

## Issue update

### *Selected Issues on International Financial Institutions*

Volume II, Number 7, – July 31, 2006.

## Declaration on the Rights of Indigenous Peoples Adopted

On June 29, the Human Rights Council - the new United Nations Human Rights Commission - finally adopted the Declaration on the Rights of Indigenous Peoples, twenty-two years after it was first drafted by the UN Working Group on Indigenous Peoples.

The Declaration affirms that Indigenous Peoples have the right to the full individual or collective enjoyment of all human rights and fundamental freedoms as recognized in the Charter of the United Nations, the Universal Declaration of Human Rights and under international human rights law. It also codifies the rights of Indigenous Peoples to free informed consent where relocation is concerned. The World Bank and export credit agencies have long avoided making any reference to the notion of consent in their indigenous and resettlement policies, citing the draft status of the Declaration. This excuse may soon disappear.

Originally developed in 1985, the draft Declaration was adopted in 1994 by the UN Sub-Commission on the Promotion and Protection of Human Rights, and was then submitted as a draft to the Commission on Human Rights. Although the Human Rights Council's adoption of the Declaration is a significant victory, the document still has to clear the UN General Assembly. Of the 47 states that were eligible to vote at the Council, 30 voted in favour of the Declaration. Canada and the Russian Federation were the only two to vote against it.

"Human Rights Council Adopts Text for [...the] Rights of Indigenous Peoples"

[http://www.unog.ch/unog/website/news\\_media.nsf/\(httpNewsByYear\\_en\)/BE82C77003776B9EC125719C005D5994?OpenDocument](http://www.unog.ch/unog/website/news_media.nsf/(httpNewsByYear_en)/BE82C77003776B9EC125719C005D5994?OpenDocument)

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JUST THE FACTS: Canada cancels bilateral debt owed by Cameroon



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## ICJ Hands Down Ruling on Bank/ECA -Funded Project

On July 10, the International Court of Justice in the Hague, Netherlands, ruled against the Argentinean government's claim that construction of two paper mills in Uruguay would cause irreparable damage to the environment (see Issue Update April 30, 2006). Argentina sought an injunction to halt construction of the paper mills, which are being built by Finnish company Botnia and Spanish company ENCE in Fray Bentos, on the Uruguayan side of a river that divides the two countries.

The International Finance Corporation, the private sector lending arm of the World Bank, which is considering funding the project, has yet to commit financing pending an investigation into the project's environmental impact assessment and the Court's ruling. Spanish and Finnish export credit agencies are also looking to support the project.

Separate to the ICJ decision, complaints and legal actions related to the project have been submitted by civil society to the IFC's internal auditor, the Compliance Advisor Ombudsman, to the Organization for Economic Cooperation and Development, and to the Inter-American Court of Human Rights.

The International Court of Justice Ruling on the Pulp and Paper Mill

[http://www.icj-cij.org/icjwww/ipresscom/ipress2006/ipresscom\\_2006-28\\_au\\_20060713.htm](http://www.icj-cij.org/icjwww/ipresscom/ipress2006/ipresscom_2006-28_au_20060713.htm)

## Human Rights Impact Assessments: From idea to action

Over the past year, the concept of human rights impact assessments (HRIAs) for private sector projects has gained increasing recognition among a broad array of actors. In their June 2005 Report to Parliament on the activities of Canadian oil, gas and mining companies abroad, the Standing Committee on Foreign Affairs and International Trade referenced the need for HRIAs as a means to verify that public support for private investment meets human rights standards. In mid-June, the International Finance Corporation produced the first draft of the HRIA it is expecting to complete by December 2006, which it is developing jointly with the International Business Leaders Forum. Canada's Rights and Democracy has just completed the first stage of developing its HRIA for communities.

Finally, this month the Humanist Committee on Human Rights released an on-line HRIA resource centre, and John Ruggie, the Special Representative of the UN Secretary General for Business and Human Rights, released a discussion paper on HRIAs. The paper summarizes the development of the field of HRIA, and outlines the key components of a HRIA and the groups engaged in developing such tools. It then raises a number of questions for discussion. The discussion paper references the work of the Halifax Initiative Coalition on this issue.

HRIAs differ from environmental and social impact assessments in that they ground the assessment in international human rights norms, assessing the realization of a comprehensive spectrum of rights, rather than limiting the evaluation to a project's immediate impacts.

“IFC leads Development of Human Rights Assessment Guide for Businesses”

[http://www.ifc.org/ifcext/enviro.nsf/Content/OurStories\\_SocialResponsibility\\_HumanRights](http://www.ifc.org/ifcext/enviro.nsf/Content/OurStories_SocialResponsibility_HumanRights)

Humanist Committee On-line HRIA Resource Centre

<http://www.humanrightsimpact.org/>

“Human Rights Impact Assessment - Discussion Paper, UN Secretary General’s Special Representative”

<http://www.reports-and-materials.org/Human-Rights-Impact-Assessments-July-2006.pdf>

## Erratum: CAO Report on Glamis Gold

We wish to correct an error in our May 2006 Issue Update about the Compliance Advisor Ombudsman’s (CAO) report on the Glamis Gold Mine in Guatemala. The update wrongly reported that, “Now the CAO has dropped the case and blames the communities for failing to agree to dialogue with the IFC and company, even though neither have given local communities any indication that they are willing to take the necessary steps to reach a genuine, consensus-based resolution to the on-going conflict.” The Update should have read: “Now the CAO has dropped the case - and unfortunately, neither the IFC nor Glamis Gold have given local communities any indication that they are willing to take the necessary steps to reach a genuine, consensus-based resolution to the on-going conflict.” We apologize for this error and regret any confusion it may have caused.

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### New Discussion Papers

- “Having Their Cake and Eating It Too - The Big Corporate Tax Break”, July 2006, International Confederation of Free Trade Unions. This report uncovers the extent of corporate tax avoidance and evasion and warns that unless governments cease engaging in the race to lower corporate taxes, both industrialized and developing countries will face a major public funding crisis.  
[http://www.icftu.org/www/pdf/taxbreak/tax\\_break\\_EN.pdf](http://www.icftu.org/www/pdf/taxbreak/tax_break_EN.pdf)
- “The Unfinished Agenda on International Debt”, July 2006, Jubilee USA. The Unfinished Agenda looks at progress and ongoing gaps, one year after the Group of Eight announced the Multilateral Debt Relief Initiative at the Gleneagles summit in Scotland. [http://www.jubileeusa.org/take\\_action/unfinished\\_agenda.pdf](http://www.jubileeusa.org/take_action/unfinished_agenda.pdf)
- Revised “Equator Principles” launched. 36 Banks have signed-up.  
[http://www.equator-principles.com/documents/Equator\\_Principles.pdf](http://www.equator-principles.com/documents/Equator_Principles.pdf)  
“Improvements Made, But Principles Fail to Live Up To Potential”, BankTrack response.  
<http://www.banktrack.org/?show=news&id=83>

### Upcoming Events

- 16<sup>th</sup> International AIDS conference, Toronto, Canada, August 13-18, 2006,  
<http://www.aids2006.org/>
- World Bank and IMF Fall Meetings, Singapore, September 19-20, 2006
- International Peoples Forum vs the IMF and World Bank, Jubilee South, Batam, Indonesia, September 15-17, 2006. Contact Lidy Nacpil, [lidyjs@jubileesouth.org](mailto:lidyjs@jubileesouth.org)

### Canada cancels bilateral debt owed by Cameroon

In July, Cameroon joined 12 other countries whose bilateral debt with Canada was canceled. At \$221 million, Cameroon's debt with Canada was by far the largest - more, in fact, than the 12 other recipients combined. The cancellation is part of the Canadian Debt Initiative (CDI), which will forgive \$1.1 billion once all eligible countries have completed the process.

There are currently three initiatives through which Canada cancels the debts of developing countries: 1) the Heavily Indebted Poor Country (HIPC) Initiative (multilateral debts to the World Bank and IMF, see JUST THE FACTS, September 30, 2005), 2) the Paris Club (which includes Non-HIPC countries, see JUST THE FACTS, June 30, 2006), and 3) the CDI.

Created in March 1999, the CDI provides an immediate 100% moratorium on debt service payments for countries once they have reached "decision point" (i.e. are eligible for HIPC), and then cancels their bilateral debts once they have fulfilled all the terms of the HIPC process. The CDI is an important initiative as it attempts to "go beyond HIPC". Besides placing a full moratorium on debt service payments, the CDI also includes non-HIPC countries. For example, it included Ghana (which, although a HIPC, was not seeking HIPC assistance) and Bangladesh. CDI beneficiaries to date include Bangladesh, Benin, Bolivia, Cameroon, Ethiopia, Ghana, Guyana, Madagascar, Senegal, Tanzania, Honduras, Rwanda and Zambia.

Canada was the first country to link bilateral debt cancellation to HIPC.

Canada's New Government Cancels All Debt Owed by Cameroon, July 18, 2006,  
<http://www.fin.gc.ca/news06/06-034e.html>

Helping the Poorest, An Update on Canada's Debt Relief Efforts, January 2005,  
[http://www.fin.gc.ca/toce2005/cdre0105\\_e.html](http://www.fin.gc.ca/toce2005/cdre0105_e.html)