

# Mining, Corporate Social Responsibility, and Conflict: OceanaGold and the El Dorado Foundation in El Salvador



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# Credits

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**NO A LA MINERIA**



# Background to this report

This report was produced in collaboration with the National Roundtable against Metal Mining in El Salvador (La Mesa) and Cabañas-based organizations, the Santa Marta Economic and Social Development Association (ADES), MUFRAS-32 (Movimiento Unificado Francisco Sánchez 1932), and the Environmental Association of the Community of La Maraña. Its authors also consulted with the Association of Friends of San Isidro Cabañas (ASIC), the Casa de la Cultura in San Isidro, Radio Victoria, and the Cabañas Environmental Committee (CAC). In February 2015, MiningWatch Canada and the Institute for Policy Studies (IPS) in Washington, D.C. carried out exploratory interviews in Cabañas and San Salvador, the purpose of which was to inquire about the activities of OceanaGold. In response to those conversations and in coordination with La Mesa, the International Allies against Metallic Mining in El Salvador, of which IPS and MiningWatch are members, convened a three-person research team to investigate the role of the El Dorado Foundation, which is being used by the Canadian-Australian company OceanaGold to promote its interests in Cabañas and El Salvador.

The members of the research team were: Stuart Kirsch (University of Michigan), an anthropologist with extensive research experience on mining conflicts; Jen Moore, Latin America Program Coordinator for MiningWatch Canada; and Jan Morrill, the former US/El Salvador Sister Cities Coordinator and former Coordinator of the International Allies. Manuel Pérez Rocha participated in the February 2015 visit to El Salvador.

During its August 2015 trip, the research team spent several days in San Salvador where it met with members of La Mesa, including their former legal council, the Deputy Attorney for the Environment in the Office of the Human Rights Ombudsman, and the Minister of Environment and Natural Resources. It travelled to Cabañas to conduct interviews with local organizations, community members, and five Cabañas state officials, who presented us with information on the Foundation's activities, its way of working, and the implications of those activities. The research team's request for a meeting with representatives of the El Dorado Foundation was unsuccessful. The results of several access to information requests submitted under El Salvador's transparency law also form part of this report.

The perspectives provided in this report are those of the individual authors and are not necessarily shared by any of these organizations.

# Executive summary and conclusions

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These programs and donations allow the mining company to pose as a benefactor to the surrounding communities. The evidence gathered strongly suggests that the Foundation's work is intended to enhance the company's public reputation and cultivate support for the proposed El Dorado mine project.

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1. This report documents the current activities of the El Dorado Foundation, which was originally established by Pacific Rim Mining in El Salvador in 2005, and is now operated by its successor company, OceanaGold.
2. The two companies have sought to develop a disputed gold mining project, which is currently stalled in the exploration phase, in the department of Cabañas in northeastern El Salvador. The project, which has not advanced in roughly ten years, is the subject of a controversial international arbitration process at the International Center for Settlement of Investment Disputes (ICSID) in Washington, D.C.
3. The research and analysis presented in this report is based on a review of company reports, documents obtained from Salvadoran government ministries, and interviews. The research team spoke with local residents, current members and the former legal representative of the National Roundtable against Metal Mining, and government officials in Cabañas and San Salvador during visits to El Salvador in February and August 2015. Excerpts from interviews with local residents and organizations are presented anonymously given concerns about their personal safety. Attempts to speak with representatives of the Foundation El Dorado were unsuccessful.
4. The interviews and analysis undertaken by the research team raise troubling questions about the propriety of the Foundation's objectives and programs, including their ethics, legitimacy, and legality. This report documents the activities of OceanaGold and the El Dorado Foundation in El Salvador during the ongoing international arbitration process. Copies will be shared with Salvadoran authorities, civil society organizations, and the communities living near the proposed mine.
5. According to the observations and interviews conducted by the research team, it is clear that the El Dorado Foundation has become the public face of OceanaGold in El Salvador. The Foundation makes

donations to local schools, sponsors health clinics, offers computer and English classes, and promotes business training for women, among other activities described in this report. These programs and donations allow the mining company to pose as a benefactor to the surrounding communities. The evidence gathered strongly suggests that the Foundation's work is intended to enhance the company's public reputation and cultivate support for the proposed El Dorado mine project. The Foundation has also generated unrealistic expectations for future employment opportunities. These activities seek to reduce opposition to mining in Cabañas, which is based on concerns about its negative impacts on the environment and human health. The Foundation may also endanger local actors who are opposed to the mining project. Of particular concern is the threat of angry and potentially violent reprisals from people or groups receiving benefits, or who expect to receive benefits, should the mining project proceed. There is also a risk of violence from individuals or groups affiliated with the company, or who possess overlapping political and economic interests.

6. The operation of the El Dorado Foundation has the potential to exacerbate recent conflict over mining in Cabañas. This conflict has already contributed to threats and violence, which have yet to be fully investigated, such as the murder of community activists Marcelo Rivera, Ramiro Rivera Gomez, Dora "Alicia" Recinos Sorto and her unborn child, and Juan Francisco Durán. The climate of fear resulting from these assassinations and other threats of violence is still palpable in the communities today – and there are real and serious concerns that the activities of the El Dorado Foundation and OceanaGold are sowing the seeds for the reemergence of violence in Cabañas.
7. OceanaGold's efforts to advance its economic interests through the Foundation are at odds with the opinion of the vast majority of Salvadorans, who reject metal mining given the long-term environmental impacts that this industry generates, including its consequences for the country's water supply. OceanaGold's efforts to promote the El Dorado mine are also at odds with the interests of the state, which has already spent millions of dollars to defend its right to not issue a mining permit, particularly given that the company has not fulfilled the legal requirements for such a permit. Such practices are especially troubling given the violent history of conflict over mining in Cabañas. Consequently, it is important to recognize how the programs of the El Dorado Foundation, despite appearing innocuous or even generous, both disrespect public opinion over mining in Cabañas and El Salvador, and have the potential to increase friction and generate conflict.

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8. Rather than operate transparently by providing detailed information about the proposed mining project and its potential social and environmental impacts, OceanaGold relies on propaganda, local programming, and charitable donations to suggest that the company will behave more responsibly than its predecessor, Pacific Rim. But for all of the computer classes and health clinics the Foundation provides, these activities do not address local concerns about the potential drying up of water supplies on which people living in the communities depend or the risk of future heavy metal contamination from mining activities.
9. Furthermore, reports of the Foundation's efforts to foster relationships with right wing mayors who have long supported mining in Cabañas, and the joint promotion of activities that are not supported by the Farabundo Martí National Liberation Front (FMLN) administration in the department, is tantamount to "playing politics." Such behavior has the potential to deepen social and political divisions within Cabañas and is not appropriate for a foreign corporation or its Foundation.
10. OceanaGold is suing the state at ICSID, part of the World Bank Group, through its wholly-owned subsidiary Pac Rim Cayman LLC. The case has already cost the Salvadoran state US\$12.7 million in legal fees, and the company also claims an additional US\$250 million in forfeited profits. A decision from ICSID on the merits of the case is pending. One person interviewed by the research team expressed that by simultaneously investing in the Foundation while suing El Salvador, OceanaGold is "making a laughingstock of the country." The interviewee added: "It is ridiculous for the Company to say that it is promoting economic development in Cabañas when the \$12 million dollars [that the state has spent on legal costs] could be used for many projects in Cabañas and the country."
11. OceanaGold's and the El Dorado Foundation's activities in Cabañas are deceptive, dangerous, and disrespectful of the population of Cabañas and Salvadorans more broadly. Consequently, it is the conclusion of this report that these activities should cease and the Foundation should be closed. This finding is based on potential human rights violations, as well as moral and legal concerns. First, given the threats and violence that have already resulted from conflict over mining in Cabañas, the closure of the Foundation is necessary to prevent further escalation of conflict and potential violence. Second, given that OceanaGold is using the Foundation to try to strengthen social and political support for its proposed mine project, closing the El Dorado Foundation is commensurate with the position on mining that Salvadorans have been articulating for years: that metal mining activities are not their desired option to



ensure healthy communities, a safe environment, and sustainable economies for future generations. Third, since the El Dorado Foundation's charter of incorporation is limited to non-profit activities, OceanaGold's use of the Foundation to try to advance its commercial, for-profit activities may be in breach of Salvadoran law. To this end, the research team encourages Salvadoran authorities in Cabañas and the central government to fully investigate the activities and investments of OceanaGold and its subsidiaries in El Salvador, including the El Dorado Foundation. This should include a full release and audit of the Foundation's financial records since 2011, which have not been made available to the public.

12. Finally, it is important to emphasize that OceanaGold only invests in the El Dorado Foundation because it believes that these activities will help the company obtain a mine permit. The negative consequences of these activities underscore the importance of heeding the longstanding call by Salvadoran civil society, the Salvadoran Catholic Church and the Human Rights Ombudsmans' Office to prohibit metallic mining, which would stop the sort of dangerous speculative activities in which OceanaGold is currently engaged.

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# Introduction

This report documents the current activities of the El Dorado Foundation, which was originally established by Pacific Rim Mining in El Salvador in 2005, and is now operated by its successor company, OceanaGold. The two companies have sought to develop a disputed gold project, currently stalled in the exploration phase, in the department of Cabañas in northeastern El Salvador, that is the subject of a controversial international arbitration process. This report provides an overview of the Foundation's history and recent activities.

The interviews and analysis undertaken by the research team raise troubling questions about the propriety of the Foundation's objectives and programs, including their ethics, legitimacy, and legality. These questions also apply to the Foundation's sponsor, OceanaGold. In addition, the report documents concerns expressed by people living in the surrounding areas and members of civil society organizations about the potential contribution of these activities to renewed conflict given the history of violence associated with Pacific Rim and the proposed gold mine in Cabañas. The report documents the activities of OceanaGold and the El Dorado Foundation in El Salvador during the ongoing international arbitration process. Copies will be shared with Salvadoran authorities, civil society organizations, and the communities living near the proposed mine.

The research and analysis presented here is based on a review of company reports, documents obtained from Salvadoran government ministries, and interviews. The research team spoke with local residents, current members and the former legal representative of the National Roundtable against Metal Mining, and government officials in Cabañas and San Salvador during visits to El Salvador in February and August 2015. Excerpts from the interviews with local residents are presented anonymously given concerns about their personal safety. Attempts to speak with representatives of the Foundation El Dorado were unsuccessful.

The Canadian-Australian mining company OceanaGold's involvement in El Salvador began in late 2013. Pacific Rim Mining, the former owner of the El Dorado mining project in Cabañas, was on the verge of bankruptcy. Pacific Rim had no active mines operating anywhere in the world and was trying to sustain a costly lawsuit against the Republic of El Salvador in the International Center for Settlement of Investment Disputes (ICSID), part of the World Bank Group, that it initiated in 2009 (see Appendix 1). The company filed its complaint against the state after failing to obtain the environmental and mining permits required to operate the El Dorado project, even though it had not fulfilled the necessary regulatory requirements. In October 2013, OceanaGold purchased the shares of Pacific Rim Mining for approximately US\$10 million, acquiring Pacific Rim and all of its affiliates, including its project in El Salvador. OceanaGold, through its wholly-owned subsidiary Pac Rim Cayman LLC (see Appendix 2), has continued the suit against El Salvador. The company claims damages of US\$250 million, which is based on the company's projections of the profits it expects it would earn from the mining project in Cabañas.<sup>1</sup> The case has already cost the Salvadoran state US\$12.7 million in legal fees.<sup>2</sup> A decision from ICSID on the merits of the case is pending.

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1 The actual figure claimed by Pac Rim Cayman LLC has fluctuated over time and at one point reached US\$301 million.

2 Elsalvador.com, "El Salvador presenta nueva evidencia previo a fallo del litigio con Pacific Rim," October 16, 2015; <http://www.elsalvador.com/articulo/sucesos/salvador-presenta-nueva-evidencia-previo-fallo-del-litigio-con-pacific-rim-90293>

# A short history of the conflict over the El Dorado project in San Isidro, Cabañas



Protests over the mining project in Cabañas began around 2005, coinciding with Pacific Rim's efforts to obtain an environmental permit to operate the mine. Local organizations had begun to learn about the potential long-term negative impacts of gold mining on water supplies and public health through exchanges with communities in neighboring countries of Guatemala and Honduras and consultations with diverse experts on the topic. Local residents also found out first-hand about the detrimental impacts of mining activities when they discovered that the company's exploration activities led some local water sources to dry up. Opposition to mining in Cabañas, and throughout the country, expanded to include broad sectors of Salvadoran society. Since 2007, beginning with Archbishop Fernando Saenz La Calle, the Salvadoran Bishops' Conference has spoken out against mining.<sup>3</sup> In 2008, a public opinion poll conducted by the Universidad Centroamericana (UCA) reported that 62.4% of Salvadorans in mining-affected areas were opposed to mining. The same year, the president of El Salvador, a member of the right-wing Nationalist Republican Alliance (ARENA) party, promised not to issue permits for any new mining projects.

In 2009, tensions in Cabañas increased to the point of violence. Threats against individuals and groups questioning the El Dorado project were first reported in 2005. In June 2009, the body of community activist Marcelo Rivera was found at the bottom of a well, two weeks after he had been reported missing, with clear indications that he had been tortured before his murder. In December 2009, Ramiro Rivera Gómez, the Vice President of the Cabañas Environmental Committee (CAC), was shot to death, followed by the shooting death of Dora Alicia Recinos Sorto and her unborn child a few days later. In June 2011, Juan Francisco Durán Ayala, a volunteer with CAC, was murdered. Father Luis Quintanilla and members of Radio Victoria, a community radio station in Cabañas, and Movimiento Unificado Francisco Sánchez 1932 (MUFRA-32), a civil society organization that is part of the local struggle against mining, also received grave threats during this period. These murders and



<sup>3</sup> CBC Sunday Edition, Karin Wells, "High Stakes Poker," January 11, 2013.

threats are believed to be linked to their work on mining issues and the defense of the environment and water, although the Public Prosecutor's Office (Fiscalía General de la República) has failed to fully investigate the intellectual authors of these crimes.

Since this time, two presidents from the left-wing ruling party, Farabundo Martí National Liberation Front (FMLN), have reaffirmed the commitment not to issue permits for new mining projects. Opposition to mining among the local and national population has also grown.

A 2015 poll carried out by UCA found that 79.5% of the country opposes mining, including 83.9% of the population in Cabañas, where some of the highest levels of opposition to mining were recorded.<sup>4</sup> 368 people were polled in the municipalities of Ilobasco, Sensuntepeque, and San Isidro in Cabañas, where opposition was slightly higher than the national average on most of the questions asked:

- In Cabañas, 83.9% of the persons polled responded that they do not think metallic mining is an appropriate activity for El Salvador (National average: 79.5%);
- 79% responded that they do not want mining activities in their municipality (National average: 76%);
- 80.1% believe the Salvadoran Government should prohibit metal mining in El Salvador (National average: 77%); and
- 85.7% do not want to work in a mine (National average: 86.5%).<sup>5</sup>

Given that the legislative assembly has failed to pass legislation that officially prohibits mining, local municipalities have begun to hold public referenda to ascertain whether their residents support the possibility of mining, followed by the introduction of ordinances banning mining activity if these referenda are passed. To date, referenda held in the municipalities of San José Las Flores, San Isidro Labrador, Nueva Trinidad, and Arcatao in the department of Chalatenango have voted overwhelmingly to prohibit mining. Other municipalities are currently planning similar referenda. These activities demonstrate the overwhelming and continuing support of the people of El Salvador for the prohibition of metallic mining.

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4 Universidad Centroamericana 'José Simeón Cañas', "Encuesta sobre conocimientos y percepciones hacia el medio ambiente y la minería metálica en El Salvador," June 2015.

5 Universidad Centroamericana 'José Simeón Cañas', June 2015.

# The El Dorado Foundation and its relationship to Pacific Rim Mining and OceanaGold



Pacific Rim Billboard in front of company gate in San Isidro, Cabañas.

*Photo: Jen Moore*



Blank billboard after Pacific Rim was acquired by OceanaGold.

*Photo: Robin Broad*



Fundación El Dorado billboard.

*Photo: Jen Moore.*

The El Dorado Foundation was established in late 2005 by the legal representative of Pacific Rim Mining, S.A. de C.V., Frederick Hume Earnest, a U.S. citizen.<sup>6</sup> The Foundation's original statutes describe its principal objective as "community development in the area of the mining projects owned by Pacific Rim El Salvador." The goals established in the Foundation's charter define the legal scope of the Foundation's activities. Acting beyond the scope of these goals is illegitimate and may be illegal. The Foundation defines its specific goals as:

1. Develop and approve programs and services for the holistic support of the community to improve their quality of life, health, quality of education and opportunities for education at all levels for communities in the area of the mining projects owned by Pacific Rim El Salvador, S.A. de C.V.;
2. Develop and approve programs and infrastructure projects to improve the social environment in the community and to promote the development of the communities in the area of the mining projects owned by Pacific Rim El Salvador, S.A. de C.V.;
3. Manage fundraising from local and international sources, administrate and channel such funds;
4. Work together with other Community Development Programs independently or in coordination with Non-Government Organizations, whether national or international.<sup>7</sup>

The Foundation was established in 2005, coinciding with the emergence of opposition to mining in Cabañas, after the company

<sup>6</sup> Estatutos de la Fundación El Dorado, published in the Diario Oficial de la Republica de El Salvador en la América Central, Volume No. 369, No. 230, December 9, 2005.

<sup>7</sup> Ibid.

began to ramp up exploratory drilling in 2003 and 2004.<sup>8</sup>

The Foundation board of directors has eight members and is elected every two years. The initial board included Frederick Hume as President, as well as three Costa Rican geologists and lawyer Luis Alonso Medina López from the Salvadoran firm Rusconi, Medina & Asociados/Central Law El Salvador. From 2008 to 2015, the board of directors has been led by US geologist William Thomas Gehlen and a group of Salvadorans, including past Pacific Rim Mining spokesperson, Ericka Janeth Colindres Vásquez, and past community relations representative for Pacific Rim Mining, Cristina Elizabeth Garcia Cabezas (see Appendix 3).<sup>9</sup>

The Foundation's starting capital in 2005 was US\$10,000. Financial records show that by 2010, the Foundation still had nearly half of the original starting capital, US\$4,844.22.<sup>10</sup> The Foundation did not record any new contributions between 2005 and 2010. The research team requested financial records for the Foundation from 2011 to the present from the Ministry of the Interior and Territorial Development through an access to information request, but the Ministry refused to release them.

Despite widespread opposition to mining in El Salvador, Pacific Rim's failure to meet the legal requirements for obtaining a mining permit, the ongoing lawsuit against the state, and the history of violent conflict over mining, OceanaGold has increased its activity in Cabañas through the El Dorado Foundation. The Foundation currently operates at the former offices of Pacific Rim Mining at Kilometer 74 in the municipality of San Isidro, Cabañas.

The El Dorado Foundation has become the public face of OceanaGold in El Salvador. According to information obtained by the research team, the Foundation makes donations to local schools, sponsors health clinics, offers computer and English classes, and promotes business

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8 The El Dorado Foundation has a larger public presence in Cabañas under OceanaGold than its predecessor, Pacific Rim. Several people told the research team that obtaining support from the Foundation under Pacific Rim was difficult, and that people who received funding were told not to mention the source. OceanaGold also promotes the presence of the Foundation through a billboard posted at the entrance to the mine site, which was not the case when Pacific Rim operated in Cabañas.

9 Presumably a new slate of directors has recently been or will be elected for 2015-2017. Although lawyer Luis Alonso Medina López no longer appears as a member of the Foundation's board of directors, Medina López, Ericka Janeth Colindres Vásquez and OceanaGold Managing Director and CEO Mike Wilkes are legal representatives of OceanaGold's subsidiaries Minerales Torogoz, S.A. de C.V. and Dorado Exploraciones, S.A. de C.V. Minerales Torogoz shares the same address as the Foundation. Several people interviewed by the research team indicated that they recognize the same employees working for the Foundation as before, when it was operated by Pacific Rim Mining.

10 An outlay of roughly \$US5,000 in five years hardly seems adequate to account for the amount of local donations attributed to Pacific Rim Mining during these years.

training for women, among other activities described in this report. These programs and donations allow the mining company to pose as a benefactor to the surrounding communities. Yet the company's efforts to advance its economic interests through the Foundation by cultivating potential supporters is at odds with the opinion of the vast majority of Salvadorans who reject metal mining as a result of its long-term environmental costs, as indicated by the 2015 UCA public opinion poll.<sup>11</sup> The company's efforts are also at odds with the interests of the state, which has already spent millions of dollars to defend its right to not issue a permit to the company when it failed to meet the legal requirements for operating a mine. The Foundation's activities are especially troubling given the history of violent conflict over the El Dorado project. Concerns about the potential resurgence of violence were expressed to the research team by community members, representatives of civil society organizations, state officials, and the Deputy Attorney for the Environment in the Office of the Human Rights Ombudsman. Therefore, this report not only questions the motives of OceanaGold in relation to the activities of its Foundation, but also examines their potential to exacerbate social divisions and conflict leading to possible violence.

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11 Universidad Centroamericana 'José Simeón Cañas', June 2015.



# The larger context: “Corporate social responsibility” in the mining industry?

Throughout the world, the mining industry increasingly tries to represent itself as a “responsible” partner for development. As such, many mining companies claim to practice “sustainable mining,” although the definition of sustainability used by the mining industry tends to emphasize financial returns to investors rather than protecting the environment.<sup>12</sup> The mining industry also touts its contribution to the reduction of poverty even though mining projects frequently impoverish the surrounding communities through environmental degradation, including the destruction of more sustainable livelihoods.<sup>13</sup> Even at the level of the state, the mining industry is better known for its detrimental impacts on economic growth, a condition economists and political scientists refer to as the “resource curse.”<sup>14</sup> Despite promising employment opportunities, capital intensive mines that rely on modern technology provide relatively few jobs. Resource extraction also generates little in the way of multiplier effects on other sectors of the economy or the diversified growth stimulated by other forms of investment.<sup>15</sup> In response to these concerns, the mining industry seeks to enhance its image by claiming to practice “corporate social responsibility” or CSR.<sup>16</sup>

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12 Stuart Kirsch. Sustainable mining. *Dialectical Anthropology* 34(1): 87–93, 2010.

13 Stuart Kirsch. *Mining Capitalism: The Relationship between Corporations and their Critics*. Berkeley: University of California Press, 2014.

14 The “resource curse” is usually understood as the macroeconomic pitfalls of dependence on non-renewable resource extraction, including the ways that such dependency tends to undermine economic development on a national scale. Factors responsible for the resource curse include the vulnerability of a national economy to the boom and bust cycles of mineral prices on the global market, overvaluation of local currency when mineral prices are high (also known as the “Dutch Disease”), a tendency to foster corruption and misspending during boom periods, and diminished attention to more sustainable economic sectors. There is also a local side to such dependency, what Kirsch calls “the microeconomics of the resource curse,” or the incomplete accounting for the social and environmental costs of mining projects at the local level, which frequently result in a net loss for affected communities. (Kirsch, *Mining Capitalism*, 2014).

15 Michael Ross. The political economy of the resource curse. *World Politics* 51(2): 297–322, 1999.

16 The World Business Council for Sustainable Development defines Corporate Social Responsibility (CSR) as “The continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large.” (Cited in Charlotte Walker-Said, Introduction: Power, profit, and social trust. In *Corporate social responsibility? Human rights in the new global economy*, eds. Charlotte Walker-Said and John D. Kelly. Chicago: University of Chicago Press, pg. 2. 2015). However, critics have questioned the sincerity of these claims, arguing that CSR is faux social movement intended to deflect attention from the harms caused by corporations to society and the environment (See Peter Benson and Stuart Kirsch. Capitalism and the politics of resignation. *Current Anthropology* 51(4): 459–486. 2010).

Cover El Dorado  
Foundation brochure



Not only are these activities designed to enhance the reputation of the company, but they may also be intended to neutralize its critics.

One of the strategies employed by mining companies to gain public approval and demonstrate their commitment to helping local communities is to present themselves as generous and altruistic.<sup>17</sup> These practices are not unique to the mining industry, as many corporations make charitable contributions in the communities where they operate. Such actions have historically been intended to demonstrate the corporation's role as a "good neighbor."<sup>18</sup> In the case of the mining industry, however, it is important to note that these contributions do not alter the mining process itself or adequately compensate for its negative social, environmental, and economic impacts on the surrounding communities. Rather, the purpose of corporate-sponsored philanthropic institutions like the El Dorado Foundation is to "gain access to new kinds of moral and social resources" that can be mobilized "in pursuit of their economic goals."<sup>19</sup>

Despite this recognition, it can be difficult to criticize corporations for their philanthropic contributions, especially when aid from NGOs, foundations, and foreign governments is so common in a country like El Salvador, where one frequently sees signs indicating that a road or a school was built with the help of international funding. Indeed, critics of these activities risk being scolded for their "low-minded sentimentality" for believing the worst about corporations and their motives.<sup>20</sup>

17 Stuart Kirsch. Virtuous language in industry and the academy. In *Corporate social responsibility?*, eds. Walker-Said and Kelly, pgs. 92–112. 2015.

18 Roland Marchand. *Creating the corporate soul: The rise of public relations and corporate imagery in American big business*. Berkeley: University of California Press. 1998.

19 Dinah Rajak. *In good company: An anatomy of corporate social responsibility*. Stanford, CA: Stanford University Press, pg. 18. 2011.

But it is important to ask what is being accomplished socially, politically, and discursively when a company such as OceanaGold engages in philanthropy. Not only are these activities designed to enhance the reputation of the company, but they may also be intended to neutralize its critics. For example, when the people living in the surrounding area criticize the activities of the El Dorado Foundation and the mining project, they risk backlash from their neighbors for jeopardizing their access to the benefits provided by the Foundation and their hopes for future employment, regardless of whether they are realistic or not. Indeed, the desire to silence their critics may be one of the primary objectives of OceanaGold's investment in and operation of the Foundation.

Such practices are especially troubling in the context of mining conflicts associated with violence, as in Cabañas. In the case of the El Dorado Foundation, it is important to recognize how its programs, although seemingly innocuous or even generous, have the potential to increase friction and generate conflict between the participants in its programs and critics of the mining project.

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20 Amartya Sen. 1999. *Development as freedom*. Cambridge, MA: Harvard University Press, pg. 280. 1999.

# The El Dorado Foundation and OceanaGold's CSR Claims

Documents produced by the El Dorado Foundation illustrate how OceanaGold promotes itself using the discourse of “corporate social responsibility.” On the first page of an El Dorado Foundation brochure obtained during the research team’s visit to Cabañas in August 2015 (see Appendix 4), OceanaGold is mentioned along with photos of children and adults near the Company’s controversial Didipio open-pit gold mine<sup>21</sup> in the Philippines:

**“OceanaGold is strongly committed to nearby communities through focused programs, principally in holistic education, health, environmental improvement, the promotion of a culture of peace and promotion of entrepreneurship.”<sup>22</sup>**

OceanaGold’s Didipio open-pit copper and gold mine in the Philippines.  
*Photo: Robin Broad*



<sup>21</sup> For more on the Didipio conflict, see: John Cavanagh and Robin Broad, “The real cost of gold in the Philippines,” *Yes! Magazine*, September 13, 2013; <http://www.yesmagazine.org/blogs/john-cavanagh-and-robin-broad/the-real-cost-of-gold-in-the-philippines>

<sup>22</sup> Fundación El Dorado, “Una Fundación Humana: buscando el desarrollo integral de las comunidades,” not dated.

Referring to the Didipio mine in its propaganda is particularly ironic given that this OceanaGold project has been the subject of violent social conflict, including the murder of two community members who opposed the mine,<sup>23</sup> as well as complaints of illegal demolitions of homes,<sup>24</sup> water contamination,<sup>25</sup> and negative impacts on fish and wildlife.<sup>26</sup>

The same Foundation brochure also asks: “How does OceanaGold help El Salvador using the El Dorado Foundation?” The question is superimposed on a map of the municipality of San Isidro that names the communities of El Amate, Iztacal, Potrero de Batres, Los Jobos, San Francisco El Dorado, Llano de La Hacienda, Potrero, and Tabla. The Foundation identifies its mission as providing benefits to these communities:

**“We are a Foundation that promotes holistic, educational development, health, environmental conservation, and productive economic growth through capacity building and social projects that benefit communities in the municipality of San Isidro.”<sup>27</sup>**

In the succeeding pages, the booklet presents a series of photographs of adults wearing green El Dorado Foundation t-shirts engaged in activities with young people. Other photos depict men in beige work shirts, jeans, and yellow hardhats with children, seedlings being planted, and people laughing as they repair a primary school chair.

In OceanaGold’s 2015 *Fact Book*, a document oriented toward corporate shareholders, the company does not mention the El Dorado Foundation by name. Rather, without distinguishing between the company and the Foundation, it refers to a number of activities being carried out by the Foundation in Cabañas. The company also expresses its ambition to “work closely with its Stakeholders, including the Government of El Salvador, to establish a roadmap in unlocking the economic and social enhancements associated with a responsible mining operation at El Dorado for the community and in the broader country.”<sup>28</sup> In other words, OceanaGold is seeking to position itself as a “responsible” partner in local social and economic

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The company also expresses its ambition to “work closely with its Stakeholders, including the Government of El Salvador, to establish a roadmap in unlocking the economic and social enhancements associated with a responsible mining operation at El Dorado for the community and in the broader country.” In other words, OceanaGold is seeking to position itself as a “responsible” partner in local social and economic activities that have nothing to do with mining per se, but share a clear objective: that the El Dorado Foundation will help the company obtain a permit to open the El Dorado gold mine.

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23 John Cavanagh and Robin Broad, September 13, 2013.

24 Mines and Communities, “Philippine Human Rights Commission calls for end to mining deal,” January 25, 2011; <http://www.minesandcommunities.org/article.php?a=10659>

25 Kalikasan People’s Network for the Environment, “National fact-finding and solidarity mission on mining TNCs in Nueva Vizcaya unearths realities of poison, plunder,” September 21, 2013; <http://www.kalikasan.net/press-release/2013/09/21/national-fact-finding-and-solidarity-mission-mining-tncs-nueva-vizcaya>

26 Ibid.

27 Fundación El Dorado, “Una Fundación Humana: buscando el desarrollo integral de las comunidades,” not dated.

28 OceanaGold, June 4, 2015, pg. 30.



Stock photo:  
International Allies Against  
Mining in El Salvador.

activities that have nothing to do with mining per se, but share a clear objective: that the El Dorado Foundation will help the company obtain a permit to open the El Dorado gold mine.

Given that OceanaGold is using the Foundation to pave the way for its future commercial, for-profit activities, the Foundation may be in breach of its non-profit charter of incorporation.

# Current activities of the El Dorado Foundation

According to a report produced by OceanaGold in 2015 and the Foundation's own promotional materials, the El Dorado Foundation sponsors activities in six main program areas<sup>29</sup>:

**Business development and training:** In its brochure, the Foundation reports that it sponsors a variety of local business development activities, including workshops on the manufacture of consumer products, such as multi-purpose soap and cleaning products like shampoo. It also describes training programs for carpentry and bricklaying.

**Education:** The Foundation has sponsored a variety of adult education programs. Its brochure reports that in 2012, it held computer classes attended by 150 people and that in 2013, 150 people attended English classes. In 2014, it reports the establishment of literacy circles following standards set by the National Literacy Program and provided school supplies to 50 participants, as well as continuing education classes for grades 7 to 9. The company also reportedly provides its employees with opportunities for further education and/or skills training and development.<sup>30</sup> In addition, the research team was informed that the Foundation has made donations of building materials to several local schools.

**Environment:** The Foundation reports in its brochure that it has sponsored talks on "the importance of the environment," including celebrating Earth Day in collaboration with the National Center for Agricultural Technology and Forestry (CENTA), FUNDEMÁS (the Business Foundation for Social Action), and Municipal Environmental Units.<sup>31</sup> It reports having established ecology clubs in local schools and sponsoring local clean-up and fumigation programs twice a

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29 See both OceanaGold, June 4, 2015, page 30; and Fundación El Dorado, "Una Fundación Humana: buscando el desarrollo integral de las comunidades," not dated.

30 According to those interviewed, the Foundation holds its classes and programs on their site in the community of San Francisco El Dorado, municipality of San Isidro, on the same lands that Pacific Rim Mining once occupied. Also according to the people interviewed, while the activities of the company are primarily focused on the people living in the communities closest to the mine site, the invitation to participate in English and computer classes was also extended to people living in the urban center of San Isidro.

31 See: <http://www.centa.gob.sv/> and <http://www.fundemas.org/>

year. The Foundation also claims to have planted 70,000 trees and to maintain a tree nursery.<sup>32</sup>

**Health:** In 2014, the Foundation says it sponsored 4 health campaigns on sexual and reproductive health for 200 women in San Isidro. They also claim to have carried out campaigns to prevent cervical cancer, providing medicine to participants in these campaigns, as well as other health promotions.

**Sports:** The Foundation and OceanaGold report having built a recreational park called Parque Torogoz, named after the national bird of El Salvador. The Foundation also reports that it has supported soccer tournaments, holds a soccer school at the Foundation, and has sponsored sports programs for students during school holidays.

**Women's programs:** The Foundation also promotes its sponsorship of programs on leadership, self-esteem, and business planning for women. The research team was told during interviews it conducted that one of the programs targets women entrepreneurs. This program is also supported by a partnership with Vital Voices, an international non-profit organization co-founded by Hillary Clinton that has operated in San Salvador since 2009.<sup>33</sup> Vital Voices has received donations from the U.S.-based transnational corporation Walmart, which has long promoted neoliberal policies, including entrepreneurial activity, especially in Latin America.<sup>34</sup> According to local residents, the participants in these programs include women from communities near San Isidro who already have their own business initiatives and wish to develop their skills.<sup>35</sup>

OceanaGold also reported that it sponsored a 2014 socio-economic baseline study of the communities near the El Dorado project, which it plans to update every two years in order to “refine community

32 These activities can be seen as efforts to “greenwash” the company’s reputation, which is defined as information distributed to falsely promote an environmentally-friendly image.

33 See: <http://www.vitalvoices.org/chapters/what-we-do/regions/latin-america-and-caribbean/lac-chapters/vozes-vitales-el-salvador>

34 Bethany Moreton. *To serve god and Wal-Mart: The making of Christian free enterprise*. Cambridge, MA: Harvard University Press. 2010. See also: Walmart Press Release, “The Walmart Foundation donates \$350,000 to vital Voices Latin America and Caribbean Women’s Business Network,” March 4, 2010; <http://news.walmart.com/news-archive/2010/03/04/the-walmart-foundation-donates-350000-to-vital-voices-latin-america-caribbean-womens-business-network>.

35 Some of these programs have reportedly taken place in expensive hotels in San Salvador such as the Hilton, with transportation, meals, and other costs borne by the El Dorado Foundation. One person interviewed for this report indicated that the National Commission for Micro and Small Businesses (CONAMYPE), part of the Ministry of Economy, was present during capacity-building sessions for women sponsored by the Foundation and carried out its own training program in Cabañas at the Foundation’s headquarters in San Isidro (See: <https://www.conamype.gob.sv>). CONAMYPE, however, denies having any formal agreements with the El Dorado Foundation or Vital Voices, although it acknowledges accompanying Vital Voices to several presentations and events (Information obtained from CONAMYPE in response to access to information request 89-2015, received August 28, 2015).



programs and allow the company to measure their success.”<sup>36</sup> Because the company does not distinguish between its own activities and that of the Foundation in its reporting, it is hard to tell whether this was carried out by the Foundation or another party. Interviews by the research team with local residents and government representatives in Cabañas turned up no further information about the baseline study.<sup>37</sup>

In addition to the activities described in the Foundation brochure and the Company’s annual report, people in Cabañas reported to the research team that the Foundation has donated roofing materials to poor families, provided uniforms to soccer teams, held sewing and folklore dance classes, and made donations to patron saint festivals, birthday parties, and Christmas dinners. The Foundation was also said to offer money to help bury the deceased family members of company employees.

To date, the El Dorado Foundation has primarily focused its activities on the municipality of San Isidro.<sup>38</sup> Interviewees indicated that the Foundation has close ties to the Mayor’s Office, which is loyal to the right-wing ARENA party. Several Cabañas residents suggested that the Foundation may have provided material support to the party during the recent political elections. This includes reports by two people who told the research team that they saw company vehicles flying flags for ARENA on election day while transporting voters to the polls.

Another example of the apparently close ties between the Mayor’s Office in San Isidro and the El Dorado Foundation is the Foundation’s role in the local educational system, activities that are apparently limited to the municipality of San Isidro. According to the local delegate of the Ministry of Education, and as discussed in further detail below, the Foundation does not have permission to sponsor activities for children outside of school property nor to make changes to school property. Nonetheless, it has involved students in programs at its site and contributed building materials to several nearby schools, a situation which merits further attention by the Ministry of Education in terms of the behavior of both the Foundation and the public officials’ involved.

A number of people interviewed by the research team also indicated that the Foundation has deliberately raised expectations about future employment opportunities.<sup>39</sup> For example, several interviewees

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36 OceanaGold, June 4, 2015, page 30.

37 In general, interviewees were unaware if the Foundation or the Company had undertaken a socio-economic study, although several believe that the Mayor’s office in San Isidro may have facilitated such a project.

38 Several people also indicated that the Foundation’s promoters have been extending their outreach to other municipalities in Cabañas, such as Sensuntepeque.

described how rumors are being spread in San Isidro about future job openings. This involved inviting people to register their names on

School wall  
San Isidro, Cabañas.  
Photo: Jen Moore



a list of potential employees, thus generating expectations that they will eventually receive jobs with the company.<sup>40</sup> More importantly, these future employment opportunities are being presented as contingent on a resolution in the ICSID case that favors the mining company, i.e., a decision that compels the Salvadoran government to reverse its promise not to issue new mining permits. This information is misleading, since ICSID cannot force the government to change its laws, policies, and practices with regard to mining. Furthermore, whatever decision ICSID makes, one of the parties is likely to seek its

<sup>39</sup> According to interviews conducted by the research team with the representative of the Cabañas Ministry of Labor and Social Welfare and others, the Foundation currently employs between 40 to 60 persons. Some of these workers have been recruited through the local office of the Ministry of Labor. According to the representative of the Ministry of Labor, the El Dorado Foundation and Minerales Torogoz have primarily filled administrative positions through the local job search database. According to the results of a recent on-site inspection made by the Ministry, workers are reportedly maintaining forests and roads. The representative estimates that about 40 employees work on site.

<sup>40</sup> In 2008, Pacific Rim Mining estimated that employment would peak during 10 months of mine construction, involving 400 workers, and that the total number of employees estimated during operations would be 252 workers for the first two years and an unspecified number for the remaining 4.2 years. Of these 252 jobs, the company estimated that 150 to 160 would be filled locally, with the remaining positions requiring skilled and specialized labor from other parts of El Salvador and Central America. See: Mine Development Associates, "Technical Report Update on the El Dorado Project Gold and Silver Resources, Department of Cabañas, Republic of El Salvador," March 3, 2008.

annulment, which means the case is likely to continue. Also ignored by the promise of future employment opportunities are the regulatory requirements that the company would have to fulfill before a new mining project can receive approval by the state.<sup>41</sup>

In interviews conducted by the research team, people living in the surrounding communities raised concerns that inflated expectations regarding future employment with OceanaGold may exacerbate tensions between supporters and opponents of the mine in the event that the mining project does not go forward. The concern is that people who have been told to expect jobs or other benefits might take out their frustrations against opponents of the mining project, if it is not approved.

Overall, the research team observed that the company does not distinguish between itself and the Foundation in its reports. For its part, the Foundation openly acknowledges its close affiliation to OceanaGold in its promotional materials. The research team learned that the Foundation has been making considerable effort to insert itself into the social and cultural life of residents in San Isidro, especially in communities closest to the mine, apparently making use of its close association with municipal authorities to do so. Details about the company's information-gathering activities, such as the socio-economic study it purports to having carried out, remain scarce. The Foundation's special attention to women entrepreneurs and youth, including their parents, appears to be a means for the company to build a strategic base of support, while the dissemination of misleading information concerning the potential for future employment raises false expectations that could contribute to renewed conflict in the area.

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41 Even if the government were to renege on its commitment to not issue mine permits, OceanaGold will still have to meet regulatory requirements that Pacific Rim never fulfilled, including: (1) purchasing the land or gaining authorization to operate on all of the land above the proposed mine, (2) completing a feasibility study for the proposed mine, and (3) obtaining the necessary environmental permit.

# Community perspectives on the activities of the El Dorado Foundation

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A number of people were of the opinion that the Foundation's activities are intended to develop a strategic base of support for the company. In other words, the benefits it provides do not come without obligations.

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In light of strong opposition to mining in Cabañas, many organizations and community members described the Foundation's activities as a "rebranding" exercise for the company. Given the prevalence of relatively recent violence that is still keenly felt and remembered, they characterized the activities of the Foundation in their communities as a dangerous attempt to isolate organizations opposed to mining while trying to cultivate a more favorable public opinion of the company.

"Pacific Rim became a bad [name] in Cabañas," one person remarked. "Pacific Rim had to leave, so it won't be easy for OceanaGold," said another. Many of the people the research team spoke with believe the Foundation is the company's way of trying to win people's trust: "If they presented themselves as the company, people would perceive OceanaGold as the same as Pacific Rim, just with a different name; people would refuse to work for them." As a Foundation, however, some people are led to think: "They're going to help me."

Many people see this as a familiar strategy. OceanaGold is seen as following in the footsteps of its predecessor, Pacific Rim, which established the Foundation in December 2005 and sponsored philanthropic activities between 2005 and 2006, although more discreetly than OceanaGold is doing at present. In contrast to the activities of the El Dorado Foundation under Pacific Rim, the El Dorado Foundation is presented as the local face of the company.

People offered differing opinions as to whether they think the Foundation is successfully changing local opinions on mining. One person was definitive in saying that the Foundation is not making significant inroads, "because they don't help everyone, nor do they help all of the communities." However, another person pointed out that even though the Foundation "might not change the way people

think, it changes the way [they] act,” referring to the willingness of some people to take advantage of the programs supported by the Foundation even if they are opposed to the mining project. Several people expressed the view that the Foundation is explicitly trying to weaken support by local communities for organizations that are part of the resistance to mining, because they lack the resources to provide similar programs.

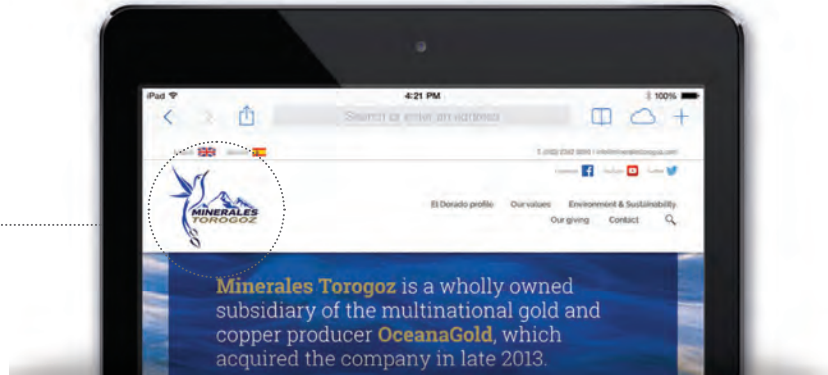
A number of people were of the opinion that the Foundation’s activities are intended to develop a strategic base of support for the company. In other words, the benefits it provides do not come without obligations. According to interviewees, people who participate in the Foundation’s activities, such as women entrepreneurs who already tend to be well-known in their communities, are expected to become the company’s indirect “promoters.”

The company and the Foundation are also jointly sponsoring a social media campaign to publicize their activities. Promoting themselves with the slogan “¡Podemos!” or “We can do it!”, the company has posted a YouTube video on the Internet and hosts a Facebook page on which it regularly publishes photographs of individuals and organizations it has helped, such as the soccer teams it has sponsored, women



entrepreneurs it has trained, or women who have received medicine from their health clinics.<sup>42</sup>

As part of its rebranding strategy, OceanaGold has also appropriated El Salvador's national bird, the torogoz, into the new name of its subsidiary, *Minerales Torogoz*, S.A. de C.V., and has even incorporated the bird into its new logo.<sup>43</sup> In the YouTube video launching its campaign, "¡Podemos!" is described as the philosophy of *Minerales Torogoz*. A man wearing a white hard hat explains, "¡Podemos!' [...] is intended to change our way of thinking because *Minerales Torogoz* can change history in the municipality of San Isidro and especially in the communities closest to the El Dorado project."<sup>44</sup> Another man wearing a yellow hard hat comments:



**“We have envisioned that one day, not too far away, the project will be a reality. This is our hope for our community, our family, and our municipality.”**

Here the speaker alludes to the El Dorado mine project without invoking its name.<sup>45</sup>

With a miner's hardhat at the center of the Foundation's logo, it was clear to everyone with whom the research team spoke that everything done by the Foundation is "lobbying for support of the mine."

According to many of the people interviewed by the research team, the activities of the Foundation are also seen as a dangerous

<sup>42</sup> See more screenshots from the Foundation's facebook page in Appendix 3 or visit: <https://www.facebook.com/Fundaci%C3%B3n-El-Dorado-882469811818997/timeline/>

<sup>43</sup> OceanaGold has two Salvadoran subsidiaries, *Minerales Torogoz*, S.A. de C.V., and *Dorado Exploraciones*, S.A. de C.V. The former was established to carry out minerals extraction and the latter minerals exploration.

<sup>44</sup> YouTube.com "Lanzamiento ¡Podemos!" published on March 27, 2015; [https://www.youtube.com/watch?v=PVvASzc\\_BwU](https://www.youtube.com/watch?v=PVvASzc_BwU)

<sup>45</sup> Ibid.

undertaking. By raising expectations for economic opportunity, they fear that the Foundation and the company will aggravate existing social divisions, potentially leading to future violence.

Not everyone interviewed subscribed to this theory, however, and there were differences in people's level of concern. However, the memory of the murders of community activists Marcelo Rivera, Ramiro Rivera Gomez, Dora "Alicia" Recinos Sorto and her unborn child, and Juan Francisco Durán Ayala remain very present and painful for many people. Although it has never been demonstrated that Pacific Rim was responsible for the violence between 2009 and 2011, given that the Public Prosecutor's Office (FGR) failed to investigate the intellectual authors of these crimes despite repeated requests, there is a strong conviction among the people interviewed by the research team that the murders and other violent threats were directly related to the conflict over mining instigated by the company's presence in Cabañas. Since 2013, several civil society organizations have also reported being harassed by police, assaulted by unknown assailants, or having had their premises or vehicles entered and information stolen from them.<sup>46</sup> Several people interviewed by the research team pointed out that the underlying conditions which led to the murder of the four community activists have not changed. They pointed to the fact that these crimes have yet to be fully investigated and that the "intellectual authors" of these crimes have never been held to account. As a result, despite generally broad support for their position as indicated by the 2015 UCA public opinion poll on mining and the commitments of three consecutive Salvadoran presidents not to issue any new mining permits, a considerable number of interviewees expressed serious concerns that the people most visible in the fight against the El Dorado project could once again be targeted for their views about mining.

Many interviewees expressed concerns about their own security. One person told the research team: "I'm not afraid, but many [others] are afraid and don't want to talk about this. People are afraid to talk even though they aren't in agreement [with mining]." A group of four local residents expressed concern and even fear



Image from the video "Podemos" in the Youtube page of El Dorado Foundation.

<sup>46</sup> See: Frontline Defenders, Submission to the 20th Session of the United Nations Universal Periodic Review, submitted March 14, 2014; [https://www.frontlinedefenders.org/files/front\\_line\\_defenders\\_upr20\\_el\\_salvador\\_march2014\\_full.pdf](https://www.frontlinedefenders.org/files/front_line_defenders_upr20_el_salvador_march2014_full.pdf); Frontline Defenders, "El Salvador – Police harass HRD Father Neftalí Ruíz Martínez," <https://www.frontlinedefenders.org/node/28480>; Hector Berríos, "Protect El Salvador community from mining company's abuse," April 2014; [https://www.change.org/p/world-bank-protect-el-salvador-community-from-mining-company-s-abuse?recruiter=44607875&utm\\_source=share\\_petition&utm\\_medium=facebook&utm\\_campaign=share\\_page&utm\\_term=des-lg-no\\_src-custom\\_msg](https://www.change.org/p/world-bank-protect-el-salvador-community-from-mining-company-s-abuse?recruiter=44607875&utm_source=share_petition&utm_medium=facebook&utm_campaign=share_page&utm_term=des-lg-no_src-custom_msg), and Personal correspondence from Francisco Pineda Coordinador of the Cabañas Environmental Committee, September 13, 2015.



Portrait of Marcelo Rivera  
in Casa de Cultura,  
San Isidro, Cabañas.  
*Photo: Jen Moore*

about speaking with the research team, out of concern that interacting with us might make them vulnerable to retaliation. Many of them felt that violence might come from people or groups who expect to benefit from the mine in the event that the company is unsuccessful in starting the project.

We did not receive reports that the company is directly employing tactics of intimidation against the surrounding communities. However, various people raised questions about OceanaGold's political associations in El Salvador. They recalled that Pacific Rim Mining was previously represented by Rodrigo Chávez Palacios, son of a former Minister of Foreign Affairs in El Salvador<sup>47</sup> and now known as "the butcher" after he chopped up the body of a person who worked in the Mayor's Office in Santa Tecla and stuffed it in suitcases.<sup>48</sup> Palacios was arrested in September 2014 and sentenced to eleven

47 Rodrigo Chávez Palacios is son of Fidel Chávez Mena, former Minister of Foreign Affairs and twice presidential candidate for the Christian Democratic Party (PDC by its initials in Spanish).

48 El Blog, "Cae presunto autor de cuerpo descuartizado encontrado en maletas," September 7, 2014; <http://elblog.com/noticias/registro-15744.html>; and Diario1.com, "La extraña historia del descuartizador de Lomas del San Francisco," September 6, 2014; <http://diario1.com/zona-1/2014/09/la-extrana-historia-del-descuartizador-de-la-colonia-san-francisco/>



years in jail.<sup>49</sup> Given past experiences, the people of San Isidro are understandably concerned about OceanaGold's choice of political allies: "It is these people who could terrorize the communities," remarked one person. In other words, the threats and intimidation do not need to come directly from the company to be effective. They could come from other individuals who are either affiliated with the company's political allies or possess overlapping political and economic interests. One person who was skeptical of claims that the Foundation's activities might lead to violence, nonetheless concluded that the risk of violence would ultimately depend on the actions of the company and its choice of allies.

Finally, concern was also expressed to the research team that the company's investments in the Foundation, while simultaneously suing the country through its subsidiary Pac Rim Cayman LLC for millions of dollars, was "making a laughingstock of the country." The interviewee added: "It is ridiculous for the Company to say that it is promoting economic development in Cabañas when the \$12 million dollars [that the state has spent on legal costs to fight the suit at the World Bank Tribunal] could be used for many projects in Cabañas and the country."

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Given past experiences, the people of San Isidro are understandably concerned about OceanaGold's choice of political allies: "It is these people who could terrorize the communities," remarked one person. In other words, the threats and intimidation do not need to come directly from the company to be effective. They could come from other individuals who are either affiliated with the company's political allies or possess overlapping political and economic interests.

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49 Procuraduría para la Defensa de los Derechos Humanos (PDDH), "PDDH investigará actuación de la FGR en caso de Rodrigo Chávez Palacios, condenado a 11 años de prisión por el asesinato y desmembramiento de un joven," April 23, 2015; <http://www.pddh.gob.sv/menupress/menuprensa/651-pddh-investigara-actuacion-de-la-fgr-en-caso-de-rodrigo-chavez-palacios-condenado-a-11-anos-de-prision-por-el-asesinato-y-desmembramiento-de-un-joven>

# State responses to the Foundation's activities

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The activities of the Foundation create political conflicts between right wing mayors who have long supported mining in Cabañas and the FMLN administration in the department.

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During interviews with government representatives in Cabañas and San Salvador, the research team regularly heard consternation expressed at OceanaGold's brazen attitude, as demonstrated by its funding of activities in Cabañas through the foundation while participating in the lawsuit against the state. The research team also heard concerns that the company's activities might lead to the resumption of violence.

Our interview with the Director of Education in Cabañas, Miriam Hernández, was especially telling. In keeping with the government's position against the authorization of new mining projects, Ms. Hernández was especially frank in her opposition to the activities of the Foundation. She views the activities of the Foundation as having the potential to aggravate social conflict. She spoke from personal experience, as she knew Marcelo Rivera before he was brutally murdered. She said that the activities of the Foundation create political conflicts between right wing mayors who have long supported mining in Cabañas and the FMLN administration in the department, which supports the presidential commitment not to grant any mining permits. She said that the company's relationship with local mayors allows the Foundation to undertake activities that the Ministry of Education explicitly opposes. She offered several examples, including the literacy program to which the Foundation contributes, payments to teachers, the provision of laminate roofing materials to several schools, and other extracurricular activities for students that lack approval from the Ministry of Education.

She also believes that by targeting youth, the Foundation hopes to reach their parents. This puts her in a difficult position. "One feels between a rock and a hard place," she said. "It is difficult when you hear from a mother or a father who is receiving a salary from the Foundation and blames us for impeding the Foundation's work, on one hand, [or] that we are denying their children a better education.... At the same time, parents who are opposed to mining [and] know that it... brings negative short and long term impacts, are supportive of the position the Ministry has taken." As this example suggests, the activities of the Foundation foster tensions between families with children in the same school according to their relationship to the El

Dorado Foundation and their views on the desirability of metallic mining.

In San Salvador, the Minister of Environment, Lina Pohl, emphasized that the Company will not obtain permits to explore or operate the mine while she remains in her post. However, she also acknowledged that the lack of legislation to explicitly ban mining means that the company will continue trying to create the conditions for mining in the future. Like other people with whom the research team spoke, she expressed concern about the potential resumption of violent conflict in Cabañas. She indicated that central government officials are not fully aware of the activities of the Foundation, and consequently thinks that the research undertaken for this report will be of value.

Another state official interviewed in San Salvador, Yanira Cortez, Deputy Attorney for the Environment at the Office of the Ombudsman for Human Rights, also expressed the view that the activities of the Foundation are highly inappropriate given the historical tensions and violence in Cabañas and the fact that the corporation is suing the state. She suggested that the current activities of the Foundation seem to be repeating, in certain respects, a pattern previously established by Pacific Rim. She also stressed the lack of progress in investigations conducted by the Public Prosecutor's Office (FGR) regarding the murder of community activists, and its insistence on treating the 2009-2011 murders as cases related to common delinquency, which effectively grants impunity to the intellectual authors of these crimes. Cortez also pointed out that the activities of the Foundation and the aspirations of the company are not only an issue for Cabañas, but of great significance for all of the communities along the Titihuapa River and the Lempa Watershed, as well as El Salvador as a whole. This has led the Ombudsman's Office to call on state authorities to investigate the overall situation as it pertains to mining, arguing that the state is in violation of its international human rights obligations and therefore has a responsibility to undertake immediate action.

Stock photo:  
International Allies Against  
Mining in El Salvador.



# Conclusion

But the company's multi-million dollar arbitration claim against El Salvador, its insistence on trying to foster support in Cabañas despite broad opposition to mining, and recent violence in the area, contradict its claim to act in a responsible manner and benefit local communities and the state.

The evidence presented in this report demonstrates that OceanaGold is using the El Dorado Foundation to increase social and political support for opening the El Dorado gold mine in Cabañas. The company's claim to practice "corporate social responsibility" and its support for the activities of the Foundation are examples of the larger international trend in which corporations seek to "gain access to new kinds of moral and social resources" that can be mobilized "in pursuit of their economic goals."<sup>50</sup> But the company's multi-million dollar arbitration claim against El Salvador, its insistence on trying to foster support in Cabañas despite broad opposition to mining, and recent violence in the area, contradict its claim to act in a responsible manner and benefit local communities and the state.

The impression that the Foundation operates independently of the company is also misleading. There is significant overlap between the Foundation's board of directors and the legal representatives of OceanaGold's subsidiaries in El Salvador. The Foundation's official brochure and online promotional video depict the company and the foundation as teaming up to work energetically for positive social change in San Isidro by opening the mine. The company's communications with its shareholders do not distinguish between the activities of OceanaGold in El Salvador and the Foundation. Further, in its 2015 report, OceanaGold explicitly states that its investments, including activities undertaken by the Foundation in Cabañas, are intended to create "a roadmap in unlocking the economic and social enhancements associated with a responsible mining operation at El Dorado for the community and in the broader country."<sup>51</sup>

The activities of the El Dorado Foundation under OceanaGold's watch represent a corporate strategy that is familiar to people living in Cabañas. Its predecessor Pacific Rim Mining used charitable activities for similar ends. In 2010, conservationist Richard Steiner wrote in his report *Gold, Guns, and Choice* that company funds were provided for "local initiatives aimed at winning local consent for the project."<sup>52</sup> Funds were also said to be paid directly to several mayors in the region,

50 Dinah Rajak. *In good company: An anatomy of corporate social responsibility*. Stanford, CA: Stanford University Press, pg. 18. 2011.

51 OceanaGold, June 4, 2015, page 30.

52 Richard Steiner. *El Salvador – Gold, guns and choice: The El Dorado gold mine, violence in Cabañas, CAFTA-DR claims, and the national effort to ban mining*. February 2010, pg. 21.

who already have a powerful incentive to support the project given the political and economic capital that would accrue from administering royalties from any future gold mine.<sup>53</sup> Steiner concluded that Pacific Rim's activities led to the creation of "corrosive communities" in which "an intense socio-political polarity ... developed between proponents and opponents of mining [that led] to social tensions, emotional stress, disintegration of civil society, political turmoil and violence."<sup>54</sup> To many of the people with whom we spoke, the scars and pain from this violent period are ever-present memories. A range of residents, community leaders, and state authorities expressed fears and concerns that OceanaGold continues to stoke the fires of conflict through its operation of the El Dorado Foundation.

Rather than operate transparently by providing detailed information about the proposed mining project and its potential social and environmental impacts, or being more explicit about the relationship between the Foundation and the company's objective of building a mine, OceanaGold relies on propaganda, local programming, and charitable donations to convey the impression that the company will do things differently than Pacific Rim. But for all of the computer classes and health clinics that the Foundation provides, these activities do not address local concerns about the potential drying up of water supplies on which they depend or the risk of future heavy metal contamination from mining activities. Nor do the images in the Foundation's brochure of smiling children and adults from communities living beside OceanaGold's Didipio mine in the Philippines acknowledge the violent conflict in which two local activists were murdered in 2012,<sup>55</sup> or local complaints about the demolition of homes and water contamination from the open-pit gold and copper mine.<sup>56</sup> The deliberate omissions and misleading information in this brochure illustrate how the idea of corporate social responsibility represents a deceptive marketing strategy rather than changes in how mining companies like OceanaGold operate.

It is equally misleading for the company or the Foundation's promoters to promise employment opportunities in the near future. This ignores the fact that the proposed mining project has never met the regulatory requirements for mining in El Salvador, and consequently creates false expectations. In this same vein, it is problematic for company or Foundation representatives in Cabañas to suggest to local residents that a decision from ICSID favorable to the company would force the

53 Ibid, pg. 21.

54 Ibid, pg. 19.

55 Judy A. Pasimio, "May she rest in peace," Human Rights Online Philippines, December 14, 2012.

56 John Cavanagh and Robin Broad, "The real cost of gold in the Philippines," Yes! Magazine, September 13, 2013; <http://www.yesmagazine.org/blogs/john-cavanagh-and-robin-broad/the-real-cost-of-gold-in-the-philippines>

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state to issue a mining permit, when ICSID does not have this power. Furthermore, any decision by ICSID is likely to be challenged by one of the parties, which means that the case is far from being resolved.

Similarly, the Foundation's practice of undertaking activities at schools and with students against the explicit policies of the appropriate authorities, as reported by the local representative for the Ministry of Education, is tantamount to "playing politics" between right wing mayors who have long supported mining in Cabañas and the FMLN administration in the department, which supports the presidential commitment not to grant any mining permits. Such behavior has the potential to deepen social and political divisions within Cabañas and is not appropriate for a foreign corporation or its Foundation.<sup>57</sup>

The practices of the Foundation, including its use of misleading information and promises, as well as its continued efforts to promote its interests through local political connections, have the potential to exacerbate historical conflict over mining and the defense of the environment in Cabañas. This conflict has already contributed to threats and violence, which have yet to be fully investigated, such as the murder of community activists Marcelo Rivera, Ramiro Rivera Gomez, Dora "Alicia" Recinos Sorto and her unborn child, and Juan Francisco Durán. The climate of fear resulting from these assassinations and other threats of violence is still palpable in the communities today – and there are very real and serious concerns that the activities of the Foundation and the Company are establishing the conditions for the reemergence of violence in Cabañas. In particular, the activities of the Foundation are oriented in such a way that they undermine the local environmental movement by limiting its ability to challenge the mining project without jeopardizing the benefits that some individuals and groups are receiving or expect to receive. This heightens the risk that its members could be exposed to angry and violent reprisals. There is also a risk of violence from individuals or groups affiliated with the company, or who possess overlapping political and economic interests.

The study conducted by the research team raises serious doubts about the legitimacy of the El Dorado Foundation and its claim to promote the welfare of the people of Cabañas through its activities. It is vital that Salvadorans and Salvadoran authorities fully examine OceanaGold's

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<sup>57</sup> The principle of non-interference in domestic affairs is referred to in the United Nations Centre on Transnational Corporations (UNCTC) Draft Code and the Organization for Economic Cooperation and Development (OECD) Guidelines on Multinational Enterprises. It is also contained in the United Nations General Assembly Resolution 2625 (XXV): Declaration on Principles of International Law concerning Friendly Relations and Co-operation among States in accordance with the Charter of the United Nations. Furthermore, the Salvadoran Law for Non-Profit Associations and Foundations, Decree No. 894, states in Article 47: "Foreign associations and foundations should abstain from participating in political activities."

current activities and investments, especially through the El Dorado Foundation, which are clearly designed to enhance the company's reputation and build a strategic base of support among the people of Cabañas, thereby promoting the El Dorado mine project.

Considering the strong opposition to mining at the local and national level in El Salvador indicated by the 2015 UCA poll, and OceanaGold's willingness to continue the lawsuit against El Salvador that has already cost the state an estimated \$12.7 million dollars in legal fees, the El Dorado Foundation exhibits blatant disregard for the views and wellbeing of the Salvadoran people, despite its virtuous claims to operate responsibly. OceanaGold "is making a laughingstock of the country," as one interviewee commented to the research team. "It is ridiculous for the Company to say that it is promoting economic development in Cabañas when the \$12 million dollars [that the state has spent on legal costs to fight the suit at the World Bank Tribunal] could be used for many projects in Cabañas and the country." Even worse, the company's willingness to play with fire in Cabañas, where the relatively recent results of mining conflict have already turned deadly, is completely irresponsible and stands in sharp contrast to its claim to better the quality of life in local communities and practice "responsible mining."

Given the deceptive, dangerous, and disrespectful activities of OceanaGold and the El Dorado Foundation, it is the conclusion of this report that these activities should cease and the Foundation should be closed.

This finding is based on potential human rights violations, as well as moral and legal concerns. First, given the threats and violence that have already resulted from conflict over mining in Cabañas, the closure of the Foundation is necessary to prevent further escalation of conflict and potential violence. Second, given that OceanaGold is using the Foundation to try to strengthen social and political support for its proposed mine project, closing the El Dorado Foundation is commensurate with the position on mining that Salvadorans have been articulating for years: that metal mining activities are not their desired option to ensure healthy communities, a safe environment, or sustainable economies for future generations. Third, since the El Dorado Foundation's charter of incorporation is limited to non-profit activities, OceanaGold's use of the Foundation to try to advance its commercial, for-profit activities may be in breach of Salvadoran law. To this end, the research team encourages Salvadoran authorities in Cabañas and the central government to fully investigate the activities and investments of OceanaGold and its subsidiaries in El Salvador, including through the El Dorado Foundation. This should include a full release and audit of the Foundation's financial records since 2011, which have not been made available to the public.

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and the country."

Finally, OceanaGold is only investing in the El Dorado Foundation because it believes that its activities will help the company obtain a mine permit. The negative consequences of these activities underscore the importance of heeding the longstanding call of Salvadoran civil society, the Salvadoran Catholic Church and the Human Rights Ombudsmans' Office to prohibit metallic mining, which would stop the sort of disruptive and dangerous activities in which OceanaGold is currently engaged.

Stock photo:  
International Allies Against  
Mining in El Salvador.





# Appendix



# Appendix 1:

## OceanaGold's ICSID case against El Salvador

OceanaGold, a mid-sized mining company with operational mines in the Philippines and New Zealand, acquired all of the shares of Pacific Rim Mining, including its primary interest in the El Dorado gold project in October 2013. In addition to the Foundation El Dorado, OceanaGold also has two subsidiaries in El Salvador, including Minerales Torogoz, S.A. de C.V., referring to El Salvador's national bird and whose principal function is mineral extraction, and Dorado Exploraciones, S.A. de C.V, whose principal function is mineral exploration.

OceanaGold's wholly-owned US subsidiary Pac Rim Cayman LLC is the complainant in the controversial lawsuit against El Salvador in the International Center for Settlement of Investment Disputes (ICSID), an international arbitration tribunal that is part of the World Bank Group in Washington, D.C., and facilitates legal dispute resolution and conciliation between international investors and states.<sup>58</sup> The company seeks damages of US\$250 million<sup>59</sup> (as of this writing) for alleged losses of potential profits from the El Dorado gold project after it did not receive a mining permit, which it claims it is due even though the company failed to meet the requirements to operate a mine under the country's mining code.

According to American University Professor Robin Broad, "ICSID is biased and flawed in two main ways: (1) ICSID is biased in favor of corporate and commercial interests over both government and non-corporate non-governmental actors; and (2) ICSID excludes consideration of vital, non-commercial interests such as the environment and the broader public good."<sup>60</sup> In 2012, all of the new cases filed with ICSID were against the governments of developing countries; one-third of these complaints were filed by extractive industry.<sup>61</sup>

As Broad notes, the case by Pac Rim was initially filed under both the Central American Free Trade Agreement (DR-CAFTA) and the domestic investment law of El Salvador, but only the second jurisdiction was recognized by ICSID.<sup>62</sup> Environmental considerations have been raised by lawyers for El Salvador, such as the potential impact of gold mining on the Lempa River and the importance of this watershed for the country, but there is no guarantee that these concerns will be taken into consideration given that arbiters are mandated to focus on commercial issues

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58 Robin Broad. Corporate bias in the World Bank Group's International Center for Settlement of Investment Disputes: A case study of a global mining corporation suing El Salvador. *University of Pennsylvania Journal of International Law* 36(4): 851-857, 2015.

59 This is the figure as of writing. Previously, the amount has been in excess of US\$300 million.

60 Robin Broad (2015), pg. 854. Citing Sarah Anderson and Manuel Perez-Rocha. Mining for profits in International tribunals: Lessons for the Trans-Pacific Partnership. *Institute for Policy Studies* 6 (Apr. 2013); [http://www.ips-dc.org/mining\\_for\\_profits\\_update2013/](http://www.ips-dc.org/mining_for_profits_update2013/)

61 Ibid, pg. 863.

62 Ibid, pgs. 870-871.

and environmental considerations are “not material in ICSID procedures.”<sup>63</sup> Broad concludes: “The Salvadoran government should be allowed, indeed encouraged, to protect a key watershed from the adverse environmental impacts of gold mining.”<sup>64</sup> In contrast, “rulings by ICSID do the exact opposite – providing a negative incentive on a national level for environmental and social regulations, for fear of being sued for ‘indirect taking’ via regulation. This is what has been termed ‘regulatory chill.’”<sup>65</sup>

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63 Pac Rim, supra note 15. ¶¶ 57-65, 203-206, 249-255, 252-288; Id., *El Salvador’s Counter-Memorial on Merits*, ¶¶ 249-55 (July 11, 2014).

64 Robin Broad, 2015, pgs. 870-871.

65 Ibid, pg. 871. Also see, Comments of Mr. Malan Lindeque, Permanent Secretary to the Ministry of Trade and Industry in Namibia for the World Investment Forum 2014: Investing in Sustainable Development, IIA Conference, October 16, 2014; and Gus Van Harte and Dayna Nadine Scott, “Investment Treaties and the Internal Vetting of Regulatory Proposals: A Case Study from Canada,” Osgoode Hall Law School: Legal Studies Research Papers, Research Paper No. 71, Volume 12, Number 15, 2015.

## Appendix 2:

### OceanaGold's wholly-owned subsidiaries with regard to its holdings in El Salvador

Since 2014, OceanaGold owns the El Dorado project in El Salvador through a private company registered in British Columbia, 1015776 B.C. Ltd. The structure of 1015776 B.C. Ltd., itself a wholly-owned subsidiary of OceanaGold, is as follows<sup>66</sup>:

Subsidiary Name	Jurisdiction	Percentage of Shares held by OceanaGold
1015776 B.C. Ltd.	Canada	100
- 0981436 B.C. Ltd.	Canada	100
-- Pacific Rim Mining Corp.	Canada	100
--- Dayton Mining (U.S.) Inc.	USA	100
--- Pac Rim Cayman LLC	USA	100
---- Pacific Rim Exploration Inc.	USA	100
---- Pac Rim Caribe	Cayman Islands	100
---- Pac Rim Caribe III	Cayman Islands	100
---- Pacific Rim El Salvador S.A. (now Minerales Torogoz S.A. de C.V.) <sup>Note 1</sup>	El Salvador	99.9 <sup>Note2</sup>
---- Dorado Exploraciones S.A. de C.V. <sup>Note3</sup>	El Salvador	99.9 <sup>Note4</sup>
---- Pacrimco, S.A.	Costa Rica	N/A
---- Minera Pacific Rim S.A.	Mexico	99.9
---- Exploradora Pacific Rim S.A.C.	Peru	99
---- Pacific Rim Chile Ltda.	Chile	N/A

#### Notes

1. The Legal representatives as of Jan 22, 2015: Ericka Janeth Colindres Vásquez (former spokesperson in El Salvador of Pacific Rim Mining), Michael Francis Wilkes (CEO of OceanaGold), and Luis Alonso Medina López (Lawyer with the Salvadoran firm Rusconi, Medina & Asociados/ Central Law El Salvador)<sup>67</sup>

<sup>66</sup> OceanaGold, "Annual Information Form for the year ended December 31, 2014," March 31, 2015.

<sup>67</sup> Information received on September 1, 2105 from the National Registry (Centro Nacional de Registros) in response to access to information request CNR-2015-131.

- Objects: industrial, economic activity, mineral extraction
  - Minerales Torogoz shares the same address, phone and fax number as the El Dorado Foundation: Address: Caserío Las Minas, Cantón San Francisco, El Dorado, Km. 74 Carret. A Sensuntepeque, Cabañas<sup>68</sup>; Tel: (503) 2382-0290/(503) 2382-0470
2. As of 2013, Pacific Rim El Salvador S.A. had 27,929 shares in total: 1 was held by Luis Alonso Medina López and the other 57,928 by Pac Rim Cayman LLC.<sup>69</sup> Accounts for Minerals Torogoz S.A. de C.V. have yet to be obtained.
  3. Legal representatives as of Jan 21, 2015 are the same as for Minerales Torogoz, S.A.: Ericka Janeth Colindres Vásquez, Michael Francis Wilkes, and Luis Alonso Medina López.<sup>70</sup>
    - Objects: industrial, economic activity, mineral exploration
  4. Dorado Exploraciones has 1,200 shares: 1 is held by Luis Alonso Medina López and the other 1,199 are held by by Pac Rim Cayman LLC<sup>71</sup>

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68 [http://www.amchamsal.com/index.php?option=com\\_sobipro&pid=56&sid=270:MINERALES-TOROGOZ-S-A-DE-C-V&Itemid=223&lang=en](http://www.amchamsal.com/index.php?option=com_sobipro&pid=56&sid=270:MINERALES-TOROGOZ-S-A-DE-C-V&Itemid=223&lang=en)

69 Pacific Rim El Salvador, S.A. de C.V., Balance Sheet, December 31, 2013.

70 Information received on August 21, 2105 from the National Registry (Centro Nacional de Registros) in response to access to information request CNR-2015-131.

71 Dorado Exploraciones, S.A. de C.V., Balance Sheet, December 31, 2013.

## Appendix 3:

### El Dorado Foundation Board of Directors

The original El Dorado Foundation board of directors in 2005 was as follows<sup>72</sup>:

- Director President: Frederick Hume Earnest, Mine Engineer, US citizen
- Director VP: Juan Carlos Varela Garcia, Geologist, Costarican
- Director Secretary: Luis Alonso Medina Lopez, Lawyer and Notary, Salvadoran
- Director Treasurer: Nelson Armando Ramirez, Accountant, Salvadoran
- First Spokesperson: Carlos Edgardo Serrano Trujillo, Civil Engineer, Salvadoran
- Second Spokesperson: Rafael Angel Chavarría Rodríguez, Geologist, Costarican
- Third Spokesperson: Eduardo Alvarado Barrantes, Geologist, Costarican
- Fourth Spokesperson: Ana Miriam Amaya Carranza, Secretary, Salvadoran

The board of directors for 2008-2010 was (see further detail on their citizenship and vocation in listing for 2013-2105 period further below) <sup>73</sup>:

- Director President: William Thomas Gehlen
- Director Vice President: Cristina Elizabeth Garcia Cabezas
- Director Secretary: Ericka Janeth Colindres Vásquez
- Treasurer: Ricardo Enrique Araujo Minero
- First Spokesperson: Gilberto Moreno
- Second Spokesperson: Marcial Ernesto Méndez Murillo
- Third Spokesperson: Luis Alonso Lozano Gallegos
- Fourth Spokesperson: Mirna Roxana Andrade Rivas

The board of directors for 2011-2013 was<sup>74</sup>:

- Director President: William Thomas Gehlen
- Director Vice President: Ericka Janeth Colindres Vásquez
- Director Secretary: Cristina Elizabeth Garcia Cabezas
- Treasurer: Ricardo Enrique Araujo Minero
- First Spokesperson: Gilberto Moreno Moreno
- Second Spokesperson: Marcial Ernesto Méndez Murillo

<sup>72</sup> Republica de El Salvador en la América Central, Diario Oficial, Volume No. 369, No. 230, December 9, 2005.

<sup>73</sup> Record of a meeting of the General Assembly of Founding Members of the El Dorado Foundation, November 17, 2008; received from the Ministerio de Gobernación in response to access to information request MIGOB-2015-165 on September 9, 2015.

<sup>74</sup> Record of a meeting of the General Assembly of Founding Members of the El Dorado Foundation, January 16, 2011; received from the Ministerio de Gobernación in response to access to information request MIGOB-2015-165 on September 9, 2015.

- Third Spokesperson: Luis Alonso Lozano Gallegos
- Fourth Spokesperson: Mirna Roxana Andrade Rivas de Rodriguez

The board of directors for the period 2013-2015 was:

- Director President: William Thomas Gehlen, geologist, US, lives in Reno, Nevada
- Director Vice President: Ericka Janeth Colindres Vásquez, chemical engineer, Salvadoran, lives in Soyapango, San Salvador
- Director Secretary: Cristina Elizabeth Garcia Cabezas, Salvadoran, lives in Sensuntepeque, Cabañas
- Director Treasurer: Luis Alonso Lozano Gallegos, teacher, Salvadoran, lives in Ilopango, San Salvador
- First Spokesperson: Gilberto Moreno, bricklayer, Salvadoran, lives in San Isidro, Cabañas
- Second Spokesperson: Marcial Ernesto Mendez Murillo, employee, Salvadoran, lives in Potonico, Chaletenango
- Third Spokesperson: Blanca Lilis Vides Guardado, Public Accountant, lives in San Salvador, San Salvador
- Fourth Spokesperson: Mirna Roxana Andrade de Rodríguez, housekeeper, Salvadoran, lives in Sensuntepeque, Cabañas.<sup>75</sup>

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<sup>75</sup> Record of a meeting of the General Assembly of Founding Members of the El Dorado Foundation, September 13, 2013; received from the Ministerio de Gobernación in response to access to information request MIGOB-2015-165 on September 9, 2015.

# Appendix 4:

## Select pages from El Dorado Foundation brochure

Reads: "A humane foundation seeking holistic community development."



Cover

Reads: "OceanaGold is strongly committed to local communities through focused programs, principally in the area of holistic education, health, environmental improvement, promotion of a culture of peace and the promotion of entrepreneurship."



Page 1

Reads: "How does OceanaGold help El Salvador through the El Dorado Foundation?"



Page 6





Page 7

Image of the municipality of San Isidro, Cabañas and surrounding communities.



Page 8

Reads: “**Our mission** is to promote development, holistic education, health, protection, environmental conservation and productive economic growth through improved skills and social projects that benefit communities in the municipality of San Isidro. **Our vision** is to be a leading and innovative foundation for economic and social development that, acting locally, helps build experiences and exchange skills to promote an active citizenship and an improved quality of life.”



Page 10

Reads: “Values: respect, integrity, team work, innovation, action and responsibility; Policies: community-based, environmental, human rights, diversity.”

Reads: "Environmental conservation: for the foundation it is important to promote positive behaviour among the local population to protect natural resources for the protection of biodiversity and the natural environment through talks, Earth Day celebrations, ecological clubs, as well as clean-up and fumigation campaigns."

Page 14



Logros  
**CONSERVACIÓN DEL MEDIO AMBIENTE**

Para la Fundación es importante promover en la población comportamientos positivos hacia la preservación de los recursos naturales para la protección de la biodiversidad y los ambientes naturales.

- Charlas ecológicas sobre la "Importancia del medio ambiente".
- Celebración del Día de la Tierra, en colaboración con CENEA, FUNDEMÁS y Unidades Municipales de medio ambiente.
- Creación de clubes ecológicos en Centros Escolares.
- Campañas de limpieza y fumigación 2 veces al año.

**A la fecha, la Fundación ha colaborado en la siembra de más de 70,000 árboles.**



Logros  
**PROGRAMAS VOCACIONALES**

La Fundación a través de sus programas de emprendimiento, fortalece las capacidades y conocimiento de las comunidades para que puedan valerse por sí mismas realizando talleres de:

- Talleres de carpintería, albañería y elaboración de productos de limpieza y perfumería.
- Talleres de liderazgo: Autoestima y Planes de Negocio dirigido a mujeres.

Page 16

Reads: "Vocational programs: The foundation provides entrepreneurial training programs to strengthen skills and knowledge in the communities so that they can be self-sufficient through diverse workshops, such as carpentry, masonry, leadership, etc."

Reads: "We can do it! Working together. Supporting communities is key for their own development and for the El Dorado Foundation it is important to create awareness that development and opportunities are built by working together."

Page 17

**¡Podemos!**  
Trabajando unidos

El apoyo de las comunidades es indispensable para su propio desarrollo, y para la Fundación El Dorado es importante crear conciencia de que el desarrollo y las oportunidades se construyen trabajando juntos.



El Desarrollo de las Comunidades y las personas  
**Nos llevará al progreso**



Page 18

Reads: "Community and personal development will bring progress"

## Appendix 5:

### El Dorado Foundation Social Media Campaign



El Dorado Foundation:  
'Sports, overcome  
shyness'



'Success stories:  
We can take care of  
women's health'

Cover Photos

Back to Album · Fundación El Dorado's Photos · Fundación El Dorado's Page

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**Fundación El Dorado**  
El pasado 29 de junio Voces Vitales y Fundación El Dorado finalizaron su programa de mentoría a mujeres emprendedoras del municipio de San Isidro. Con este programa se potencializan las habilidades de la mujer.  
July 8 · Edited

Maná Martínez, Flor Mireya Cortez, Mayra Romero and 14 others like this.

**Adriana Horta** De que se trata la funcion de la organizacion ?  
July 11 at 4:14pm

**Adriana Horta** Felicidades Tonita y a todas las honoradas  
July 11 at 4:11pm

**Maria Martínez** Felicidades prima  
July 15 at 12:04pm

Album: Cover Photos  
Shared with: Public  
Open Photo Viewer  
Embed Post

The El Dorado Foundation reported that on June 29th it completed its mentorship program with women from the municipality of San Isidro in collaboration with the NGO Vital Voices, congratulating those who participated.



Ramiro Rivera

Executive Director



Marcelo Rivera

Executive Director



Dora Sorita



Institute for  
Policy Studies

