ماعت للسلام والتنمية وحقوق الإنسان
Maat For Peace, Development, and Human Rights

Impeding Prosperity

Impact of European Companies on Right to Development in African Countries

Prepared by

Ali Muhammad - Abdel Halim Harfoush - Malak Hassan

Edited by

Dr. Sherif Abdel Hamid

Impeding Prosperity

Impact of European Companies on Right to Development in African Countries

Prepared by

Ali Muhammad - Abdel Halim Harfoush - Malak Hassan

Edited by

Dr. Sherif Abdel Hamid

Publisher:	Maat for Peace, Development and Human Rights
Headquarters:	148 Misr Helwan El-Zyrae Road, El Matbaa Sq, Hadayek El Maadi, 4th Floor, No 41, Cairo, Egypt
P.O. Box:	490 Maadi
Tel:	00(20) (2) 25266019 **&** 00(20) (2) 25266026
Mobile:	00 (2) 01226521170
Email:	maat@maatpeace.org & info@maatpeace.org
Website:	www.maatpeace.org

Contents

Preamble

Human rights are fundamental to sustainable development, and 2030 Agenda for Sustainable Development recognizes that inclusive and participatory economies and societies, where governments are accountable, deliver better outcomes for all, leaving no one behind. Declaration on Right to Development emphasizes Right of every individual and all peoples to free, active, and meaningful participation. UN Guiding Principles on Business and Human Rights set out the duty of states and private companies to ensure that business does not violate human rights.

However, in Africa, it does not take much effort to demonstrate the consequences of the activities of European multinational companies. The roles granted to transnational corporations and multinational companies are increasing, and these roles intersect with their contributions to national economies in Africa. These companies are integral to the flow of funds to and from developing economies, and their activities can be a double-edged sword, either enhancing or hindering Right to development. Right to development is defined in Article 1 of the 1986 Declaration on Right to Development as "a right that guarantees every human being and all peoples Right to participate in, contribute to, and enjoy economic, social, cultural, and political development in a manner that allows for the full realization of all human rights and fundamental freedoms." From this definition, it is clear that Right to development encompasses three basic elements: participation in development, contribution to it, and enjoyment of its benefits. Additionally, it has four aspects: economic, social, cultural, and political development.

However, the activities of European companies, the focus of this study, often neglect the promotion of Right to development, prioritizing profit over assessing the risks faced by local populations. Approximately 6,000 of these companies invest in sectors such as mining, oil and gas exploration, and infrastructure projects like pipelines, transportation, and power plants. These operations have significant consequences for indigenous peoples and tribal and local communities in these areas.

Africa is home to approximately 30% of the world's mineral reserves, 12% of its oil reserves, and 8% of its natural gas reserves. The continent also possesses 40% of the world's gold and up to 90% of its chromium and platinum. Additionally, the largest reserves of cobalt, diamonds, platinum, and uranium are located in Africa. Beyond these resources, Africa contains 65% of the world's arable land and ten percent of its renewable freshwater resources. Despite this vast potential, it has not translated into meaningful development on the continent. Currently, there are 345 companies in Africa generating revenues exceeding one billion dollars annually, along with 20 companies reporting profits of over ten billion dollars. However, these profits have not benefited African continent. For instance, more than 50% of the population in sub-Saharan Africa still lacks access to electricity. According to African Union, there is still a $90 billion annual financing gap in African countries to meet energy access targets. Deaths from non-communicable diseases are also on the rise due to poor prevention, diagnosis, and care. For example, data from International Diabetes Federation shows that the prevalence of diabetes in Africa is increasing. The latest available statistics indicate that there are 44 million people aged 20 to 70 living with diabetes in 53 African countries; this number is expected to rise by 34% by 2030 and by 109% by 2045. The continent remains mired in multidimensional poverty. In sub-Saharan Africa alone, 556 million people live in multidimensional poverty, with 82% residing in rural areas.[1] Thus, the continent's abundance of natural resources has not translated into wealth for African countries or into the development of their populations.

Under the principle of state sovereignty over natural resources, African states bear the primary responsibility for ensuring that these resources are managed for the benefit of their populations. According to Article 21 of African Charter on Human and Peoples' Rights, states have a duty to eliminate all forms of foreign economic exploitation, particularly what is referred to in Article 21 as international monopolies. However, at various times, African governments have been complicit with multinational companies in establishing projects that harm local populations and fail to promote Right to development of African peoples.

This study, prepared by **Maat for Peace, Development and Human Rights** on the sidelines of **the 57th session of Human Rights Council**, focuses on the impact of the activities and operations of European multinational companies on Right to development in Africa. It was prepared in conjunction with the interactive dialogue with the Expert Mechanism on Right to Development, the interactive dialogue with the Special Rapporteur on Right to Development, and the report of the Working Group on Right to Development.

[1] OPHI and UNDP Regional MPI Brief Leaving no one behind: Poverty reduction in sub-Saharan Africa, https://tinyurl.com/bdee8fc6

Methodology

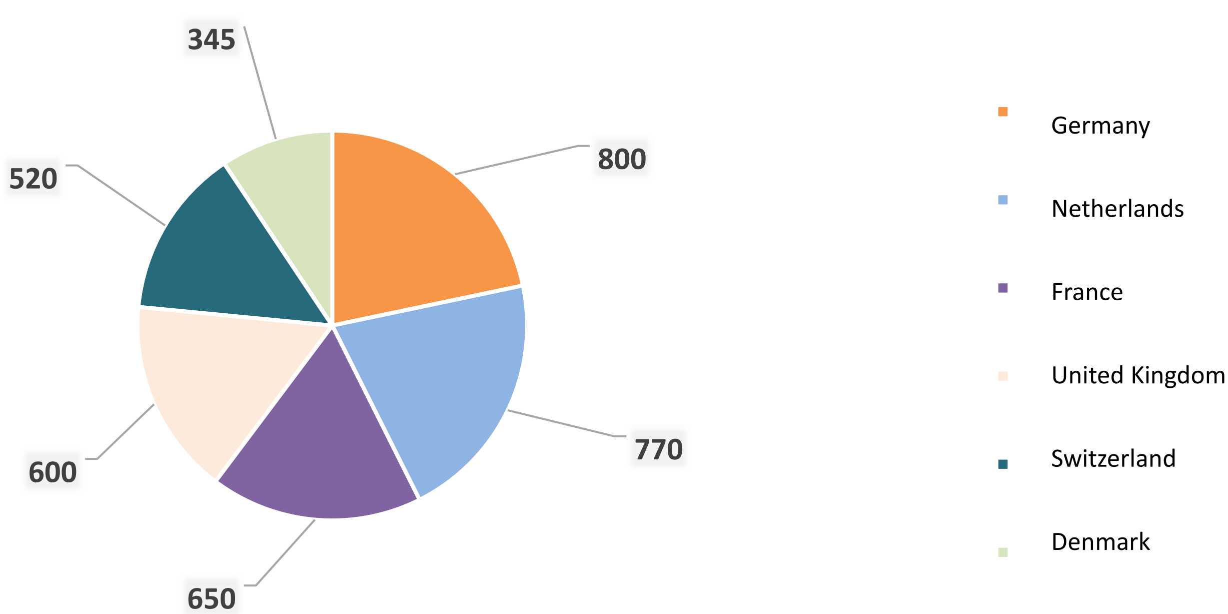
In this study, Maat relied on testimonies from local residents residing in areas affected by projects of European multinational companies. Maat also collected documentary evidence of the impacts of these companies' activities and analyzed the opinions of environmental experts regarding their effects on Right to development in Africa. To understand the extent of responsibility of African countries and European companies, the study utilized OECD Corporate Social Responsibility Guidelines, the OECD Guidelines for Multinational Enterprises, and the Guidelines on Business and Human Rights issued by Human Rights Council Resolution 4/17 in 2011. Additionally, the United Nations database on World Trade Statistics was consulted.

The study also relied on media reports from African and international platforms covering the practices of multinational companies in Africa. It incorporated information released by the companies themselves in their annual reports. For the purposes of this study, **the term "companies" refers to multinational corporations headquartered in European countries, even if those countries are not members of European Union, or if company origin is outside Europe**, including those listed on London Stock Exchange. The study seeks to answer a key question: Who benefits from natural resources in Africa? Do the activities of multinational and transnational companies contribute to achieving development in Africa and enhance access for African people to these resources, or do the practices of these companies undermine Right to development and hinder progress toward prosperity of African societies?

First: Main Results

- The study concludes that European multinational and transnational companies have a significant impact on Right to development in Africa. While their positive contributions are limited, their negative effects are substantial, creating obstacles that hinder African countries' progress toward prosperity and well-being. Approximately 6,000 European companies operate on African continent,[2] primarily in the mining sector, both extraction and marketing, as well as in infrastructure projects, manufacturing, services, and other ventures. Maat notes that Germany stands out among European countries, with over 800 companies operating in Africa, followed by the Netherlands with more than 770, and France with over 650. The chart below illustrates the six European countries with the most companies in Africa.

Figure 1: European Countries with Largest Number of Companies in Africa



- It is evident from the previous figure that only six European countries host more than 3,685 transnational or multinational companies operating on African continent. These companies primarily focus on mining, oil and gas exploration, and

[2] EBCAM today represents some 6,000 European companies with interests in the African continent, https://www.ebcam.eu/news/brussels

manufacturing, as well as service activities, including financial services. A limited number have initiated entrepreneurship projects in Africa.

Table below shows number of companies operating in Africa in 6 European countries

Country	Number of Companies
Germany	800+
Netherlands	770+
France	650+
United Kingdom	600+
Switzerland	520+
Denmark	345+

- Despite some positive practices, such as employing local workforces, providing training, and contributing to economic growth, albeit to a limited extent and varying by country, the overall damage caused by European companies outweighs the benefits. These multinational corporations tend to prioritize profits over the preservation of African lives.
- It can be reasonably asserted that some African governments are complicit with European multinational companies by facilitating their access to investments and project establishment. This includes granting licenses, issuing permits, and facilitating ownership and control over extractive activities.
- Most companies included in the study deny the irresponsible and unethical practices that their operations in Africa inflict on human rights, including Right to development. The table below lists companies involved in causing environmental and health damage in African countries, as well as those obstructing development through practices such as corruption and tax evasion. Therefore, it can be stated with a high degree of confidence that the companies listed in the table below obstruct Right to development across African continent.

Table: List of companies involved in activities that impede right to development in Africa

Company	Headquarters Country	Scope	Damage
Total	France	Oil & Gas	Environmental
Shell	France	Oil & Gas	Environmental
British American Tobacco BAT	United Kingdom	Tobacco	Environmental
Ernst & Young	United Kingdom	Accounting Services	Corruption
TRAFIGURA LIMITED	United Kingdom	Metals & Energy	Environmental/Health
BHP Billiton	United Kingdom	Metals & Oil	Environmental/Health
BSG Resources Limited	United Kingdom	Mining	Corruption
Perenco	France	Oil & Gas	Tax Evasion
Argor-Heraeus	France	Mining & Exploration	Health

- Although some expect that profits from these resources will finance and stimulate new industries in resource-rich countries, the reality in Africa suggests otherwise. The oldest oil-producing countries, Nigeria, Gabon, and Angola, are not among the best in terms of economic development rates; in fact, oil-producing regions in Nigeria are among the poorest in the country.
- In addition to the losses some African countries face from declining asset prices offered to foreign investors, they also lose approximately $35 billion annually due to

money smuggling. Of this amount, only 3% can be attributed to corrupt practices by certain African officials who embezzle public funds and transfer their wealth abroad. The majority of these losses stem from tax evasion by multinational corporations operating on the continent, often exploiting legal loopholes to avoid tax obligations.

Second: Consequences of Activities of European Companies on Right to Development

"Enough is enough," expressed a resident impacted by the operations of a multinational company in Madagascar. This sentiment encapsulates just a fraction of the extensive damage inflicted on local communities by European companies across Africa. These activities hinder the equitable distribution of developmental benefits to the continent's population, projected to reach 1.5 billion by 2024.[3] Africa is currently the fastest-growing continent globally, with projections indicating that by 2050, one in four people will be African.[4] However, the rapid expansion of European companies in pursuit of African prosperity does not align with the promotion of Right to development, as evidenced by various detrimental factors.

a. Economic Development Challenges in Africa

The activities of multinational corporations significantly impact economic development across Africa, influenced by factors such as corruption, tax evasion, and the degradation of agricultural resources.

1.1 Corruption

Corruption involving multinational companies remains a critical factor undermining economic development in African nations. For instance, Mozambique boasts the largest natural gas reserves in sub-Saharan Africa, with gas first discovered in the Pande field in 1961, following earlier explorations in the Timan field in 1956.[5] In a notable case, Ernst & Young, a London-based firm, along with Privinvest, a shipbuilding company owned by a French-Lebanese businessman, engaged in bribery to secure a nearly $2 billion loan from the Mozambican government. It is estimated that $200 million was paid in bribes and kickbacks to facilitate this loan,[6] which was approved without parliamentary consent. Intended to enhance maritime security and bolster the tuna fishing industry, these loans ultimately failed to benefit Mozambique's economy.

[3] Demography: Africa's Population Reaches 1.5 billion, https://tinyurl.com/mwe8yttw
[4] Blog) As Africa's Population Crosses 1.5 https://tinyurl.com/mwe8yttw Billion, The Demographic Window Is Opening; Getting the Dividend Requires More Time and Stronger Effort, https://tinyurl.com/4fs89pc2
[5] project Finance and Guarantees, https://tinyurl.com/3jsdeets
[6] Corruption risks in Mozambique's energy sector, page 13, https://tinyurl.com/vetpnak2

In a related instance, BSG Natural Resources,[7] based in Paris, reportedly paid millions to the wife of the former Guinean president to secure concessions for vast, untapped iron ore deposits in Simandou mountain range in Equatorial Guinea.[8] **British American Tobacco (BAT)**, headquartered in London, United Kingdom, has been implicated in bribing politicians and government officials across ten African countries: Zambia, Burundi, Uganda, Comoros, Tanzania, the Democratic Republic of the Congo, Sudan, Kenya, Rwanda, and Malawi. These bribes, which took various forms such as cash payments, bank transfers, and campaign financing, were aimed at influencing policies and legislation in these nations. Reports indicate that BAT used these funds to obstruct legislation aligned with WHO Framework Convention on Tobacco Control in several African countries, including Burundi, Rwanda, and Comoros. This interference ensured that local laws remained inconsistent with the Convention, thereby serving BAT's profit-maximizing interests.[9]

In Kenya, BAT sought to undermine anti-tobacco smuggling efforts by establishing its own tracking system for tobacco products, contrary to the Illicit Trade Protocol, which mandates an independent system. The company allegedly paid off officials and decision-makers to facilitate this violation. Furthermore, research has shown that BAT engaged in tactics to obstruct competitors, including bribing employees of rival firms to act as informants and financing fictitious entities to incite unrest among their workforce.[10] Such actions hinder the promotion of development in Africa, undermining companies that genuinely contribute to growth and adhere to governance principles.

1.2 Tax Evasion

Multinational and transnational corporations based in developed countries often exploit tax evasion strategies to minimize their financial contributions in the regions where they operate. This tax evasion costs African nations an estimated $23 billion annually, a significant amount that could otherwise help distribute the benefits of development and stimulate economic growth. Additionally, multinational corporations sometimes influence African governments to maintain ineffective policies and regulations that fail to address tax base erosion, profit shifting, and illicit financial flows.

---

[7] BSG Resources Ltd., https://www.bsgresources.com/

[8] France: Billionaire Beny Steinmetz Loses Landmark Guinea Bribery Case, https://www.occrp.org/en/news/france-billionaire-beny-steinmetz-loses-landmark-guinea-bribery-case

[9] British American Tobacco in Africa: Continuing Allegations of Misbehaviour, tobacco tactics, https://n9.cl/4wh1b1

[10] Ibid

These corporations frequently hire consultants from reputable accounting firms to provide legal justification for their tax evasion strategies. They establish tax planning departments and seek specialized professional advice to facilitate these schemes. For instance, in Gabon, company Perry Nko was scheduled to pay €728,000 in environmental taxes in 2021 but only remitted €304,000. Reports suggest that such practices are associated with corruption[11] and impede development efforts in African countries, leaving their budgets lacking the necessary funds for development initiatives and the promotion of economic and social rights.

1.3 Wasting Agricultural Wealth

In Gabon, the operations of the multinational company Perry Nko, with headquarters in Paris and London, have adversely affected local agricultural communities.[12] This well-known company manages approximately 207 oil fields in Gabon, extracting around 100,000 barrels of oil per day, which constitutes about 40% of the nation's total production. Company's activities have had detrimental effects on the population residing near Lake Angoy; an oil spill on February 16, 2023, resulted in the destruction of local vegetation and the death of all fish in the lake. In Ghana, climate change driven by the activities of European companies has devastated the livelihoods of coastal communities, which make up 25% of country's population. Most residents in the northern regions of Ghana depend on agriculture for their livelihoods, and these environmental changes have adversely affected crop production. Consequently, many people have migrated from their original areas in search of better opportunities.[13] Similarly, farmers in Niger Delta have lost their agricultural land due to Shell's operations and the resulting oil pollution, forcing them to leave their homes in pursuit of a better life.[14] This situation has weakened the local economies in these regions.

---

[11] Revealed: Perenco's damaging oil spills in Gabon, https://disclose.ngo/en/article/revealed-perencos-damaging-oil-spills-in-gabon

[12] Perenco is an independent Anglo-French oil and gas company headquartered in London and Paris with exploration and production activities in 16 countries around the world.

[13] Managing the challenges of climate change mitigation and adaptation strategies in Ghana, https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10149250/

[14] Deradicalization of Niger Delta Youth through Agricultural Production, https://www.ijriar.com/docs/2019/2019-mar/IJRIAR-12.pdf

b. Exploitation of African Labor

One significant issue stemming from the policies of multinational companies is the exploitation of African labor. Although these companies sometimes hire employees from the host countries in their branches, decision-making power remains firmly in the hands of the parent company's management. Furthermore, local employees are often barred from leadership positions, even when the host country allows for shared ownership of these branches. For instance, in Liberia, Lamco Mining Company, a Swedish-American-Liberian entity, acquired a concession to extract and export raw iron but did not permit Liberians to hold management positions.[15]

The narrative surrounding Africa's economic rise, often celebrated for increased foreign investment, obscures ongoing exploitation of continent natural resources by multinational corporations. This exploitation results in environmental degradation, the erosion of local lifestyles, and continued subjugation of African labor.

[15] Udofia, O.E., Imperialism in Africa: A Case of Multinational Corporations, Journal of Black Studies, vol.14, no.3, 1984, pp.355-357

Third: Environmental Damage Caused by European Companies in Africa

European companies have a notorious history of causing environmental damage in Africa, often leading to significant ecological disasters. This section focuses specifically on activities that harm the environment. Many European companies operating in Africa are implicated in severe environmental degradation, contributing to the exacerbation of climate change. Their activities primarily involve oil and gas extraction, deforestation, and mining operations, all of which significantly increase carbon and greenhouse gas emissions. These practices not only destroy local ecosystems but also undermine ability of African countries to adapt to climate change.

Research indicates that oil companies in Africa contribute to a high rate of warming, jeopardizing the continent's ability to achieve its development goals, particularly Goal 13 of Sustainable Development Goals. Data shows that 2023 was the warmest year on record, with average global temperatures rising 1.5 degrees Celsius above pre-industrial levels. Similarly, Africa experienced a warming of 1.5 degrees Celsius above pre-industrial levels.

Moreover, Maat has reviewed several activities conducted by European companies that likely result in environmental harm. The East African Pipeline Project, for instance, has been criticized for undermining Right to a clean, healthy, and sustainable environment. Critics argue that the pipeline, which aims to transport 246,000 barrels of oil per day to be burned, will exacerbate climate change by releasing additional greenhouse gases.[16]

[16] Where East African oil pipeline meets sea, displaced farmers bemoan "bad deal" on compensation, https://tinyurl.com/3wczax8j

East African Pipeline Project

A prominent example of the devastating impacts of multinational companies on the environment and local economic activities is Niger Delta region in Nigeria. Here, repeated oil spills, estimated to exceed five thousand in the first half of last decade, have severely affected agriculture and fishing, contributing to the displacement of communities. As a result, the activities of oil companies have increased unemployment and poverty rather than alleviating them. Despite rising calls for compensation from affected groups, these companies have largely ignored such demands. They have taken advantage of weak institutional frameworks that fail to enforce environmental regulations or ensure fair compensation for those harmed by their operations.

Shell, in particular, has been linked to significant environmental disasters in the Niger Delta. Local community reports indicate that most oil spills result from inadequate maintenance and safety standards of Shell's pipelines.[17] Lawsuits filed against the company reveal a long history of oil spills since its operations began in Nigeria, leading to significant harm to local communities. Agricultural lands have been devastated, and

[17] Double standard Shell practices in Nigeria compared with international standards to prevent and control pipeline oil spills and the Deepwater Horizon oil spill, Page 6, https://www.foei.org/wp-content/uploads/2014/01/20101109-rapport-Double-Standard.pdf

water sources—including groundwater—have been polluted, ultimately causing health issues for residents. [18]

Between 2011 and 2022, over 1,400 oil spills were recorded,[19] resulting in more than 500,000 barrels of oil contaminating environment.[20] Alarmingly, Shell denies the extent of this damage, attributing spills to crude oil theft, sabotage of production facilities, and illegal refining activities.[21] In a notable legal case, over 13,000 residents of Niger Delta[22] have joined a lawsuit against Shell in United Kingdom, to which the company responded by claiming that sabotage led to these oil leaks. Perhaps one of the worst disasters was caused by Trafigura, a Singaporean company registered in UK and headquartered in London with limited liability number 02737924.[23] MV cargo ship chartered by the company dumped toxic waste in different areas of Abidjan and there were no mechanisms to treat this chemical waste, lacking any mechanisms for treating this hazardous material. This air pollution resulted in the deaths of 17 residents from inhaling toxic gases, while hundreds of thousands experienced health issues such as nausea, headaches, vomiting, and skin rashes.[24] On September 25, 2024, African Court on Human and Peoples' Rights ruled that Côte d'Ivoire had violated Human Rights of the victims due to the toxic waste dumped by Trafigura in Abidjan and surrounding areas. The court found that the government was aware of the ship's cargo of industrial chemical waste but allowed it to unload without securing a waste treatment company, which never materialized.[25]

[18] Selling out Nigeria Shell's irresponsible divestment, Page 42, https://www.somo.nl/download/46806/?tmstv=1727983829

[19] Niger Delta community devastated by yet another Shell oil spill, https://www.opendemocracy.net/en/shell-niger-delta-oil-spills-sabotage-equipment-failure/

[20] So dropped the first oil barrelsin the Saloum https://rosalux.sn/wp-content/uploads/2024/07/So-dropped-the-first-oil-barrels.pdf

[21] Spill response and prevention in Nigeria, https://tinyurl.com/yc34nt42

[22] Leigh Day Law Firm Files Lawsuit Against Shell https://shorturl.at/cXGsb

[23] TRAFIGURA LIMITED, https://find-and-update.company-information.service.gov.uk/company/02737924

[24] The Scope of State Responsibility for Business-Related Human Rights Abuses: The Toxic Journey of Trafigura, https://tinyurl.com/4r7w4f9z

[25] N THE MATTER OF LIGUE IVOIRIENNE DES DROITS DE L'HOMME (LIDHO) AND OTHERS, https://www.african-court.org/cpmt/storage/app/uploads/public/64f/ebd/f77/64febdf77f811512395983.pdf

Attempt to Address Effects of Trafigura's Toxic Waste

Total Energies, a major hydrocarbons producer in Africa, has also faced accusations of destroying ecosystems and depleting natural resources across the continent, with significant negative repercussions for both the environment and local communities. In this context, estimates indicate that emissions from **Total LNG project in northern Mozambique**, specifically in the **Cabo del Gato** region, range between 3.3 and 4.5 billion tons of carbon dioxide equivalent. Experts assert that this amount exceeds the total greenhouse gas emissions of all European Union countries, violating the Paris Climate Agreement's goal of limiting global temperature rise to 1.5 degrees Celsius. Additionally, the company has been criticized for insufficient measures to prevent oil leaks in African countries where it operates, which pollutes essential clean water sources for local residents. For instance, Total caused pollution in Nigeria's Niger Delta through oil leaks from the Egina field during the transfer of crude oil from a floating storage vessel in November 2023. This incident threatens the suitability of surrounding water for use, particularly as local communities rely on it for irrigating agricultural lands. Consequently, the quantity and quality of crops have declined, adversely affecting the economic conditions of families dependent on agriculture in the region.[26] These practices violate Right to a clean, healthy, and sustainable environment; Right to clean air and climate;

[26] Clean game, dirty money: Total Energies' sportswashing in Africa called out, Greenpeace, https://2h.ae/qnsy

Right to safe and sufficient water; adequate sanitation facilities; and access to healthy, sustainably produced food.

Maat also highlights that environmental damage is closely linked to the mining industry in the Democratic Republic of the Congo (DRC), particularly in copper and cobalt mining. Various academic studies indicate that industrial mining operations in the DRC have detrimental effects on ecosystems and human health, contributing to the pollution of surface and groundwater and damaging arable land. Special Rapporteur on human rights and the environment has characterized areas surrounding mining operations as suffering from devastating physical and mental health consequences and human rights violations.[27] Experts consulted by Maat noted that the mining industry in the DRC has caused extensive land degradation through the deforestation of millions of trees, negatively impacting air quality in nearby areas. This damage is compounded by water pollution from toxic materials and waste.

Families Washing Their Clothes Near Mining Mines

Maat believes that the increase in greenhouse gas emissions from these projects, coupled with the reduction of cultivated land in African countries due to environmental damage caused by many European companies, exacerbates climate change and disrupts food security in Africa. In 2023, extreme weather conditions, including low rainfall and floods driven by climate change, led to significant food shortages. Cereal production in

[27] The right to a clean, healthy and sustainable environment: non-toxic environment Report of the Special Rapporteur on the issue of human rights obligations relating to the enjoyment of a safe, clean, healthy and sustainable environment, https://documents.un.org/doc/undoc/gen/g22/004/48/pdf/g2200448.pdf

North Africa for that year is estimated at about 33 million tons, approximately 10% less than the five-year average. Tunisia was particularly affected, with cereal production estimated at about 300,000 tons—80% less than the annual average due to widespread drought conditions. Algeria also reported a decrease in cereal production, estimated at about 3.6 million tons, representing a 12% decline compared to 2022.[28]

[28] State of the Climate in Africa 2023, https://reliefweb.int/report/algeria/state-climate-africa-2023-enarruzh

Fourth: Health of Local Populations at Stake

Impact of European companies' activities in Africa extends beyond economic and environmental damage; it also poses significant risks to public health in local communities. Maat has observed a range of activities by European firms that have adversely affected public health. For instance, in Ethiopia, Argor-Heraeus, a partner of the Swiss gold mining and exploration group Mederuk, has been involved in mining operations that have had serious health repercussions for the local population. Residents have been exposed to toxic metals, violating their right to health and access to a clean, safe environment.[29] Despite the Ethiopian government's request for an impact assessment, the two companies resumed mining activities at the Lima Demi mine without implementing measures to mitigate pollution or assess health risks. Evidence of these impacts is reflected in the placement of warning signs near rivers close to the mine, advising against swimming due to the presence of exceptionally high levels of toxic chemicals, including mercury.[30]

According to Responsible Gold Guidelines, which require members, including Swiss companies, to conduct human rights due diligence, companies must identify, prevent, and mitigate human rights abuses in their supply chains.[31] This guidance mandates that businesses cease using suppliers involved in such abuses, and it calls for gold refiners to identify potential human rights risks associated with the extraction, transportation, or trade of gold. Overall, companies have failed to take adequate measures to address the harm caused at Lega Demby mine and have not committed to providing compensation, pollution mitigation, or other remedies for local communities. The serious health impacts resulting from pollution are inconsistent with Article 12 of International Covenant on Economic, Social and Cultural Rights and Sustainable Development Goal 3.[32] Swiss-based Nestlé also engages in practices that adversely affect children's health in Africa. The company adds sugar to cereals and baby formulas, such as Cerelac and Nido, in developing and low-income countries, including South Africa, Senegal, and Ethiopia. For example, Cerelac cereals exported to South Africa contain four

[29] Gold mining in Ethiopia 'breeds rights violations', https://tinyurl.com/5n6tcaen
[30] EXCLUSIVE: Health woes, outrage, and toxins near Ethiopia gold mine, https://tinyurl.com/3rzkrxh2
[31] Ethiopia: Companies Long Ignored Gold Mine Pollution, https://www.climatebusiness.africa/2023/04/29/ethiopia-companies-long-ignored-gold-mine-pollution/
[32] International Covenant on Economic, Social and Cultural Rights, Article 12, https://tinyurl.com/3yc8r34j

grams or more of sugar per serving, while comparable products in European countries, such as Switzerland, France, Germany, and United Kingdom, contain no added sugar.[33]

Medical research indicates that these additives may harm children's health, making it difficult for them to reduce sugar intake as they grow older, potentially leading to diseases such as diabetes, high blood pressure, and obesity.[34] Right to development encompasses a comprehensive approach to meeting children's basic needs, and achieving development fundamentally relies on the public health of individuals within their communities. As such, the practices of Nestlé and similar companies negatively impact African communities and hinder progress toward enhancing their right to development.

In Nigeria, Shell's operations in the Ogoni area have led to significant water pollution, resulting in increased rates of cancer and respiratory issues among the local population. Vulnerable groups, including children and pregnant women, have faced severe health complications.[35] Additionally, African workers have suffered from black lung disease, caused by inhaling coal dust from BHP Billiton, which operated coal mines in South Africa. On August 16, 2023, lawsuits were filed against BHP Billiton and two other South African companies. The plaintiffs argue that the companies' activities contributed to the deaths of several workers who contracted chronic mine dust lung disease (CMDLD), also known as black lung disease.[36] Maat reviewed the testimony of Mwana Jan Nkosi, a 65-year-old former miner who worked from 1981 to 2016 and was diagnosed with CMDLD in 2020. He stated: **"I have constant chest pain. At night, I have to sleep in a specific position to relieve this pain. Sometimes I cough at night. When I stand up quickly, I feel as if my chest is blocked, and I have to stop and rest. The impact of this disease on me and my family has left me unable to work since leaving the mine. I struggle to breathe and cannot perform any physical labor."[37]**

---

[33] Nestlé accused of "double standards" over sugar in baby formula, cereals, https://www.just-food.com/news/nestle-accused-of-double-standards-over-sugar-in-baby-formula-cereals/

[34] How Nestlé gets children hooked on sugar in lower-income countries, public eye, https://2h.ae/EVCo

[35] The Impact of Shell's Oil Business in Nigeria, https://www.gicj.org/topics/thematic-issues/business-human-rights/3722-the-impact-of-shell-s-oil-business-in-nigeria

[36] S. Africa: Current and former coal miners who contracted chronic obstructive pulmonary disease after working in a South32, BHP Billiton PLC, and Seriti Power file class action for harm suffered, https://tinyurl.com/2xf7xyz4

[37] Coal miners file class action against South32, BHP Billiton PLC and Seriti Power, https://www.motleyrice.com/news/coal-miners-class-action-south-africa-mines

Fifth: Forced Eviction of Local Communities

The activities of companies in the extractive industry often intersect with waves of displacement and forced eviction of local communities from their lands and homes. Although these evictions are often justified by development projects,[38] they prioritize economic growth over the needs of marginalized groups, such as indigenous peoples.

Large multinational mining companies are responsible for the forced eviction and mass displacement of local communities, as well as imposing harsh working conditions. In Toliara region of Madagascar, a sand mining project run by Base Resources, an Australian company listed on the London Stock Exchange, has forced approximately a thousand indigenous people to relocate. Women from the affected communities have testified that the mining company pressured local residents to speak positively about the project.[39] Such practices undermine efforts to achieve sustainable development in these areas. Displacement often results in new challenges for the affected populations, perpetuating a vicious cycle of recovery that may never materialize. In Tanzania, the construction of the East African Crude Oil Pipeline (EACP)—a project designed to transport crude oil from Ugandan oil fields to the Indian Ocean coast—has led to significant displacement. Many individuals have been forced to abandon their land under government pressure. The high cost of housing in areas adjacent to the project has made it difficult for them to purchase new land. EACP involves a 1,147-kilometer buried pipeline that will traverse eight northern districts. It is being jointly implemented by the French multinational Total, China National Offshore Oil Corporation, and the governments of Uganda and Tanzania. The pipeline will transport oil from Tilenga and Kingfisher oil fields near Lake Albert in Uganda, through Lake Victoria to the Chongoleani Peninsula in Tanzania. Maat has received complaints from local residents regarding land expropriation, particularly in Uganda. In October 2024, High Court of Uganda issued a judgment against 80 individuals whose land was taken for the East African Crude Oil Pipeline (EACOP). This ruling followed a case filed by Government of Uganda, through Attorney General, on August 20, 2024.[40]

[38] Internally displaced must have a say in development decisions to help avoid rights abuse: UN expert, https://tinyurl.com/27435wb9
[39] Base Resources Limited (BSE.L), https://tinyurl.com/2utwwkka
[40] Available at the following link, https://x.com/AfiegoUg/status/1841732233301823703

Demonstrations against East Pipeline Project

The residents reported that government failed to implement the principle of free, prior, and informed consent, as well as to involve local communities in decisions prior to the construction of the pipeline. This principle is crucial for realizing Right to development, as emphasized by Special Rapporteur on Right to Development and African Commission. The state has a duty to actively consult with affected communities, which includes providing and disseminating information and maintaining consistent communication among stakeholders.[41]

In South Africa, Department of Mineral Resources and Energy has granted exploration rights to multinational companies, including Shell, allowing them to conduct seismic surveys off the coast in search of oil and gas. Opponents of this decision argue that these rights should not have been granted due to inadequate community consultation and insufficient impact assessments on livelihoods and cultural rights.[42]

---

[41] Reinvigorating the right to development: A vision for the future, https://documents.un.org/doc/undoc/gen/g23/151/53/pdf/g2315153.pdf

[42] Oxfam submission to the UN Working Group on Business and Human Rights, Page 13, https://tinyurl.com/yc46adx5

Sixth: Involvement in Child Labor in Africa

Africa has the highest number of child laborers in the world, with an estimated 72.1 million children engaged in child labor, of which 31.5 million are involved in hazardous occupations. This situation hinders the development of these children and perpetuates a cycle of generations deprived of their rights to development. Maat has noted specific examples of transnational and multinational corporations involved in child labor within the mining and extractive industries in Tanzania.

In the cocoa industry, the reliance on child labor is increasing, particularly as transnational corporations operate in Africa. Approximately 1.5 million children work in cocoa fields in Côte d'Ivoire and neighboring Ghana, which together produce 60 percent of the world's cocoa beans.[43] Recent estimates indicate that over 4,000 children are engaged in forced labor conditions in cocoa production in Côte d'Ivoire. Some children are sold to traffickers by their parents and are trafficked themselves, while others migrate voluntarily but are sold to traffickers or farmers, where they end up in forced labor. In Nigeria, for example, children are reportedly forced to produce cocoa and are trafficked through Nigeria and Burkina Faso by middlemen who recruit children into the cocoa industry. Many children are not paid for their work. Some children are forced to work long hours, including during the hottest hours of the day, putting them at high risk of heat-related illness. Children are forced to perform dangerous tasks, such as using sharp tools, carrying heavy loads, and handling pesticides, without protective equipment. For more than two decades, Nestlé and its competitors have pledged to combat child labor in the $100 billion cocoa industry, but these pledges have remained promises rather than action. According to available research, there is an intersection between economic development and child labor. Previous literature shows that the worst forms of child labor hinder economic development and that high economic development in countries leads to a decrease in child labor.

[43] The chocolate price spike: what's happening to global cocoa production, https://www.sustainabilitybynumbers.com/p/cocoa-prices

Children Working in Cocoa Fields

OECD Guidelines for Multinational Enterprises require companies to include the prohibition of child labor in their policies, along with human rights due diligence. The elimination of child labor and all forms of forced and compulsory labor is an integral part of these guidelines.

Seventh: Roles Expected from Different Stakeholders

Maat believes that various stakeholders, including transnational and multinational companies, have crucial roles in promoting the realization of the right to development in African countries. The key stakeholders identified by Maat for promoting the right to development and reducing negative practices by European companies are:

a. National Human Rights Institutions

National human rights institutions in Africa can play a vital role in ensuring that the continent's population enjoys the benefits of development while preventing the encroachment of European companies. They can mobilize efforts and advocate for equal participation in economic, social, cultural, and political development. This can be achieved by establishing mechanisms to receive complaints related to companies, particularly those that conflict with economic and social rights.

b. Civil Society

African civil society can develop tools to mitigate violations by transnational and multinational corporations in the region through:

- Pressure and advocacy campaigns to hold companies accountable for their human rights violations, especially those affecting local communities.
- Intensive training to raise awareness among companies regarding the Guiding Principles on Business and Human Rights adopted by the Human Rights Council, while advocating for national action plans on business and human rights.
- Providing legal assistance to victims affected by the activities of transnational and multinational companies.
- Submitting reports to international mechanisms, particularly the Expert Mechanism on the Right to Development, the Special Rapporteur on the Right to Development, and the Working Group on the Right to Development, to highlight violations committed by these companies.
- Monitoring the activities of multinational corporations in Africa and pressuring governments to disclose information about their dealings with these companies and the profits generated from them.

c. Multinational Corporations

Companies must adhere to human rights due diligence, a fundamental principle underpinning the Guiding Principles on Business and Human Rights. Additionally, they must practice “responsible exit,” which requires a business to consider suspending or terminating its activities, especially in countries facing instability. This exit should not be a mere process of leaving a region and evacuating employees. Instead, practical steps must include conducting risk assessments for affected individuals, particularly employees; providing reasonable advance notice to local communities, suppliers, workers, and other partners about the imminent termination of business relationships; and ensuring that employees continue to receive their income during the exit period.

Furthermore, it is essential for multinational companies operating in Africa, particularly in the extractive industries, to integrate human rights—especially economic and environmental rights—into their energy transition plans. Their operations significantly contribute to carbon dioxide emissions and chemical pollution, which pose health risks to communities adjacent to their projects.

d. Governments of Countries

The governments of African countries have a duty to provide protection from human rights abuses committed by businesses within their territory or within their jurisdiction. This duty is clearly stated in the Guiding Principles on Business and Human Rights and is one of three pillars on which these principles are based. States should also include potential human rights risks in their negotiations with companies before allowing them to carry out any activities or projects in African countries.

African countries should also build their capacity to manage foreign investments, by strengthening the capacity of national governments to formulate rules and legislation that regulate the work of multinational companies that invest in them, or developing the professional and managerial skills of African workers, and directing part of corporate social responsibility programs to invest in vocational and technical education. Also, among the policies that African countries need to manage their relations with multinational companies is supporting the role of their national companies to compete with those foreign companies, whether through tax policies and legal frameworks, or by creating conditions for the return of African competencies to work in these national companies, and establishing new companies.

Recommendations

- Consider developing a draft African Union regional strategy on business and human rights.
- Urge African countries to develop separate action plans on business and human rights.
- European companies should adhere to the Guidelines on Economic Cooperation and Development for Multinational Corporations
- Establish effective communication channels with affected communities, including regular meetings, community forums and the use of local languages. In addressing concerns raised by corporate harms
- Mandatory gender and human rights impact assessments should be established before any development project proposed by European companies can proceed.
- Encourage European companies to invest in clean and renewable energy projects instead of relying on traditional polluting investments such as oil and coal.
- Work on African countries’ fight against tax evasion by cooperating with international bodies to track the tax activities of European companies, to ensure that they do not evade taxes, and oblige these companies to disclose their profits and tax liabilities on a regular basis.
- Supporting national companies to compete with foreign companies, and providing investment opportunities provided by African countries to multinational companies.