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PRESS RELEASE

Steep Rise in Allegations of Human Rights Abuse as Boom in Investment Brings Hope of Prosperity

New briefing paper on business and human rights in Eastern Africa

26 April 2014 – Nairobi/London: In a new briefing paper released today, <u>Business & Human Rights Resource Centre</u>, the international human rights NGO, identifies three key trends in companies' human rights impacts in the region. The briefing is released in advance of the 55th session of the **African Commission on Human and People's Rights**, and the 5th annual **Eastern Africa Oil, Gas/LNG & Energy Conference** in Nairobi, both beginning on 28 April. It reveals a massive increase in allegations of abuse in oil and gas, and in agriculture, and explains the challenges and opportunities that the information and communications technology sector has for people's basic freedoms. It refers to over 30 companies including **Barrick Gold, CNPC, Safaricom**, **Tullow Oil** and **ZTE** (for the full list, see *Notes for editors* below).

Executive Director of the Business & Human Rights Resource Centre Phil Bloomer said: "The threat of the infamous 'Resource Curse' hangs heavy over East Africa. Something is very wrong when a boom in inward investment in oil, gas, and large-scale agriculture leads to the five-fold leap in allegations of company abuse that we have seen. The good news is that Kenya, Uganda, and Tanzania still enjoy vibrant civil society which demands that this investment benefits the many and not just the few; and that a small group of companies is trying to show how responsible investment can protect and enhance the human rights of the poor and the vulnerable. They must prevail if the threatened Curse is to become a blessing."

Joseph Kibugu, Eastern Africa Researcher for Business & Human Rights Resource Centre and the principal author of the briefing, said: "The burgeoning discovery of natural resources and the growing multinational investment in the region – whether in traditionally stable countries like Tanzania, or those rising from long conflicts like South Sudan and Somalia – is a window of opportunity to transform lives in the region." He adds, "bold action is needed to ensure investments to contribute to alleviation of endemic poverty rather than compromising the dignity of locals." He urges companies to take strong steps to honour their responsibility to respect human rights. "Businesses would be investing in a more stable environment for their long-term operations while meeting their international obligations. In the near future, it will become prohibitively expensive to do otherwise," he says

Download the Executive Summary and the full 10-page briefing here

The briefing reveals three key trends in the Eastern Africa region:

- 1. Jump in complaints about oil companies: In Uganda, since refinery construction and other work to exploit the country's oil have begun in earnest, we have seen a five-fold increase in complaints about the oil industry's local impacts (complaints to which we sought responses from companies in 2012-14, compared to the previous three years). The human rights impacts of these operations pose serious risks both to local communities and to the future of the companies' operations. If new oil finds in other countries such as Kenya and Malawi are not managed with greater transparency and community participation, we can expect to see similar concerns raised by local communities there, with possibilities of protests, violence and significant delays.
- Skyrocketing complaints about agriculture sector: With huge increases in agricultural investment in Eastern Africa, we have seen a six-fold increase in complaints about land rights, labour rights and other issues in production of agricultural goods for food & beverage, biofuel and tobacco companies (2012-2014 complaints to which we sought responses, compared to the previous three years).

Some firms have taken steps to address issues such as sexual harassment on tea plantations and exploitative child labour on tobacco farms. But local opposition and violent conflict led to a major foreign investor pulling out of a massive biofuel project in the Tana River Delta (Kenya) in 2013.

And human rights NGOs have reported protests by people refusing to vacate their land for largescale agricultural projects in the Gambella region of Ethiopia, with deadly violence by security forces against some communities.

3. New risks – Information & communications technology (ICT) sector: Technology has great potential to help realise human rights, for example by enabling the free flow of information and enhancing transparency. At the same time, ICT companies risk committing human rights abuses on a large scale, from violation of privacy to facilitating censorship and repression – whether directly, or by complicity in abuses by governments.

In Eastern Africa, attention has focused on **the role of technology firms in helping the Ethiopian Government engage in abusive surveillance** of dissidents, domestically and abroad. The risk of complicity in such abuses is highest in those with a record of failing to respect privacy and freedom of expression – e.g., Eritrea, which the Committee to Protect Journalists named the "most censored nation in the world" in its most recent ranking. But ICT companies must avoid abusing human rights in all countries.

Besides these three sectors, the paper highlights on-going concerns about the impacts of mining, including displacement of communities, violence against local residents, and pollution affecting water and health. Mr. Kibugu says, "These issues present a significant challenge to the ideal of mining as a force for socioeconomic development outlined in strategies such as the African Union's Africa Mining Vision."

The paper also highlights positive steps taken by some companies, such as an initiative by **Tullow Oil** to train more Ugandans for employment in the oil sector, and commitments to human rights and respect for local communities and the environment by firms signing the Kenyan Code of Ethics for Businesses.

Mr. Bloomer notes that the briefing focuses on concerns that NGOs such as Kenya Civil Society Coalition on Oil & Gas, National Association of Professional Environmentalists (NAPE) in Uganda, and Centre for Social Concern in Malawi have raised, such as lack of transparency, food insecurity and abusive child labour. He says, "Our Resource Centre seeks public responses from companies to civil society criticisms, to help draw attention to the concerns of these and other NGOs and promote accountability. The briefing features numerous instances of this mechanism." These include responses from Paladin Energy to concerns about the health impacts of uranium mining in Malawi, and from African Barrick Gold to questions of respect for human rights in its grievance mechanisms for victims of shootings at its North Mara mine in Tanzania. Mr. Kibugu says, "Our Resource Centre has approached companies over impacts in Eastern Africa over 80 times in recent years, and companies have responded 79% of the time [see Notes for editors below for further details]. This indicates that many companies are at least publicly taking human rights issues seriously. Even among those that respond, however, their statements in many cases fail to address civil society's underlying concerns, and more work by companies, governments and civil society is needed to provide effective remedies for past harms and avoid future abuses."

The paper ends with 10 specific recommendations to companies operating in the region, as well as recommendations to African and foreign governments. The Resource Centre says there are several basic, practical steps companies can take, that can help avoid abuses, such as adopting a human rights policy, commissioning independent human rights impact assessments, and develop grievance mechanisms to manage and address community concerns. The paper also highlights the important role of governments in ensuring respect for human rights by companies.

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Notes for editors

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- 4. **About the Resource Centre**: Business & Human Rights Resource Centre, an independent non-profit organization, provides the leading information hub on business & human rights: www.business-humanrights.org

The website tracks reports about the human rights impacts (positive & negative) of over 5000 companies in over 180 countries, and provides guidance tools and resources for all those working in this field. Mary Robinson, former UN High Commissioner for Human Rights and President of Ireland, is Chair of the Centre's International Advisory Network. The Centre does not accept funding from companies or company foundations, in order to maintain its independence and to prevent any possible perception of a conflict of interest.

<u>Mission</u>: To encourage companies to respect and promote human rights, and avoid harm to people. The Resource Centre does this by advancing:

- *Transparency* pursuing, collecting and disseminating to a global audience information about company conduct, positive and negative;
- Accountability helping civil society get companies to address concerns; seeking responses and drawing attention to each company's response or failure to respond; and promoting access to remedies for victims of abuse: and
- Informed decision-making providing the leading business & human rights resource and guidance hub, to assist civil society, companies and others

Further information available at http://www.business-humanrights.org/Aboutus

- 5. Out of 82 times the Resource Centre has approached companies operating in the region to respond to human rights concerns, companies have responded 65 times, for a 79 per cent response rate (see Annex for full list).
- List of all companies cited in the full briefing:
 (note: some are referred to because of concerns about their impacts, others because of positive initiatives they are taking)

| AngloGold Ashanti | Huawei | PetroChina |
|---|------------------------|-------------------------|
| Barrick Gold | Jan Mangal | Philip Morris Intl. |
| Bedford Biofuels | Japan Tobacco Intl. | Safaricom |
| Bidco Uganda | Johnson & Johnson | Sarova Hotels |
| British American Tobacco | JPMorgan Chase | Sinovatio |
| China National Petroleum Corp. (CNPC) | Kaweri Coffee | Strategic Friends Intl. |
| DAO Group | Kenya Commercial Bank | Tanzania Breweries |
| East African Mining/ East African Gold | Kenya Pipeline Company | Thomson Safaris |
| Eland Coal | MTN | Total |
| Fenxi Mining Industry | Neumann Kaffee Gruppe | Tullow Oil |
| Finfisher | Nevsun Resources | Unilever |
| Gamma Group | Oil Palm Uganda | Vodacom |
| Google | Orange | Wilmar Intl. |
| Hacking Team | Paladin Energy | ZTE |