

## MINING IN THE PHILIPPINES

### BHP Billiton interests, further issues, May 2008



1. BHP Billiton's joint venture Hallmark project is located in Pujada Bay, an important environmental zone rich in rare and threatened species. The area of the mining lease borders the Mt Hamiguitan Range, a protected area under the Mt Hamiguitan Range and Wildlife Sanctuary Act, and below the contract area lies the Pujada Bay, a protected seascape and landscape by virtue of Presidential Proclamation 431. The approved total land area for exploration overlaps the five major drainage systems and watersheds. This area has been subjected to intense seismic activities, and like much of the Philippines is an area of high rainfall, including extreme weather events such as typhoons.

Given all of the above, one could ask to see results of the social and environmental impact assessment for the project and what mitigation the company plans to protect the local environment.

2. There are also social issues in the Pujada Bay area, with sizeable portions of the community that reportedly do not support the project. The company does not appear to be engaging with all indigenous representatives, as required under the 1997 Indigenous Peoples Rights Act (which ensures the recognised indigenous peoples must give their Free Prior Informed Consent (FPIC) to the project).

For example, one community leader from the area is 'Datu' Victor Aying (aka Manaol), who attended the company's London AGM in October 2007, representing the Macambol Multi-Sectoral Alliance for Integral Development (MMSAID). According to Victor Aying the area has been peaceful for generations, but mining is now causing serious divisions among the indigenous peoples. The conflict appears to be increasingly based around differences of the Mandaya and Manobo tribes. A 'tribal organization', United Pujada-Macambol Mandayan Council of Elders Inc. (UPMMCEI), appears to have been created to facilitate the entry of mining applicants in the area. Rufino Mapinogos, chair of UPMMCEI, admitted that a mining company assisted him in the processing of application for Certificate of Ancestral Domain Claim (CADC) in 1997.

The area is becoming more militarised, and recently there have been communist New Peoples Army (NPA) activities increasingly close to the project area. This is particularly worrying after recent NPA threats to attack foreign mining companies, which have led to increased use of paramilitaries to protect projects.

What steps is BHP Billiton taking to ensure that it is listening to those who oppose the project, particularly to ensure that they are dealing with all the legitimate indigenous leaders? Also, given the potential for violence, can the company confirm that all its practice in the area will conform to the Voluntary Principles on Security and Human Rights to which it has signed up?

3. Finally on Pujada Bay, it has been reported that there is a local conflict between BHP Billiton and its local joint venture partner Peter Tan. Could the company outline what the nature of the dispute is, and what steps it is taking to resolve this? If any of the issues are over social or environmental safeguards, what can the company do to ensure that the project will operate to the high standards it sets itself?

4. With regard to BHP Billiton's interests on Sibuyan island, there is a key issue around the shooting by a mining company security guard on 3 October 2007 of Town Councillor Armin Marin during a peaceful protest. This protest was the latest in a continuing campaign by islanders to show their rejection of plans to develop mining on their island, specifically including the announcement of an agreement between BHP Billiton and Pelican Resources of Australia, who are seeking to develop a nickel mine. The agreement is reported as being for BHP Billiton to purchase the nickel ore from Pelican's Philippines partner/subsidiary, Sibuyan Nickel Properties Development Corporation Ltd (SNPDC), and to fund a exploration programme.

BHP Billiton is providing financing and incentives to drive the project forward despite strong local opposition and the inevitable serious environmental and social impacts likely to result. While some of the facts of the above shooting are disputed, it is clear is that Councillor Marin was unarmed and was shot by Mario Kingo, chief of SNPDC security, while attempting to disarm him because he was carrying a gun during a gun ban. It now appears that mining company SNPDC and Mr Kingo are counter-charging the protestors - the core of whom are respected members of their community, such as schoolteachers - with grave coercion, which is very worrying.

One would hope that BHP Billiton will publicly and explicitly condemn these counter-charges and request from the company also what the current state of affairs is with regard to the contracts with Pelican.

Although clearly BHP Billiton is not involved directly, one would hope that company will acknowledge that it has a supply chain responsibility. One could ask BHP Billiton to confirm that it will not associate with, or profit from, any project where an associate company's personnel engage in violent and abusive acts.

Source: PIPLinks ([www.piplinks.org](http://www.piplinks.org)). ECCR and PIPLinks are members of the Working Group on Mining in the Philippines.