

Cambodia Braces for a Mining Invasion

Some of Indochina's last protected areas are being opened to mineral extraction with few protections in place

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Cambodia's once-abundant natural resources, whose timber reserves already were stripped to fund its disastrous civil war, are ripe for more exploitation. Saddled with a weak and often corrupt government, it is now in danger of seeing its mineral rights looted, as even officials charged with protecting the environment say the time has come to sacrifice some protected areas to mining development.

Environment Minister Mok Mareth said in a recent interview that a balance must be struck between conservation and development, hinting that the balance would fall on the side of development. "There are too many people worried that it may destroy all the resources, all biodiversity, all ecosystems," he said. "Of course, it's right. It destroys some part, not all. We have to understand that."

In considering exploitation, the ministry obtains binding guarantees that companies will respect the environment and not harm indigenous rights, he claimed, adding that Cambodia was in the process of changing from "100 percent conservation" to a system that can accommodate development.

"We're in the phase of what we call transition," he said.

The issue of how that transition is handled came to the fore in recent weeks when, through a little-known Australian firm, Indochine Resources, two flamboyant Australians won the right to explore for unnamed minerals in 180,000 hectares, or 54 percent, of Cambodia's Asean-heritage listed Virachey National Park. The concession itself was as big as 254,600 hectares.

Both the Cambodian Environment Ministry and the World Bank, which has funded the management and conservation of the park to the tune of nearly \$5 million, were caught by surprise.

The two are geologist Jeremy Snaith and David Evans, who in April became known across Australia as the "bananas in pajamas" after their nude antics aboard a Sydney-Abu Dhabi flight and subsequent arrest for sexual harassment and drunkenness forced them out of their company, Jupiter Mines. That an area so large and so sensitive was now in the hands of men ensnared by a drunken slapstick scandal gave pause to some. The World Bank, for one, announced it was seeking clarification from the government.

"[W]e continue to encourage the government of Cambodia to make good choices when they pick business partners... to ensure that their partners are committed to socially and environmentally responsible development," a World Bank official wrote in an email.

A rumor in Phnom Penh held that a more reputable Australian mining firm also seeking the concession had been beaten out by Indochine Resources. The case is only one chapter in an unfolding story in Cambodia, which devotes a surprisingly large share of its territory to conservation. According to a 1992 review by the UN's World Conservation Monitoring Center, Cambodia's set-aside level of 26.3 percent was far higher than the land reserved for conservation in

Thailand (16.3 percent), the US (11 percent), Indonesia (10 percent) or Australia (5.3 percent).

The country's 32 environmentally protected areas, such as Virachey National Park, cover more than a quarter of its landmass. These areas also contain gold, copper, chromium and bauxite, creating the potential for Cambodia's regulators to see dollar signs without foreseeing desolation.

Critics question whether Cambodia has the means, or even the desire, to control how and where mines are dug, or to determine whether the environmental damage they cause is acceptable. Global Witness, the environmental watchdog, has contended that the country's natural resources until now have formed little more than a cash cow for the country's elite and that exploiting Cambodia's resources in the absence of the rule of law will not necessarily lead to development or increased prosperity.

For their part, government officials have in recent months repeatedly and rather ominously from the point of view of environmentalists, said that riches to help lift Cambodia out of poverty should not be beyond reach simply because they lie buried beneath the turf of an endangered species.

Environment chief Mok Mareth maintained that the 47,845 square kilometers of land devoted to protecting the environment are hardly sacrosanct.

Critics who feel his ministry is weak and routinely shoved aside in favor of more muscular industrial interests simply do not understand, he added.

"When we developed that," Mok Mareth said of Cambodia's system of protected areas, first created in 1993 around the time that the UN mandate period ended, "we didn't know all the potential of our natural resources, our richness. So we need to have the exploration."

Cambodia is hardly different from much of the rest of the world, where many protected areas are also routinely open to mining. Authorities permit mining in about 78 percent of South Australia's 332 protected areas, according to the state's regional government.

In Cambodia, however, the matter comes down to a question of management. At a 2004 workshop, Environment Ministry officials and conservation NGOs found that mining was already occurring in nine protected areas and threatening 13 of them.

Since then, the government has lifted a prohibition on mining in protected areas and has invited companies like Indochine Resources as well as BHP Billiton, Southern Mining Company and Oxiana Ltd to explore for minerals sometimes in parts of sanctuaries believed to be crucial for protecting biodiversity.

All four companies have promised to be good to Cambodia's environment. But such deals are being struck even though many of the country's protected areas are under-funded, understaffed, lack comprehensive management plans and most importantly, do not have zoning to protect their most environmentally sensitive areas. These problems, outlined by the 2004 workshop, persist to this day, NGOs say.

Seng Teak, country director for the Worldwide Fund for Nature, said last week that certain core zones must be protected from mining, as the viability of other ecosystems depends on them.

It's called a core zone, he said, "You can't touch that area from a biodiversity point of view."

Mok Mareth said, however, that a consensus with other ministries had emerged that even future core zones were not necessarily off limits for exploitation.

"We got already the reaction, even from the Ministry of Tourism, Ministry of Industry, Ministry of Agriculture and others," he said.

"They also raised the concern: If I accept conservation of this area, a core zone, if we can find a billion dollars for the mining there, how can we exploit these millions of dollars in this area?"

"We did not define any core zones to date," he added.

However, Seng Teak said Cambodia is simply not yet ready to deliver its protected areas into the hands of mining companies.

"I think it may be too early to bring the companies in to invest in the protected areas. It has to have clear zoning," he said. "The right to use the resources should be based on a clear land use plan first."

In weighing development against conservation, the government is poised to make a fateful decision, Seng Teak said.

"The crossroads is balancing the two, because the government sees economic development as a priority and conservation second," he said. "It's a challenge to make that decision."

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