**Coral Bay Nickel Project**

**A large nickel processing plant built on the southern tip of the Philippines' Palawan island was financed with the help of Japanese ECAs. The project has had serious environmental and human right repercussions.**

The Coral Bay Nickel Processing Plant in Rio Tuba municipality of Bataraza, on the southern tip of Palawan Island, was created to produce and export mixed nickel-cobalt sulphide to Japan for 20 years. The company carrying out the work, Coral Bay Nickel Corporation, is 90% owned by several Japanese corporations.

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| --- | --- | --- | --- |
| 2002 | 2005 | 2008 | 2009 |
| JBIC agreed to provide the investment loan for the first smelter, while NEXI provided insurance. | The first smelter began operations. | NEXI agreed to provide insurance for thesecond smelter. | The second smelter began operations. |

**The problem with the CBNP**

Even before the operation and till today, the environmental and social issues related to this project have been pointed out. For example, the impact to Indigenous peoples, or Pala’wan, the impact to coral reef caused by the construction of the port facilities, and increase in the number of skin diseases are concerned. Moreover, the second plant construction plan, which was announced in March 2006, raised an alarm that these impacts could expand.  The main concerns include the following;

* Lack of Free and Prior Informed Consent (FPIC) from Indigenous Peoples, or Pala’wan
* Impact to the life and the culture of Indigenous Peoples, Pala’wan, by extracting limestone in the area, or Pala’wan’s traditional sacred place
* Impact to coral reefs from the construction of the harbor facilities
* Leakage of hazardous wastes from the tailing dams
* Reports of various environmental impacts and health hazards
* Planning to obtain raw material for the smelters  from an Natural Protected area

**ECAs and the processing plant**

JBIC providing the financing for the first smelter, with NEXI providing the insurance. Environmental concerns caused JBIC to abandon plans to finance a second smelter in January 2008, but NEXI is providing insurance.

**Recent developments**

Remarkable Water Contamination (Hexavalent Chromium) has been found in the fiver and reddish-brown sludge piled up at the bottom of the river is continuously found surrounding the smelters.

**More information:**

Visit the [Friends of the Earth Japan page on this project](http://www.foejapan.org/en/aid/jbic02/rt/index.html).

Issue:

[Human Rights](http://www.eca-watch.org/issues/human-rights)

[Oil, Gas and Mining](http://www.eca-watch.org/issues/oil-gas-and-mining)

ECAs:

[Japan Bank for International Cooperation](http://www.eca-watch.org/ecas/japan-bank-international-cooperation)

[Nippon Export and Investment Insurance](http://www.eca-watch.org/ecas/nippon-export-and-investment-insurance)

www.eca-watch.org/dodgy-deals/coral-bay-nickel-project