

10 Reasons to Oppose Botnia Pulp Mill Project



1. The Project Sponsor(s) never conducted a proper site study relative to environmental, social and economic externalities. Botnia only devotes 12 pages in 1200 total of EIAs, and doesn't even mention social approval/opposition to the investment, a requirement by World Bank standards for Category A projects. They only looked at their own economic benefit. A proper site study would have shown clear local opposition and incompatibility with a tourism-based industry. This error was known but ignored by the IFC who accepted the incomplete EIA's and submitted the loans to the Board as early as April of 2005.
2. Project Sponsor(s) ignored as did IFC early on, that there was an important and critical "cumulative impact" of the mills; they proceeded to Board approval in April of 2005 realizing this error but continued with separate studies showing the Board of Directors, only half of the expected contamination. It was only after widespread opposition of local stakeholders that they agreed to do a Cumulative Impact study.
3. Project Sponsors(s) and later IFC never sought Social License (local support) to operate, systematically excluding local stakeholders from process, despite seeing that there was clearly large concerns and majority opposition to the investment. Early on, Argentine stakeholders, clearly the majority and well within the "area of influence" of the project were nearly completely ignored in the consultation process. The CAO (ombudsman) pointed this out in the audit conducted, but IFC ignored recommendations and went against the CAO, violating IFC Safeguards by not sharing Study Terms of Reference Before actually conducting cumulative studies.
4. Cumulative impact study review methodology, upon which environmental approval is based, was opposed by Uruguay, Argentina and local stakeholders, and was boycotted by Assembly of Gualaguaychú for irregularities in studies, in compliance with IFC safeguards and menacing tactics used during illegitimate consultation done between Christmas and New Years in 2005. The studies conducted to date still are very contentious amongst stakeholders both in Uruguay and Argentina, and have never been legitimized by impacted communities. They reflect only the position of the IFC, the companies, and the consulting groups that carried them out. Furthermore, the IFC has been criticized for hiring the same consultants to check studies, that Botnia hired to do the company EIAs.
5. IFC and project sponsors ignored the rising social and diplomatic tensions caused by the proposed investment, and never made any effort to work bilaterally with countries or communities to find a constructive solution. Although there was at one point a Presidential summit and agreement between Argentina and Uruguay, where a preliminary solution was arranged, Botnia refused to agree by the terms of the Presidents refused to stop construction. IFC ignored the opportunity and remained silently complicit with Botnia, making no effort to help solve the conflict. This led to the filing of a complaint to the International Court of Justice, which is still open and is getting more contentious with time.
6. The International Court of Justice case is based on violations of the Uruguay River Treaty, which has to do with information and consensus that Uruguay must give and facilitate to Argentina, on use of the River, which if confirmed (as seems likely), will imply violations of the IFC's and World Bank's International Waterways Policy.
7. This IFC project, not critical to the financial portfolio of Botnia or ENCE, is causing one of the most problematic disputes in World Bank Group history, including legal complaints filed at the ICJ, Inter-American Commission on Human Rights, national courts in Uruguay and Argentina, OECD Multinational Enterprise Complaints, Equator Principles Compliance Complaints, among others.
8. This IFC project has no Social License to operate and has resulted in the largest peaceful Environmental March ever, bringing together last year 50,000 local residents opposed to the project. On the one year-anniversary of this march, 120,000 marched. International Roadblocks by stakeholders have already caused Uruguay over US\$400 million in damages (claims Uruguay), while further roadblocks are expected over the summer months if the Botnia project persists. By financing Botnia, the World Bank will take sides to this dispute and be complicit in this conflict.
9. The project has caused international strife, month long international roadblocks, the instability of the MERCOSUR trade block, international diplomatic tensions and international conflict. Local conflict is getting more complex, aggressiveness of protest is increasing and diplomatic tensions continue to rise. The investment climate is politically and socially critical as well as risky in economic terms.
10. The King of Spain has offered to facilitate negotiations between Argentina and Uruguay to find a solution to the dispute. Facilitation will begin in 15 days. A November 16th Board Vote could derail negotiations.