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New Study Documents Natural Resources Giveaway in Latin America; Says Outdated Development Model Tramples Human Rights, Environment

***Researcher points to “colonial mentality” as governments race to attract investors;
Cites destruction of forests, rivers, way of life of rural communities in 4 nations***

BOGOTÁ, COLOMBIA (21 March 2013)—A new study reveals that governments in Latin America have returned to natural resources extraction to fuel development—while paying scant attention to the impact mining, oil exploration and other activities have on the environment or on the people who own the land. The study, which reported on both domestic and international investments, was released at the 14th *Rights and Resources Initiative Dialogue on Forests, Governance, and Climate Change* bringing stakeholders and indigenous, Afro-descendant and rural community leaders from 13 nations to Bogotá this week.

“We seem to have returned to an almost colonial mentality,” said Margarita Florez, Executive Director, Asociación Ambiente y Sociedad, whose study reviewed the recent activities impacts of extractive activities on lands owned by Indigenous Peoples, Afro-descendants and other forest communities in Colombia, Panama and Guatemala. “Our governments are being shortsighted. They are undervaluing renewable resources such as forests and water, and are putting the rights of foreign investors before those who have lived and worked the land for generations.”

Florez’s study strengthens reports of a growing trend in the region of increased dependence on the export of non-renewable resources, including gold, silver, oil and natural gas. Foreign direct Investment (FDI) in Colombia, for example, has increased more than 500% between 2000 and 2010, and most of the funds are going into mining and related activities. In Peru, mining now ranks fourth in importance among industries that contribute to the gross domestic product.

In all four countries Florez found repeated instances of forced displacement of local peoples, the presence of non-state security forces, large-scale deforestation, damage to local sources of water in terms of both quantity and quality, loss of access to food sources, illegal land acquisition, the weakening of the social fabric of communities, and the emergence of parallel economic activities with significant implications for traditional communities.

The researchers also provide an overview of the legal and fiscal policies that govern investors and their use of lands, demonstrating that the laws are being interpreted so they benefit

investors, with detriment to both the environment and the rights and livelihoods of the people who inhabit the lands.

While all the countries covered in the study have environmental licensing regulations on paper that require environmental impact studies (EIS), Florez said, relevant laws have been weakened, and there is little technical expertise and too few human resources to properly control the rapidly expanding extractive industries in the region.

In the long-run, the lack of concern for tenure rights could affect the financial health of investors as well as the livelihoods of those who live on the land, according to another recent report commissioned by the non-profit Rights and Resources Initiative (RRI).

In *The Financial Risks of Insecure Land Tenure: An Investment View*, authors looked at companies involved in land acquisitions worldwide, revealing “an astonishing amount of financial damage.” Investors faced massive increases in operating costs—as much as 29 times above a normal baseline scenario, in some cases having to abandon their operations because they had failed to recognize customary or local land rights.

“Examples from around the globe are showing that these new pressures -- of mining, infrastructure, agribusiness, oil palm and biofuels are happening simultaneously – making it tremendously challenging for local people to defend themselves,” said Andy White, Coordinator of RRI. “But the risks don’t lie just with the communities and their defenders. Faced with the inevitable reaction from communities whose land has been sold out from under them, a growing number of investors have lost millions.”

In 2009, for example, the U.S.-based Muriel Mining Corporation’s project was suspended, after the Superior Tribunal and the Supreme Court of Justice in Colombia found that the project did not respect the communities’ right to free, prior, and informed consultation and consent.

“The solution is to create territorial planning based on an environmental and rights-based perspective, in such a way that everyone knows what lands are open for exploitation and which are not,” Florez said. “Furthermore, any company that has an interest in going onto traditionally-owned lands should only be able to do so following previous consultation with the people who own those lands. This is a right that has been recognized under international law, and often under the laws of the same set of countries.”

The choice confronting governments in Latin America today is whether to embrace a more sustainable development path built on inclusiveness and respect for the rights of all their citizens, or instead hand out their people’s lands and forests to industrial investors.

“The investment ‘boom’ in Latin America can be an opportunity to overcome failed models of the past, rather than a threat to the livelihoods of those who have depended on the land for generations,” White said. “We just need to figure out how to shape and guide this investment to promote new kinds of business and development models that respect human rights and local land rights, and also produce sound social and economic development.”

He added that the plans that underlie government development strategies often give the illusion that countries have evaluated the costs and benefits of their choices. However, development sectors competing with one another for the next deal neither measure nor address the real impact of the projects on local communities.

“Without the recognition of local rights, transparency of deals and decisions, and mechanisms to ensure accountability of governments and investors, there will be a rollback of environmental, human and tenure rights of forest communities,” said Omaira Bolanos, RRI’s Regional Program Director for Latin America. “Foreign investors will prefer countries with weakened regulations to expand their investments.”

“Governments, citizens, civil society and business-people must work together to address the risks and opportunities of advancing the economic development and prosperity all Latin Americans,” she added. “But this must be done without harming the human and tenure rights of rural, indigenous and Afro-descendant communities.”

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The Rights and Resources Initiative (RRI) is a global coalition of 14 Partners and over 120 international, regional and community organizations advancing forest tenure, policy and market reforms. RRI leverages the strategic collaboration and investment of its Partners and Collaborators around the world by working together on research, advocacy, and convening strategic actors to catalyze change on the ground. RRI is coordinated by the Rights and Resources Group, a non-profit organization based in Washington, DC. For more information, please visit www.rightsandresources.org.