



# FIRST PEOPLES WORLDWIDE

## CORPORATE MONITOR

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### **Transparency in the Supply Chain**

[Biosev](#), [Bunge](#), and [Cargill](#) responded to [allegations](#) that they source sugarcane from landowners tied to violence against Guarani Indians in Brazil, covered in the [last month's Corporate Monitor](#). Biosev and Cargill deny the allegations, while Bunge asserts that they are based on outdated information; the company admits to sourcing sugarcane from the region in the past, but did not renew the contracts after they expired last year. Another company, [Alcoolvale/Unialco](#), did not respond.

Regardless of whether these companies are to blame, industry-driven conflicts persist in Mato Grosso do Sul. Better supply chain transparency is needed to ensure perpetrators are held accountable and responsible companies are not falsely accused.

Sources: [Business and Human Rights Resource Centre](#)

### **Violence in Argentina**

A cyanide laced leachate spill at [Barrick Gold's](#) Veladero mine in San Juan, Argentina triggered a protest that ended violently, with 23 people arrested and 2 sent to the hospital after clashes with police. The spill allegedly contaminated a key water source for agriculture, and communities were further enraged by the company's refusal to provide information. As of October 23, the mine was closed.

The communities section of Barrick's [2014 Sustainability Report](#) contains minimal information about the Veladero mine, while considerable attention is given to other, more controversial projects in the company's portfolio. This is another indication of social risk management by

headlines. If the company had more robust community engagement before the spill occurred, it would be better positioned to weather the fallback.

Sources: [CEDHA](#)

## **World Bank Safeguards Update**

The [second draft](#) of the new World Bank Safeguards contains some improvements, but still lags on issues across the ESG spectrum. According to the [Bank Information Center](#), the Indigenous Peoples safeguard “improved from the first in that it no longer provides an alternative approach when it comes to protecting Indigenous Peoples’ rights. But, another possible ‘opt-out’ option remains in force; Borrowers that don’t want to implement ESS7 may “in rare instances” still be able to initiate a waiver process. The revised ESF also still lacks detail on the disclosure and substantive requirements of an Indigenous Peoples Plan, which the Bank mandates but cannot enforce without establishing clear guidelines for compliance. Additionally, even though ESS7 expressly states that if “FPIC of the affected Indigenous Peoples cannot be ascertained by the Bank the project will not proceed further”, which would be fully in accordance with international legal standards, the ESF nullifies the provision by allowing the continuation of other aspects of the project as long as they cause no adverse impacts on such Indigenous Peoples during project implementation.”

The Huffington Post is running a [series of articles](#) examining the hidden toll of development financed by the Bank. The most recent quotes Navin Rai, the Bank’s senior Indigenous Peoples adviser from 2000 to 2012, calling the Bank’s efforts to protect vulnerable groups a “facade.” The Bank’s regression is being attributed, at least in part, to newly-established competition from other development lenders—such as the Chinese-backed Asian Infrastructure Investment Bank—that don’t apply the same social and environmental standards, thus triggering a “race to the bottom.”

## **From Consultation to Consent**

[Agro EcoEnergy](#) is having trouble getting a sugarcane plantation off the ground in Tanzania due to land disputes with small farmers who do not want to be resettled. The government legally

owns the land, but years of corruption and land grabs have turned locals against private investment. The company has threatened to exit the country if the delays are not resolved by December. It asserts that “all project affected persons have been adequately consulted under international best practices...in various culturally-appropriate and meaningful ways”, but does not mention efforts to obtain consent.

Consultation, no matter how extensive, is unlikely to mitigate social risk if communities are not given a real say in how a project will affect them. African governments are aggressively promoting large-scale development as a way to lift the continent out of poverty, but for that to happen, the “international standard” must shift from consultation to consent. Until then, land grabs will continue pushing people further into poverty and conflicts will continue to jeopardize private investment.

Sources: [The Guardian](#)

## **World Indigenous Business Forum**

In October 2015, the [World Indigenous Business Forum](#), an Indigenous-led platform for engaging Indigenous Peoples in global economic discussions, convened in Hawaii for its fourth annual conference. The agenda featured speakers from Canada, Chile, Guatemala, New Zealand, the Philippines, and the US, and covered a range of topics, including housing and infrastructure, education and training, and international trade and investment. Indigenous-led efforts to strengthen corporate engagement—especially those that foster communication and knowledge exchange between regions—provide excellent opportunities for companies to build their capacity to work constructively with Indigenous Peoples.

Sources: [World Indigenous Business Forum](#)

## **Country Risk Alert**

In October 2015, more than 700 Lumads—the Indigenous Peoples of Mindanao, the southernmost island in the Philippines—gathered in the capital city for a week-long protest against human rights violations in their territories. According to the UN, 14 Lumad leaders and activists were murdered in 2015 alone, with scores more killed in previous years. Mindanao’s

natural resource richness is cited as a key driver of conflicts, and some companies have been implicated, most notably Xstrata. Xstrata merged with [Glencore](#) in 2013, and subsequently withdrew from the country. Since then, the violence has continued, and Mindanao remains an extremely high risk place to do business.

Sources: [Channel News Asia](#)

## **New Political Landscape in Canada**

Aboriginal voters turned out in record numbers to vote in Canada's 2015 elections, and played a key role in the Liberal Party's rise to power. New Prime Minister Justin Trudeau has promised a "nation to nation" relationship with First Nations, and to review all existing federal legislation to ensure compliance with the [UN Declaration on the Rights of Indigenous Peoples](#). Trudeau also supports Canada's resource economy, but has promised to cut carbon emissions and balance development with environmental concerns—a notably different perspective from his predecessor.

If and how Canada's new leadership acts on these commitments is yet to be seen, but it is clear that the country's political landscape has drastically changed. Companies that pursue strong relationships with Indigenous Peoples one-on-one, rather than relying on governments to be the broker, are less vulnerable to the risk of shifting political and regulatory environments.

Sources: [APTN](#)