



FIRST PEOPLES WORLDWIDE

CORPORATE MONITOR

OCTOBER 2015

Ensuring Sustainable Development

In September 2015, Shell pulled the plug on its offshore exploration activities in the Chukchi Sea, citing disappointing well results as well as “high costs associated with the project” and “the challenging and unpredictable federal regulatory environment in offshore Alaska.” Meanwhile, North Dakota’s Bakken boomtowns are experiencing layoffs and population drops for the first time in years as the number of active rigs falls by nearly half.

These two examples fall within a broader trend of closures and cutbacks across the oil industry in response to the continued decline of oil prices. They raise important questions about the sustainability of economic benefits brought by the oil industry, and whether affected communities will be left better, the same, or worse than before. The ability of a project to deliver tangible benefits throughout and beyond its life cycle should be a cornerstone of any CSR strategy. Some extractive companies—such as [Newmont in Ghana](#) and [Freeport-McMoRan in Indonesia](#)—have established or supported community foundations at certain sites to ensure this is the case.

Sources: [New York Times](#), [The Atlantic](#)

Escalating Violence in Brazil

Violence against Brazil’s Guarani Indians is escalating. According to Survival International, “on 29 August Guarani leader Semião Vilhalva was shot dead one week after his community reoccupied part of their ancestral land. A one-year-old baby was struck in the head by a rubber bullet, and many others were injured. Less than a week later, on 3 September, 30 vehicles full of ranchers and gunmen arrived at the community of Guyra Kambi’y. They fired repeatedly at the community, forcing the Indians, including about 50 children, to flee and hide in small pockets of

forest nearby. They then set fire to the Indians' homes, destroying everything." The attacks are believed to be carried out by private militia hired by landowners who claim the Guarani are illegally trespassing on their property.

A series of conflicting court rulings and reneged government promises have pitted bitter conflicts between Indigenous Peoples and landowners in Mato Grosso do Sul for years. More than 290 Guarani and Kiowa individuals have been killed since 2003. The government's latest plans to build an interoceanic railroad through the region is likely to worsen the situation.

Sources: [BNAmericas](#), [Indian Country Today](#), [Survival International](#)

Grassy Narrows Lawsuit

In September 2015, the Grassy Narrows First Nation filed a lawsuit against Ontario to overturn provincial approval of clearcut logging on their homeland, citing violations of the [Canadian Charter of Rights and Freedoms](#) and the [Ontario Crown Forest Sustainability Act](#). The community has suffered from the long term effects of mercury poisoning since the 1960s when a paper mill dumped 9 tons of mercury into the Wabigoon River, and scientific research indicates that clearcut logging will release further amounts of mercury into their water supply. The province denied the community's request for an environmental impact assessment.

The Grassy Narrows First Nation has fought clearcut logging for more than a decade, causing several companies to withdraw from their territory. [Weyerhaeuser](#) is currently the largest concession holder in the area and should expect continued resistance until the community's grievances are properly addressed.

Sources: [Grassy Narrows First Nation](#)

Another Leader Killed in Guatemala

In September 2015, Rigoberto Lima Choc, an Indigenous activist who played a pivotal role in shutting down a polluting palm oil plantation in Guatemala, was assassinated outside a municipal courthouse in Sayaxché. The gunmen are believed to be linked to REPSA, the company that owns the plantation. ActionAid alleges that on the day of the murder, three other leaders were

kidnapped by REPSA's employees, and released only after the judge agreed to reconsider the suspension.

The use of violence and intimidation to upend a court order reveals major flaws in Guatemala's justice system. A recent Global Witness [report](#) revealed the country to be one of the most dangerous for environmental activists, with Indigenous Peoples especially at risk.

Source: [ActionAid](#)

NGOs Criticize Pascua Lama MOU

A [report](#) by [MiningWatch](#) and the [Latin American Observatory of Environmental Conflicts](#) disputes [Barrick Gold's](#) claims that community relations are improving at the Pascua Lama mine in Chile, since an MOU was signed with Diaguita communities. The report alleges that "the process to develop the MOU was confusing and manipulative" and that "divisions created as a result...gave rise to three Diaguita organizations where before there was one." The report was based on interviews with 12 community representatives, and participation in several group events. The process for selecting the interviewees is unclear. However, the company's [response](#) does not directly address the allegations of divisiveness.

Free, Prior, and Informed Consent means broad community support. A company that engages communities in ways that create divisiveness is no better off than a company that does not engage communities at all.

Source: [MiningWatch](#)

BC LNG Updates

In September 2015, two key developments unfolded affecting northern BC's burgeoning LNG industry. The Fort Nelson First Nation (FNFN) won a lawsuit to cancel the first long term water license granted to Nexen Energy in the Horn River Basin on the grounds that "the science behind the license was flawed in both concept and operation" and "the province failed to consult FNFN in good faith and breached its duty to consider the potential impacts."

Meanwhile, the Lax Kw'alaams Band setup an occupation camp to stop Petronas from building a pipeline and processing plant on their territory. Earlier this year, the community made headlines when it rejected a \$1.2 billion benefits package from the company, sending a strong message that Indigenous Peoples' ties to land cannot always be usurped by monetary compensation.

Sources: [Fusion](#), [Market Watch](#)