



Marginalised Affected Property Owners vs. Koidu Limited - Backgrounder

Koidu Limited (KL) is a diamond mining enterprise located in Koidu, Sierra Leone. It is wholly owned by BSG Resources Limited – an international company based in Guernsey owned by a Liechtenstein-based trust controlled by Israeli entrepreneur Beny Steinmetz – through BSG’s subsidiary, Octea Limited, and other intermediate companies. The mine has been in operation since 2003 and under the complete ownership of BSG since 2007.

The Koidu Kimberlite Project has been the repeated site of tremendous economic and environmental dislocation, as well as unrest as a result of the perception by community members that they have been dispossessed and disproportionately affected by the negative impacts of diamond mining without enjoying economic or social benefits. Some groups have criticized the company for taking advantage of the government in 2003 – when the country was in ruins from civil war – to obtain project approval despite inadequate environmental studies and ruinous fiscal terms.

2007 and 2012 Incidents of Violence

In 2007, locals protested KL for negligent blasting that repeatedly caused destruction of community members’ property. The protest erupted into violence that left two bystanders dead and at least ten severely injured. A government Commission of Inquiry excoriated the company for its lack of regard for community rights, recommending that KL compensate the families of the dead and injured, provide more benefits to the communities whose land had been taken for diamond mining, and relocate households affected by blasting *prior* to beginning blasting operations. The Commission of Inquiry also recommended that the government renegotiate fiscal agreements with the company to provide more revenue to the state, reconsider the security arrangements that had led to the fatal shootings, and revise the police force’s rules of engagement and use of lethal force.

Although the government accepted almost all these recommendations at the time, it either failed to implement the recommendations or – in the case of the recommendation of compensation to the victims – repudiated them shortly thereafter. Reportedly, many of the practices that led to the original outbreak of violence have continued. In particular, the company has been slow to relocate households affected by blasting, resettled displaced communities under substandard conditions, and neglects to employ local youths. In 2012, violence again broke out when police arrived to break up a demonstration by workers demanding that the company fulfill its promise of a Christmas bonus and improved working conditions. Two locals were killed when the police opened fire.

None of the individual policemen who killed locals has ever been investigated or prosecuted; instead, they remain as active duty police officers. None of the victims has ever been compensated.

Land Rights and Environmental Abuses

The Koidu mine’s operations have serious environmental impacts, affecting the land rights, health, and economic livelihoods of many people in Gbense and Tankoro Chiefdoms (two of the traditional

land authorities in the immediate vicinity of the mine). Many residents continue to live within 500 meters of the mine perimeter despite KL's recognition that they should be relocated. The frequent explosions from the mine shake these residents' homes daily, causing structural damage and terror.

Locals are less and less able to farm their traditional lands. In part, this is because the rubble from the mine's immense overburden pile – which looms over Koidu – has engulfed some residents' farmlands. Many others report that their land is no longer productive, either because of water shortages since blasting began or because of the leaching of toxic substances into their soil.

Many residents also report that their health is suffering. Contaminated water causes skin rashes and digestive problems that were previously unknown. The stress of living with near-constant blasting causes headaches, high blood pressure, and respiratory problems. The dust from the mine's operations often covers the community, causing headaches, difficulty breathing, and a burning sensation in the residents' eyes. While some of these impacts have been attenuated to a degree since the mine shifted from surface to underground operations, they are still felt by many locals

With their reduced access to productive land and natural resources, many locals are struggling to survive. Some families can no longer grow enough to feed themselves but have no access to other sources of income. A number of women have resorted to scavenging stones from the mine's rubble pile and breaking them into gravel with hand-held tools for sale to construction crews. People who used to be able to gather or grow traditional herbs for medicine are forced to travel far – in some cases as far away as distant Burkina Faso – incurring immense expenses and hardships.

The Legal Action

A community-based association, the Marginalised Affected Property Owners (MAPO), filed suit on March 4, 2019, in the High Court at Kenema in Sierra Leone. The suit will eventually encompass claims for many of the abuses described above. However, the first stage is an *ex parte* originating summons – in essence, a request for the court to allow the plaintiffs to proceed against KL, Octea Ltd., other Steinmetz Group companies, and their leadership as one joint enterprise.

Key Actors

Koidu Limited – Sierra Leone diamond mining company, accused of causing extensive property and environmental damage, and being complicit in the shooting of peaceful protesters.

BSG Resources Limited – Guernsey-based company that indirectly owns KL, owned by a trust controlled by the family of Israeli mining mogul Beny Steinmetz.

Network Movement for Justice and Democracy – Sierra Leone civil society group that has assisted the communities at Koidu to expose KL's abuses and negotiate for better treatment.

Marginalised Affected Property Owners – community-based association of persons affected by KL's operations, filed suit against KL, related companies, and their leadership on March 4, 2019.

Advocates for Community Alternatives – West Africa-based civil society organization that supports NMJD and the affected communities in their pursuit of justice and a better future.