mining Act and mining as an industry per se, indigenous peoples’ organizations have always reiterated their pro-active positions. They have said time and again that they are not anti-mining, nor anti-development. In this final section of this paper, we put forward the following recommendations of indigenous peoples.

1. Scrap the Philippine Mining Act of 1995 and its Implementing Rules and Regulations and all its anti-people mining laws

Effect a moratorium on the opening of new large mines and the expansion of existing ones until such time that a new mining law is legislated. A new mining law should be crafted within the framework of national industrialization and supportive of advancing agriculture in order to contribute to food security, jobs and job security, and just wages.

The new mining law should also:

a. Uphold the social, economic, civil and political rights of all democratic sectors of Philippine society vis-à-vis the threat that mining poses to the exercise of these rights.
b. Recognize and respect the rights of indigenous peoples to their ancestral domain, to their ancestral lands, and to self-determination.
c. Uphold and recognize declarations by Local Government Units for a mining moratorium or mining-free zones in their towns/provinces.
d. Recognize the right of the people to veto a mining project.
e. Ban open pit mining, submarine mine waste disposal methods and other destructive mining technologies.
f. Ban mining where the ecosystem is fragile.

2. Cancel all Financial or Technical Assistance Agreements (FTAAs), Mineral Production Sharing Agreements (MPSAs), Exploration Permits (EPs), and other instruments, licences, or contracts issued to foreign mining companies and their domestic counterparts in large mining

a. Declare a moratorium on the processing of large mining applications.
b. Companies with bad record regarding IPs should not be promoted.

3. The historical baggage against mining companies could only be overcome if they establish confidence-building measures, such as:

a. Guarantee adequate separation pay and benefits for workers retrenched from mining operations that have been discontinued as a result of the cancellation of mining contracts.
b. Guarantee justice and indemnification for all victims of mining-including disabled workers; dispossessed peasants; displaced communities; persons who have suffered diseases caused by mining operations; and persons who have been harmed and have
suffered death in their families from the violence that has surrounded the mining projects.
c. Rehabilitate the land and other resources ravaged by mining operations, including
mined-out areas. Mining companies should be responsible for these.
d. Rehabilitated land and other resources should be returned to the people in order that
they can make use of these productively.

1 Antonio Tujan Jr. and Rosario Bella Guzman, Globalizing Philippine Mining, (Manila: IBON Foundation,
2 Mineral Policy Program, East-West Center, “The Philippine Mineral Sector to 2010: Policy and
5 Ibid.
264 and 265.
7 M.V. Cabalda, M.A. Banaag, P.N.T Tidalgo and R.B. Garces, Sustainable Development in the Philippine
Minerals Industry: A Baseline Study. This report was commissioned by the MMSD project of IIED,
8 Toti E. Reyes, “Mining Industry Facing Extinction,” The Critical Years Of The Philippine Mining
22-33.
13 The statement continues: “Examples of conferences and roundtables which the World Bank has co-
sponsored include a 1994 Seminar on Coal Industry Restructuring; a 1994 Mining Legal Roundtable; a
1996 Clean Coal Initiative Roundtable; a 1996 Artisanal Mining Roundtable; a 1997 Conference on
“Mining-The Next Twenty-Five Years,”; and a 1997 conference on “Mining and the Community.” William
Onorato, Peter Fox and John Strongman. “World Bank Group Assistance for Minerals Sector Development
14 Felix Remy, “Mining Policy: A Perspective From The World Bank: Frequent Issues In The Mining
15 Ibid.
17 William Onorato, Peter Fox and John Strongman, “World Bank Group Assistance for Minerals Sector
19 Ibid.
20 The Philippines: A Prospectus for the International Mining Industry. January 1992. This prospectus was
prepared by the Mining Journal Ltd for the Philippines Mines and Geosciences Bureau and the United
Nations Department of Technical Cooperation for Development (UNDTCD) under the minerals investment
promotion project funded by the United Nations Development Programme (UNDP).


Sections 26-32, R.A. 7942.

Sections 33-4, R.A. 7942.

Marvic Leonen and Francelyn Begonia, eds. Mining: Legal Notes and Materials, (Quezon City: LRC-KsK, ??), pp. 52-53; Also see LRC-KsK, Supreme Court Mining Petition, (LRC-KsK, February 1997).


Tujan and Guzman, Globalizing Philippine Mining, p. 84.

Ibid.


Ibid.b

This section is based largely from the conference proceedings written by Maurice Malanes, Proceedings of the National Conference On Mining, (Baguio City: Tebtebba Foundation, 2002).


Ibid.


See for Instance: Raymundo D. Rovillos and Jennifer Curry, Globalization and Women in the Mines, a research report under Cordillera Studies Center, University of the Philippines College in Baguio, 1997.

eirdocs/wbdidipio.html

Ibid.

Environmental Impact Study, November 28, 1997

Documentation on the Climax – Arimco Mining Corporation (CAMC) Didipio Gold-Copper Project by DESAMA submitted to the UN Special Rapporteur on Indigenous Peoples Rights Dr. Rodolfo Stavenhagen during the Luzon-wide Dialogue conducted in Sta. Catalina Convent, Baguio City on December 5, 2002.

Nueva Vizcaya Socio-Economic Profile, 2000

Estimated figures were provided by Didipio Barangay Captain Antonio Dingcog in an interview on January 30, 2003

“Nueva Vizcaya: Peoples Initiative against Mining,” *Proceedings of the National Conference on Mining*, May 6-8 2002 in Baguio City; Tebtebba


Ibid

Ibid

Ibid

Ibid

Ibid

Ibid

Excerpts of the affidavit of Benny Ansibey submitted to the UN Special Rapporteur on Indigenous Peoples Rights, Rodolfo Stavenhagen during the Luzonwide Dialogue held in Baguio City on December 5, 2002


Testimony of Peter Duyapat, as cited in the *Proceedings of the National Conference on Mining*.


Personal Interview with Mary Bajeta, January 29, 2003.

Data provided by the newly elected Antonio Dingcog, Barangay Captain of Didipio

Personal Interview with Benny Ansibey, in Didipio on January 29, 2003

Personal Interview with Benny ansibey in Didipio on January 29, 2003

Ibid

Testimony of Peter Duyapat to the Luzonwide Dialogue with the UN Special Rapporteur of Indigenous Peoples Rights, Rodolfó Stavenhagen held in Baguio City on December 5, 2002

Excerpts of the affidavit of Tony Pinkihan submitted to the UN Special Rapporteur on Indigenous Peoples Rights, Rodolfo Stavenhagen during the Luzonwide Dialogue held in Baguio City on December 5, 2002

Excerpts of the affidavit of Lorenzo Pulido submitted to the UN Special Rapporteur on Indigenous Peoples Rights, Rodolfo Stavenhagen during the Luzonwide Dialogue held in Baguio City on December 5, 2002

Excerpts of the affidavit of Lopez Dumulag submitted to the UN Special Rapporteur on Indigenous Peoples Rights, Rodolfo Stavenhagen during the Luzonwide Dialogue held in Baguio City on December 5, 2002

Excerpts of the affidavit of Eduardo Ananayo submitted to the UN Special Rapporteur on Indigenous Peoples Rights, Rodolfo Stavenhagen during the Luzonwide Dialogue held in Baguio City on December 5, 2002

Regional Development Council 02 Resolution 02-34-2000, *Rejecting the Proposal of Climax Arimco Mining Corporation to Operate the Didipio Gold/Copper Mining Project*

Peter Murphy, “Climax Flounders while Opposition Mounts,” *Mining Monitor*, July 2001


Ibid

Ibid

Association of Barangay Captains of Kasibu Resolution not to Endorse the Didipio Gold/Copper Mining Project of CAMC and to spare the Entire Municipality from Any Mining Application, undated

Ibid

Committee Report by the Committee on environment and Natural Resources, Validation of the Submitted Resolution No 12 Series 2002 by the Barangay Council of Didipio Dated March 1, 2002 with Attachment of signature Campaign by Individual endorsement, DFIA Endorsement, DIMCO Endorsement, BARO Endorsement, SK Endorsement and DWMCP Endorsement Regarding the Proposed Didipio Gold-Copper Project of Climax Arimcop Mining Corporation Located at Didipio, Kasibu, Nueva Vizcaya undated

Ibid

Office of the Barangay Council, Resolution No. 3, Series of 2002, Resolution Rejecting the Proposed Consensus Election to be Conducted by the Sangguniang Bayan at Barangay Didipio, September 21, 2002
BIBLIOGRAPHY

A  Books/Published Reports


B  Newsletters/Brochures/Pamphlets


C Unpublished Reports/Briefing Papers


German Development Institute (GDI). Development Perspectives of the Philippine Mining Sector. August, 1980.


D Internet


E Interviews/Affidavits

