



SIMANDOU PROJECT: RISKS AND IMPACTS ON BIODIVERSITY



Guinea's exceptional biological diversity is under increasing threat from human activities, including major mining projects such as the Simandou project. This alert summarizes the risks and impacts of the project on biodiversity, and proposes effective prevention and mitigation measures to protect ecosystems.

THE SIMANDOU PROJECT AT A GLANCE

Nestled in the forested mountains of Guinea in West Africa lies what is reportedly the world's biggest untapped high-grade iron ore deposit. One of the continent's most ambitious combined mining and infrastructure projects, the Simandou project covers a total area of 1,500 square kilometers where ore will be extracted, processed and then transported 650 kilometers along a rail line cutting through the country's endangered species habitats, agricultural lands and protected areas before finally arriving at a new deepwater port in local fishery areas for export.

Coveted by international mining companies for decades, today's project proponents include two consortiums: Australian mining giant Rio Tinto with Chinese aluminum producer Chinalco (Simfer) and China's largest aluminum producer, Hongqiao with a Singapore-based entity Winning (Winning Consortium Simandou or WCS). News reports indicate China's largest steel maker, Baowu, is in talks with both consortia. Construction has started on the rail line and port - estimated to cost USD 13 billion to build - held by the two consortia and the Guinean government, and on the WCS blocks. Rio Tinto is in the process of updating its studies in order to start construction.

THE SIMANDOU PROJECT'S IMPACTS ON BIODIVERSITY

The Republic of Guinea enjoys exceptional biological diversity, with an ecosystem rich in savannahs, dense wet and dry forests, mangroves and wetlands. The country is home to 3,062 plant species and 4,931 animal species, according to the national monograph published in 1997.

The state of its biodiversity presents a diversified ecosystem. The main groups are terrestrial, cool water, coastal, aquatic, island and built-up ecosystems. The surface area of its network of protected areas, comprising protected areas, large classified forests, mangroves, major wetlands, rainforests, gallery forests, dry forests and savannahs, makes up 15% of the national territory, while freshwater ecosystems make up 1,161 watercourses in 23 river basins, 14 of which are international. (National Biodiversity Strategy, 2016).

Furthermore, Guinea has the largest residual chimpanzee population in West Africa with an estimated population of 17,700 individuals according to a study by Regnault & Boesch carried out in 2012. (Ham, 1998; Kormos et al. 2003, Kühl et al. 2017).

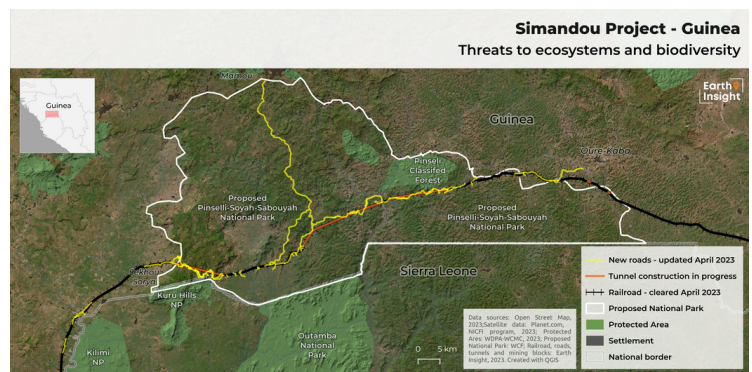
In 2016, the West African chimpanzee was classified as "critically endangered" on the IUCN Red List of Threatened Species.

The classified forests of Ziama and Diécké in southern Guinea are home to rare species such as dwarf hippopotamuses, panthers and elephants (Stratégie nationale sur la diversité biologique, 2016).

An endangered biodiversity and under pressure

The direct and indirect impacts of human activities, whether artisanal or industrial, are exerting strong pressure on biodiversity in Guinea.

Forest resources, land and dense dry forest are declining by 17% every 15 years. Dense rainforest, meanwhile, has shrunk from 14 million hectares in 1967 to just 700,000 ha in 2002. (National Biodiversity Strategy, 2016).



Credits: Prepared by Earth Insight for the 11th Hour Project September 2023. Latest Update: January 2024

This map shows the outline of the proposed Pinselli, Soyah and Sabouyah national park on the border with Sierra Leone, which is thought to be an important landscape for the conservation of primates, African Forest Elephants, White-Backed Vultures, and other species.

These include:

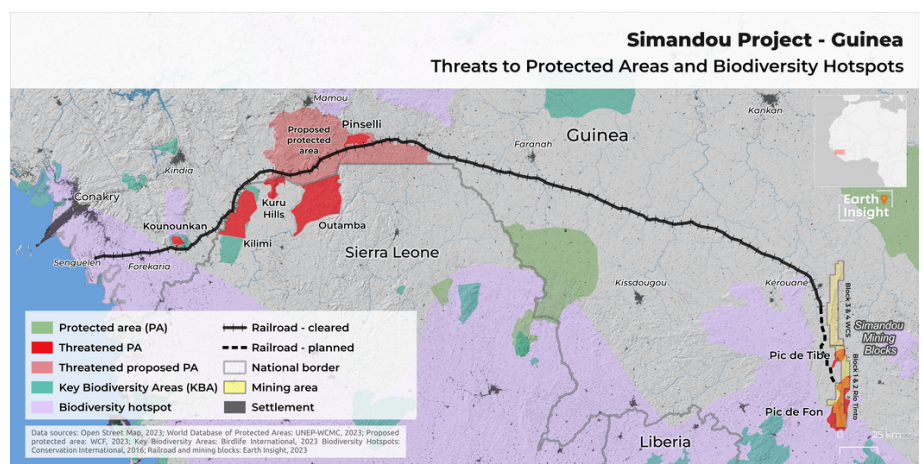
- The loss of communities' arable land without any real compensation or accompanying measures;
- Flooding of communities' agricultural plains by sewage from the company's activities along the railroad line;
- Reduced agricultural yields due to the invasion of crop/field areas by mud and dust caused by railway construction activities;
- The loss and destruction of fishing nets and pirogues in Kaback due to collisions with ore carriers at sea;
- Fish are driven away by the noise of the heavy carriers. The passage of the company's boats disturbs the water, forcing the fish to swim further out to sea;
- The dumping of waste oil in the open sea by the company's boats, as observed by the Kaback fishermen;
- The loss of grazing areas and the migration of livestock to other areas in Madina-oula, in particular;

- and resettlement of people affected by projects. This could give Simfer and WCS the opportunity to expropriate communities' land in violation of their fundamental rights, despite the two companies' commitment to comply with Guinean legislation and international standards, in particular the International Finance Corporation's (IFC) Performance Standard 5 (PS5). However, a reference framework known as the "Référentiel National de Compensation, Indemnisation et de Réinstallation" has been drawn up by an inter-ministerial committee and validated in October 2022, pending its formal adoption. This Reference Framework reflects Guinean law, international law and international good practice (GIP) in the field, and should at this stage apply to all projects.

1. WCS's Resettlement Policy Framework: Land Acquisition, Compensation and Resettlement: WCS's commitment to land acquisition, compensation and resettlement appears to be in line with international standards. However, the framework document drawn up by the company raises a number of concerns:
2. An exhaustive and uncertain list of standards: An in-depth analysis of the list of commitments raises questions about the real will and possibilities for WCS to implement this set of international standards and principles.
3. Lack of clarity in the statements: WCS has limited itself on the whole to statements of intent to align the land acquisition, compensation and resettlement process and practices to the standards, providing little or no indication of what the standard contains, how and on what specific aspects they will be applied, as in the following extract from the document: "WCS wishes to develop the Simandou project in accordance with IFC requirements. Accordingly, WCS and the project are committed to meeting the IFC's performance standards (PS), PS1 and PS5". (See Chap 3, point 3.2.1, Page 26).
4. Questioning whether commitments were honored during the initial asset valuations for the railway and port: The framework notes that the studies/assessments of community assets for compensation in connection with the railway and port construction projects carried out in eight (8) prefectures lasted 2 months (May-June 2021). Although we do not know the number of consultants or their working methods, this length of time compared to the size of the areas concerned (650 km from the

HIGH PROJECT RISKS FOR LIVELIHOODS

- Failure to respect commitments: The main risk is that the two companies involved in the Simandou project will not respect their environmental and social commitments. In fact, they belong to groups of companies that have already violated such commitments in the past in connection with projects in Guinea and elsewhere. This is the case for Winning in Guinea, according to reports by the
- International Federation for Human Rights, Natural Justice and Human Rights Watch; and for Rio Tinto in Guinea, according to a complaint lodged with the World Bank's ombudsman, and in other countries.
- Lack of a national legal framework on compensation and resettlement: Another risk for communities living near Simandou is that Guinea lacks a clear and binding legal instrument regulating the process of land acquisition by companies, as well as the process of compensation, indemnification

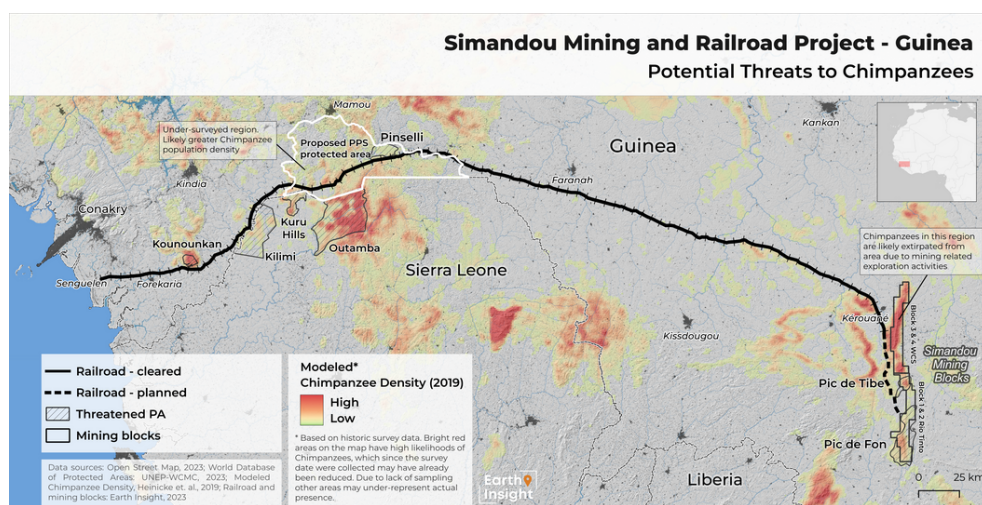


Credits: Prepared by Earth Insight for the 11th Hour Project September 2023. Latest Update: January 2024
This map shows the potential threat to protected areas based on proximity to the railroad and mining areas.

HIGH BIODIVERSITY RISKS ASSOCIATED WITH THE PROJECT

The main risk is that the companies and their subcontractors will continue to violate their environmental commitments, especially as these companies belong to groups of companies that have already violated such commitments on projects in Guinea and elsewhere in the world. This is the case for Winning in Guinea, according to reports by the International Federation for Human Rights, Natural Justice and Human Rights Watch; and for Rio Tinto in Guinea, according to a complaint lodged with the World Bank's ombudsman, and in other countries. More specifically, the risks are as follows:

- On Chimpanzees and other primates : The railroad linking the mining site in the Kérouané prefecture and the mineral port of Senguellen in the Forécariah prefecture is likely to have devastating effects, notably the fragmentation of chimpanzee habitats in the areas of Kindia and Mamou crossed by the railway infrastructure, and habitat areas near the Kérouané mining zone, leading to their disappearance.



Credits: Prepared by Earth Insight for the 11th Hour Project September 2023. Latest Update: January 2024
This map aims to illustrate the large scale threats to Chimpanzees in Guinea posed by the development of the Simandou mining complex and the associated railroad development.

- On Protected Areas: According to a preliminary analysis of WCS's environmental and social impact study on biodiversity, the railroad will bisect the important Outamba-Kilimi-Kuru Hills-Pinselli-Soya transboundary landscape (OKKPS, 7,500 km²).
- This will undoubtedly lead to forest fragmentation and ecosystem disruption in this area, which includes buffer zones and forest corridors important for climate resilience in Guinea and Sierra Leone, and for the protection of remaining natural habitats for the conservation of several animal species, including nine species of primate. The railroad project, which runs along the Kounounkan massif, threatens the important Kounounkan plant community,

with its thirty-one (31) threatened plant species and eight (8) endemic species. The clearing of forest areas for iron ore mining in the mining zone, notably in the localities of Kounsankoro, Damaro Lenko, Moribadou, Traorela, etc., and in the areas crossed by the railroad, will undoubtedly lead to the loss and fragmentation of important natural habitats, disrupting ecosystems, affecting biodiversity and causing long-term ecological consequences. The project threatens other protected areas, such as the Haut Niger National Park (Mamou), the southern part of which will be crossed by the railway, and the Farenta protected area. These areas also contain animal species such as hippos, buffaloes, cobas, West African chimpanzees, etc. The Pic de Fon and Mont Bérou are located on blocks 3 and 4

- On the port area (Senguellen): The construction of the port, the installation of related infrastructures and transport activities requiring clearing and filling work would cause the disappearance of mangroves,
- the removal of fish species and the reduction of the floodplain, which are resting and breeding areas for fish and crustaceans.
- Migration flow: The Simandou project will lead to a significant migration flow in the region. This increases the risk of increased hunting of primates and other animals, and a sharp decline in the remaining populations of endangered species in the Simandou mountain range.
- Limitations of the Environmental and Social Impact Assessment (ESIA): An analysis of the Environmental and Social Impact Assessment carried out by WCS and presented to stakeholders at a workshop on October 18 and 19, 2022 revealed that an assessment of the impact of mining activities on these endangered species had not been carried out. The analysis also revealed that the winter period study had not been completed. These major shortcomings lead us to conclude that the plans proposed by WCS to mitigate the project's impacts on biodiversity are therefore inadequate, and as a result, iron ore mining and the construction and operation of the project's associated infrastructure would have devastating impacts on the environment and important biodiversity if these shortcomings are not corrected now, given that project activities such as the construction of the railway and ore port are already underway.



CONCLUSIONS AND RECOMMENDATIONS

1) Conclusions

Aware of the importance of the ecosystem and biological diversity found in and around the overall project area, there is every reason to believe that the development of the Simandou project in its various phases will have an impact on this important receiving environment, which includes animal and plant species considered threatened and/or endemic. The lives of communities living near the project site will also be at risk, given their dependence on this biological environment, which provides them with important ecosystem services.

2) Recommendations:

The following recommendations are accordingly addressed to the companies and the State to take measures and put in place effective preventive and mitigating provisions to protect the important biological diversity throughout the life of the Simandou mine

TO THE GOVERNMENT AND ITS RELEVANT DEPARTMENTS

- Strengthen the framework following the legal and contractual commitments of WCS and Rio Tinto in terms of biodiversity management;
- Ensure compliance with the obligations set out in the 2019 Environmental Code, and the international conventions and commitments ratified by Guinea on biodiversity protection.
- Require companies to conduct periodic audits of their environmental and social performance, and impose sanctions for breaches of commitments.

TO RIO TINTO AND WINNING CONSORTIUM SIMANDOU:

- Carry out a specific chimpanzee survey in the OKKPS landscape to determine presence and distribution in this landscape.
- Carry out a comprehensive ecosystem services assessment of the project area, aligning the project with SFI performance standards (PS6).
- Update the existing biodiversity impact assessment and management plans for all project components to take into account the criticisms and recommendations noted at the biodiversity management reporting workshops in October 2022.
- Complete the ESIA over the winter period to ensure effective data collection and assessment of all the project's risks and impacts on biodiversity;
- Draw up a detailed action plan in line with the required standards (PS6) on biodiversity management;
- Include a comprehensive survey on hunting and bushmeat.
- Ensure the effective participation of local communities and NGOs in the ESIA update process.

DISCLAIMER: THIS DATA SHEET HAS BEEN COMPILED ON THE BASIS OF INFORMATION AVAILABLE AT THE DATE OF PUBLICATION AND WILL BE UPDATED AS AND WHEN REQUIRED.



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