

**National Office**  
294 Albert St., Suite 300  
Ottawa, Ontario, Canada K1P 6E6  
613-237-5236 Fax 613-237-0524  
www.oxfam.ca



July 16, 2001

Mr. Vernon McKay  
Department of Foreign Affairs and International Trade  
125 Sussex Drive, Rm. C6-273  
Ottawa, Ontario K1A 0G2

Dear Mr. McKay,

I am writing to you in your capacity as Canada's National Contact Point for the OECD Guidelines for Multinational Enterprises. Oxfam and its partners are concerned that the company Mopani Copper Mines, owned by the Canadian company First Quantum, may have violated these Guidelines. In March 2000, First Quantum and the Swiss-based Glencore International AG acquired a 90 percent interest in Mopani, with Zambian Consolidated Copper Mines (ZCCM) retaining a 10 percent stake.

Attached are two short reports: an extract from Oxfam's 1998 *Report on Land Tenure Insecurity on Zambia's Copperbelt*, which gives some explanation of the background to the current dispute; and portions of a recent confidential briefing by the Zambian National Land Alliance concerning the tense situation of "squatters" on mine land in Mufulira, Copperbelt Province. The squatters, most of whom are ex-miners and have been long-term tenants of ZCCM, have been threatened with evictions by Mopani.

The company has refused to meet local community representatives and NGOs to discuss the situation and claims that the matter is to be left to a senior government official, the Permanent Secretary of Copperbelt Province. Oxfam and its partner NGOs on the Copperbelt believe that Mopani is failing to adhere to the OECD Guidelines in a number of critical areas.

Mopani, unlike Konkola Copper Mines (owned by Anglo American), is not adhering to World Bank Resettlement Operational Directive 4:30. As such it can be said to be in breach of paragraph 2 of the General Policies Chapter of the OECD Guidelines which calls upon companies, "to respect the human rights of those affected by their activities" in a manner "consistent with the host government's international obligations and commitments.

By refusing to dialogue with the affected communities, NGOs and other local representatives, Mopani is also failing "to foster a relationship of confidence and mutual trust between the enterprise and the society in which it operates" (Chapter II General Policies paragraph 7).

Mopani also appears to be in breach of the recommendations in Chapter III on Disclosure in that it has failed to disclose material information that affects the lives and livelihoods of the communities in question. Mopani has yet "to engage in adequate and timely communication and

consultation with the communities directly affected by the environmental health and safety policies of the enterprise and by their implementation” (Chapter V).

Inequitable distribution of land is a highly explosive issue in many parts of Africa. We are most concerned at the allegation that Mopani had threatened to call in the Zambian Army to evict the squatters. There are fears that once the elections are over, there may be a resort to violence.

We believe that effective action now by the Canadian and Swiss National Contact Points may help to bring Mopani to the negotiating table and achieve a peaceful and equitable solution to a longstanding problem.

I look forward to hearing from you about your efforts to remind First Quantum of their obligations, and to assist in resolving this matter peacefully.

Sincerely,

Joan Summers  
Manager of Programmes