

Aid Money Must Not Support Australian Mining Interests in Africa

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AID/WATCH in coordination with the Minerals Policy Institute have today released a letter calling on the Government to stop using Australian aid funds to support the expansion of Australian mining interests overseas. Money from the aid program is being used to fund Corporate Social Responsibility (CSR) programs for mining companies who are members of the Australian Africa Mining Industry Group.

"It is not the place of the Australian aid program to fund the corporate, social responsibility programs of Australian mining companies that have a moral, if not legal obligation to behave in a responsible manner," said AID/WATCH Co-Director Liz Barrett.

A pilot project has been established that provides funds through the Development Assistance Program allocating \$30,000 of funding for Australian mining companies to run CSR programs and promote sustainability. At least one of the companies receiving funding, Paladin, have been implicated in a range of labour and environmental abuses at their operations in Africa, and also accused of corruption.

"To say that this funding encourages corporate and social responsibility and sustainability in the mining industry is a complete joke," said Ms Barrett.

"Companies that have been implicated in corruption and abuses are able to continue with these practices unheeded, receiving funds from the Australian aid program and the perceived credibility that Australian aid funding brings. This is little more than a corporate whitewashing exercise funded through the aid program," she continued.

International NGOs have signed onto the letter which also expresses concern about the partnership between AusAID and AAMIG to promote sustainability initiatives, given the Chairman of the AAMIG, Bill Turner, has also previously been implicated in human rights abuses.

Turner was the CEO of Anvil Mining when Anvil was implicated in grave human rights abuses in the Congo, including the massacre of over 100 civilians, torture and looting after providing material assistance to the Congolese army.

"AID/WATCH believes that AAMIG totally lacks any credibility as an organisation promoting ethical corporate behaviour whilst Bill Turner continues to be the Chair, and questions why AusAID have decided to partner with them in these pilot projects," said Ms. Barrett.

Charles Roach, Executive Director of the Mineral Policy Institute, added, "rather than fund

the corporate social responsibility of Australian mining companies, all aid funding should be directed to local communities and independent civil society organisations.”

For further information or comment contact Liz Barrett at 0437 430 371

Open Letter to Foreign Minister Bob Carr: Australian aid must not support the expansion of Australian mining interests overseas

We, the undersigned organisations, understand that AusAID has been exploring options to expand partnerships between CSOs, mining companies and governments through the Australian Mining for Development Initiative (AMDI). While we support the provision of Australian Aid to Africa, and the provision of aid to Civil Society Organisations (CSOs), it is our view that funding for CSOs should be entirely separate from any private sector projects, particularly involving mining companies. Rather we encourage support for communities to understand their rights, particularly on improving their capacity to decide whether or not they want large-scale developments and support education around the Right of Free, Prior and Informed Consent.

We hereby call on the Australian Government to no longer promote mineral extraction as a means of community development, and refrain from allocating Aid funding in support of promoting extractive industries in Africa and other parts of the world. We write this in response to recent policy releases of the Australian government and AusAID in particular that promote mining as a means of development overseas, and through the implementation of the AMDI and other mining-related initiatives in the Australian aid program.

Mining projects have long been associated with multiple negative development outcomes that are so well documented, the endowment of abundant natural resources is referred to commonly as a ‘resource curse’. Key attributes of the resource curse include forced displacement, human rights abuses and environmental damage, and a particular impact on Indigenous communities and a multitude of their rights including rights to life, livelihoods and self-determination.

Recent reports have supported this position including in 2011 by the UN Special Rapporteur on the Rights of Indigenous Peoples, that outlined how mineral extraction degrades water sources and land quality, irreversibly disrupts natural ecosystems, jeopardises the survival of distinct community cultures and traditional livelihoods, exposes communities to infectious diseases, and leads to an overall deterioration in the health of nearby communities. In 2008 a report by the UN Special Representative of the Secretary General on Human Rights and Business included documentation on the existence of rife corporate-related human rights abuses in the extractive sector and negative impacts flowing from extractive activities on a range of civil, political, economic, social and cultural rights.

Hence, we believe that AusAID’s total and uncritical support for the expansion of mining as a means of development is incompatible with development approaches that improve the environment, human rights and standards of living for affected communities. Furthermore, we are concerned that aid money that would be used for programs containing a demonstrable positive effect on alleviating poverty and realising fundamental human rights is being diverted towards promotion of mining and mining-related initiatives, including the AMDI.

Whilst the AMDI claims to address the resource curse by promoting 'sustainability', we believe that some of the current projects being funded under the AMDI not only have limited 'sustainable' credentials they also actively promote the activities of Australian mining companies overseas, such as through a pilot project being run through the Direct Aid Program (DAP). We have recently become aware of this project that subsidises the Corporate Social Responsibility (CSR) initiatives of Australian mining companies that are members of the Australia Africa Mining Industry Group (AAMIG).

There are a number of concerns that we, the undersigned, have about this program. Firstly we do not believe it is appropriate for Australian taxpayers money, through the aid budget, to subsidise the corporate and social responsibility initiatives of Australian mining companies operating in Africa and other countries. These companies should not use Australian aid agency support to displace their social responsibilities on to civil society, and Australian Government funding should not be used to create a competitive edge through the subsidisation of corporate social responsibility activities of Australian miners.

Secondly, we are concerned that companies are using the reputation of AusAID to improve their corporate reputations and enhance their credibility, even though in some cases the companies involved have disreputable histories. For example, Paladin Energy Ltd has received funds through the DAP but have been implicated in serious labour and environmental abuses in Africa and are currently the subject of allegations of corruption in Malawi.

Finally, we question the credibility of AAMIG as a body that says it intends to facilitate CSR initiatives in member organisations and strengthen their 'social licence to operate', and AusAID's relationship with them. The current Chair of AAMIG is the former CEO of Anvil Mining, Bill Turner. Under his tenure, Anvil Mining were complicit in grave human rights abuses in the Democratic Republic of Congo (DRC), including the killing of over 100 people, illegal detentions, lootings and torture, and Anvil have continued to fight against civil society organisations that are still trying to bring them to justice. We have absolutely no confidence that this organisation is capable of producing positive corporate and social outcomes for communities that are in and surround the vicinity of Australian-owned mine sites in Africa.

We, the undersigned organisations, ask the Australian government to stop using aid funds to support the CSR initiatives of Australian mining companies. We reiterate our position that it is not the place of the Australian aid industry to subsidise the corporate and social responsibility initiatives of wealthy Australian mining companies who have a legal, if not moral, obligation to act in a responsible manner. We further request that the Australian government refrain from using aid funds for these programs in the future, and concentrate on direct support for local civil society organisations, and their constituent communities.

We urge the Australian government to:

- Cease allocating aid funding to support the mineral extraction operations of private and for-profit mining and mining services companies, particularly those with interests in Africa and other developing countries.
- Refocus aid spending in Africa to support the realisation of the human rights of communities as well as strong, transparent, informed community decision-making processes and grievance mechanisms.
- Develop a transparent reporting system for Australian mining companies operating in Africa.

- Review their partnership with AAMIG, in light of a commitment to ensure Australian aid funding does not support the operations of Australian mining companies.
- Refrain from using the aid program as a vehicle to expand the interests of the Australian mining industry overseas, including through the financial support of academic institutions that promote the expansion of the mining industry into developing countries.

Signed,
 AID/WATCH
 Mineral Policy Institute
 ESCR-Net Corporate Accountability Working Group (CAWG)
 MiningWatch Canada
 ActNow! PNG
 Deep Sea Mining Campaign (an affiliate of Friends of the Earth Australia)
 Proyecto de Derechos Económicos, Sociales y Culturales, A.C. (ProDESC)
 The Jus Semper Global Alliance
 Urgewald

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