

Britain and Australia's Resource Grab in Afghanistan

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A little-known aspect of the disastrous Western occupation of Afghanistan was that UK and Australian companies sought to access the country's \$3 trillion worth of untapped minerals – with little regard for the welfare of Afghans.

The Taliban's takeover of Afghanistan in August last year has caused the country to implode. It was already on life support after more than 40 years of war but the swift removal of most foreign aid has led to millions of Afghans being on the [brink of starvation](#).

[Women's rights are highly reduced](#). The United Nations says that only [two percent](#) of the population is getting enough to eat. Tens of millions of people can't support themselves or their families. The harshest drought in 30 years is worsening an already [disastrous winter](#).

However, the humanitarian crisis is just one of the disturbing elements of this long-running catastrophe.

A *Declassified U.K.* and *Declassified Australia* investigation has found that British and Australian resource companies tried to access the war-torn nation's estimated US\$3 trillion of untapped minerals in the years after the US-led invasion in 2001.

One huge mining company, owned by an Australian billionaire, had controversially stood to gain exclusive access to billions of dollars of Afghanistan's mineral wealth, in a deal that seemingly evaporated with the fall of the government last year.

Now with the Taliban back in charge, these resources are still up for grabs and yet Western corporations are mostly not in the race to secure them.

Wealth of minerals

When occupying Afghanistan after its 1979 invasion, the Soviet Union [discovered](#) a wealth of copper, iron, lithium, uranium, natural gas and rare earths under the ground but was

never able to exploit them.

The post 9/11 occupation saw a new generation of powers [aiming to complete](#) what Moscow never could. Washington, London, Canberra, Beijing and private players all vied for influence in the race to discover, mine and export a range of resources.

But insecurity, [endemic corruption](#) and political uncertainty in Afghanistan largely caused these [plans to fail](#).



A US surveillance blimp hovers over Kabul 24/7 to monitor the entire population in 2015. (Photo: Antony Loewenstein)

The Afghan ministry of mines was a [notoriously corrupt](#) government department. Ironically, the Taliban were one of the very few actors who [made money](#) from the mining sector.

I investigated these issues [on the ground](#) in Afghanistan in 2012 and 2015 for my [book](#) and [film](#), *Disaster Capitalism*. I found little more than violence and scared civilians in the middle of the Taliban, government forces and militants.

The culpability of the US under successive presidents in promoting the mining sector has been [well documented](#), including the [role](#) of [Erik Prince](#), the founder of the Blackwater private military company.

But what about Britain and Australia, two junior partners in the Afghan war?

Britain's Afghan goals dashed

The British Geographical Survey (BGS) worked in Afghanistan from [at least 2004](#) to “develop a viable minerals industry”. It said that “as the project progressed, the emphasis of the work

moved to promote the potential of Afghanistan's mineral resources to the outside world."

[A 2007 report](#), funded by the UK Department for International Development (DFID), tackled "the need to alleviate poverty in Afghanistan by encouraging inward investment, commercial and infrastructure development".

A part of this was providing "an alternative source of income to poppy cultivation" in the mining sector. It claimed that a successful resources industry could net "at least US\$300 million a year".

But it didn't state for whom: local Afghans or international mining interests?

BGS proudly wrote that it had helped prepare a new mining law in 2005 that would "enable it to effectively and efficiently manage an emerging mining industry." There's no evidence that this law prevented corruption. In fact, details [prove the opposite](#).

BGS explained how it had helped the Afghan government prepare to take tenders to develop the copper deposits at Mes Aynak in Logar province of eastern Afghanistan. Beijing was eventually granted the contract but the project has been [beset](#) by violence and corruption.

When I [visited the area](#) near the proposed mine in 2015, locals were on the verge of joining the insurgency because they'd received nothing in return for their land being stolen.



Village elders in Logar province near the failed, Chinese-owned Mes Aynak copper mine in 2015. (Photo: Antony Loewenstein)

London didn't give up

Despite a litany of failures, London didn't give up. British prime minister David Cameron [pledged](#) £10 million in 2013 to exploit Afghan minerals, and Downing Street hosted mining interests.

But the wining and dining didn't get far.

The free-market consultancy Adam Smith International (ASI) had a large presence in Afghanistan, and was one of the UK's largest foreign aid contractors, but its record in the country was [desultory](#).

ASI helped draft the 2014 Minerals Law which left Afghanistan open to vast corruption.

One person who played an oversized role in the Afghan mining sector is British investment banker [Ian Hannan](#). Perhaps the most notorious was a failed attempt in 2018, through his company Centar, to [secure](#) massive contracts for copper in Balkhab, in north-central Afghanistan, and gold in Badakhshan, in the northeast.

Hannan thanked then US President Donald Trump for assisting with his bid. But the plans soon [fell apart](#) with serious allegations of corruption surrounding the deal. President Ashraf Ghani eventually [cancelled](#) the contracts entirely.

A former senior official in the Ghani government told me that he attended a meeting about these mining contracts at the German embassy in Kabul. Representatives from the US, UK, Canada, World Bank and Germany "all said that they would not help the mining sector unless the government signed these two controversial contracts. They eventually forced Ghani to sign them."

Although Centar's plans were dashed in Afghanistan, Hannan's former role as a captain in the British SAS gave him high-level access to the US government. He'd [convinced](#) General David Petraeus, then in charge of US forces in Afghanistan, to exploit Afghan resources supposedly to benefit the people of the country.

Centar's chief executive fit the bill; The *Financial Times* [reported](#) that the company selected Lieutenant-Colonel Richard Williams of the 22nd SAS regiment. It wrote that Hannan used his establishment contacts to briefly win mining contracts in Afghanistan.

This included hiring the law firm founded by Cherie Blair, Omnia Strategy, which planned to start legal action against the Kabul government, and pressuring Washington to push Kabul to the company's will.

Australia pushes for influence

Australia's [second](#) richest person, Andrew "Twiggy" Forrest, made his A\$23-billion fortune with iron-ore mining in Australia. His company, Fortescue Metals Group, now claims it's [transitioning](#) to green energy and his ambition is vast.

After visiting [countless countries](#) in recent years, Forrest announced in late 2020 that his [vision](#) for Fortescue was to become one of the world's biggest energy providers, one day beating Total and Chevron. He hopes to exploit [green hydrogen](#) on a global scale and Afghanistan was part of the picture.

Forrest [visited Kabul](#) in 2020 and his company Fortescue signed a secret memorandum of understanding with the Afghan government.

Declassified has obtained a copy of this document, [originally published](#) by Afghan news outlet Pajhwok, signed on 10 September 2020, that outlines the terms of the agreement.

The agreement would have given Fortescue mining rights over a range of minerals in 17 provinces for five years. In return during exploration, the company would have had to grant 15 percent of the project budget to the government as a guarantee, an amount totalling billions of dollars.

The deal came as a surprise to many, as over the past 20 years, the Afghan Ministry of Mines had not signed any successful contracts in the mining sector, [according](#) to the National Resources Commission.

Fortescue was guaranteed exclusive access to vast swathes of the country to explore “mineral deposits [and] mine sites”. It pledged to establish a “vocational training and employment plan that provides equal opportunities between women and men with an explicit equal employment target”.

There was no discussion of the potentially negative impact on the climate in Afghanistan by harmful extractive practises.

Fortescue deal

Furthermore, nowhere in the document did it explain how the mining areas could be secured in the middle of a war zone.

My own reporting in Afghanistan, [including](#) on the proposed mineral exploration plans by Erik Prince, revealed that the only way Fortescue’s plans would ever have materialised would have been to pay for militias and warlords to keep militants at bay and wrestle control of resources from the Taliban and Islamic State.

This wasn’t mentioned by Fortescue or in the Australian media coverage of the deal. It was only [Pajhwok](#) that critically assessed the agreement and wondered if it was even legal, since it was signed without a bidding process.

After the Taliban seized power, Forrest [told](#) the militants that, “we would meaningfully engage with anybody, including the Taliban, if they guaranteed equal education outcomes for girls and boys”.

Fortescue’s work in the nation is currently “on hold”, a company spokesperson told me. *Declassified UK* understands that Fortescue had only one employee based in Afghanistan who departed before the Taliban retook Kabul.

The Taliban ignored my request for comment on its mining policies.

Australian safe haven

Australia evacuated around [4,100 people](#) from Kabul in August and now claims to be offering [15,000 places](#) for Afghans under a humanitarian short-term protection visa. But human rights activists and immigration lawyers claim that this number is misleading.

At the time of writing, Australia hasn't granted one protection visa – but it has granted safe haven to a number of Afghan officials.

One of the Afghan signatories on the agreement signed by Andrew Forrest in Kabul in 2020 was [Mohammad Haroon Chakhansuri](#), former minister of mines under Ghani.

Declassified Australia can reveal that he has been living in Sydney with his family since the fall of Kabul, and is receiving Australian government assistance. When Chakhansuri was approached in Sydney for comment on this article, his brother Humayoon explained he was “not yet ready to discuss anything.”

Another new arrival in Australia is [Mohammad Ateeq Zaki](#), a former Deputy Minister at the Afghan Ministry of Mines and Petroleum.

[General Murad Ali Murad](#), a military figure who rose to the position of chief of army staff, is also now in Australia. He was no doubt helped by [positive comments](#) he made in Kabul in 2018 to Australian forces in Afghanistan: “Afghanistan will never forget the help Australia has given.”

Diaspora Afghans have expressed disquiet to *Declassified Australia* about Western nations providing safe haven to former Afghan government officials. There have been many serious allegations of corruption against the Ghani regime. *Declassified Australia* is not making any allegation about people mentioned in this article.

The New Zealand government is facing a [similar crisis](#) over vetting of Afghans it brought into the country after the Taliban takeover.

“The regime collapsed because of the corruption in the government and not because the Taliban were strong”, Afghan mining expert, [Javed Noorani](#), told me.

For the Western media, [which was briefly](#) enamoured with Afghans when the Taliban regained control, Afghanistan has largely [disappeared](#) from the US news cycle.

The humanitarian crisis currently engulfing the country is [mostly framed](#) around how it impacts the Western nations [that lost](#) the war rather than on the civilians on the brink of starvation.

US-led sanctions are [suffocating](#) and some Afghans are [using cryptocurrencies](#) to survive. Drug use is [soaring](#) while the Taliban are making money from the [ephedra shrub](#), a key ingredient in the hugely expanding methamphetamine industry.

The only way to credibly address the country's plight is to [engage](#) with and recognise the Taliban with certain conditions around human rights. The fact that there's no discussion in London, Washington or Canberra about reparations for a failed, 20-year war speaks volumes about how the West views Afghanistan.

A former senior Afghan government official who used to advise President Ghani tells me that following the withdrawal of all Western forces, [China](#) and Pakistani army officers are currently leading the charge to secure Afghan minerals with the Taliban auctioning mines for quick financial return.

Talc, coal and cat's eye nephite are the three resources being prioritised.

The country's resources are a precious asset that must never again be the plaything of corrupt locals and foreigners.

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Featured image: Archeologists excavating Buddhist relics in 2011 before the Mes Aynak copper mine was due to open (Photo: Jerome Starkey / Creative Commons)

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