

Ecuador's Mining Decree

A Cautious Victory for Communities

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Communities and organizations opposed to large scale metallic mining in Ecuador are calling the new mining decree passed by the National Constituent Assembly last Friday a win for their movement. Groups that were planning to shut down various highway routes across the country decided last weekend to carry out a series of marches and public meetings instead.

The Assembly's decision, which suspends all large scale mining exploration until the Ministry of Mines and Petroleum rewrites the mining law, is estimated to entail the cancellation of about 80% of current mineral concessions. According to some activists, the prohibition of mineral concessions near sources of water and in cases where communities have not been consulted could lead to the revocation of 100% of current mining concessions.

Others, however, point out that the decree falls short of their goal of having the country declared free of all large scale mining and note that it mandates the government to establish a national mining company. They are additionally concerned that it might not affect the biggest projects underway since its implementation relies upon the Ministry of Mines and Petroleum.

The committee of assembly members which drafted the decree was established by Assembly President Alberto Acosta and was composed entirely of representatives from the government's political coalition, Acuerdo Pais. Acosta has repeatedly indicated that he favours a declaration against all large scale open pit mining. In contrast, the position of President Rafael Correa - who has recently condemned anti-mining protesters - strongly favours what he calls "responsible mining" in order to diversify state income as oil reserves are anticipated to dry up in coming years.

Since past Friday, Correa has tried to both assuage mining companies and foreign investors while promising the Ecuadorian public greater state participation in the nascent industry. The current mining law doesn't include royalties. Addressing company representatives who have experienced a severe drop in their share values over the last week, Correa has been reported saying that mining activities are not suspended and that the country is merely reorganizing toward the development of a mining sector that is more socially, environmentally and economically responsible.

Confusing statements by the Minister of Mines and Petroleum Galo Chiriboga have backed up the President's assurances. Chiriboga said that on the one hand that his ministry must respect the tough guidelines set out by the decree, but that ultimately concessions will not be taken away from the biggest projects. His public statements have focused on new restrictions limiting individual holdings to a maximum of three concessions. It is unclear how this conflict will be worked out with companies such as Canada's Aurelian Resources, which holds 38 mineral concessions in the Southern Amazon region totaling over 95,000 hectares, and others in the same area such as Corriente Resources' subsidiary Ecuacorrientes S.A. which has 11 concessions totaling over 50,000 hectares.

Unsure about their projects' fate, companies like Canadian-based Iamgold, with 10 concessions, have been quick to reassure shareholders. Company press releases have reiterated government pro-mining

statements and said that while current studies might be delayed, that projects remain on track. None make reference to the fervent protests that oppose such developments, least of all companies like Corriente Resources, who's gold-copper Mirador Project has been suspended for over a year.

As a result, while recognizing that the decree was hard won, coming several months after it was first anticipated, activists are cautiously calling this a victory. It is only a step toward their goal: that Ecuador be declared free of large scale metallic mining. They plan to keep the pressure on to ensure the mandate's strict enforcement while keeping their concerns in the public light. Yet they are certain to face a tough battle against industry propaganda and the stance of the popular president in coming months.