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OUR VIEWPOINT

Large-scale infrastructure projects in forests: Constructing a base without a foundation

WRM devotes this special bulletin to the subject of infrastructure and forests due to this fundamental link between infrastructure and activities that cause deforestation. Infrastructure projects are essential for the extraction, storage and/or export of minerals, timber, oil, etc. outside of the forest areas and outside the country, to the world's large centres of production and consumption.

INFRASTRUCTURE: THE BACKBONE FOR THE DEVASTATION OF FORESTS AND TERRITORIES

Accelerating deforestation: Financialization as a driver of infrastructure projects

Investment in infrastructure is no longer being driven by the actual construction or production of goods, but rather by the possibility of seeking profits through financial instruments. This means that a key aspect is the deepening of the process of financialization, a characteristic of an era in which the goal of investment is "taking" and not "making".

Amazon: Territorial disputes and conflicts

From the viewpoint of the dominators, the only alternative for the Amazon is to remain the periphery of the periphery, a place to which to move economic activities that make intensive use of natural resources, that promote environmental degradation, and that are essentially geared to export, highly subsidised and financed at extremely low interest rates.

The Asian Development Bank's infrastructure-led 'growth' in India and the

[Mekong region (1)](#)

The Asian Development Bank is pivotal for creating demand and the conditions for widespread privatization in virtually every sector in the Asia Pacific region. Its development model, based on an infrastructure-led 'growth', is predatory, undemocratic, discriminatory and destructive.

[Infrastructure, development and natural resources in Africa: A few examples from Cameroon](#)

The aim of this article is to illustrate, through two infrastructure projects in Cameroon, the Chad-Cameroon oil pipeline and the North Congo-Kribi railway and the Kribi deepwater port, some of the far-reaching implications of these projects and the risks associated with them.

[Cambodia: Paving forested lands for gambling resorts](#)

Cambodia's biggest national park, Botum Sakor, will now host a project that includes a network of roads, an airport, a port, two reservoirs, condominiums, hotels, hospitals, golf courses and a casino. Local villagers are already being forced away from their homes. Likewise, a railway will join a steel processing plant in the Preah Vihear province in the north to a new port in Koh Kong province on the gulf of Thailand in the south.

[Development or destruction: What do infrastructure projects in Africa mean for its forests and people?](#)

When European governments learned that Africa's mineral deposits and land were valuable, military incursions became the favoured appropriation method. The first wave of infrastructure: roads and railways to move soldiers and equipment, was later used to export their spoils, with an extensive network of roads, railways and ports.

PEOPLES IN ACTION

- Letter to the Inter-American Commission on Human Rights
- HidroAysén project rejected by ministerial committee due to strong social pressure
- Social movements celebrate historic vote at the United Nations Human Rights Council
- The Permanent Peoples Tribunal (PTT) was held with social movement from all over the world and the Peoples' Treaty on Transnational Corporations (TNCs) was launched
- "There will be no going back from the climate chaos if we don't halt polluting corporations and change the system"

RECOMMENDED

- “Energy, Work and Finance”
- Public-Private-Partnership and Institutional Capture: The State, International Institutions and Indigenous Peoples in Chad and Cameroon
- La Consulta Inconsulta del Ecuador (Unconsulted Consultation in Ecuador)
- Will FSC dissociate from Suzano?
- Hungry for land: small farmers feed the world with less than a quarter of all farmland

OUR VIEWPOINT

Large-scale infrastructure projects in forests: Constructing a base without a foundation

If you asked someone to list some of the main causes of rainforest deforestation, they would probably mention, for example, logging, mining, oil and gas extraction, extensive livestock farming, or industrial agriculture. You would be much less likely to hear someone talk about infrastructure projects in sectors like transportation and energy. But these projects are essential for the extraction, storage and/or export of minerals, timber, oil and gas, soybeans, meat, electricity, etc. outside of the forest areas and outside the country, to the world’s large centres of production and consumption.

WRM decided to devote this special bulletin to the subject of infrastructure and forests due to this fundamental link between infrastructure and activities that cause deforestation. If infrastructure constitutes the basis or foundation of a system, we can conclude that this system that is served by the infrastructure, is destructive, because it results in destroyed forests. And this deforestation is not only caused by open-pit mining or the clearing of large areas for cattle grazing. It also results from infrastructure construction itself in the middle of forests, where highways, gas and oil pipelines, electrical power lines, etc. comprise a truly interconnected network of destruction.

Conflicts between the companies constructing large-scale infrastructure works and the communities who depend on the forests affected by these works are already widespread and will expand even more. It is predicted that in the coming decades activities like mining, gas and oil extraction, livestock grazing and industrial agriculture in rainforest areas will double or even triple (see WRM Bulletin 188). This means there will be a proportionate increase in the construction of infrastructure like large-scale hydroelectric dams, highways, railways, riverways and ports. To make matters worse, we contribute to these works through the taxes we pay, which are turned into subsidised loans for these types of projects, granted by public national development banks and multilateral institutions. In addition, a growing number of pension funds and other investment funds now form part of the financial market system and invest in infrastructure.

Many local communities are waging hard-fought struggles against destructive projects, including infrastructure projects. In this bulletin, we offer information to provide readers with an overall view of the infrastructure plans of the main rainforest regions and countries of Latin America, Africa and Asia. We also analyse trends like the growing financialization and privatization of infrastructure projects, which have two goals: increasing profits for the shareholders in the companies involved in these undertakings and financial market investors, and further accelerating the execution of these projects.

Faced with this rather bleak situation, we believe it is important to initiate a discussion on what kind of infrastructure we want and for whose benefit, as well as what infrastructure represents for communities who live in forests. At times, these communities are invited to events like so-called public hearings or "consultations" on the construction of an oil pipeline, a new highway or a hydroelectric dam. But the implementation of these projects is usually a foregone conclusion that rules out the possibility of a genuine and serious consultation. It is much rarer for governments to approach these communities to listen to what they think about infrastructure, that is, what they need to strengthen the foundations that really help to improve their lives – for example, with regard to the economy, health care, education, transportation, energy and communication. Rarely do governments bother to learn about the problems that communities face or address the demands made on the basis of their realities. But they exercise a great deal of discipline in meeting the construction schedules for the infrastructure wanted and demanded by big companies.

Plans formulated with communities on the basis on their demands would probably be good plans, aimed at improving their quality of life, because they would be based on local realities, and it is highly unlikely that their cost would come even close to that of the multimillion-dollar infrastructure projects undertaken for the benefit of the owners of mining, oil, gas, logging and agribusiness companies. Moreover, these projects leave behind debts in the countries where they are undertaken, which we will all have to pay off in the future, above and beyond the destruction they leave in their wake in the forests. These types of infrastructure projects do not create a solid base or build any sort of foundation for communities who depend on forests, because they destroy future prospects.

We hope that the communities affected by these large-scale projects – increasingly better informed – will continue to be able to organize, join efforts and fight back even more strongly, so that their struggles against destructive projects, including infrastructure projects, are strengthened, and their visions and proposals regarding the infrastructure they really want and need can begin to prevail. And that we support these efforts!

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INFRASTRUCTURE: THE BACKBONE FOR THE DEVASTATION OF FORESTS AND TERRITORIES

Accelerating deforestation: Financialization as a driver of infrastructure projects

Infrastructure projects, such as the building of highways, railways, ports and airports, installations for the extraction of oil, gas and minerals, or for energy generation, as in the case of hydroelectric mega-dams, are constantly promoted as necessary for “development”. However, far from meeting the needs of local populations, for example, by providing access to electricity, drinking water or sanitation services, these projects are instrumental in facilitating and expanding an economic system aimed at “developing” the continuous extraction of raw materials, primarily for export markets.

As a key piece of the dominant economic model, large-scale infrastructure is one of the underlying causes of the destruction of forests and local livelihoods. The discourses that define development as access to “raw materials” for trade and “regional integration” with global markets silence the thousands of realities of local communities who face the devastating impacts of these projects. Today, governments, multilateral development banks (i.e. the World Bank, the Inter-American, Asian and African Development Banks, etc.) and groups like Mercosur and the G-20 are once again promoting investment in infrastructure. This time, it is also meant to serve as solution for the current crisis of over-accumulation: too much capital pursuing too few investment opportunities.

In 1994, the World Bank published a World Development Report on infrastructure in which it promoted the privatization of public services as a way to “increase efficiency and improve the provision of infrastructure” (1). The role of government changed from that of “owner” to “facilitator” of “development” projects. This privatization agenda was promoted (and imposed) during the 1990s primarily through so-called public-private partnerships, or PPPs. However, today this process goes even further. As exposed in a report published by The Corner House (2), a series of instruments and regulations have been created to turn infrastructure into a new asset class, which generates greater profits on the so-called financial markets.

In other words, a key aspect of this new “boom” in infrastructure is the deepening of the process of financialization (see WRM Bulletin 181). What is driving investment in infrastructure is no longer primarily the actual construction or production of goods, but rather the possibility of seeking profits through financial instruments and vehicles. One example is that of private equity funds, which are a key actor in this process. These are funds that pool investment and buy the majority of shares in companies, take over their management, increase their profitability, and then sell their shares at a profit. For investors, it does not matter what kind of infrastructure is being constructed or who will benefit from it, since the infrastructure sector is merely a platform that enables the continued accumulation of capital.

In the last two decades, the private sector has rapidly become a leading investor in infrastructure. The above-mentioned report from The Corner House notes that between 2002 and 2007, the value of infrastructure projects in developing countries with private sector participation totalled roughly USD 603 billion, according to World Bank figures. This amount far outstrips the development assistance for infrastructure provided during the same period by the 34 countries of the Organisation for Economic Cooperation and Development (OECD). In 2012, the World Bank reported that private sector participation in infrastructure investment reached an all-time high of USD 160 billion in 2010. India, for example, hopes to raise 40% of its USD 200 million annual expenditure on infrastructure between 2013 and 2017 from the private sector.

In South America, the Initiative for the Integration of Regional Infrastructure in South America (IIRSA) is planning more than 500 construction projects, many of which are already destroying local economies and territories (see WRM Bulletin 161). Road building and river transportation projects are aimed at access to the region's "natural resources" to facilitate their extraction and transportation. In addition to public investment financing, mainly from Brazil, 37% of IIRSA's costs are covered by PPPs and 17% by the private sector. One example is the case of Brookfield Asset Management. The Canadian investment firm, in partnership with the Spanish group Abertis, took over control of 3,200 kilometres of highways in Brazil from the Spanish construction firm OHL (3). Brookfield manages four private equity funds in the transportation and energy sectors in Latin America. Many of the highways pass through national parks and indigenous territories, opening the way for the expansion of agribusiness, logging, mining, and oil and gas operations. Local communities are fiercely resisting these projects throughout the region (4).

Each new transaction generates profits for intermediaries, which are on the lookout for high returns. In addition to private equity funds, "infrastructure funds" are another important source of finance. These funds invest in companies, not projects, which means they enable large-scale infrastructure construction without the risks often associated with directly financing it (5). Infrastructure funds receive investments from institutional actors such as pension funds, which are now managed as if they were private sector funds. This further blurs the dividing line between public and private. In Africa, for example, countries like Namibia, Kenya, Nigeria, Botswana and Tanzania are looking at amending their legislation to allow national pension funds to invest in infrastructure projects, while South Africa and Nigeria have already done so.

In Peru, the Camisea gas project is currently the country's biggest and most controversial energy project. One of its pipelines, stretching 1,085 kilometres and operated by Kuntur Transportadora de Gas, received financing from the private equity investment firm Conduit Capital Partners, LLC (6). Beyond the vast deforestation caused by gas extraction in the middle of the Amazon, thousands more hectares of rainforest have been cleared for the installation of pipelines, fractionation plants, ports, roads and electrical power lines. These pass through communal reserves, indigenous territories and national parks (7). Ironically, most of the gas is consumed by mining projects in the Peruvian Andes region, which in turn overlap with almost half of the region's peasant farmer community territories (8). The mines, for their part, also require the construction of roads, camps, and so on.

In some countries of the global South, private investment in infrastructure now exceeds even the investments financed by multilateral development banks. In India, for example, while the World Bank provided USD 3 billion to the infrastructure sector in 2009-2010, private equity investment in infrastructure grew from USD 1 billion in 2006 to USD 4 billion in 2010 (9). An executive from KMC Constructions, contracted to build more than 4,000 kilometres of roads across India, commented in 2011, "You must go for private equity to capture more and more and stretch your capacity" (10).

However, multilateral "development" banks also use financial intermediaries, such as private equity funds, to reduce risks for the infrastructure investors. They also create the conditions to attract more financial capital. In Angola, for example, the World Bank has offered USD 1 billion to finance infrastructure and agriculture, hoping to also attract more financing from the private sector, including pension funds (11). Moreover, by using financial intermediaries, the multilateral banks could also free themselves from any social or environmental safeguards they have committed to.

Infrastructure mega-projects continue to impose territorial re-organization, now dictated by financial capital, for the creation of "trade corridors". These corridors are essential for the dominant economic model, as they serve to make the plunder of resources easier and less costly. Millions of tons of "goods" are extracted and distributed, primarily to stimulate the unlimited consumption that already predominates in the countries of the North and is penetrating the countries of the South to an ever greater extent.

However, with increased financialization, companies enter into an endless cycle of being bought and sold by different intermediaries, such as private equity funds or infrastructure funds. The activities in themselves, for example, the extraction of minerals or trade in goods, are no longer sufficient to generate the desired levels of profits. This process has serious consequences for local economies and livelihoods, because it becomes increasingly difficult for the communities affected, and the organizations that support them, to monitor the companies that are "responsible" for the devastation.

Another profound implication of this process is the question of what infrastructure is – or is not – being financed, and who will – or will not – benefit from it. Although large-scale infrastructure construction, far from being undertaken with local communities in mind, has always followed an agenda shaped by corporate interests, we now see how governments are even more interested in expanding these projects thanks to the greater profits that can be reaped from the sector. This hinders the implementation of policies that place priority on local demands for access to basic services, while exacerbating the injustice suffered by the communities who must live with these projects, as well as the destruction of their territories, primarily forests. Governments and public institutions play a key role in this process by facilitating long-term investments for financial markets.

Mega-projects almost always lead to – violent – repression of communities that resist the grabbing of large areas of land for these projects. This leads to the question, which territories are impacted by these projects? What sectors of the population suffer the consequences of a dam or a gas pipeline? The construction of infrastructure of no benefit to local communities is now being accelerated by the process of financialization, resulting in wide-scale destruction and human rights violations. In the end, the winners and losers in this infrastructure "boom" are determined by the distribution and relations of power in society.

Companies that build roads, dams and pipelines have thus become the basis for the expansion of financial markets. In the process, profits are mainly earned by investing in the companies, instead of in the infrastructure itself – a characteristic of an era in which the goal of investment is "taking" and not "making". As a result of this "boom", new financial actors, in partnership with transnational companies, multilateral banks and national governments, are intensifying a major underlying cause of deforestation: an economic model that seeks the constant accumulation of capital. As a result, hidden behind the financialization of the infrastructure sector, under the discourse of "development" and "progress", is growing inequity, destruction of forests, and social violence.

For more information, see: Nick Hildyard, More than bricks and mortar. Infrastructure-as-asset-class: Financing development or developing finance?, The Corner House, www.thecornerhouse.org.uk/sites/thecornerhouse.org.uk/files/Bricks%20and%20Mortar.pdf

Notes:

(1) World Bank, 1994, World Development Report: Infrastructure for development, http://documents.worldbank.org/curated/en/1994/06/12337309/world-development-report-1994-infrastructure-development-informe-sobre-el-desarrolo-mundial-1994-infraestructura-y-desarrollo

(2) Hildyard, N (2013) More than bricks and mortar. Infrastructure-as-asset-class: Financing development or developing finance?, The Corner House, www.thecornerhouse.org.uk/sites/thecornerhouse.org.uk/files/Bricks%20and%20Mortar.pdf
(3) ODG and TNI, Impunity INC., Reflections on the “super rights” and “super powers” of corporate capital, http://www.tni.org/sites/www.tni.org/files/download/impunity_inc_0.pdf
(4) See the map of projects and resistance at: www.abyayalacolectivo.com/iirsa/#
(5) Re:Common, Large Infrastructure to Overcome the Crisis? www.recommon.org/eng/?p=2923
(6) The Conduit Capital Partners, LLC fund supporting this project is “LatinPower III”: www.conduitcap.com/kuntur.htm
(7) WRM, Masking the Destruction: REDD+ in the Peruvian Amazon, http://wrm.org.uy/books-and-briefings/masking-the-destruction-redd-in-the-peruvian-amazon/
(8) Zevallos, M, May 24, 2013, Retroceso en la implementación de la consulta previa, Noticias Aliadas, www.noticiasaliadas.org/articles.asp?art=6831
(9) India tops World Bank’s loan list, http://business.rediff.com/report/2010/jun/23/india-tops-world-banks-loan-list.htm
(10) Private Equity Paves Road for India’s Infrastructure, www.preqin.com/item/private-equity-paves-road-for-india-s-infrastructure/102/3798
(11) World Bank offers Angola $1 billion to fund infrastructure, agriculture, www.theafricareport.com/Southern-Africa/world-bank-offers-angola-1-billion-to-fund-infrastructure-agriculture.html

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Amazon: Territorial disputes and conflicts

"They consider us the periphery of the periphery"

Before entering into a discussion of the profound changes taking place in the Amazon in recent years – especially after the return to large-scale public and private logistical infrastructure projects (highways, ports, airports, communication systems, riverways, railways, hydroelectric dams, gas and oil pipelines, and others) – we would like to touch on an issue of particular relevance to the region that is not always addressed: the

Amazon is the periphery in all of the countries where it is found. If we look closely at the map, we see that in Bolivia, Peru, Ecuador, Colombia, Venezuela, Guyana, Suriname, French Guiana and Brazil, the Amazon is the periphery of the periphery. Not a single one of the capitals of these countries or the French colony is found there. It is generally the best preserved area, but also the one most lacking in public policies to benefit the population. It is considered a sparsely populated territory, economically backwards, with no enterprise. And for those very reasons, it needs to be occupied, conquered, dominated, controlled and integrated into capitalist globalization, so that its natural resources can be exploited and exported, primarily benefiting the big political and economic groups in Brazil and abroad.

If many define Brazil as the capitalist periphery, then what is the Amazon? From the viewpoint of the dominators, the only alternative for the Amazon is to remain the periphery of the periphery, a place to which to move economic activities that make intensive use of natural resources (land, water, forests, soil and subsoil), that promote environmental degradation (mining, livestock farming, energy production and logging, among others), and that are essentially geared to export, highly subsidised by the Brazilian government (through tax exemptions and other fiscal incentives) and financed at extremely low interest rates. The polluting industries that Japan, Europe and the United States do not want on their own soil anymore are being moved there, as well as those that require huge amounts of energy for the production of their goods (such as aluminium, for example), or significant quantities of water (such as palm oil and soybean production and mining activities), or other natural resources that are running out in other areas where the foreign companies involved operate (as in the case of Asian timber companies).

Disputes over territories and their resources

Large-scale infrastructure projects in the Amazon serve different objectives. First of all, highways, hydroelectric dams, ports and other major projects are aimed at guaranteeing access, use and control of vast areas of land and the natural resources of the region for powerful national and foreign economic groups. The infrastructure being built in the region is meant to facilitate wholesale plunder. But it turns out that these territories are not "empty" in demographic terms. They are home to different indigenous peoples, riverine communities, extractivist communities, quilombolas (communities made up by the descendants of Africans brought to Brazil as slave labour) and others. They are therefore inhabited territories, in some cases traditionally inhabited, and their inhabitants have a relationship with nature that is qualitatively different from our own, because they do not view nature as a mere commodity. In fact, by opening up these areas to predatory exploitation in order to satisfy external demands, the governments, companies and their allies are sowing conflict in the Amazon, because traditional, peasant farmer and indigenous communities will not allow their areas to be destroyed without reacting in some way.

Second, Brazil's interest in the integration of infrastructure in South America is motivated by the possibility of lowering the costs of exporting soybeans, minerals, timber, meat and other products to markets on different continents. In addition, this process has enabled Brazilian companies to enter and control the markets of neighbouring countries, with the full support of the Brazilian Development Bank (BNDES), other public and private financial institutions, different ministries, the national government, etc. Not to mention the intent of some of the social sectors that control the state to transform Brazil into a hegemonic power in South America.

Third, infrastructure projects are important for the three countries that are currently competing for hegemony in South America, and particularly in the Pan-Amazon region: Brazil, China and the United States. These countries want to ensure that the projects they have planned are effectively implemented. For China, which needs large quantities of minerals and food products, the Amazon has become one of its main suppliers. In addition to economic motivations, the United States wants to consolidate its military presence in this section of the hemisphere. In this regard, Colombia remains the primary "bridgehead" for U.S. interests in our region. While on one hand, the territorial interconnection achieved through infrastructure projects is viewed positively by the governments and transnational companies of Brazil, China and the United States, on the other, it tends to heighten the conflicts between them, because their geopolitical and strategic perspectives differ on several points. How will these conflicts be resolved? That is the question!

Fourth, social movements, NGOs, church movements and other sectors of society that are opposed to this logic of economic development based on the intensive and extensive exploitation of the Amazon's natural resources are not fighting against one company or another, one government or another; their struggle is against an entire bloc of power that is profoundly interconnected from the local to the international level. That power bloc unites governments, corporations (ALCOA, VALE, Suez, Odebrecht, Camargo Corrêa), parliaments, judicial power, communication oligopolies (encompassing TV, radio, internet, press agencies, newspapers, magazines, etc.), banks (Santander, Itaú, Bradesco, BNDES, the World Bank, the Inter-American Development Bank, the International Monetary Fund, and others), multilateral agencies (particularly the World Trade Organization), business associations (1), and even a certain sector of social movements and NGOs.

These actors join forces to ensure the public's support for the execution of infrastructure projects – despite the recognized irreversible impacts on the environment, indigenous peoples, traditional communities and urban populations. They also push through legislative reforms for the relaxation of environmental and other legislation, in order to facilitate access by big corporations to indigenous lands, the remnants of quilombolas, preserved natural areas (national forests, parks, extractivist reserves, etc.); and to define mitigation and/or compensation measures to enable the removal of thousands of people from the areas of interest to big capital. We also should not forget the measures aimed at combating all of the sectors that fight back against the strategies of the hegemonic forces, such as the criminalization of leaders and their organizations, political persecution, the financial asphyxiation of organizations, and even the use of physical violence.

Fifth, large-scale infrastructure projects are connected to the strategy of the abovementioned power bloc to transform all elements of nature into environmental assets. In other words, we have entered into a phase of capitalism in which a price is placed on nature. Now the discussion revolves around the monetary value of a ton of carbon, the work of pollination carried out by bees, a standing forest, the potential of rivers to generate energy, the capacity of algae to capture polluting wastes, etc.

Sixth, the construction of all of the infrastructure works of interest to big capital also contributes to maintaining the mechanisms of domination in the hands of that power bloc. Ports, airports, highways, hydroelectric dams and other works are used, for example, to finance the electoral campaigns of members of both the executive and legislative branches. At the same time, by guaranteeing access, use and control of vast territories and their natural resources to powerful business groups, infrastructure projects contribute to enabling the capitalist system to find new ways of feeding and reproducing itself indefinitely.

Seventh, large-scale infrastructure projects are justified on the basis of key concepts that have a profound influence on the popular imaginary. These include the notions of progress and development. The political and ideological power of these key concepts is considerable. As a result, it is difficult to oppose the dominant discourse, because to some extent we have become prisoners of the hegemonic patterns of thought in our society. This is why we need to open ourselves to other possibilities, such as the concept of 'Buen Vivir' inspired by the experiences of the Andean indigenous peoples, or even a critical reflection on "neo-extractivism" (2). We need to break the chains that tie us to ideas like progress and development. This is just as important as holding demonstrations to prevent the construction of a hydroelectric dam or the installation of a mining company.

Notes:

(1) Associação Brasileira de Alumínio (ABAL), Associação Brasileira da Infraestrutura e Indústrias de Base

(ABDIB), Associação Brasileira das Concessionárias de Energia Elétrica (ABCE), Confederação Nacional da Indústria (CNI), Conselho Empresarial Brasil-Estados Unidos, to name a few.
(2) The term "neo-extractivism" or "neo-extractivist" basically refers to the model of development based on the intensive exploitation of natural resources (mining, oil and gas extraction and other activities), controlled by large national or transnational economic groups and with the capacity to cause profound social and environmental damage.

By Guilherme Carvalho (FASE/PA – Brazil)
Email: gcarvalho@fase-pa.org.br

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The Asian Development Bank's infrastructure-led 'growth' in India and the Mekong region (1)

The Asian Development Bank (ADB) is pivotal for creating demand and the conditions for widespread privatization in virtually every sector in the Asia Pacific region, from transportation, energy and urban development to agriculture, water and finance. Based on an infrastructure-led 'growth', the corporate sector is aggressively pushed in ADB supported projects through public-private partnerships (PPPs), loans, co-financing and another series of financial instruments.

Under discourses of inclusive as well as environmentally sustainable growth and regional integration, the ADB backs up projects to accelerate trade and investment, especially in countries well endowed with natural resources, despite the recognized environmental damage and alienation of local populations. Key among these are the infrastructure projects in transportation, energy, and information and communication technology, as well as policies and regulatory and financial systems to attract private capital for investment in infrastructure projects.

In its Strategy for 2020, the ADB promotes a larger role for the private sector in financing infrastructure, either as a project sponsor or by promoting investment forms commonly used in financial markets, like bonds and equity funds (to understand these different investment forms, see also WRM Bulletin 181). The ADB also promotes 'economic corridors' as pockets of high infrastructure development to attract private investment and facilitate the flow of free trade and investment.

The Greater Mekong Subregion (GMS) is the ADB's flagship regional integration programme. Initiated in 1992, the GMS aims to transform the Mekong region into a region-wide free trade and investment area, fuelled and led by corporate sector operations. The majority of the capital investment has been in transportation (road, railways, air and waterways), energy, telecommunications, tourism, trade, agriculture and strengthening the corporate sector. Since 1992, infrastructure projects totalling around US$10 billion have either been completed or are being implemented. Among these are the upgrading of the Phnom Penh (Cambodia)-Ho Chi Minh City (Viet Nam) highway and the East-West Economic Corridor that will eventually extend from the Andaman Sea to Da Nang in Vietnam (1).

Transport corridors of the Greater Mekong Region
www.gms-eoc.org/uploads/map/archives/map
/GMS-TransportCorridor_30.jpg

The economic corridor strategy is also being supported in India. In the Indian state of Chhattisgarh, the ADB will provide US$ 430,500,000 to support six transportation corridors and road networks that will pass through forests and indigenous areas, near rich coal and mineral deposits. One of the most destructive projects that the ADB is involved in is the Delhi-Mumbai Industrial Corridor (DMIC), a mega infrastructure project that runs from Delhi to Mumbai through six states, covering an overall length of 1,483 km. The DMIC includes the construction of super-highways, power plants, ports, railway lines, airports, satellite cities, magnet towns, industrial nodes, technology parks, etc. The current estimated investment needed to operationalize the DMIC is US$ 90 billion, the majority of which is coming from the Japanese Government with significant involvement of the ADB. Although the Indian Government is the 'owner' of the DMIC, 75% of the projects in the DMIC will be privately owned, through PPPs.

Despite ADB appealing language on poverty reduction, the DMIC in India, for example, will seize lands up to 200 km on both sides of the Delhi-Mumbai Dedicated Freight Corridor, while the proposed 11 investment regions and 13 industrial areas will require land of 100 to 250 km2 each. Approximately 180 million people will be affected and hundreds of thousands of hectares of agricultural and grazing lands will be lost to corporate growth industries that will bring few benefits to local populations. The DMIC will capture the water needed by farmers to grow food and by rural communities for their daily lives. Studies show that the rivers in the DMIC region are already under severe stress and cannot withstand greater exploitation (2). Water and land acquisition for the DMIC will displace millions of people, destroy precious natural environments and resources, and trigger violent conflicts between local communities and state security forces.

Furthermore, the ADB's lending program in India for 2013–2015 will be allocated across four core infrastructure sectors: transport, energy, urban, and agriculture and natural resources, and two crosscutting sectors: finance and skills development. The Country Partnership Strategy 2013–2017, currently being formulated, will include the development of high-priority economic corridors, create markets for infrastructure finance, and promote regional 'integration' through the South Asia Sub regional Economic Cooperation (SASEC) platform (3).

Governments are expected to acquire land, secure access to water and mineral deposits, facilitate financing, risk protection and guarantees, and put in place policies and regulations required to ease the operations of private companies. But participation in decision-making about such projects, are not extended to local communities whose lives and livelihoods are irreparably damaged by them. The Second Chittagong Hill Tracts Rural Development Project in Bangladesh will likely require land acquisition from local communities who constitute over 40% of the country's indigenous population.

As an article on 'Development and the Mekong Commons' states: "How much influence do the region's people have on development choices? How much are they involved in decisions that affect their well-being and that of their children? How can they deal with changes that take place that are often well beyond their immediate individual control? How can they imagine and bring into reality better futures than this model of economy-centric development that is constantly thrust on them, and that many are asked to take as a matter of blind faith with the hope that their needs and aspirations will be taken care of?" (4)

The ADB's development model is predatory, undemocratic, discriminatory and destructive. This model secures benefits for corporations and upper classes, but will impoverish workers, small-scale farmers, fisher-folk, indigenous communities, and rural and urban poor populations. Those who resist or call attention to the injustices of the model are branded as anti-development and anti-state, persecuted and incarcerated. The ADB cannot be reformed, it must be stopped. It is imperative that we join forces to resist the ADB's extractive, destructive development model and privatization agenda.

Information extracted and adapted from the article by Shalmali Guttal, "Pursuing Privatization: the ADB Unchanging Vision of Development", Focus on the Global South, http://focusweb.org/content/pursuing-privatization-adbs-unchanging-vision-development

Notes

(1) http://www.adb.org/countries/gms/overview
(2) Delhi-Mumbai Corridor, A Water Disaster in the Making? Romi Khosla and Vikram Soni, Economic and Political Weekly, March 10, 2012. VOL XLVII NO 10
(3) Asian Development Bank and India Fact Sheet: http://www.adb.org/sites/default/files/pub/2013/IND.pdf
(4) Mekong Commons, Development and the Mekong Commons, http://www.mekongcommons.org/development-and-the-mekong-commons/

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Infrastructure, development and natural resources in Africa: A few examples from Cameroon

In a world characterized by sluggish economic growth, Africa is often presented as the continent of the future, with average growth of around 5% annually that has remained constant, even during the global financial crisis. Indeed, the continent has considerable potential, with a diverse range of natural resources that are as yet scarcely exploited: extractive recourses, timber, arable lands, etc. However, if the continent hopes to attract investors, it will be necessary to develop infrastructure. Inspired by the example of the economic dynamism of the newly industrialized countries of Asia, South America and even Africa, numerous countries on the continent now aspire to reach the status of emerging economies themselves in the span of a generation. With the assistance of financial institutions and/or private investors, these countries have embarked on ambitious infrastructure construction programmes, in the telecommunications, energy and transportation sectors. In a 2010 report entitled Africa Infrastructure: A Time for Transformation, the World Bank conducted an in-depth assessment of the situation of the continent. Among other observations, the report stated that over half of the growth increase in Africa could be attributed to infrastructure, and that this percentage would rise in the coming years. It also estimated that, in order to develop the infrastructure it needed, the continent would have to invest USD 93 billion annually, a third of which would be required for maintenance.

The impacts of this strategy on the environment and on the rights of the poorest sectors of the continent's population, who very often depend on natural resources for their survival, are not always sufficiently considered, and it is likely that rural communities will end up paying a very high price for the development of infrastructure. The aim of this article is to illustrate, through two infrastructure projects in Cameroon, some of the far-reaching implications of these projects and the risks associated with them.

The Chad-Cameroon oil pipeline (1)

Initiated in 2000 to transport the crude oil produced in southern Chad (the Doba Basin) to Kribi, on the Atlantic coast of Cameroon, this 1.000 Km pipeline was, at the time, the biggest infrastructure project ever undertaken in sub-Saharan Africa. The countries that received this investment, Cameroon and Chad, had no prior experience in conducting and monitoring environmental and social impact assessments for projects of this scope. Due to the participation of the World Bank and the International Finance Corporation (IFC), the project's financial partners, the criteria used for the impact assessment, the compensation scheme for local communities, the appeal mechanisms, etc., were those of the World Bank. And despite the international public opinion's especial attention to the project due to the controversies surrounding the preparation and approval phases, it eventually became clear that the social and environmental mitigation measures did not function as foreseen, and that these shortcomings had led to negative impacts, sometimes unforeseen, but already irreversible. As an example, we could mention what happened to the small fishing community of Ebomé, a village in the district of Kribi located at the point where the pipeline reaches the Atlantic Ocean. This formerly prosperous community saw its local economy destroyed when a reef rich in fish stocks located two kilometres off the coast was blasted by dynamite. Apparently, this reef had not been identified when the impact assessment for the project was carried out, and its destruction did not give rise to any immediate compensation, despite the protests of the fishermen. Five years later, an artificial reef was created in the same spot, but the fish never returned. It should be noted that, for the community of Ebomé, the reef was also a sacred site, the home of the "mami wata" or water spirits, who were responsible, among other things, for attracting the fish and putting them at the disposal of the village. The destruction of the reef was believed to have angered and driven off the spirits. This was not an isolated case, and more than ten years after the celebration of the arrival of the first barrel of oil, numerous unresolved problems continue to arise as a consequence of the pipeline. Two complaints were filed to the World Bank Inspection Panel (2), another two are currently pending before the IFC Compliance Advisor/Ombudsman, which demonstrates that the environmental and social impacts persist until today (3).

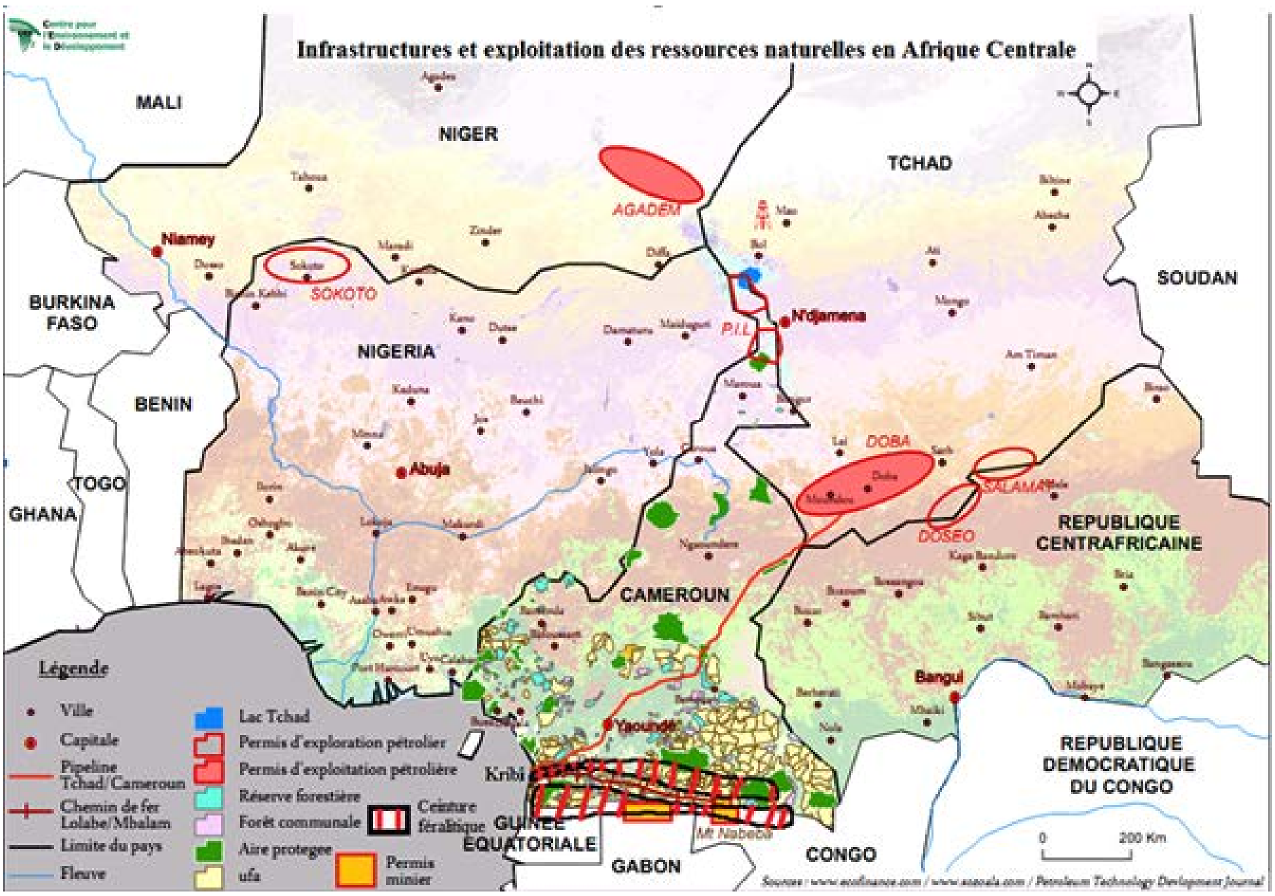
Although it is a massive infrastructure project in itself, the Chad-Cameroon pipeline is merely the backbone of a vast network of pipelines that will be gradually constructed around Lake Chad to transport the oil from the interior of the country to the Atlantic Coast. None of the oilfields would be economically viable if each required an individual pipeline to carry the crude from the oil-producing area to the ocean. Therefore, economic viability can only be achieved by sharing part of the construction costs of the transportation infrastructure. This is why the pipeline between Chad and Cameroon is of such great strategic interest: it makes it possible to promote oil exploration and drilling in all of the regions located a reasonable distance from its path. And this is undoubtedly why the World Bank provided decisive assistance for the construction of the pipeline, granting the needed financing but also the indispensable insurance against political risks, without which the project would not likely have been undertaken, given the political instability in Chad at the time. Almost all of the new oil licences are in vulnerable areas: within the Lake Chad Basin, inside Waza National Park, on the Waza-Logone floodplains, on both sides of the border between Chad and the Central African Republic, etc. These projects, as well as another that is much further advanced, located in southeast Niger (see the map below), did not undertake the Environmental and Social Impact Assessments conducted in accordance with the criteria of the World Bank. Nevertheless, an agreement has already been reached between the government of Niger and COTCO, a consortium led by Exxon, which manages the pipeline. The execution of these projects will have a multiplying effect on the environmental and social impacts, which will be much bigger than those of the initial project. At the time of the construction of the pipeline, some of the undertakings now planned had already been foreseen, but were not taken into account in the impact assessments. The NGOs monitoring the project had observed that the pipeline was much larger than necessary for the volume of oil reserves in the Doba Basin. It would therefore appear that, from the beginning, there were plans to use the pipeline to transport crude oil from other fields, besides those of the Doba Basin. Aware of this fact, and to prevent the pipeline from facilitating oil drilling activities near the coast, where they would be especially polluting, some NGOs had demanded the inclusion of a clause in the contract between the World Bank Group and the other partners (the governments of Cameroon and Chad and the consortium led by Exxon) that would require them to only transport the oil produced in compliance with the same social and environmental requirements established for the initial project. Article 4.05 of the loan agreement signed on March 29, 2001 between the Republic of Cameroon and the World Bank states: "The borrower shall ensure that any oil developed outside the Doba Basin Oil Fields, which is proposed to be transported through any part of the Transportation System in Cameroon, is developed in accordance with the principles set forth in the EMP [environmental management plan] with respect to environmental analysis and protection, consultation, information disclosure, resettlement and compensation, and with the equivalent legal and administrative processes specified therein and applied with respect to the oil developed in the Doba Basin Oil Fields."

On October 30, 2013, the governments of Niger and Cameroon signed an agreement for the transportation of 324 million barrels of crude oil from the Agadem oil field in Niger through the Chad-Cameroon pipeline. The government of Niger will construct a 600 Km pipeline from the oil field to connect with the existing pipeline (4). This situation gives the unfortunate impression that the promoters of the pipeline made promises they had no intention of keeping, solely to achieve the construction of the initial infrastructure, after which the others could be built without the need to seek restrictive new financing from international public agencies.

The North Congo-Kribi railway and the Kribi deepwater port

While these are different types of infrastructure, they can be viewed as forming part of an integrated system, built by different entities but aimed at the same goal: connecting the depths of the equatorial rainforest and its rich oil reserves with the Atlantic Coast.

The high-speed train railway forms part of a project for the exploitation of the iron ore reserves in Mbalam (Cameroon) and Nabeba (Republic of Congo) (5), in the heart of the equatorial rainforest, and TRIDOM, a vast forested area shared by Cameroon, Gabon and the Republic of Congo. The mining concessions will impact on forests, some of which are home to exceptional biodiversity and provide the habitat and livelihoods of numerous communities, while others are targeted for large-scale logging operations. The new railway, stretching over 500 Km, will be used to transport iron ore from the two mining concessions to the port in Kribi. As can be seen on the map below, the south of Cameroon and north of the Republic of Congo and Gabon are brimming with reserves of iron ore and other minerals, whose exploitation will be facilitated by the railway. In this case as well, as in that of the pipeline, the basic infrastructure will serve as the basis for the development of a network of secondary railways, in order to join various scattered concessions to the main line stretching from the Congo to the ocean, facilitating the exploitation of mineral resources throughout the forested area along the equator. And once again, the impact assessments were limited to the main mining area and railway line, without taking into account the other infrastructures that will inevitably be added to those initially constructed.



What can we learn from these two examples?

While many lessons can be drawn from these examples, we will mention only a few.

1. Many infrastructure projects are planned, but not all of them have the same significance: some bring about more environmental destruction and rights violations than others; likewise, some are more strategic, meaning that they will serve as the basis for the development of many others.

2. While regulations around environmental and social impact assessments have improved since the construction of the Chad-Cameroon oil pipeline, they still do not adequately deal with the growing complexity of projects, particularly those involving the construction of large-scale infrastructure and the exploitation of natural resources, which imply long-term coexistence with local communities and endanger the foundations of their survival and cultural rights.

3. The fragmented nature of environmental and social impact assessments does not allow for an accurate measurement of the accumulative impacts of the various infrastructure projects. This fragmentation leads to a downplaying of the repercussions of these investments on local communities and the environment, and thus makes them more acceptable.

4. Governments participate in the development and operation of these infrastructures in pursuit of competiveness, a crucial advantage for attracting investment. But in order to do so they incur debt, and those who benefit are the multinational corporations, because the infrastructure facilitates their exploitation of natural resources. It is the citizens who will have to repay the debt, while the corporations take away the bulk of the income generated by the exploitation of resources. And the portion of income that falls to the state is distributed unequally, to the detriment of the poorest, who are precisely the ones who are hardest hit by the impacts of the infrastructure projects. In the case of Cameroon, for example, we are witnessing a massive re-accumulation of debt for these purposes, with much of that debt owed to China. It is more than likely that natural resources will be used to repay that debt.

5. These projects have an especially high cost for the climate: in addition to the greenhouse gas emissions directly associated with infrastructure construction, we must also take into account the emissions caused by the exploitation of resources and, in the case of oil, its subsequent usage.

6. Due to a lack of planning, these infrastructure projects will impose limitations on future land use management and planning efforts. In the end they are not profitable for all, and even less so for the poorest sectors of the population. Moreover, they are particular harmful to the environment. And while these projects may be carried out in pursuit of "development", it would certainly appear that, in the long run, they result in more problems than solutions.

Notes:

(1) For more information on the project see http://ewebapps.worldbank.org/apps/ip/Pages/AllPanelCases.aspx.
(2) The Inspection Panel is an independent complaints mechanism for people and communities who believe that they have been, or are likely to be, adversely affected by a World Bank-funded project.

http://ewebapps.worldbank.org/apps/ip/Pages/Home.aspx. For more information on the two cases presented to the Inspection Panel in connection with the Chad-Cameroon petroleum development and pipeline project, visit the following links: http://ewebapps.worldbank.org/apps/ip/Pages/ViewCase.aspx?CaseId=52 y http://ewebapps.worldbank.org/apps/ip/Pages/ViewCase.aspx?CaseId=59.
(3) For more information on the cases filed with the IFC Compliance Advisor/Ombudsman, visit the following links: http://www.cao-ombudsman.org/cases/case_detail.aspx?id=168, http://www.cao-ombudsman.org/cases/document-links/links-168.aspx, http://www.cao-ombudsman.org/cases/case_detail.aspx?id=179, http://www.cao-ombudsman.org/cases/document-links/links-179.aspx.
(4) http://economie.jeuneafrique.com/regions/afrique-subsaharienne/20378-le-brut-nigerien-transitera-par-le-pipeline-tchad-cameroun.html.
(5) For more information on this project, see https://sundanceresources.com.au/IRM/Company/ShowPage.aspx/PDFs/2783-99911791/PresentationCameroonTradeandInvestmentForum

By Samuel Nguiffo (CED-AT Cameroon)
Email: snguiffo@cedcameroun.org; snguiffo@yahoo.fr

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Cambodia: Paving forested lands for gambling resorts

Cambodia’s biggest national park, Botum Sakor, will now host a 340-km2-infrastructure project led by the real-estate company from northern China, Tianjin Union Development Group. Biodiverse forests will be transformed into a city-sized gambling resort for "extravagant feasting and revelry", and local villagers are already being forced away from their homes.

Union Group’s plans include a network of roads, including a four-lane highway, an international airport, a port for large cruise ships, two reservoirs, condominiums, hotels, hospitals, golf courses and a casino. The worksites along the 64 km highway house a number of Chinese engineers, and are guarded by Cambodian soldiers. Access to the resort area itself is blocked by a provincial park ranger who has back up from military police.

The project intends to move the remaining villagers to houses some 10 km inland. However, as one of the villagers described, the new area has "no work, no water, no school, no temple. Just malaria." Nhorn Saroen, 52, was among hundreds of families who have already been moved. "We were told it was Chinese land and we couldn't cut down a single tree," he says. "Some people refused to leave. Their land was taken and now they have nothing." He was provided with a house in a purpose-built village far inland, robbing him of his main livelihood: fishing. Another villager told that the forests behind his new house belong to the Chinese company, “If we even dare to cut a piece of a tree we can be jailed or have to pay compensation of about 100 dollars per tree, according to the local authorities”.

In 2013, the Cambodian government granted so-called economic land concessions to scores of companies to develop 7,631 km2 of land, most of it in national parks and wildlife sanctuaries. The area of concessions granted has risen six-fold between 2010 and 2011, partly a reflection of China's economic influence spreading deeper into Southeast Asia.

Land-grabbing, illegal logging and forced evictions have long been common in Cambodia. But by granting land concessions, the government has effectively legalized these practices in the country's last remaining wilderness. "It's been my land since my grandparents' generation," says Srey Khmao, 68, from Thmar Sar. "I lived peacefully there until Union Group threatened the villagers and told them to remove their belongings."

Cambodia's 2001 land law forbids economic land concessions greater than 10,000 hectares. But Union Group won a 99-year lease thanks to a 2008 royal decree which carved out 36,000 hectares from Botum Sakor and redefined it. In the same year, a contract was signed by the Minister of Environment and the chief of Union Group's board of directors. The company was granted a further 9,100 adjoining hectares last year to build a hydroelectric dam.

A spokesperson from Union Group said that its road network was welcomed by people in the area. "Residents said they finally saw real roads and cars," she says. "In this regard, I think we have contributed to Cambodia." China is both the largest foreign investor and source of foreign aid. That aid, often in the form of no-strings-attached infrastructure projects, has made Prime Minister Hun Sen less reliant on Western donors.

Maps produced by the Cambodian human rights group Licadho show huge leaseholds at the heart of wildlife sanctuaries, such as Boeng Per and Phnom Aural, while 19 concessions have swallowed up almost all of Virachey national park on Cambodia's remote border with Laos and Vietnam. However, the concessions and infrastructure projects are facing strong pockets of resistance. “The Chinese company is threatening our villages. We refuse to leave our homes in the area”, denounces a woman fearing eviction.

Mine Railways

A 400 km railway and a new port are under planning for the Preah Vihear province in Cambodia. These projects will entail severe environmental and social impacts as well as the loss of traditional lands and access to resources for local populations. On top of this, the railway and the port will mainly serve the needs of the mining industries in the region.

Cambodia Iron and Steel Mining Industry Group, or CISMIG, has a government license to explore about 130,000 hectares of the iron ore near the Rovieng town, Preah Vihear province. In January 2013, CISMIG signed an agreement with two state-owned Chinese companies to construct 400 km of railway and a port, joining a steel processing plant in the Preah Vihear province in the north to a new port in Koh Kong province on the gulf of Thailand in the south.

There are multiple companies with exploration rights in Preah Vihear and neighboring provinces. No major mines are yet active in the area, but it is feasible that future iron ore mines could supply the CISMIG steel plant with raw materials. Additionally, mines producing other types of minerals may seek to utilize the railway tracks in order to transport minerals out of the remote north and north-eastern provinces. Besides, according to the chairman of CISMIG, the port will be capable of handling around 50 million tons of goods a year.

It is very difficult to predict how many people and which areas will be directly affected by the project due to the limited information publicly available. The exact route of the railway is still not clear, although, with over 400 km, it can be expected to affect a considerable amount of lands under use by Cambodians for agriculture and/or residence.

The Rovieng town is located in close proximity to the already threatened Prey Lang forest. Increased infrastructure may also contribute to expansion of other industries in the area, as well as along the railway route, creating further pressure on the forest and vital watersheds. Many residents in the Rovieng area are indigenous peoples, and there are already cases of indigenous communities coming into conflict with mining companies conducting exploration in the area.

On the other side, the coastal town of Koh Kong is still heavily forested, and in order to reach the coast, the railway line would have to pass through the Botum Sakor National Park. Depending on the route of the railway, it may also pass through or impact on the Beng Per Wildlife Sanctuary, Aural Wildlife Sanctuary, Central Cardamom Mountains Protected Area, and Koh Kong Protected Forest. The railway would also have to pass through the land concessions of the Union Development Group (1). Works are currently on hold despite plans to begin construction last year due to funding problems (2). Nonetheless, the project, which expects to finish constructions by 2017, would be the biggest infrastructure 'development' in Cambodia's history.

Information extracted from the article and video by Andrew Marshall and Prak Chan Thul, Reuters, "Insight: China gambles on Cambodia's shrinking forests", www.reuters.com/article/2012/03/07/us-cambodia-forests-id
USTRE82607N20120307; and the briefing paper by Equitable Cambodia and Focus on the Global South, "The Chinese North-South Railway Project",
http://focusweb.org/sites/www.focusweb.org/files/Cambodia-China-Railway-Development-BRIEF-EN.pdf

Notes:

(1) Daniel Carteret, 22 April 2014, The Phnom Penh Post, http://www.phnompenhpost.com/business/lack-

funds-delays-railway
(2) Idem.

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Development or destruction: What do infrastructure projects in Africa mean for its forests and people?

Background

Much has been written about the plunder of biodiversity and other natural resources from Africa, in particular where negative social, economic and environmental impacts have resulted; as with indiscriminate clear-cut logging of forests, ruthless mineral extraction, and the conversion of community land into industrial plantations. But despite substantial political change over the past 100 years, Africa's unequal economic relationship with the global North remains.

Although current methods to siphon Africa's wealth might appear different to those used in the past, the negative effects of resource extraction remain. Although African countries achieved political freedom at 'independence', many are still controlled by foreign powers, but not only by Britain and other countries in Europe. Demand for Africa's resources now also comes from North America and Asia.

During early colonial times, crude extraction of precious stones, ivory, animal hides and ostrich feathers was glorified. Local people were exploited for local knowledge, food and labour, including through enslavement; with missionaries, traders and explorers paying the bare minimum, mainly with trinkets: mirrors, bangles and beads, but also with guns and alcohol. When European governments learned that Africa's mineral deposits and land were valuable prizes, military incursion became the favoured appropriation method. The first wave of infrastructure: roads and railways to move soldiers and equipment, was later used to export their spoils. Over time, an extensive network of roads, railways and ports was constructed to facilitate extraction and transportation, mainly to European markets.

This brought a new phase in Africa's exploitation. Foreign countries started to accumulate capital in the form of natural resources and built infrastructure in the colonised territories, but profits went to overseas banks; to be used to help finance further subjugation. This system of self-sustaining resource extraction has impoverished Africans till today, even though colonial nations have been replaced by a more powerful but insidious force in the form of commercial banks that are protected by the governments of their countries. This also provides a convenient 'private sector' buffer to protect those working behind the scenes to orchestrate land grabs, timber and mineral extraction, or the primary industrial processing of their spoils, which also depends on access to cheap African labour; and lax enforcement of environmental and worker health protection laws.

Thus, although the political landscape may have changed, the natural wealth that exists in Africa, or wealth that has been created in Africa by local communities, is still accumulated mainly in the form of financial capital held in countries elsewhere in the world.

In the present

The lure of so-called 'Foreign Direct Investment', now leads many African leaders and political elites to encourage the extraction of an even wider range of resources in the form of 'raw materials' needed to help sustain industrialised economies in the North. Also a complex array of international financial institutions (IFIs) works in partnership to squeeze more blood out of the African stone. In recent times, private 'investors' have been over-shadowed by multilateral financial institutions, including the European Investment Bank (EIB), the World Bank (WB), and its offshoot, the International Finance Corporation (IFC), which still take their cue from the governments that fund them.

Lurking in the background, the International Monetary Fund (IMF) appears to exert a disproportionately powerful influence over the economic policy choices of many African countries; encouraging increased exploitation of their natural resources in pursuit of crude economic growth. The IMF also helps to influence countries with low 'Gross Domestic Product', or GDP, to borrow money for transport and other infrastructure to aid movement and export of basic commodities, especially unbeneficiated minerals and timber, but does little to support projects run by local communities. The IMF also tries to influence where and how its financial assistance can be spent, as in Kenya (1).

The IMF promoted the concept of continuous 'economic growth' based on increasing national GDP, which is deficient in terms of achieving sustainable local development that benefits local citizens instead of multi-national corporations. It relies on the short-term exploitation and consumption of limited or finite resources such as water, to boost economic activity. This leads to natural resources being depleted rapidly, and reduces local beneficiation and employment opportunities. A case in point is how Kenya appears to have been influenced by the IMF to take steps to "rehabilitate" its "Water Towers", leading to local communities and indigenous peoples being removed from parts of the Mau Forest Complex, and more recently forced evictions of the Sengwer people in the Cherangany Hills area. At the same time the Kenya Forest Service has plans to establish industrial timber plantations in these areas that will use more water than the subsistence agriculture that they replace (2).

Another threat to the economic independence of African countries is the United Nations scheme to 'save the climate' known as REDD+ or 'Reducing Emissions from Deforestation and Forest Degradation'. There is little doubt that REDD+ was a contributing factor in the evictions of the Sengwer due to possible cash payments for carbon offset credits earned through so-called 'sustainable forest management'. This is linked to the plantation plans described above, converting forest reserve lands into alien pine monocultures that cause far greater damage to biodiversity, soils and water bodies; and ultimately release even more carbon dioxide into the atmosphere than small-scale farming (3).

In many cases, African states still have strong cultural and economic ties to the colonial nations that previously ruled them. For example the relationship between France and its former colonies in West Africa; and similarly ongoing relations between Portugal and its one–time African provinces, Angola and Mocambique. But no matter what historical connections there might be, the main interest of former colonial masters remains the same: to maintain influence over African governments and African people in order to secure ownership or control of resources. Development aid (including food aid) is a powerful tool in this regard, as it can be used to create economic dependency through increasing debt and reliance on handouts. It also ensures that a smaller share of benefits go to legitimate African owners - local communities and indigenous peoples - who have preserved the forests and other ecosystems from which resources are extracted.

In order to thwart popular local resistance to the theft of African resources, agents of neo-colonial powers often employ military tactics, which require costly equipment and weapons to destabilise countries. Using local groups to help mining and extractive corporations to assert and maintain their control over forest or mineral resources is probably more the rule than the exception. To illustrate this point, there have recently been armed conflicts linked to resource access in several countries: South Sudan, the Central African Republic, Uganda, Somalia, Kenya and the Democratic Republic of Congo. In almost every case, military expertise and hardware has come from outside the affected country, meaning that these must either be supplied or at least paid for by a foreign entity with an interest in obtaining access to land or mineral resources in such African countries. Funding for ‘military infrastructure’ has largely replaced using foreign mercenaries, but the same basic approach remains: to divide and to rule by exploiting local conflicts.

A new form of extraction

Africa is perceived as a gullible consumer market for over-priced but low quality imports. Whether for canned sugar-water, genetically engineered seeds, junk food or cheap clothing, the business world sees opportunities in Africa! For multinational corporations seeking to increase their sales and profits, or to pre-empt local business initiatives that might threaten their dominance in global markets, Africa is seen to be ripe for the plucking.

Countries such as South Africa have paid massive amounts of money for over-priced military equipment supposedly to protect themselves from perceived or potential enemies. Often however, they lack the means to properly maintain new toys of ‘mass deterrence’. Apart from South Africa, few African countries have the capacity to manufacture their own weapons, making Africa a ‘sitting duck’ from the point of view of foreign countries wanting to sell their surplus or out-dated military equipment. It is likely that many arms transactions do not involve payments in hard cash, which is generally in short supply, so some African governments might end up offering heavily discounted mining concessions or business rights as payment. When ill-disciplined soldiers hold loaded weapons, much can and will go wrong (4).

The false philosophy that motivates this kind of greed and ambition rests upon the crazy notion that there can be never-ending growth in production and consumption, driven by seemingly infinite expansion of the world’s human population. The number of people is projected to pass 9 billion by mid century, seemingly to answer the profit prayers of big business. But using simple logic and being aware that we occupy a planet with a rapidly diminishing area of habitable land, declining natural resources, ecosystems in danger of collapse and accelerating climate change, everyone should understand that a radical change in human attitudes and behaviour is needed. However for this to be possible the global economic system must also be changed from rampant capitalism to a system that respects the rights of Nature and of people.

The perverse effects of infrastructure

The establishment of ‘hard’ infrastructure comes about either as a response to a specific need, e.g. railroads for transporting minerals from inland mines to coastal harbours, or as a risk-based initiative that assumes that demand for certain services will develop at an anticipated rate and that will eventually justify the cost of its construction, e.g. building a new highway for which there is insufficient demand at the present time, but that could possibly become fully utilised at some uncertain point in the future. In South Africa there are some prime examples of 'white elephants' built for their 'show-off value' such as the over-priced soccer stadia built ahead of the 2010 Soccer World Cup.

The King Shaka international airport at Durban was built mainly to accommodate a brief rush of extra passengers visiting Durban during the World Cup, but is now operating well below its potential capacity, while the perfectly serviceable and recently upgraded old Durban airport stands unused. Apart from an extravagant government scheme to turn the airport into a 'dug-out' container port at some future time, it will probably remain a drain on public resources into the future. Given the urgent need to address climate change by reducing emissions from fossil fuels, both the new international airport and the proposed new container port stand out as bad ideas, yet the government-subsidised South African Airways is planning to enlarge its fleet of large jet planes!

An important aspect of any large infrastructure project is that it should serve an existing local need from the onset, and not be built merely to achieve some other imagined or desired purpose; and it should be able to generate enough income from the start, so as to be able to pay off the loans taken to pay for its construction. The above examples of superfluous expenditure are not the only ones in Africa that have wasted scarce financial resources, but it must be emphasised that irrational decisions to borrow large amounts of money to build unnecessary infrastructure will surely increase a country's debt burden and therefore its credit-worthiness.

Throughout Africa, ambitious large-scale infrastructure projects are being built or planned, including massive dams on the Congo and Nile Rivers, highways, railroads, harbours and power stations, but will these improve livelihoods for African communities, or rather help to increase resource extraction, environmental damage, and human suffering?

Notes:

(1) http://www.businessdailyafrica.com/IMF-and-World-Bank-raise-the-red-flag-over-Kenya-debt/-/539546/2252232/-/68mp65/-/index.html.
(2) http://www.imfbookstore.org/ProdDetails.asp?ID=9781455207589&PG=1&Type=BL
(3) http://www.no-redd-africa.org/images/pdf/sengwernranletter12march2014.pdf
(4) http://www.amnesty.org/en/news/dr-congo-arms-supplies-fuelling-unlawful-killings-and-rape-2012-06-12 - Chasing bullets in the DRC http://reliefweb.int/report/democratic-republic-congo/chasing-bullets-drc

By Wally Menne, The Timberwatch Coalition (www.timberwatch.org)
Email: plantnet@iafrica.com

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PEOPLES IN ACTION

Letter to the Inter-American Commission on Human Rights

Letter to the Inter-American Commission on Human Rights urging it to call on the government of Ecuador to fully comply with the precautionary measures established for the protection of the life and personal integrity of members of Indigenous Peoples Living in Isolation in Ecuador, particularly the Tagaeri and Taromenane indigenous groups, who form part of the Waoroni people, as well as the territories they inhabit. The signatories of the letter express their extreme concern over the decision of the government of Ecuador to expand oil drilling activities within Yasuní National Park, in the pristine area of Blocks 31 and ITT, and consequently call for a halt to the activities being carried out in this area. Signatories: Survival International, World Rainforest Movement (WRM), Consejo Indigenista Misionario (CIMI), independent consultant for isolated indigenous peoples Antenor Vaz, and journalist David Hill.

Read letter in Spanish: http://wrm.org.uy/all-campaigns/carta-a-la-comision-interamericana-de-ddhh-por-la-explotacion-petrolera-en-el-yasuni-y-los-indigenas-en-aislamiento/

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HidroAysén project rejected by ministerial committee due to strong social pressure

Mapuexpress (in Spanish)

After more than five years of hard-fought struggle against the HidroAysén energy mega-project, which would have involved the building of five huge dams on rivers in the Patagonia region, a Chilean government ministerial committee voted to reject this destructive project, saving Patagonia from the hydroelectricity imposed by transnationals and supported by governments.

http://mapuexpress.org/hidroyasen-se-hunde-en-comite-de-ministros-por-fuerte-presion-social/

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Social movements celebrate historic vote at the United Nations Human Rights Council

Social movements celebrate historic vote at the United Nations Human Rights Council: UNHRC moves away from voluntary standards and towards a binding treaty to prevent transnational corporations' human rights violations. After weeks of negotiation from Northern countries to avoid the creation of an intergovernmental working group to discuss binding human rights obligations for Transnational Corporations, the UNHRC voted on a resolution to initiate this process, with 20 votes in favour, 14 against and 13 abstentions.

http://www.stopcorporateimpunity.org/?p=5833

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The Permanent Peoples Tribunal (PTT) was held with social movement from all over the world and the Peoples' Treaty on Transnational Corporations (TNCs) was launched

The Permanent Peoples Tribunal (PTT) was held with social movement from all over the world and the Peoples' Treaty on Transnational Corporations (TNCs) was launched while member states of the UN Human Rights Council were debating in Geneva rules for TNCs. The PPT held on June 23, 2014, considered 12 cases in the mining, oil and water sectors, providing evidence that the operations of TNCs produce irreparable damage to the communities, by violating the human rights of people and generating impacts on nature and the environment.

http://www.stopcorporateimpunity.org/?p=5777
The treaty can be read here:
http://www.stopcorporateimpunity.org/?page_id=5534

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“There will be no going back from the climate chaos if we don't halt polluting corporations and change the system”

The climate negotiations in Bonn, Germany (4-15 June) evidenced once again that climate change negotiations are being dominated by irresponsible states, polluters and corporations that only care about current operations and the furtherance of profits. The increase in fossil fuel exploitation and new carbon markets are destroying forests, soil, wetlands, rivers, mangroves and oceans, as well as the financialization and privatization of ecosystems and nature on which our lives depend. Read declaration: http://climatespace2013.wordpress.com/2014/06/09/there-will-be-no-going-back-from-the-climate-chaos-if-we-dont-halt-polluting-corporations-and-change-the-system

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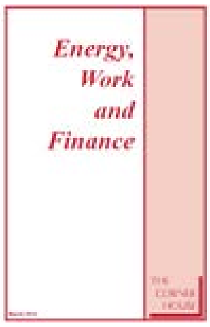
RECOMMENDED



“Energy, Work and Finance”, The Corner House. This report argues that those looking to achieve a greener and more democratic energy future, should see energy and finance as changing political processes. How can movements make the strongest alliances for the needed changes? Where are the destructive, currently-dominant energy and finance regimes most vulnerable? Both inquiries can be helped by an understanding of how energy and finance have been constructed and contested over two centuries of stormy transformations in industry, livelihood and exploitation.

http://www.thecornerhouse.org.uk/resource/energy-work-and-finance

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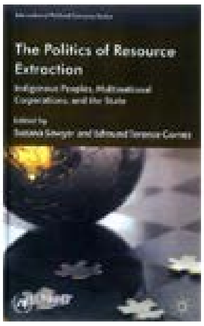
Public-Private-Partnership and Institutional Capture: The State, International Institutions and Indigenous Peoples in Chad and Cameroon, Korinna Horta, in UNRID, The Politics of Resource Extraction. The World Bank-supported Chad-Cameroon Oil & Pipeline project would leverage a much larger private sector investment by the consortium led by ExxonMobil. This article shows how private-public partnerships (PPPs) mostly leave local populations living along the pipeline, including Cameroon's indigenous Pygmy communities, further impoverished,



with the forests from where they obtain the bulk of their livelihoods destroyed.

https://urgewald.org/sites/default/files/the_politics_of_resource_extraction.pdf

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La Consulta Inconsulta del Ecuador (Unconsulted Consultation in Ecuador), Acción Ecológica (in Spanish, with English subtitles)
Neither free, nor prior, nor informed. An independently produced video exposes the so-called prior consultation of indigenous peoples conducted during the 11th Oil Round (an auction of oil blocks in the Amazon region) in Ecuador, revealing its irregularities and the silencing of the voices of indigenous communities. A clear example of how the distortion and abuse of the rights of indigenous peoples are used to justify the implementation of infrastructure mega-projects.

http://www.accionecologica.org/petroleo/politicas-petroleras/1740-la-consulta-inconsulta-english-subtitles

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Will FSC dissociate from Suzano?, FSC Watch. In July 2010, Suzano Pulp and Paper bought the biotechnology company FuturaGene, which for the past 8 years has been carrying out field trials of genetically engineered eucalyptus. In January 2014, FuturaGene applied to Brazil's National Technical Biosafety Commission (CTNBio) for approval to plant GE trees on a commercial scale. Suzano is FSC-certified and plans to plant GE trees on a commercial scale.

http://fsc-watch.com/2014/06/06/suzano-plans-commercial-planting-of-ge-trees-will-fsc-dissociate-from-suzano/

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Hungry for land: small farmers feed the world with less than a quarter of all farmland. Small farmers and indigenous organizations around the world are confronting a deep reduction of the world's farmland and the processes of displacement from the fields. Even though a significant amount of experts keep claiming that the biggest part of the land is still in the hands of farmers and indigenous, this study shows that over 90% of the farmers around the world control less than a quarter of the world's agricultural land.

http://www.grain.org/article/entries/4929-hungry-for-land-small-farmers-feed-the-world-with-less-than-a-quarter-of-all-farmland