

*“I’ll be a president who finally sends a message to the black, white, and brown faces beyond our shores; from the halls of power to the huts of Africa that says, “You matter to America. Your future is our future. And our moment is now.”*

– President-elect Obama, November 3, 2007

## ***The Problem: Human Rights Protections in Oil, Gas and Mining-Dependent Countries***

The United States depends heavily on foreign on foreign nations that supply oil, gas, and other mineral resources. Many of these countries are suffering from the “resource curse” – “rich” countries with poor populations and high level of corruption, conflict and social unrest. US consumers pay the price when instability threatens global oil markets and US foreign policy objectives are undermined by instability in resource rich countries.

US energy security is undermined by our reliance on corrupt, impoverished regimes. Six of the top ten oil-exporting countries to the US rank at the bottom third of the world’s list of most corrupt countries, according to Transparency International. Resource extraction areas have also become the site of violent conflict and human rights abuses as armed groups have sought to gain control of oil and mining installations.

Less well-known, however, are the frequent smaller-scale conflicts that have arisen between companies and unarmed local community members. Indigenous peoples, whose traditional lands often overlap with extraction areas, have been particularly hard hit by social and environmental damage caused by the extractive industries.

Oxfam America believes that urgent action is needed to address critical human rights issues at oil, gas, and mining operations. The executive branch can take immediate actions that would help to address these situations with “extractive industries” and protect American interests. There is an important opportunity for the US to provide global leadership on addressing the “resource curse” through concrete steps that can increase transparency, accountability, and stability in resource-rich countries that supply the US with vital energy and commodities.

## ***Short-term Recommendations – First 100 Days***

President Obama should:

- Order that the Export-Import Bank and Overseas Private Investment Corporation shall not finance any project in the oil, gas, or mining sector that is not in independently verified compliance with international human rights standards, including those that relate to indigenous peoples, and that is not broadly supported by local communities as determined through independent review.
- Order that US Executive Directors at the international financial institutions shall not vote to support any oil, gas or mining project that is not in independently verified compliance with international human rights standards, including those that relate to indigenous peoples, and that is not broadly supported by local communities as determined through independent review.
- Order that the US Agency for International Development shall not enter into any partnership agreement with any oil, gas, or mining company that has not demonstrated independently verified compliance with international human rights standards and/or has not adopted a policy committing the company to obtain the consent of local communities before beginning operations.

### ***Additional Background Information***

United States executive agencies play a key role in supporting extractive industries in developing countries. These include the Export-Import Bank (ExIm), the Overseas Private Investment Corporation (OPIC), and the US Agency for International Development (USAID). Additionally, the US is the largest overall contributor to and a key shareholder of the World Bank, Inter-American Development Bank, African Development Bank, Asian Development Bank, and European Bank for Reconstruction and Development. These institutions finance billions of dollars of extractive industry projects every year.

There is a common belief among local populations that they are not adequately sharing in the benefits of these extractive industries and are unfairly bearing the environment and social costs. This has occurred most notably in Nigeria, the source of more than 10 percent of US oil imports, where armed groups have repeatedly attacked oil installations and taken oil workers hostage. Violence and conflict around oil and mining sites has caused delays and even shut down operations. In Nigeria, such situations have directly contributed to higher oil prices paid by US consumers.

Finally, companies are beginning to realize that protecting human rights and obtaining the consent of local communities are vital measures that can help protect their global operations. While some may argue that obtaining community consent for projects amounts to a “veto” for individuals or puts local interests above the national interest, projects that do not obtain community consent are more at risk of shut downs, disinvestment, or nationalization. It is in the long-term economic interest of companies to invest up front in design projects in a way that are acceptable to local communities. In countries such as Ghana and Peru, both leading producers of gold and other minerals, community-level conflicts happen with disturbing frequency. A recent study by the Peruvian government found more than forty-five active community conflicts at mining operations across the country. A just released study by a Ghanaian government agency found a widespread pattern of human rights abuses by security forces protecting mining operations in the West African country. Such conflicts directly affect US interests by jeopardizing critical supplies of key minerals used by the US economy and corporations.

**For addition information, please contact:**

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