

# The mining enclave of the “Cordillera del Cóndor”

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## Abstract

In the provinces of Morona Santiago and Zamora Chinchipe in southeast Ecuador, a number of large-scale copper and gold mining projects to be undertaken by Canadian companies are moving forward. The same thing is happening on the Peruvian side of the border, the entire territory of which is inhabited by the Shuar indigenous people. These projects will imply the creation of massive quantities of waste and the use of huge amounts of water and energy, as well as the construction of new roads. The authors of this paper believe that the economic benefits of mining operations must be weighed against the socio-environmental liabilities. The actors in the various conflicts over mining are examined in this chapter, all of them with different interests and values that are mutually incommensurable, ranging from financial profit and the country's development to the sacredness of the territory involved and indigenous rights. The history of the last 20 years of resistance by the Shuar people is of course outlined, and the divisions that have emerged among them. Among key actors are also international and national conservationist organizations that, paradoxically, are not opposed to mining. The government of President Rafael Correa is inclined towards the exploitation of mining resources, as demonstrated by the adoption in 2009 of a new Mining Law that contradicts the Constitution of 2008 and its goal of “Buen Vivir” (living well). Repression has been used against those who oppose open-pit mining but local resistance to mining has the support of Ecuadorian and international environmental organizations.

**Key words:** open-pit mining, non-renewable resources, biodiversity hotspot, corporate responsibility, environmental liabilities, hydroelectric dams, Canadian mining companies, international conservationism, commodity frontiers, weak sustainability, “accumulation by dispossession”, environmentalism of the poor, Ecuador.

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## 1. INTRODUCTION

On September 30, 2009, news arrived that a Shuar bilingual schoolteacher, Bosco Wizuma, had been killed in a clash with the police in his native province of Morona Santiago. It was during a protest demonstration against a proposed new water law, which would have severe impacts on the southern region of Ecuador, and particularly the Cordillera del Cóndor (Condor Mountain Range). Following the incident the government attempted to shut down the Shuar radio station Arutam for allegedly inciting civil disobedience – a move that was successfully blocked by human rights organizations. Such episodes of extreme violence are less frequent in Ecuador than in Peru or Colombia, fortunately, giving cause to look more closely at the background to this incident.

Ecuador's economy has traditionally been based on the extraction of natural resources. As a result, it has used and abused the environment, which has suffered the effects of the pollution created by extractive activities. At the same time, this model of development has mired the country in a state of dependence, while leading to the growth of the external debt and the destruction of ecosystems. For the past 40 years the Ecuadorian economy has depended on oil in particular. Ecuador's oil industry has predictably, reached its point of maximum annual production (known as the Hubbert peak, see **Peak Oil**) and is currently experiencing a decline in both the quantity of oil produced and its quality. Despite this situation, however, the current Ecuadorian government has opted to increase oil exploitation by expanding production to reserves of low-quality heavy crude oil, while also opening the country up to large-scale mining activity.

The Ecuadorian president, referring to mining and oil drilling, has stated that “everyone is against the destruction of nature but if our development depends on it... it will be exploited.” He also added that there will be “zero tolerance for anyone who tries to call strikes or generate chaos.”<sup>1</sup> President Correa claims that mining activities will be carried out with the most advanced technology and high standards “like in Canada, which is a developed country.” These statements were made in the context of a new Mining Law and a financial crisis, with declining mineral prices since 2008, which will make operating conditions profitable only through the use of the cheapest and most highly polluting technology.

The Cordillera del Cóndor project is paradigmatic for understanding the scope of the potential impacts of open-pit mining, because this is an area of high biodiversity and part of the ancestral territory of the Shuar people; it is also an area of great importance for the regulation of the water cycle of the whole region. This study addresses the subject from the perspective of Ecuador, but there are also conflicts on the Peruvian side of the border.

## 2. CHARACTERISTICS OF THE PROJECT

### 2.1. Location

The Cordillera del Cóndor, located in southeastern Ecuador, is a mountain chain stretching 150 kilometres from north to south, with its highest peaks reaching an altitude of 2,900 metres above sea level. It is also one of the biologically richest regions in South America.<sup>2</sup> It falls within the Amazon region provinces of Morona Santiago and Zamora Chinchipe, and forms part of El Cóndor Binational Park, which was strategically established at the end of the war between Ecuador and Peru in 1995. (See **Figure 1**).<sup>3</sup>

The Cordillera del Cóndor is also the ancestral territory of the Shuar indigenous people. Their organization, the Interprovincial Federation of Shuar Centres (FICSH), represents 120,000

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<sup>1</sup> President of the Republic of Ecuador, Rafael Correa, National Radio Network, December 1, 2007.

<sup>2</sup> Neill, David. The Cordillera del Cóndor Region of Ecuador and Peru: A Biological Assessment. Conservation International. Washington. 1997.

<sup>3</sup> Corriente Resources Inc. <http://www.corriente.com>

members in 500 centres (communities).<sup>4</sup> Additionally, the Cordillera del Cóndor forms part of the Tropical Andes biodiversity “hotspot”, which encompasses the entire Andes mountain chain, from Colombia to Chile. It also encompasses the Abiseo-Cóndor-Kutukú Conservation Corridor, which stretches from Sangay National Park in Ecuador to Cordillera Azul National Park in Peru, covering a total area of some 13 million hectares.<sup>5</sup>



Figure 1: Southern Ecuadorian Copper Belt

Source: CORRIENTE RESOURCES INC.

The location of the Cordillera del Cóndor between the Andean and Amazon regions makes it a unique area in terms of flora and fauna. There are many endemic tree species that were recorded for the first time anywhere in this region of Ecuador.

## 2.2. Production model

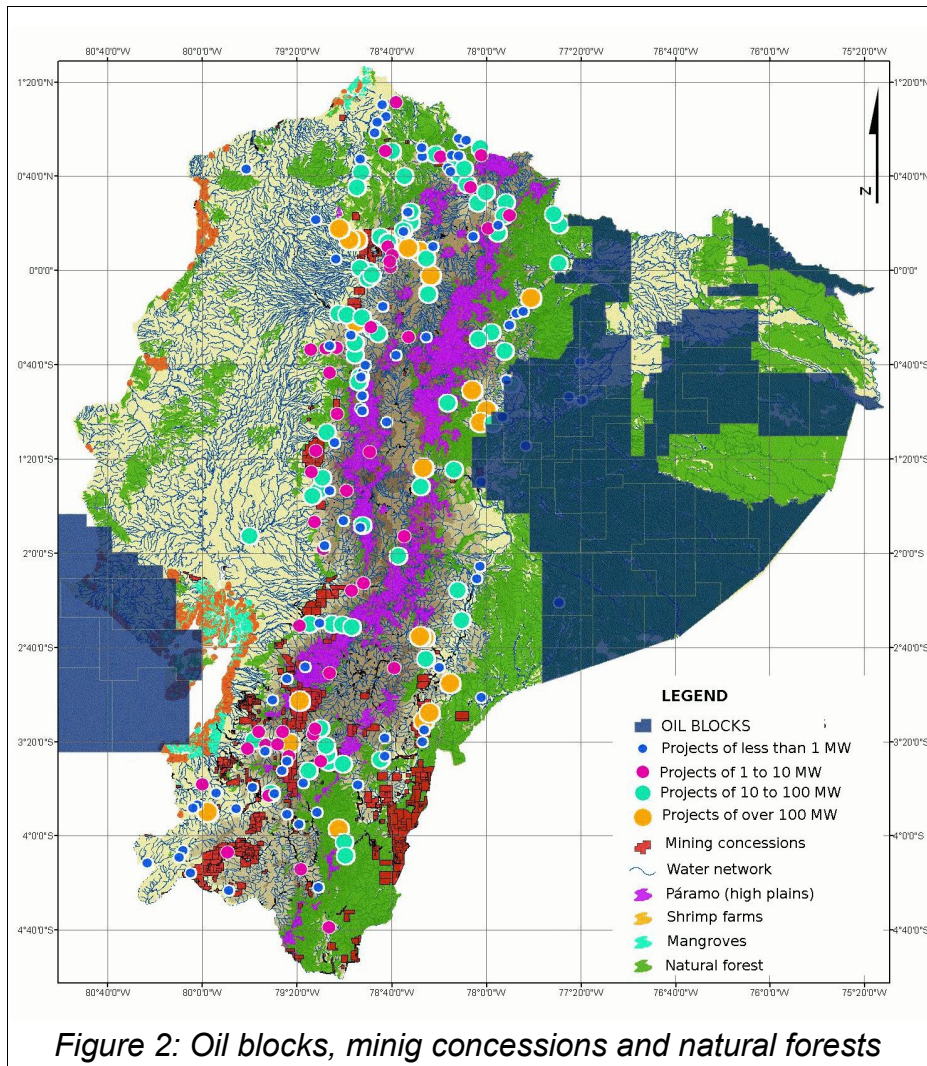
The current government of Ecuador has condemned the country to a development model based on the export of raw materials, which will inexorably affect agricultural lands, fishing grounds, indigenous territories and protected areas.<sup>6</sup> (Figure 2). With the regard to the Cordillera del Cóndor specifically, the government’s “development” policy development, in line with principles of **sustainable extraction**, aims to turn it into a mining region (see Figure 3).<sup>7</sup>

4 Interview with José Acacho, president of the FICSH, Macas, July 7, 2009.

5 <http://www.conservation.org.ec/conserva.php?c=1265>

6 Acción Ecológica. <http://mapas.accionecologica.org>

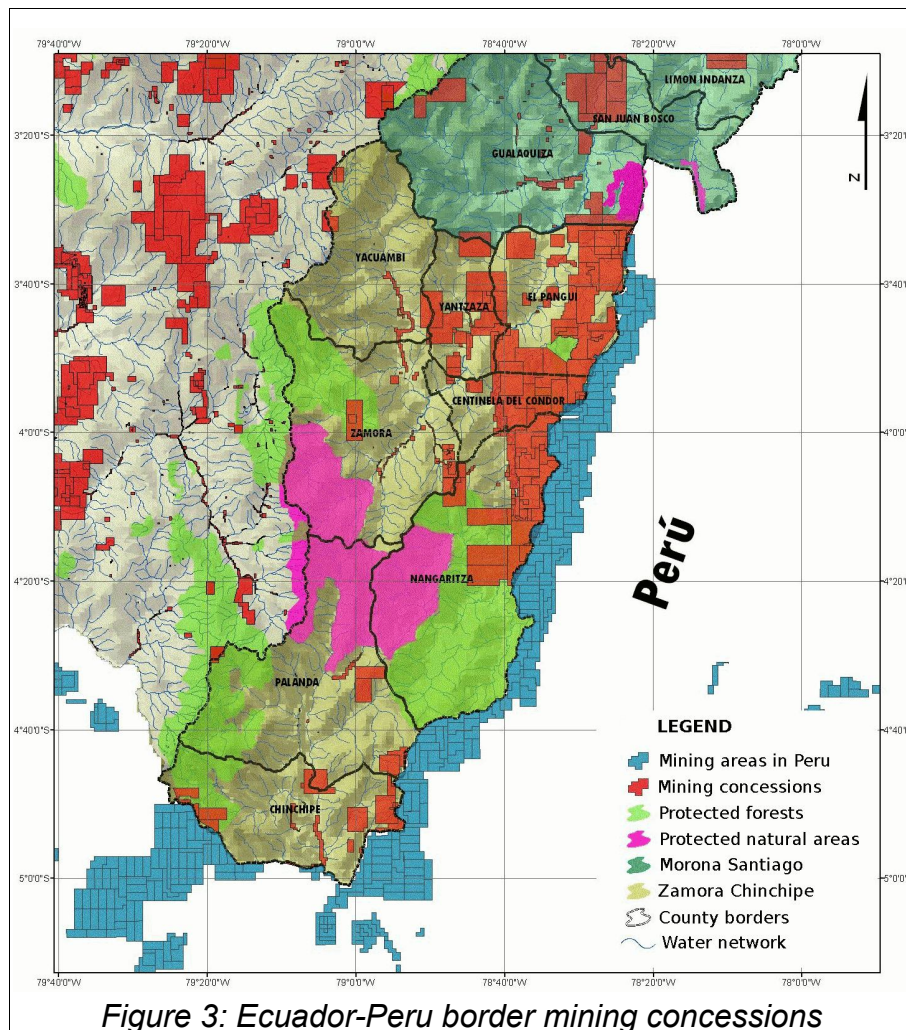
7 Acción Ecológica. <http://mapas.accionecologica.org/Cordillera-del-Condor/>



Source: ACCIÓN ECOLÓGICA. 2009 <http://mapas.accionecologica.org>

The Mirador mining project planned for the Cordillera del Cóndor is based on open-pit mining operations. According to the environmental impact assessment (EIA) for the project, the pit will measure 115 hectares. There will be two waste dump sites, of 75 hectares and 47.9 hectares each, as well as two tailings facilities of approximately 56.6 hectares and 312 hectares in size.<sup>8</sup> The processing plant will occupy an area of 20 hectares. It should be kept in mind that the Mirador project is the first of a number of projects planned for the Cordillera del Cóndor by the same company, Ecuacorriente, which means the impacts will be further multiplied.





Source: ACCIÓN ECOLÓGICA. 2009 <http://mapas.accionecologica.org>

### 1) Use of resources

According to the information available on the Mirador mining project, an estimated 27,000 tons of mineralized rock will be processed daily, resulting in the production of close to 600 tons of copper concentrate and more than 26,000 tons of waste. This would imply the creation of around 180 million tons of waste during the 18 years of the project's life, leading to the need for large areas of land to store that waste. In a fragile tropical rainforest ecosystem like the Cordillera del Cóndor, this could cause irreversible environmental impacts. The removal, transportation and processing of 27,000 tons of material would have considerable impacts on:

### Water

Large amounts of water are needed to produce a ton of copper.<sup>9</sup> According to its environmental impact assessment, Ecuacorriente will use 40 litres of water a second, equivalent to the amount used by 16,000 people living in Ecuador's cities. However, nothing has been said about the amount of water that Ecuacorriente will use to fill the pit that has been excavated with fresh water, as stipulated by the environmental impact assessment,<sup>10</sup> nor the water that will be affected by surface water and groundwater contamination, acid mine drainage, and the extraction of contaminated water in the process of drying the copper paste before export. There has also been no assessment of how many people will be affected with regard to their right to access to water, in terms of both quantity and quality.

<sup>9</sup> Zorrilla, Carlos. La Minería de Cobre. Ecuador. 2007.

<sup>10</sup> Terrambiente Consultores. EIA Proyecto Mirador. 2006.

This project is supported under the proposed water law that has sparked indigenous protests resulting in a number of deaths. Article 73 of the bill states in its second paragraph: "Authorization will be granted for the economic exploitation of water for mining activities, with priority placed on projects of national interest contemplated by the National Development Plan."<sup>11</sup>

### **Electric power**

The electric power necessary for the mining operations will be supplied by transmission lines between the Hidroabánico hydroelectric power plant and the Mirador project. The above-mentioned water bill, with regard to electric power, states in Article 70: "The Central Water Authority will grant authorization for the economic exploitation of water for the generation of electric or hydrothermal power to be used in industrial activities, with priority placed on projects designated as national priorities within the National Development Plan."<sup>12</sup>

Power generation is not included in the mine's total production costs, since it will ultimately be subsidized by the state, leading to the need for the construction of new hydroelectric dams. Moreover, Ecuacorriente has announced other operations alongside the Mirador project, in Pananza and San Carlos.

### **Chemicals and explosives**

The use of chemicals and explosives is not clearly specified in the Mirador project impact assessment, but there is data available on the Bingham Canyon copper mine in the United States, which uses a million pounds of explosives a year. These are mainly a mixture of ammonium nitrate and fuel oil, which cause enormous environmental problems that are little known to the public.

With regard to chemicals, Ecuacorriente plans to extract copper and also gold, which will require the use of sodium cyanide. However, this process for separating gold from other minerals is not explained in the Mirador mine management plan. There is widely known opposition to the use of cyanide in open-pit mining in Europe, where it is prohibited in various countries, and also in Argentina, where a number of provinces have made its use illegal.

### **Infrastructure and transportation**

There are plans for the construction of infrastructure along the Peruvian border to serve the purposes of mining projects, El Cobre Port and a mining railway. The mining projects that begin in the Cordillera del Cóndor will expand towards the Pacific coast, to the port of Machala, in El Oro province. According to Ecuacorriente, "a fleet of 32 trucks with a capacity of 32 tons each will travel a total of 418 kilometres to the port in Machala. While 16 trucks leave the mines for the port, the other 16 will return from the port to pick up more material. The full circle from the mine to the port will be covered in two days. The goal is to transport no less than 520 tons daily. "The transport route will pass through the towns of El Pangui, Zumbi, Zamora, Loja, Catamayo, Chaguarpamba, Balsas, Santa Rosa and Machala, until finally arriving at El Cobre Port."<sup>13</sup> Each ship will also carry 12,000 tons of copper concentrate, resulting in the shipment of 190,000 tons of copper concentrate annually.<sup>14</sup> Before being shipped, the concentrate needs to be dried, which will lead to the production of toxic waste water. The EIA says nothing about this risk to human health and fishing. El Cobre Port could also be used, among other purposes, for exporting minerals from Peruvian mines in the Cordillera del Cóndor, since there is no infrastructure on the Peruvian side of the border to allow for transportation to a port.

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<sup>11</sup> Asamblea Nacional del Ecuador. Proyecto de Ley de aguas. Quito. 2009.

<sup>12</sup> Ibid.

<sup>13</sup> Ecuacorriente S.A. Transporte al Puerto y Carga de Buques. <http://www.ecuacorriente.com>

<sup>14</sup> Ibid.

According to the EIA, a concentrate pipeline will be built to the coast as of year seven of production. But until then, highways to the coast will be built or upgraded using public funds. The anticipated environmental impact of these public works is considerable.

## 2) What minerals and where will they go?

The countries where minerals from Latin America end up have changed over the years due to variations in demand, consumption habits, the use of other types of metals, economic growth rates and technological advances. Peru and Chile have long been the main producers of minerals in the Andean region and are also prime examples of a model of economic growth that is unsustainable and can even lead to greater impoverishment of exporting countries<sup>15</sup> while supplying importing countries with gold and copper. New countries like China have joined the list of major importers.

## 3) Waste production and impacts

The environmental impact assessment of the Mirador project uses weighting methodology to classify the majority of main impacts as having little relevance. Nevertheless, based on other similar cases, there is ample data to demonstrate the severity of these impacts:

- Soil use: irreversible impacts, near the source, localized.
- Landscape: irreversible impacts, near the source and at a distance, extensive.
- Archaeological assets: irreversible impacts, near the source, localized.<sup>16</sup>
- Terrestrial fauna and flora: irreversible impacts on habitats, ecosystems, endemic species and biodiversity.
- Water: "The greatest impact on water quality during operations will come from the tailings dam and waste dumps, due to the increase in suspended solids and the potential production of acid rock drainage.<sup>17</sup> For both of these, channels will be built to divert surface water; however, the rainwater that falls on the mine pit and waste dumps and is not captured by the diversion channels will be contaminated by acid rock drainage and suspended solids."<sup>18</sup> In the area around the mine, waste dumps and tailings dams, as well as on a regional level, due to changes in geomorphology and terrain, the impacts will be irreversible. In addition, there is no guarantee against the rupture of the tailings dams, which would lead to heavy metal contamination of a much larger area.

In conditions like these, it is highly unlikely that any other type of activity could be undertaken in this region in the future. The entire parish of Tundayme in the Cordillera del Cóndor will be turned into an industrial mining area. According to the company however, the total area affected by the project encompass 600 hectares, not including the processing area. However, the total area of influence that could be affected, although not officially stated anywhere by the project, could reach an estimated 1,000 hectares. When the Mirador project shuts down, after 18 years, the company says it will leave a tourism lagoon in the artificial crater. It is important to note that the Cordillera del Cóndor has high levels of rainfall, which increases the potential for surface-water and groundwater contamination.

Open-pit mining in the Cordillera del Cóndor is an example of an enclave economy model, in which a foreign company comes in, occupies the area, extracts everything possible, destroys the area and leaves. Who will pay the resulting environmental and social debts? Who will be responsible for the socio-environmental liabilities? Activities like these leave behind neither development, nor technology, nor sustainable production chains. The latter are established only temporarily, for the duration of the project, and mainly contribute to creating dependence on the international market. When the minerals are gone, after a mere 18 years, the business is gone. All that is left is waste, contamination, and local populations with health problems. Displacement of the population is

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15 Caputo, Orlando. "La renta minera en la ciencia económica y la distorsión del mercado mundial del cobre". Santiago. April 2004. [www.areaminera.com/Contendidos/Opinion/46.act](http://www.areaminera.com/Contendidos/Opinion/46.act)

16 Sociedad Nacional de Minería Petróleo y Energía. Informe Quincenal. Perú. March 2009.

17 Minería y Medio Ambiente WWW.ECOAMERICA.CL /MAYO/200

18 Terrambiente Consultores (Eco005-22) p. 8.

caused by the establishment of the project and resulting loss of local sources of sustenance, or when the project comes to an end and the people who moved to the area to work in the mines are suddenly unemployed. Social breakdown is caused by the inevitable arrival of alcohol and drugs, prostitution, and other external agents that tend to permanently alter the social relationships that existed prior to the project.

### **3. CHARACTERISTICS OF THE AREA AFFECTED**

#### **3.1. Migration**

Beginning in the 1960s, an aggressive process of colonization of the Amazon region commenced and was consolidated by the enactment in 1964 of the Agrarian Reform and Colonization Law. Large numbers of people moved into the Amazon region, particularly from the province of Loja to Zamora Chinchipe and from the provinces of Azuay and Cañar to Morona Santiago. Population growth, drought and the crisis in agrarian structures, among other factors, led to this mass migration. The resulting conflicts between the new migrants who moved to the southern Amazon region and its ancestral inhabitants were one of the main reasons for the creation of the Shuar federations. The Catholic Church intervened, and the Salesians in particular promoted the creation of federations so that the Shuar could have access to privately and individually owned land.

The large-scale occupation of the Amazon region required the clearing of forests as a prerequisite for title to the land, the growth of numerous population centres, and artisanal mining activity, causing major impacts within indigenous communities and the shrinking of the rainforest, with a subsequent loss of biodiversity. The provinces that encompass the Cordillera del Cóndor also underwent a series of changes as a result of the 1941 and 1995 wars between Ecuador and Peru, in which they were turned into a sort of human shield or “living border” as part of a national security strategy.

#### **3.2. Biodiversity: new species and endemism**

The Cordillera del Cóndor is made up of dense rainforest with a relatively low canopy, ranging from five to 20 metres high. The vegetation here contains a large number of species that are endemic or unique to this area. Many belong to the genus *Clusia*, of which the majority of species have yet to be identified. What is most important however is not the number of species found here, according to biologist Alfredo Luna, but rather the fact that there are still a great number of new species still unknown to science. The Cordillera del Cóndor region could have “the richest flora of any area of similar size anywhere in the Neotropics.”<sup>19</sup> Its flora is believed to encompass over 4,000 vascular plant species (close to 1,900 species have been identified from collections made up until now) and 300 to 400 bryophyte species.<sup>20</sup> It almost certainly has one of the highest concentrations of vascular plant species still unknown to science of any place on earth. It is also home to 11 mammal species that fall under the top three categories of risk of extinction: critically endangered, endangered and vulnerable.

According to the environmental impact assessment for the Mirador project and the Ecuacorriente website, the proposed mining activities – which will also include gold and molybdenum in addition to copper – will involve the excavation of a pit measuring over one square kilometre in area and 250 metres deep, in addition to two waste dumps and two tailings dams.<sup>21</sup> However, the area of influence that will be affected by the project will be much greater. In an area with such a high degree of vulnerability, these activities will cause impacts of enormous proportions. In Ecuador, many of the country’s so-called protected areas suffer the effects of mining and oil drilling activities within their borders. In Ecuador, there are mining projects within areas classified as reserves. This

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19 Serrano, Felipe. Reserva de Biosfera Podocarpus – El Cóndor. XXXII Jornadas de Biología. Loja. 2008.

20 Neill, David. The Cordillera del Cóndor Region of Ecuador and Peru: A Biological Assessment. 2005.

21 Terrambiente Consultores. Alcance del Estudio de Impacto Ambiental Ampliatorios Mirador. 2006.



is something that happens in other parts of the world as well. The new **commodity frontiers** are in indigenous territories that are also areas of great environmental wealth.

### **3.3. The mining project and its environmental costs**

In the province of Zamora Chinchipe, on the Peruvian border, there are plans for the two biggest mining projects ever undertaken in the country. One is the Fruta del Norte project, in which the Canadian company Kinross intends to mine a deposit of 13.7 million ounces of gold, according to company estimates. To the north, also in the Cordillera del Cóndor mountain range, is the Mirador copper and gold mining project being undertaken by another Canadian company, Corriente Resources, as described above. According to the company, the deposit to be mined has proven reserves of 11 billion pounds of copper, with an estimated value of USD 220 billion.<sup>22</sup>

If these mining projects are carried out, the incorporation of the costs of environmental recovery and monitoring all phases of mining activity would add up to extremely high costs for the companies. The environmental and social costs should also be calculated for the entire period of the mine's operations, in addition to the costs of rehabilitation and prevention of future damage after the mine is closed. But what price can be attached to the disappearance of an endemic species? What is the monetary value of the culture of a people abruptly destroyed forever?

Ecuacorriente has stated that it intends to spend only 2.5 million dollars to rehabilitate the Mirador project area, a laughable amount when compared to prior examples.<sup>23</sup> In the meantime, economist Alberto Acosta, former Minister of the Environment and Mines and former president of the Constituent Assembly of Ecuador, voiced the following considerations in a preliminary analysis of the figures put forward by the mining companies:

“They talk about 210 billion dollars. Without accepting these amounts as real, since they have not been confirmed, let's suppose that the state receives 5% in royalties, as is stipulated in the bill. Total revenues would amount, at best, to around 11 billion dollars in the 25 or 30 years that the contracts last. The annual revenues, in the case of 25 years, would amount – roughly speaking – to barely 400 million dollars, to which would be added (if they pay it) the revenue from income tax. These amounts, of course, are minimal if we imagine the costs that could be generated by these activities in environmental and social terms, and even the financial costs for the impacts on other productive sectors (for example, agriculture) as a result of activity that is not properly controlled or is carried out in areas of high population density or great biodiversity.”<sup>24</sup>

According to MiningWatch, not a single mine has been successfully rehabilitated in Canada.<sup>25</sup> In the United States, the remediation costs of the mines in Summitville, Colorado and Yerington, Wisconsin were over USD 200 million.

## **4. CONFLICT AND RESISTANCE**

### **4.1. Background of the conflict in the Cordillera del Cóndor**

In the two Amazonian provinces that encompass the Cordillera del Cóndor, there are a number of mining companies present. However, we will refer only to the conflicts provoked by the following: in

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22 El Comercio, Quito. March 15, 2009. [www.ecuadorminingnews.com](http://www.ecuadorminingnews.com)

23 The Sierra Club. Coping with Disaster: Protecting Wisconsin's Families and Environment from Mining Pollution Now and in the Future. Mining Impact Coalition. September 1998.

24 Acosta, Alberto. “Ser o no ser constitucional, reto de la nueva ley minera. Una primera aproximación”. November 18, 2008.

25 [http://www.miningwatch.ca/index.php?/Environment/Financiacional\\_Options\\_paper](http://www.miningwatch.ca/index.php?/Environment/Financiacional_Options_paper)

the province of Morona Santiago, in the cantons of Limón Indanza, San Juan Bosco and Gualaquiza, the companies Lowell Mineral Exploration<sup>26</sup> and Canadian-based Corriente Resources, through its subsidiary Ecuacorriente S.A.; and in the province of Zamora Chinchipe, in the cantons of Pangui and Yanzatza, two Canadian companies, Corriente Resources and Kinross (following its acquisition of Aurelian). These mining companies are involved in activities along the 78 kilometres of borderline between Ecuador and Peru. The two countries have engaged in various border disputes in this region over the years, with numerous skirmishes and three major armed conflicts. The first was the 1941 Ecuadorian-Peruvian War that led to the signing of the Rio de Janeiro Protocol. It was followed by the Paquisha War in 1981 and the so-called Cenepa War in 1995.

In the provinces of Morona Santiago and Zamora Chinchipe, within the national security zone 25 kilometres from the Peruvian border, the Ministry of Energy and Mines granted mining concessions in 1992 and 1995. Gatro Ecuador Minera S.A., a subsidiary of South African-owned Gencor, and Antemin, a company with mixed U.S. and national capital – whose owners included Alicia Durán Ballen, daughter of the former Ecuadorian president<sup>27</sup> – were granted concessions to carry out mining operations on sites located within Shuar territory. In July 1997, Acción Ecológica visited the area at the invitation of the Shuar Association of Bomboiza, and witnessed the degree of conflict provoked by the presence of the mining companies, as well as the determination of the Shuar people to oppose mining activity in the region. It should be noted that the concessions granted during that period in the Cordillera del Cóndor did not take into account the pertinent legal provisions related to national security (Article 50 of the National Security Law) which expressly prohibit the occupation of areas that fall within the border zone.

There are close ties between the state administration and mining companies. A number of undersecretaries of mining (J. Paz Durini, C. Murriagui, S. Cordovez Noboa, A. Alancastro) and other officials and employees from the Ministry of Energy and Mines, as well as from the Ministry of the Environment (P. Terán Ribadeneira, M. Checa, S. M. Paz) have worked or continue to work in mining companies or mining sector organizations.

## **4.2. The strange combination of conservatism and mining**

On October 26, 1998 the signing of the Brasilia Accord sealed the peace between Ecuador and Peru. The two countries also signed the “Agreement on Border Integration, Development and Neighborly Relations” which states that priority would be given to irrigation, tourism, transportation, agriculture, energy and “coordinated exploitation of the mining resources found in the border areas between the territories of both countries.”<sup>28</sup> One of the objectives of the peace agreement between the two countries, therefore, was large-scale mining activity in the border area. In order for this to happen, one important strategy was the creation of “Adjacent Zones of Ecological Protection”, a category proposed by the IUCN to “create peace parks between two or three states, or transfrontier protected areas.”<sup>29</sup>

For transnational conservation organizations like the IUCN or Conservation International, or national organizations like Fundación Natura, the creation of national parks on the border represented a concrete opportunity to symbolize and take advantage of the end of the armed conflict. As a result, Peace Parks were established on both sides of the border. El Cóndor Park, the Cóndor-Kutukú Conservation Corridor and El Cóndor Biosphere Reserve were also established in the area. The areas not included within the lands protected under these conservation categories are specifically the mining areas that also form part of Shuar territory. In the Cordillera del Cóndor, the conservationist strategy has given way to large-scale mining activity.

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26 Its largest shareholder is well-known geologist David Lowell.

27 Letter sent by Acción Ecológica to General Paco Moncayo, Commander General of the Joint Command of the Armed Forces of Ecuador in 1997.

28 Acuerdo Amplio Ecuatoriano Peruano de Integración Fronteriza de Desarrollo y Vecindad entre Ecuador y Perú. Brasilia, Brasil. 1998

29 [www.globalresearch.ca](http://www.globalresearch.ca)

Shortly after the signing of the peace agreement, in April 1999, BHP Billiton signed a one-year contract with the Shuar community of Warintz. As a result, the indigenous membership of the FICSH opposed to mining dismissed the leaders who had signed the agreement from their posts.<sup>30</sup> That first agreement included authorization for the free movement of the mining company on Shuar territory and unconditional acceptance of all of its activities. In June 1999, under Ministerial Agreement No. 936, the El Cóndor Binational Park was created. While this decision was aimed at the goal of conservation, the park covers a very small area, leaving open the possibility of expanding the park to include an area that would correspond to part of the community of Warintz within Shuar territory – an area now granted in concession to Lowell. Between 2000 and 2002, BHP Billiton completed the transfer of the Panantza, San Carlos and Mirador projects to Corriente Resources, which now controls 100% of shares over a total of 60,000 hectares.

### **4.3. Attempts at conquest and Shuar resistance**

In December 2000, during an extraordinary assembly in the community of Warintz, Ecuacorriente succeeded in negotiating a development proposal that led in January 2001 to the renewal of the agreement with the community for a period of five years. Ecuacorriente imposed obligations such as the right to prohibit entry or access to anyone not authorized by the mining company. Over the course of eight months, Warintz became the operations centre for exploration. This signified the entry of machinery, Shuar labour for loading and unloading, the clearing of roads and the construction of facilities.

The Shuar people were transformed from hunters and gatherers into paid labourers, with a schedule of 22 days of work and eight days off, and a salary of USD 100 a month. The community was given a lump sum payment of USD 25,000, which was divided among the families. Mining activity generated economic, social and cultural impacts, as well as environmental damage. The presence of mixed-race workers from outside the community, the rupture of the Shuar men's traditional activities in the community, such as gathering food, planting or harvesting crops and raising livestock, the income in dollars for paid labour, the time they spent away from their families and the obligation to fulfil a work schedule for the mining company inevitably led to conflicts within families, between the families in each Shuar centre, between the centres that comprise the Association, with the Association leaders, and between the Association and the provincial leadership.

Because of the radical opposition of some Shuar centres, like the Nunkuy and Sinip associations, the five-year agreement lasted barely a year. The intervention of the FICSH led to the termination of the contract. In response, the company filed complaints and a lawsuit against the president of the Federation, on the grounds of the suspension of mining activity and the failure to fulfil the work obligations for which payment had already been received. Beginning in early September 2001 and throughout 2002, Ecuacorriente suspended its exploration activities and the company's employees left the area, after the Salesian missionary air service, which serves the Shuar centres, decided to cease providing services to the mining companies. As a result, the company was no longer able to transport workers, food, machinery, etc.

Around the same time in 2001, without taking into account the conflict in Warintz, the Ministry of Energy and Mines granted the "Llanos Uno" mining concession to a foreign company represented in Ecuador by Fausto Román García. The concession covered an area of 2,500 hectares along the banks of the Zamora and Nangaritza Rivers. These rivers were a source of protein, through fishing, and of water for a number of communities in the parish of Los Encuentros, located in the canton of Yanzatza in the province of Zamora Chinchipe. Mining activities were begun in "Llanos Uno" without consultation or the presentation of an environmental impact assessment. As a result, in August and October 2001, the local communities organised a series of assemblies for collective, ongoing discussion with representatives of the Ministry. After this discussion process, through a signed agreement, the Ministry pledged to respect the decision of the local communities.

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30 Interview with José Acacho, president of the FICSH, Macas, July 7, 2009.

However, in early December 2001, the local leaders received notice that the concession holder had filed a writ of protection against the administrative orders and was charging the community leaders with terrorism, vandalism and other acts they had not committed. In mid-December, despite the agreement that established a deadline for the mining company's departure, the company started up its operations again, backed by military protection. This led the residents of Los Encuentros to head to the banks of the Zamora River, where they used their daily work tools to chop down the trees that supported the company's barge, thus bringing mining activities to a halt. The community gave the company a deadline of 12 hours to leave the area. Activities in Los Encuentros came to a standstill for two days, under the heavy pressure of the local population.

On March 10, 2002, a lawsuit was filed by the concession holder against the main leaders of the parish of Los Encuentros. In the suit, they were accused of attempted murder, kidnapping and other crimes. After more than a year of legal proceedings, the campesinos of Los Encuentros were fully acquitted in courts of first and second instance. In spite of these events, in 2003, near the area where "Llanos Uno" was successfully shut down, in the Zarza Reserve – also in the parish of Los Encuentros – the state granted 39 concessions that added up to approximately 95,000 hectares to Aurelian Resources, as well as two additional permits for gold mining. The project is located in the province of Zamora Chinchipe. The Aurelian concessions included a number of areas worked by artisanal miners. In December 2003, Lowell Mineral Exploration traded 10% of the shares it held in Corriente Resource's concessions in Ecuador as a whole for 100% control of the project in Warintz, which includes four concessions in a total area of 20,000 hectares located in Shuar territory.

#### **4.4. Conservationist NGOs enter into action**

Between 2002 and 2004 a new "Peace and Conservation" project was undertaken in the Cordillera del Cóndor region, as a joint initiative of the Ministry of the Environment, the International Tropical Timber Organization (ITTO), which was responsible for funding, the Ecuadorian organization Fundación Natura, responsible for executing the project, and Conservation International (CI), responsible for international coordination. Within the framework of this project, a proposal was put forward for the creation of the so-called "Shuar Territory Multiple-Use Protected Area", in which the "multiple use" was aimed at the possibility of mining activity. It has been established that within this initiative, 70% of the territory is to be devoted to conservation, and the remaining 30% to sustainable use. It is important to remember, however, that the mining sector views mining as a sustainable activity. Therefore, from this conservationist perspective, conservation activity in the Shuar territory protected area of the Cordillera del Cóndor is viewed as compatible with mining activity

This protected area is located in the province of Morona Santiago. It encompasses the cantons of Limón, San Juan Bosco, Tiwinza and Gualaquiza, the basins of the Zamora and Santiago Rivers, and the sub-basins of the Coangos Mayaik and Bomboisa Rivers. All of these areas are also encompassed by mining concessions. The Shuar Territory Multiple-Use Protected Area is part of the Cóndor-Kutukú Conservation Corridor, an initiative which includes Peru and is implemented by CI. For CI and other conservationist transnationals, one of the threats to fragile and highly biodiverse areas, such as the Cordillera del Cóndor, is population growth, which could endanger the forests and biodiversity, since cities with thousands of inhabitants could spring up. In the face of this supposed threat, CI, though various NGOs, has developed the implementation of the Cóndor-Kutukú Conservation Corridor. It includes, on the Ecuadorian side of the border, Podocarpus National Park, Sangay National Park, El Cóndor Park, and the Cordillera Kutukú and Cordillera del Cóndor mountain ranges; and on the Peruvian side, the Santiago-Comainas Protected Area, Tabaconas-Namballe National Sanctuary and Cordillera Azul National Park. CI states that "other conservation efforts in the region include projects to mitigate the direct effects of the development of large-scale infrastructure and the extraction of resources."<sup>31</sup> CI's strategy is to place local settlements and extractive activities on an equal footing as threats to biological wealth

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31 Conservation International. [www.conservation.org.pe/ci/hotspots/andestropicales.htm](http://www.conservation.org.pe/ci/hotspots/andestropicales.htm)

In the Cordillera del Cóndor there are ever more frequent alliances between indigenous peoples and conservationist organizations that translate into land management and administration plans, as well as initiatives like the Cordillera del Cóndor Peace and Conservation Project, which includes, in addition to CI, the ITTO, the Border Region Development Binational Plan, the Ministry of the Environment, and Fundación Natura, with the collaboration of German cooperation agency GTZ, Energy Green, Green Empowerment, and others.

#### **4.5. The agreement between Lowell and the community of Warintz**

In February 2004 the community of Warintz signed another agreement, this time with the company Lowell Mineral Exploration Ecuador. Although the contract did not specifically state the length of time for which it would be valid, it stipulated that “the duration and validity of this agreement will comply with the time periods established by the Mining Law,”<sup>32</sup> in other words, for a 30-year period automatically renewable upon completion (the Mining Law adopted in 2009 established a period of 25 years, also renewable). In terms of the commitments established in the agreement, it specifically states that “the money to be disbursed annually shall be considered as payment for the easement and use of community lands.” It goes on to add: “Financial agreements with the occupants of the lands will be made in the future in accordance with the projects eventually executed by the Company, for the sole purpose of providing compensation for potential adverse effects, and to acquire the right to the use of the lands necessary for the mining activities planned. The price will be established by the State and once the mining project has ended, these lands will revert to the community.”

This agreement violates the collective rights enshrined in the Constitution of Ecuador adopted in 1998, which establishes in Article 84: “To conserve the imprescriptible ownership of community lands, which shall be inalienable, non-seizable and indivisible, except for the power of the State to declare their public utility. These lands shall be exempt from the payment of property tax.” In Warintz, the agreement committed the community to declare the public utility of its lands and to receive money annually as payment for granting an easement over those lands to the mining company. The community accepted that a financial agreement would be established in the future to concretize the use of the land by the mining company.<sup>33</sup> In practice, the community could have lost the rights to their lands and perhaps even been prohibited from entering them after the lands had been declared of public utility. In other words, the community legally accepted that their lands could be taken away from them and used for mining activity.<sup>34</sup>

#### **4.6. “No mining in Shuar territory”**

In December 2004, at an extraordinary assembly of the Arutam Shuar territorial district held in Warintz, attended by 140 representatives of 13 Shuar centres, the agreement signed in February of that same year was discussed. The president of the federation at the time, Pablo Tsere, stressed at this assembly that both the agreement signed by the community of Warintz and the mining project contravened the resolutions adopted by the three indigenous federations in the region – the FICSH, FINAE and FIPSE – to oppose all mining activities, as well as logging and oil drilling, on their territory.

The divisions within the Shuar Federation became clearly evident at the assembly, as 95% of the members from Warintz supported mining activity on their territory, while only 5% were opposed. The leaders of each centre stated their position, and the result was that three Shuar centres were in favour of mining activity on their territory, while the other three were opposed. They subsequently resolved to call on the president of the FICSH to undertake the necessary

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32 Convenio de cooperación entre la comunidad Shuar Warintz y la Compañía Lowell Mineral Exploration Ecuador S.A. 2004.

33 Acuerdo entre la Compañía Lowell Mineral Exploration Ecuador S.A, y la Comunidad Warintz. Compromisos de las partes. Inciso quinto. Comunidad de Warintz. August 2004.

34 Beltrán, Bolívar. Personal communication. 2005.

proceedings in the pertinent ministries to bar the entry of mining companies into Shuar territory and denounce the schoolteachers who were promoting mining, in order to have them dismissed.<sup>35</sup>

For its part, in May 2005, Ecuacorriente, a subsidiary of Corriente Resources, announced that a feasibility study had established the profitability of its proposed mining project, and that it would begin preparations to start up mining operations. Its Mirador project, according to the company, would be the largest in the country and one of the largest in Latin America.<sup>36</sup> At the same time, in the provinces of Morona Santiago and Zamora Chinchipe, there was increasing concern over the social and environmental impacts that would result from gold and copper mining activities. With growing force, local communities, organizations, collective discussion forums, workshops and interprovincial committees raised their voices against mining. After exchanges with the communities of Intag, Molleturo, Pacto, Naves de Bolívar and others in Ecuador that live in a constant state of conflict because of mining, the local communities' opposition to mining activities was consolidated.

A prime example is the case of the parish of Yunganza, where the Ministry of Energy and Mines officially stated that authorization had not been granted for gold mining activities, and the Ombudsman's Office issued a resolution ordering the concession holders to cease mining operations. In addition, the National Cultural Heritage Institute determined that petroglyphs in the mining site had been damaged. As a result, the local Shuar communities and several member organizations of the Morona Santiago Campesino Federation evicted Dayanara, the company that was illegally mining gold in Yunganza. Resistance and mobilization continued to grow in both provinces.

#### **4.7. The water for mining market**

As resistance was growing in local communities, they learned of plans for hydroelectric projects aimed at supplying power to the mining companies. Jimbitono is a town in the southwest of the Amazon region in Ecuador. In September 2004, the Inter-American Investment Corporation (IIC) granted a seven-million dollar loan to the company Hidroabanico S.A. for the construction of a hydroelectric power plant near the city of Macas in Morona Santiago. Hidroabanico, according to the IIC, "will make it possible to expand generation capacity from 14.9 MW to 37.5 MW of power."<sup>37</sup>

In mid-January 2006, the hydroelectric plant entered into the first phase of operations. Due to operating problems and the illegality of the concession involved, the terms of the Agreement on the Supply of Power to the Mirador Project, signed between Hidroabanico and Corriente Resources, were made public. The letter of intent between Corriente Resources and Hidroabanico stipulated that 28.5 MW of power would be made available for the Mirador project for a ten-year period. In order to comply, Hidroabanico was required to complete the second phase of construction during the year 2006; this would entail the installation of 150 kilometres of power lines from Macas to the Mirador site, in order to supply the 37.5 MW required by Corriente Resources. In view of the fact that Hidroabanico would be able to fully satisfy the needs of the Mirador Project, Corrientes Resources decided not to go ahead with the Sabanilla project, which was originally intended to supply power for the mining operations. A strike began in Jimbitono on August 30, 2006 in opposition to both the mining and hydroelectric projects. It lasted a total of 75 days and the area became the epicentre of a protest staged by thousands of people from both Amazon region provinces.

In October 2006, the International Public Forum on the "True Face of Mining" was held in Pangui. It was attended by more than 500 participants, including members of Shuar and Saraguro Kichwa indigenous communities, peasant farmers, local authorities, journalists and international delegates

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35 Acta de la Asamblea Extraordinaria de la CTSHA. Warintz. December 15, 2004.

36 Ecuacorriente. Descripción del Proyecto Mirador. <http://ecuacorriente.bloginom.com/>

37 The Inter-American Investment Corporation is an affiliate of the Inter-American Development Bank. <http://spanish.iic.int/>



from organizations involved in mining-related conflicts in Peru, Bolivia, Chile and Argentina. Shortly after this successful event, Ecuacorriente launched an aggressive smear campaign against a number of local organizations. Also in October 2006, the Shuar Indigenous Federation issued a series of statements against Lowell Mineral Exploration, demanding that the company permanently withdraw from Shuar territory by November 1 of that same year. The assemblies of the Shuar communities in the Cordillera del Cóndor unanimously decided to expel the workers and representatives of the mining companies Lowell Mineral Exploration and Corriente Resources.

On the morning of the day that the deadline elapsed, members of the communities involved in the resistance headed for the Lowell mining camp. They entered through the forests in order to surprise the Lowell workers from behind. The women and children, armed with lances, occupied the landing strip to prevent armed forces helicopters from landing. They stayed there all day, without food or water. When the Lowell representatives at the camp in Warintz received the first reports of the popular resistance action, they called a helicopter in order to escape, but the women and children kept it from landing, using their own bodies. However, before noon on November 2, all of the mining company's personnel had managed to leave the camp on a light plane operated by one of the airline services in the region. After this successful expulsion, the people headed for the camp set up by Corriente Resources in San Carlos. They successfully made it past the military cordon around the camp, occupied the buildings and evicted the workers, who were given a deadline of three days to leave the area. At the end of the three days, all of the company's machinery and materials had been taken away in military trucks, despite the fact that there was no justification for a military presence, since no state of emergency had been declared. Corriente Resources had been completely evicted.

On November 6 an indefinite strike began throughout the province of Morona Santiago. The authorities responded with the militarization of Rosa de Oro and San Carlos, where there were another two mining camps run by Corriente Resources. The company, in an attempt to disrupt the Provincial Assembly, sponsored a counter-march whose participants physically assaulted the participants in the assembly. This resulted in a violent clash in which the police intervened with tear gas. Several days later, a group of 200 people headed to the site of the Mirador project, where they had stones thrown at them by supporters of the mining company. In the early morning hours, as they were walking along the highway, they were once again attacked by a group of around 40 hooded men, who tossed dynamite and shot at them. More than 15 people were wounded.

On November 12, 2006 the provinces of Morona Santiago and Zamora Chinchipe received an encouraging sign from the government. Minister of Labour José Serrano, acting on behalf of President Alfredo Palacio, signed an "agreement of commitment" in the city of Macas which stipulated, among other measures, the immediate suspension of mining activities in the two provinces, as well as the suspension of the second phase of the Hidroabanico hydroelectric power project.<sup>38</sup> In spite of this, Corriente Resources did not halt its operations. In addition, the company in counterattack, launched a campaign through the local media, spreading the claim that transnational mining companies with operations in Chile did not want Ecuador's copper reserves to be exploited, and had provided financing for foreigners to go to Pangui and create a bad image of mining, to prevent copper mining in the country.

On November 12, 2006, resistance forces from the provinces of Morona Santiago and Zamora Chinchipe met with the government representative in Jimbitono. At a massive public assembly in the municipal theatre, an agreement was signed which ordered the immediate and definitive suspension of the second phase of the Hidroabanico project and the installation of electrical power lines to supply the mining companies. The agreement also established the suspension of Corriente Resources' mining operations in Zamora Chinchipe, the immediate initiation of proceedings to bring about the definitive suspension of all of the company's activities, and the initiation of proceedings to have the province of Morona Santiago declared an ecological and tourism area. Finally, it was agreed that the national government would not take reprisals against the participants in the strike.

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<sup>38</sup> Acta de Compromiso entre el gobierno y las fuerzas vivas de Morona Santiago y Zamora Chinchipe. November 12, 2006.

The resistance and unity of the indigenous peoples and campesinos of the southeastern Ecuadorian provinces were the key to these victories against mining. Nevertheless, the companies refused to comply with the agreement signed by the president's representative, nor did they heed the declarations made by numerous mayors in the two provinces and the governor of Zamora Chinchipe, demanding respect for the terms of the agreement signed on November 12, 2006. As a result, on December 1, 2006, a Bi-Provincial Assembly was held in Pangui, and attended by close to a thousand people from communities in the provinces of Morona Santiago and Zamora Chinchipe. The participants in the assembly resolved that they would go to the installations of Ecuacorriente (a subsidiary of Corriente Recursos) to call on the company, through the highest authorities from the two provinces, to fulfil the terms of the agreement signed on November 12. At approximately 16:00 hours, the assembly participants were brutally repressed by troops from the Ecuadorian army, under the command of Captain Iván Felipe Córdova of Gualaquiza Jungle Battalion 63.

From this date on the two provinces have suffered an escalation of violence and repression at the hands of the army and police. Hundreds of campesinos and indigenous people, including a number of women, have been wounded or imprisoned, while others have been threatened with arrest warrants. One example is the army's detention of indigenous legislator Salvador Quishpe, who is a longstanding supporter of the people of these provinces. Quishpe's captors bound his hands and feet, gagged him, and covered his mouth and eyes with adhesive tape commonly used by the military. He was beaten and taken from Tundayme to Zamora, where he was kept incommunicado for several hours. He was finally released in response to a writ of habeas corpus in the city of Zamora Chinchipe, in the early morning hours of December 4, 2006.<sup>39</sup>

## **5. MINING CONFLICTS DURING THE RAFAEL CORREA ADMINISTRATION**

### **5.1. The constituent process**

President Rafael Correa took office in early 2007. The following year, 2008, was marked by the process of the drafting of a new constitution, and the constant mobilization of different communities, organizations and authorities around the Constituent Assembly's headquarters in Montecristi. One of the objectives sought was the declaration of Ecuador as a mining-free zone. It should be mentioned that one of the issues that sparked the most conflicts within the ruling party bloc in the Constituent Assembly was in fact the issue of mining.

Parallel to the constituent process, in March 2008, the Ministry of the Environment revoked the protection of the Bosques del Sur (Southern Forests) of Ecuador, thus eliminating the existence of the Bosques del Sur National Reserve, established in 1975. This reserve had one of the strictest conservation regimes in the country, comparable to that of "areas intangibles" or no-go zones.<sup>40</sup> Also in the first half of 2008, the government repealed the Regulations on Consultation and Participation, in force since 2002, and the Regulations on Article 28 of the Environmental Management Law relating to citizen participation and prior consultation, in force since 2006. In their place, Executive Decree 1040 was issued to facilitate the rapid issue of permits to mining companies.

April 18, 2008 was a day of great significance for the mining conflicts in Ecuador, as the National Constituent Assembly issued the so-called "Mining Mandate". In view of the many irregularities committed with mining concessions in Ecuador, the mandate revoked concession contracts for all cases in which the concession holders had not made investments as of December 31, 2007 or had not presented an environmental impact assessment by the deadline established. It also abolished all concessions for mining operations in protected natural areas, protected forests and buffer zones, and operations that threaten water resources. The mandate established a limit of three

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39 Acción Ecológica. "Empresas mineras canadienses promueven violencia en el Ecuador". Boletín de Acción Ecológica. Quito. November 16, 2006.

40 Decreto Ministerial. Registro Oficial No. 317. 2007.

concessions per holder, and thus abolished any additional concessions granted to individuals, their spouses, companies and affiliates. The mandate additionally declared a moratorium on all mining activities in the country until the enactment of a new mining law.<sup>41</sup>

However, instead of implementing the mandate, the Ministry of Mines and Petroleum (now the Ministry of Non-Renewable Natural Resources) used Ministerial Agreement No. 172,<sup>42</sup> which established “impact criteria” based on rates of water pollution. In other words, action would be taken only in cases where an impact on water quality was proven through testing. Through this defiance of the Mining Mandate, the Ministry of Mines and Petroleum prevented hundreds of concessions from being revoked. It also prevented the concessions of mining companies concentrated in the southern region of the country from being affected. The agreement was another show of total disregard for the will of the Ecuadorian people as reflected in the Mining Mandate.

Rafael Correa took office on January 1, 2007. Throughout his election campaign, he had always supported popular struggles and spoken out in defence of people’s rights, but this position has changed over time. He has already lost two of the main collaborators in his initial political platform, the economists and former government ministers Alberto Acosta (in 2008) and Fander Falconí (in 2010). Both men disagreed with Correa’s stance on extractive projects, adopted as a result of pressures from the business sector, the demands of the world economy and its growing **social metabolism**, and the need to earn revenues for the national budget to assist the population and build public works. In 2008, the Correa administration ordered the nationalization of a number of mining concessions in cases where it was determined that these concessions were being used for the purposes of speculation. Of the 2.6 million hectares that were reverted back to state control, 45% had been controlled by a mere 25 individuals. Nevertheless, as noted earlier, a larger number of concessions remained in effect.

## 5.2. Criminalization of social protest

Once the constituent process had been completed in Ecuador, the year 2009 began with large-scale mobilizations of campesino and indigenous communities primarily in the southern region of the country. In the provinces of Azuay, Morona Santiago, Zamora Chinchipe and Loja, roadblocks, marches and hunger strikes were organized to protest the imminent enactment of the new draft Mining Law. In the communities closest to the Mirador project, Ecuacoriente launched a frenzied series of visits that even included the Canadian ambassador, handing over thousands of dollars in funding for productive projects.

The communities where the mining projects in Southern Ecuador are based stressed the need for a mining law that could resolve the conflicts and impacts of mining operations already underway in the country. However, despite the opposition of thousands of campesinos and indigenous people, the newly reinstated Legislative Assembly approved an entirely different kind of mining law on January 13. The main thrust of the new law is the active promotion of the mining industry as a foundation for large-scale national production, through the granting of abundant incentives to mining concession holders. The law allows for any person to enter the territory of indigenous communities at any time to explore for exploitable mineral reserves and to make use of the water resources located there (Articles 60, 61 and 79). It essentially promotes national development through the forced displacement of indigenous and campesino communities and the destruction of peoples, cultures and natural wealth, while creating the conditions for increased social conflict.<sup>43</sup>

The approval of the Mining Law in January 2009 paved the way for other laws by stripping away the victories achieved by the Ecuadorian people in the new constitution: it conspires against the

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41 Asamblea Constituyente. Mandato Minero. Montecristi. April 18, 2008.

42 Acuerdo Ministerial No. 174. Registro Oficial No. 396. August 5, 2008.

43 Acción Ecológica. Coadyuvancia presentada para la declaratoria de inconstitucionalidad de la Ley Minera. June 5, 2009.

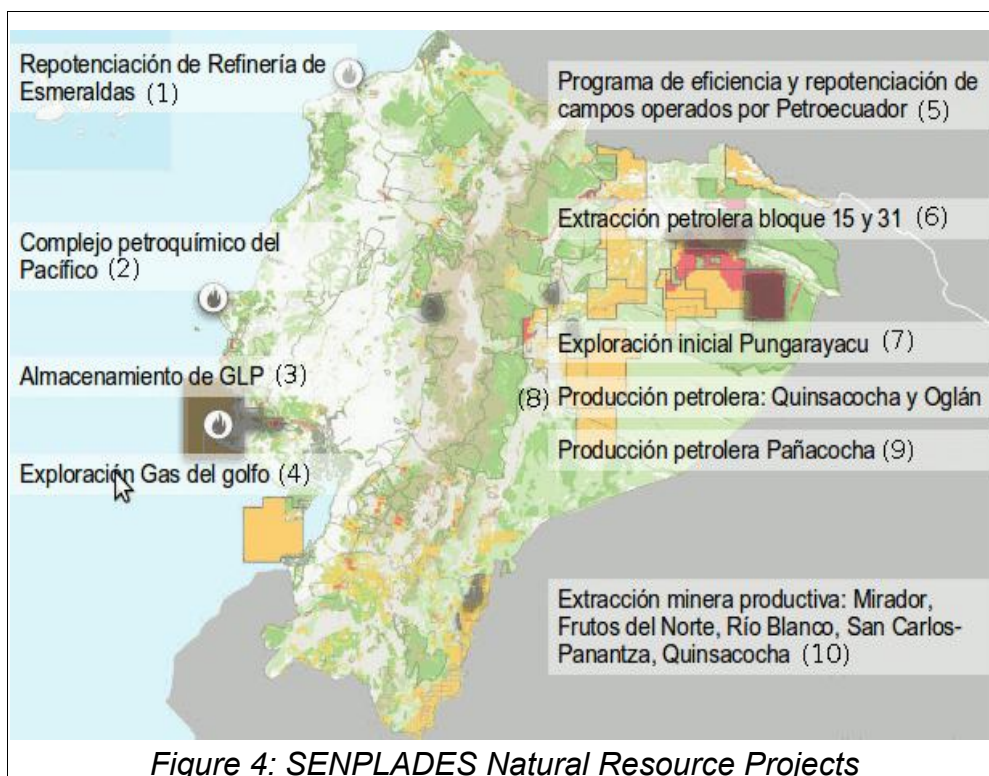
rights of nature, the plurinational character of the state, the right to “living well”, collective rights, and the state’s obligation to guarantee food sovereignty. Added to these violations of the constitution are the violation of the human right to water and the priorities for its usage, the principles of precaution and predominance, the right to participation and consultation, the right to resistance, and many others. Under the provisions of the new Mining Law, in June 2009 the Ministry of Energy and Mines and the National Water Secretariat issued the respective permits to authorize Ecuacorriente’s Mirador project in the Cordillera del Cóndor. These anti-democratic and unconstitutional decisions sparked marches, roadblocks and other demonstrations throughout the different provinces of the country (**Table 1**).

**Table 1: ACTORS AND THEIR POSITIONS IN THE MINING CONFLICTS IN THE PROVINCES OF MORONA SANTIAGO (MS) AND ZAMORA CHINCHIPE (ZC)**

Actor	Interest	General position	Location	Main arguments
<p><u>Mining companies:</u></p> <p>Corriente Resources of Canada Kinross of Canada, which has taken over from Aurelian Lowell, a company run by a geologist</p>	<p>Copper Gold</p>	<p>They maintain that mining contributes to local and national development, and does not generate negative impacts because of the use of advanced technology</p>	<p>Corriente Resources is in 3 cantons in MS and one in ZC  Kinross is in the canton of Yanzatza in ZC  Lowell is in the community of Warintz</p>	<p>Economic reasons: Profits for shareholders. Payment of taxes and royalties to the government. Generation of employment and income.</p>
<p><u>Indigenous peoples:</u></p> <p>Shuar         Saraguro Kichwa</p>	<p>Defence of their territory, legalization of land ownership, protection of waterfalls. Defence of “penker pujutín” or “living well”</p> <p>Defence of their lands and local economic activities (they are farmers)</p>	<p>Shuar: The majority of the ethnic group and the two main federations, FICSH (Interprovincial Federation of Shuar Centres) and FIPSE (Independent Federation of Shuar People of Ecuador) are opposed to mining and allied with the resistance</p> <p>Saraguro: Strengthening Shuar, mixed-race and Saraguro platforms, supporting the initiative to declare Zamora an Amazonian green lung and thus prevent mining, proposed by the prefect of Zamora, who is Saraguro</p>	<p>In MS and ZC: in population centres or inaccessible areas of the mountain range, which can only be reached on foot or by plane</p> <p>Saraguro: in the provinces of Loja and ZC, where they migrated from Loja</p>	<p>Sacredness of waterfalls. Indigenous land rights.</p> <p>Defence of agriculture</p>
<p><u>Mixed-race campesinos:</u></p> <p>Opposed to mining</p> <p>In favour of mining</p>	<p>Preservation of their lands and agricultural production activities</p> <p>Community members who work for the companies, their families, some schools</p>	<p>Allied with the Shuar people and the anti-mining resistance</p> <p>They defend their jobs, although they have problems with their employers (the companies); schools have been provided with scholarships and want to receive more money</p>	<p>Population centres in MS and ZC with road access</p> <p>Corriente Resources is in the MS cantons of Pananza, San Juan Bosco and Gualaquiza and has 100 workers at the Mirador site in ZC Kinross is in the canton of Yanzatza in ZC</p>	<p>Defence of agriculture</p> <p>Defence of jobs in the mining industry, handouts from the companies</p>

<p><u>Local authorities</u> (prefects, mayors, parish councils)</p> <p>Opposed to mining</p> <p>In favour of mining</p>	<p>Promoting local policies that keep mining out, responding to the needs of their communities (many are indigenous), local development projects</p> <p>Receiving financial resources for local projects, implementing plans with support from the mining companies, obtaining financial backing for future elections</p>	<p>Building an Amazonian regional position on oil, mining and the government development plan formulated by SENPLADES</p> <p>They refer to the need for resources for local development and support the “citizens’ revolution” and development of mining promoted by the national government</p>	<p>In MS the indigenous movement won elections in 8 out of 12 cantons as well as the provincial prefecture, while the ruling party won only 2 cantons</p> <p>In ZC the indigenous movement won 2 out of 9 cantons and the provincial prefecture, while the ruling party won only 1 canton</p>	<p>Regional development through alternatives to mining</p> <p>Financial resources contributed by the mining industry for local projects</p>
<p><u>Cooperation agencies</u></p> <p>GTZ, German public enterprise for technical cooperation</p> <p>CARE USA</p>	<p>GTZ works with private and public sector clients, including governments, international organizations and companies, with whom it implements projects as partners or on a contract basis. It promotes efficient and effective management.</p> <p>In Ecuador CARE works in the areas of education, health, sanitation, democracy and governance, natural resources, water and economic development</p>	<p>“A balance must be sought between the interests of the population, the government and the economy.” Convincing all stakeholders of the benefits of a project through facilitation, arbitration and cooperation is crucial for GTZ.</p> <p>Since its arrival in Ecuador in the 1960s, CARE worked first in “social assistance”, then in “social development”, and now works towards “overcoming poverty”. Its main source of funding has been USAID.</p>	<p>Morona Santiago</p> <p>Morona Santiago and Zamora Chinchipe</p>	<p>Economic and technological development</p> <p>Social development</p>
<p><u>Conservationist NGOs:</u></p> <p>Conservation International International Tropical Timber Organization Fundación Natura Energy Green Fundación Arco Iris</p>	<p>Biological corridors, protected areas, protected forests, peace parks, almost all involving financing for environmental services; management of state-owned protected areas</p>	<p>Protecting biodiversity but respecting economic activities that promote economic development, such as mining. Indigenous people and campesinos pose a threat to conservation. The most serious impacts of mining companies are indirect: the destruction caused by population settlements established around mining operations.</p>	<p>One of the most visible is the Cóndor-Kutukú Conservation Corridor, promoted by CI, which includes both Ecuador and Peru</p>	<p>The value of biodiversity The value of environmental services Poverty destroys the environment.</p>
<p><u>Ecological NGOs</u> Acción Ecológica</p>	<p>Strengthening the popular ecology movement</p>	<p>Indigenous peoples and their ways of life offer the most valuable proposals for change, not only for Ecuador but for the whole planet. We should not only recognize and promote respect for their rights, but work with them to build a genuine plurinational state.</p>	<p>Involved in processes in both provinces</p>	<p>Popular ecologism with an impact on public policy</p>
<p><u>State</u> Ministries responsible for mines, oil and citizens’ participation SENPLADES</p>	<p>Developing the mining sector to obtain royalties and taxes. Primacy of economic growth.</p>	<p>Neutralizing local opposition by implementing joint strategies through local authorities and organizations, providing financing for municipal works, promoting the discourse of sustainable mining that contributes to local and national development</p>	<p>Permanent presence in MS and ZC; forums with indigenous organizations and local communities to “socialize” development plans</p>	<p>Public finances. Economic development.</p>
<p>International environmental organizations MiningWatch OCMAL</p>	<p>Networks that support the anti-mining resistance, provide information on other cases, internationally disseminate news on the conflicts in the Cordillera del Cóndor</p>	<p>Opposed to open-pit mining. Documents damages caused by transnational corporations.</p>	<p>Headquarters in Canada. Itinerant headquarters in Latin America.</p>	<p>Socio-environmental liabilities of large-scale mining. Impacts on indigenous peoples around the world. Pollution, use of water resources.</p>

There are numerous policies aimed at further consolidating large-scale mining, new mining regulations, and a project to promote small-scale mining. The Correa administration claims that Ecuador has emerged from the “long neoliberal night”, a discourse echoed by the National Secretariat for Planning and Development (SENPLADES) in its National Development Plan. SENPLADES<sup>44</sup> has presented the country with an agenda expressed through regional maps that illustrate different strategies to achieve the goal of “Buen Vivir” or “Sumak Kawsay” (in Quechua), which roughly translates as “living well”. Paradoxically, the Plan’s maps, such as the one presented in **Figure 4** below show that in some regions of the country the main lines of economic production promoted are extractive activities and particularly mining. These regions coincide with the four large-scale mining projects that were the source of ongoing conflict in the mobilizations against the Mining Law and Water Law in 2009 and 2010.



**LEGEND of Figure 4: SENPLADES Natural Resource Projects:**

- (1) Upgrading of Esmeraldas oil refinery
- (2) Pacific Petrochemical Complex
- (3) LPG storage facility
- (4) Gulf gas exploration
- (5) Increased efficiency and upgrading of Petroecuador oilfields
- (6) Oil extraction in Blocks 15 and 31
- (7) Initial exploration in Pungarayacu
- (8) Oil production: Quinsacocho and Oglán
- (9) Oil production: Pañacocho
- (10) Mineral extraction: Mirador, Frutos del Norte, Río Blanco, San Carlos-Panantza, Quinsacocho

44 SENPLADES. Ecuador. <http://plan.senplades.gov.ec/>



## 6. HOW TO KEEP CANADIAN MINING COMPANIES IN LINE

The abuses committed by Canadian mining companies abroad are so numerous that even the Canadian parliament has taken note, and some of its members are attempting to establish regulations to ensure that government support is not provided to companies that violate human rights and environmental standards through their overseas operations. Bill C-300 was introduced in the Canadian House of Commons on February 9, 2009 by John McKay, a member of parliament representing the Liberal Party. The bill builds upon a number of recommendations on the **corporate accountability** of Canadian extractive companies operating in “developing” countries that emerged from a series of Corporate Social Responsibility Roundtables involving a multi-stakeholder advisory group. These recommendations were deemed inadequate, however, because they did not contain mechanisms for receiving complaints or imposing sanctions.

Bill C-300 would regulate the relationship between Canadian extractive companies and the Canadian government agencies with which they work most closely, such as Export Development Canada, the Department of Foreign Affairs and International Trade, and the Canada Pension Plan (which could invest in shares in these companies). In order to receive support from these government agencies, extractive companies would have to meet eligibility criteria in the form of guidelines on international corporate accountability standards concerning environmental health and human rights. Bill C-300 also includes a mechanism through which complaints could be filed from abroad with the Ministry of Foreign Affairs and International Trade (as could be the case with the mining conflicts in the Cordillera del Cóndor). If a complaint is accepted, it would lead to an investigation of the company’s compliance with the **corporate responsibility** and accountability guidelines and a public report on the findings within eight months. If these findings show that the company has not complied with the guidelines, it could be denied further government support.

## 7. CONCLUSIONS

This study leads us to reflect on an economic model that prioritizes the extraction of non-renewable resources such as hydrocarbons and minerals over the defence of water resources, agriculture, food sovereignty, indigenous land rights, and the preservation of biodiversity. The government of Ecuador has decided to move forward with the exploitation of gold and copper reserves in the Cordillera del Cóndor in southern Ecuador. The extractivist position of the Correa government is not a temporary strategy, a first stage marked by respectful exceptions in areas of environmental value or with indigenous populations, on the way to achieving a sustainable economy once the need for this short extractive period is overcome. On the contrary, it is becoming a strategy of rapid liquidation of natural assets and the subjugation of indigenous and mixed-raced populations on the **commodity frontiers**, which are now the frontiers of the country itself (as in the Yasuní or the Cordillera del Cóndor). The situation resembles what geographer David Harvey has called “accumulation by dispossession”, that is, the accumulation of capital through the plundering of indigenous territories and peoples, something very old and very modern at the same time. But it is doubtful whether the accumulation of capital even applies here, since so much of what is obtained ends up leaving the country.

This approach is grounded in a perspective characterised by **weak sustainability**, which involves investing profits from the extraction of natural resources in new investments that will subsequently lead to a sustainable economy. In Latin America, this is what Venezuelan writer

Uslar Pietri referred to as “sowing oil” back in 1936. In contrast, the concept of **strong sustainability** implies maintaining intact certain areas that have a great deal of environmental and social value, such as those where nature has created more biodiversity. If biodiversity is lost, what kind of investment could compensate for it? A recreational Jurassic Park? Mangroves must be preserved, Amazonian and coastal forests must be preserved, the high plains must be preserved, because if calculations are correct, what they offer is worth much more than what could be extracted through their destruction. Moreover, there are values that cannot be expressed in monetary terms, such as human rights and indigenous land rights. President Correa’s strategy however is neither an example of strong or even weak sustainability, since the profits from extractive activities will leave the country (mineral prices are low and also many of the companies involved are foreign), while the social and environmental costs will stay in Ecuador. Certainly there will be some increase in spending on education, health care and public works, but there will be an increase in public revenue expenditure as well.

The Cordillera del Cóndor is an area of extraordinary biodiversity and the ancestral territory of indigenous peoples, and is exposed to the threat of a number of large-scale copper and gold mining projects. The mining concessions in the Cordillera are held by Canadian mining companies, with no concern for the huge amounts of waste that will be created, the use of massive amounts of water and energy, and the destruction entailed by road construction. They are not even concerned about the demands from their own government in terms of increased accountability for social and environmental impacts. These companies should not only be accountable to their shareholders, but to the public as well.

The social and environmental liabilities that would be generated by mining operations will far outweigh the potential economic benefits, even if they are only measured in purely monetary terms. The indigenous peoples and campesinos are well aware of this fact, which is why they are opposed to open-pit mining and hydroelectric power projects that will monopolize water resources and primarily serve mining operations on their lands and territories. Their resistance has been criminalized, and clashes with the police have already led to the death of one Shuar community leader. A declaration of corporate responsibility on the part of Canadian mining companies is not enough, nor is the intervention of conservationist organizations whose purported aim is to protect the forests of the Cordillera del Cóndor. In fact, the conservationist organizations have been more than willing to share the territory with mining companies instead of allying themselves with the popular ecology and indigenous movements.

The Correa government’s National Development Plan and the mining activities it promotes in fact violate the new constitution of Ecuador, which safeguards food sovereignty and *Sumak Kawsay* (the concept of living well, in harmony with oneself, among other human beings and with nature). Ecuador, as a signatory to various international agreements such as ILO Convention 169 on Indigenous and Tribal Peoples, is furthermore obliged to recognize the right of these peoples to determine the type of society they want to live in. The country is in fact in a unique position as the source of some exemplary initiatives that could serve as a model for the rest of the world, such as the constitutional recognition of the rights of nature or the proposal to leave the Yasuni/ITT oil reserves in the ground. As indigenous organizations and their mobilizations continue to create opportunities for dialogue and reflection on the concept of living well, it will be crucial to find an alternative to the favoured extractivist model, which fuels and aggravates conflicts between communities and violates human rights and the rights of nature.

## 8. References