

## **Glamis Gold's Marlin Mine Project in Guatemala**

*Ensuring Free, Prior and Informed Consent for Affected Communities*

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*Hills Surrounding Marlin Mine*

Glamis Gold Ltd, a Canadian-licensed mining company based in Reno, Nevada, is currently developing the Marlin gold mine in the department of San Marcos in the Western Highlands of Guatemala. The mine is located in a remote, poverty-stricken area on lands which have been traditionally occupied by indigenous Mayans. In June, 2004, the International Finance Corporation (IFC) approved a \$45 million loan for the project. The IFC has since disbursed the entire loan, in spite of strong community dissent against the mine and serious indigenous rights violations associated with the project.

The Marlin project is Guatemala's first major mining investment in two decades, and the first investment in a mining project since the conclusion of the Extractive Industries Review (EIR). The IFC supported the mine in the hope that it would demonstrate the viability of "responsible investment" in the mining sector in Guatemala. Instead, by approving the project and disbursing the loan, the IFC has condoned the Guatemalan government's violations of indigenous rights, and has failed to respond to the violence, deaths and threats that have resulted from community protests against the mine.

Guatemala signed and ratified the International Labor Organization's Convention No. 169 on Indigenous and Tribal peoples as part of the 1996 Peace Accords. The Convention says that the government must consult indigenous peoples regarding the use of natural resources on indigenous lands. The convention also states that communities have the right to decide on priorities for their own development and that they have the right to participate in the use, management, and conservation of natural resources on their lands. However, the Guatemalan government made no meaningful effort to consult with indigenous communities prior to issuing sub-surface concessions to Glamis for the Marlin mine.

Glamis itself has also failed to adequately consult local residents. Although meetings were held between Glamis and the local communities, the spirit and content of the consultations is in dispute. Residents question the way in which their concerns about the impacts of the mine were addressed in the consultations. Community members also doubt that the project will provide substantial local economic benefits, despite Glamis' promises of jobs and development projects. It is not clear that community support for the project was ever established, and the project went ahead in spite of an IFC commitment as part of the EIR to require broad community support for projects in indigenous areas.

Communities near the mine have grown increasingly concerned about environmental and social impacts of the project. Residents are worried that the open pit cyanide leaching process to be used at the mine will contaminate local drinking water supplies. An independent analysis of the environmental impact assessment of the mine has raised serious concerns about the quality of the assessment. Concerns include the estimation of long term environmental impacts of acid rock drainage, the mine's impact on the availability of local water, seismic activity in the area, impacts of toxic chemicals on aquatic organisms, lack of liner or sealant in the tailings dam, and the long term maintenance of facilities set up by the company following the project's closure.

In January 2005, a 40-day blockade of the road to the Glamis mine in the town of Los Encuentros culminated in a violent clash between local residents and the Guatemalan military, in which one man, Raúl Castro, was killed, and 10 more were injured. In March, 2005, Alvaro Benigno Sanchez, was shot dead in the street in the town of San Miguel Ixtahuacán, near the mine. A security guard who works for the mine has been implicated in the shooting, but police have not yet charged anyone in the murder. A recent report by Amnesty International has also raised concerns about death threats against several local community members who oppose the Marlin project.<sup>1</sup>

The atmosphere of violence is escalating, and little has been done to diffuse tension in the area. The IFC has a responsibility to the safety and health of project-affected communities, and should call on Glamis to suspend the project until resolution can be reached between the communities, the company, and the government on the mining project. If Glamis will not stop construction on the mine while these issues are discussed, the IFC should recall their loan.

To avoid situations like this in the future, the IFC Performance Standards should be clear that the free, prior and informed consent of affected communities is necessary for projects to receive financing. If the community does not consent to the project, the project should not continue. For adequate consultation and consent to occur, communities should be allowed to participate in planning process of their free will using their own methods of decision-making. Communities should be involved as early as possible in the planning and decision-making process, both in terms of policy development and projects, and they should have access to project information from a diversity of sources. Much of the problems that have arisen with the Marlin mine project could have been avoided had the community been adequately consulted and had consented to the mine prior to construction.

The Performance Standards should also state that the IFC will not interfere in any country obligations under international treaties, including ILO 169. The IFC should not agree to support projects in which the government has not fulfilled its obligations under these treaties. The IFC should not have supported the Marlin mine, given that the Guatemalan government violated indigenous land rights by not consulting with communities prior to offering concessions on their lands.

*Meeting in Solola*



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<sup>1</sup> Amnesty International, "Guatemala: Human rights activists under attack in 2005."  
<http://web.amnesty.org/library/Index/ENGAMR340112005?open&of=ENG-GTM>