

Debate Pack

20 June 2023

CDP-0133 (2023)

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Mariana Dam disaster

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1 Summary

A Westminster Hall debate on the Mariana Dam disaster is scheduled for Thursday 22 June 2023, from 1:30-3:00pm. The debate will be led by Jim Shannon MP.

2 Background

Disaster

On 5 November 2015 the Fundão Dam near the city of Mariana in Southeast Brazil collapsed, unleashing 60 million cubic meters of iron ore waste and mud (called tailings), the by-products of iron ore mining operations in the area.

19 people were killed in the aftermath, and the incident has <u>been described as</u> "the worst environmental disaster in Brazilian history". Around 600 people <u>lost their homes.</u>

A report commissioned by the company operating the dam, Samarco, published in August 2016, said the <u>collapse of the tailings dam was caused by drainage and design flaws</u>, but it "did not assign blame or highlight specific errors in corporate or regulatory practice".

Samarco is a joint venture between two of the largest mining companies in the world: Vale a Brazilian company, and BHP Billiton an Anglo-Australian company listed on the London Stock Exchange, now known as BHP Group Ltd.

Ecological damage

The disaster produced serious ecological damage. Immediately after the dam collapse an <u>article by the Wilson Center reports</u> that there were mass die-offs among fish, and "once the mud reached the open ocean, a total of 29,000 fish carcasses were collected and recorded by the Federal Police". The death of the fish also resulted in hundreds of birds dying from starvation.

In addition to the loss of native fauna, the Wilson Center <u>article explains</u> "80 percent of the native vegetation located near the tributaries and main channel of the Doce River was destroyed, leaving the river with only 13 percent of the Atlantic forest's original vegetation".

In November 2021, <u>Reuters reported</u> that a study undertaken by a company contracted by Brazilian prosecutors to measure the costs of the disaster estimated the "socio-environmental" damage as between 37.6 billion reais (\$6.73 billion) and 60.6 billion reais (\$10.85 billion).

There may be further long-term effects, Professor of biology at FAESA University in Brazil, Thiago Gaudio, has stated that the full environmental impact of the 2015 disaster in Mariana is still unknown, saying: "the toxic mud continues in the soil and water for many years. It is still unknown the disaster's dimensions and future problems".

Compensation and Brazil legal action

In October 2016, Brazilian federal prosecutors <u>filed charges of qualified homicide against 21 people</u>, including top executives of BHP Billiton, Vale and Samarco, for the 19 deaths resulting from the dam collapse. However, in July 2017 <u>the federal court suspended the criminal case</u>.

Within four weeks of the dam collapse legal proceedings were launched in Brazil. In 2016 these <u>concluded with a settlement</u> called the Transaction and Conduct Adjustment Agreement (TTAC), under which Samarco, BHP Brasil and Vale agreed to create the Renova foundation, to provide around 20 billion Brazilian reals (around £3.28 billion in today's prices) in compensation for individuals and some small businesses, and to meet the costs of mitigating the environmental consequences.

According to a BHP spokesperson, by the end of 2022 "about \$5.6bn (£4.7bn) will have been spent in Brazil on fixing the damage, including compensation programmes".

The TTAC was <u>later annulled by an appellate court in Brazil</u>, as the compensation was seen to be insufficient, and replaced with a second agreement, although payments under the TTAC and the Renova foundation have continued. Legal proceedings are currently paused while negotiations take place over the size of the settlements under that second agreement, and the various Renova programs are evaluated and monitored.

Other legal claims by individuals, and various group litigations are also ongoing in Brazil.

UK Legal action

The disaster is now subject to legal action in the UK courts. Over 200,000 individuals affected by the disaster, as well as 530 businesses, 15 churches and faith-based institutions, 25 municipalities, and five utility companies, initiated legal action against BHP and Vale in London. They are seeking compensation for losses caused by the destruction of the dam. In March 2023, around 500,000 further claimants were added to the legal action, taking the total number to more than 700,000.

BHP has challenged the legal action, arguing among other things, that the legal claims should be brought in Brazil. In November 2020 the UK High Court ruled that the legal case should be dismissed, due in part to the fact there was ongoing litigation in Brazil, with many of the same claimants seeking

identical remedies in each jurisdiction, and so the "risk of inconsistent judgments would be acute", and the proceedings would be "a clear abuse of process" (an abuse of process is grounds for a court to strike out a valid claim).

However, the claimants appealed this decision and in July 2022 the Court of Appeal <u>ruled that the case should be heard</u>, arguing that even if the claims might become unmanageable this did not make it an abuse, and the claims were not "clearly and obviously pointless and wasteful". In June 2023 the Supreme Court <u>refused BHP permission to appeal that decision</u>, deciding that the application did not raise "an arguable point of law".

In May 2023, BHP requested that the hearings for the case be delayed until mid-2025 to give the company more time to prepare and allow Vale to participate in the case; the hearings were originally scheduled for April 2024. The High Court decided that the first stage trial date be revised to October 2024. This decision also stated that Vale has issued an application challenging the jurisdiction of the UK courts, and the hearing for this case is expected to be heard in July 2023.

3 Press and media articles

The following is a selection of press and media articles relevant to this debate.

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London court rejects BHP's 14-month delay request to Brazil dam case

Reuters Clara Denina 12 May 2023

BHP damages case grows to 700,000 claimants seeking up to £36bn

Financial Times (subscription required) Leslie Hook and Jane Croft 15 March 2023

Miners pool resources to stop further tailings dam disasters

The Times (subscription required)
Emily Gosden
1 November 2022

Victims of Brazil's worst environmental disaster to get day in UK courts

The Guardian Phoebe Weston 8 July 2022

'It's about survival': the Yorkshireman seeking justice for the Mariana dam disaster

The Guardian Deborah Linton 11 March 2022

Six years after the Mariana's dam collapse, marine ecosystem continues to suffer the impacts of the ecological disaster

Universidade Federal do Rio Grande do Sul Mírian Socal Barradas 16 December 2021

Brazil dam disaster: Five years on, are new laws enough?

Christian Science Monitor Ana Ionova 13 November 2020

Brazil's Handling Of The Mariana Dam Disaster Labelled A 'Travesty Of Justice'

Pogust Goodhead 23 September 2020

How do you clean up Brazil's worst environmental disaster?

LSE Blogs Roberto Waack* 22 July 2019

*Roberto Waack was the president of Renova Foundation, the organisation in charge of cleaning up the Doce River basin in Southeast Brazil, after the 2015 collapse of the Fundão iron ore tailings dam.

Fundão tailings dam failures: the environment tragedy of the largest technological disaster of Brazilian mining in global context

Perspectives in Ecology and Conservation Flávio Fonsecado Carmo et al 3 June 2017

4 PQs

Fundão Tailing Dam: Disaster Relief

23 Mar 2022 | 141302

Asked by: Alyn Smith

To ask the Secretary of State for Foreign, Commonwealth and Development Affairs, whether she has had recent discussions with her Brazilian counterpart on support provided to Brazil to help with recovery from the Mariana dam disaster in 2015.

Answering member: Vicky Ford | Foreign, Commonwealth and Development Office

British diplomats have, in partnership with UN Environment Programme, been promoting the new Global Industry Standard on Tailings Management (GISTM) that brings together key stakeholders in the mining sector including Brazil's Federal and State Government, academia, UK specialists and civil society to address and discuss the safety of Brazilian dams. The Secretary of State for Foreign, Commonwealth and Development Affairs has not raised the 2015 Mariana dam disaster with her Brazilian counterpart.

5 Early Day Motions

Seventh anniversary of Brazil's Mariana dam collapse

EDM 594 (session 2022-23) 21 November 2022 Dan Carden

That this House expresses sincere condolences to the family and friends of the 19 people killed by the Mariana dam collapse in Brazil, seven years on from the disaster; acknowledges with deep concern the irreparable social and environmental damage caused by the 60 million cubic metres of toxic waste unleashed by the dam collapse which destroyed towns, countless livelihoods and severely impacted indigenous communities; notes with dismay that no adequate compensation has been paid to the hundreds of thousands of victims; criticises BHP's failure to address the environmental and human impact of their subsidiary's conduct in Mariana; further criticises the global mining industry for failing to fully implement global international standards for tailings management; urges the Government to introduce stronger accountability mechanisms for UK corporations operating both domestically and internationally to help protect against human rights abuses and protect our fragile environment; and calls on the Government to enshrine in law mandatory compliance with the Global Industry Standard on Tailings Management.

6 Further reading

<u>Visit to Brazil: Report of the Special Rapporteur on the implications for human rights of the environmentally sound management and disposal of hazardous substances and wastes</u>

United Nations Office of the High Commissioner for Human Rights (UNHCR) 12 September 2020

End-of-visit statement by the United Nations Special Rapporteur on toxics and human rights, Baskut Tuncak on his visit to Brazil, 2 to 13 December 2019

United Nations Office of the High Commissioner for Human Rights (UNHCR) 13 December 2019

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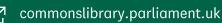
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