



**REGIONAL
BRIEFING**

**Francophone
Africa**

**Business & human rights in Francophone Africa –
Regional briefing**

Executive Summary

March 2014

The private sector is expanding in Francophone Africa at unprecedented rates. Companies have the opportunity to contribute to alleviating poverty, disease, and other ills in this region, among the poorest in the world. But much of this opportunity is being squandered by business models that seek to maximise companies' short-term gains while ignoring the costs of their operations to communities and workers. There are examples of companies taking steps to respect human rights, and work toward inclusive development, but too often companies ignore the rights of workers and communities.

Business & Human Rights Resource Centre seeks responses from companies to concerns raised by civil society. The overwhelming majority – 85% – of concerns in Francophone Africa that we have sought responses to involve the extractive industries. The greatest change we have seen has come from agriculture and food & beverage companies. Between 2005-11, we only obtained a single response from a company in this sector to civil society concerns. In the last two years, the rate has skyrocketed, with 13 such cases in 2012-13. This reflects, in part, huge acquisitions of land for oil palm, sugar, biofuels and other crops, often without the consent of communities involved and in the context of growing food insecurity across the continent.

Key concerns

Conflict: While “conflict minerals” in Democratic Republic of Congo (DRC) and “blood diamonds” in Central African Republic and other countries have grabbed headlines, companies have also been implicated in conflict and security incidents elsewhere. The briefing includes incidents in which companies such as Anvil Mining and Danzer Group have been accused of contributing to civil war, local conflicts and abuses by the military and armed groups in DRC, Guinea and elsewhere. Many firms have resisted transparency about how their supply chains contribute to conflict. The briefing reviews this issue, as well as regulations on conflict minerals in USA, and related but weaker legislation just proposed by the European Commission. (All cases cited in this Executive Summary are described in greater detail, with links to further information and to companies' complete responses, in the full briefing.)

Local impacts: Environment & health, land acquisitions & displacement, poverty & development:

Extractive industries typically have a notoriously large environmental and health footprint. For example, the briefing cites long-standing accusations against Areva over pollution from its uranium mines in Niger. French scientists have found dangerously high levels of radiation in areas where Areva operates, although Areva criticised the methodology of these reports. Toxic waste dumping is also a threat; the briefing describes how Trafigura had to pay over US\$240 million to settle claims that its oil slops were dumped in Abidjan, and that the waste killed over a dozen people and sickened thousands, although Trafigura strongly denied responsibility, or that its waste caused the reported illnesses and deaths.

Huge acquisitions of land by agribusiness threaten food security and other basic rights of rural people. In Cameroon, community groups allege that an oil palm project by Herakles Farms (based in USA) would displace thousands without adequate compensation, and that local activists have been persecuted for opposing the project. Herakles has responded that its plantation would not displace any existing villages or farms, and that it has engaged in sustained dialogue with affected communities.

The briefing reviews impacts of mining, oil & gas, dam-building, logging and tourism projects on poverty and development in nearby communities, including in Cameroon, DRC, Republic of Congo and other

countries. In Senegal, for example, NGOs and community leaders in Sabodala have opposed a mining project by Teranga Gold over concerns about impacts on their subsistence.

Tax avoidance, equity in contracts, revenue transparency: As Kofi Annan and others have stated, tax avoidance by companies robs government of vast sums, so that they cannot meet their populations' basic needs. A government report leaked in January 2014 estimated that the DRC Government is owed US\$3.7 billion in unpaid customs duties and fines due from mining firms. Several governments, notably Guinea and Niger, are taking steps to review mining contracts, in some cases seeking more equitable sharing of revenues between the company and the government.

Labour: Workers' rights & child labour: Workers throughout the region frequently cite precarious work including lack of health and safety protections, beatings and violence by managers, and denials of trade union rights. The briefing cites examples from Sosucam in Cameroon, Chinese companies in DRC, Rusal in Guinea, CNLC in Chad and other companies and countries, with companies' responses.

Poverty forces children to work throughout the region, mostly in the informal sector, but often producing goods that supply multinational firms. In particular, widespread child labour on cocoa plantations in Côte d'Ivoire and Ghana often includes physical and sexual harassment, restrictions on freedom of movement, and hazardous work. Among multinationals, Hershey is cited by children's and labour rights advocates as particularly lagging on action to tackle child labour, although it has taken some steps toward sourcing cocoa from farms certified as free of child labour and working with suppliers to tackle the issue.

Positive examples

The briefing cites positive examples that must be built on and replicated. Some show how the fundamental business model of companies operating in Francophone Africa can be improved, such as the Mali Biocarburant biofuels project, which gives local farmers an equity stake, includes food crops, and protects farmers' land rights. Others could transform major economic and social rights issues that plague Africa, such as the mPedigree initiative, in which IT and pharmaceutical firms have joined with governments to allow African consumers to easily distinguish authentic drugs from dangerous counterfeits.

Legal, regulatory & policy developments

All companies operating in the region need to be aware of active human rights lawsuits against companies, both in the region and in companies' home countries, and of civil society's demands for accountability when companies are involved in abuses. Failure to avoid implication in human rights abuses can expose companies to serious litigation risks. In addition to the lawsuits against Trafigura mentioned above, the briefing profiles on-going lawsuits including claims against Danzer Group over alleged involvement in violence by the military in DRC; against Archer Daniels Midland, Cargill and Nestlé over child labour in Côte d'Ivoire; and against Areva over health and safety of workers in Niger.

The briefing also highlights international and regional developments such as the African Commission on Human and Peoples' Rights Working Group on Extractive Industries, Environment and Human Rights Violations, and the stalled effort by ECOWAS to develop a regional mining code. Finally it reviews national legal and policy developments such as Guinea's revision of mining contracts, and provisions for good natural resource management in Niger's 2010 constitution.

Conclusions

Fundamental changes are needed to the business models of extractive, agricultural and food & beverage firms operating in the region. The rapidly growing information and communication technology sector also needs to guard against involvement in abuses. The briefing makes practical recommendations to companies to move in the right direction – including conducting human rights impact assessments and joining and implementing the Voluntary Principles on Security and Human Rights. It also includes recommendations to African and foreign governments, intergovernmental organizations, and civil society. The needed progress will require engagement by all stakeholders – most particularly active civil society on the ground, raising awareness of companies' impacts and pushing constructively for change. We look forward to working with our existing and future partners in Francophone Africa for improvement in the conduct and impacts of business in the region.