

Mr Niels Wage
CEO, Danakali Limited
By email

24 June 2020

Dear Mr. Wage,

I am writing to you on behalf of Freedom United, the world's largest anti-slavery community, to urge Danakali to reconsider its investment in Eritrea through the Colluli Potash Project.

We first wrote to Danakali in 2017 to highlight our concerns surrounding the development of the Colluli project; three years later, our concerns have still not been heard. We were alarmed to read your recent announcement on June 22 that its second phase of development is nearing completion, with test work commenced.

Our community sees the Eritrean government's National Service conscription program as a form of modern slavery.ⁱ Our concerns are reflected in over 180,000 signatures gathered by Freedom United and partners between 2016 and 2019 calling for divestment from Canadian mining giant Nevsun Resources Ltd, which you're probably aware is currently the subject of a lawsuit alleging forced conscript labor at its Bisha mine in Eritrea.ⁱⁱ

As the Nevsun experience shows, foreign mining companies operating in Eritrea are walking into serious potential human rights liabilities. Moreover, by divesting from Eritrea, foreign corporations like Danakali have leverage to create real change by incentivizing the government to end its use of forced labor.

As a joint venture with the Eritrean National Mining Company, the profits from the Colluli mine will directly strengthen the state's ability to sustain this forced conscription system. In addition, we are not convinced that Danakali cannot ensure that it can keep National Service workers, in conditions of forced labor, from contributing to the project: indeed, director Seamus Cornelius admitted in 2018 that Danakali had conducted no human rights due diligence and "can't guarantee" forced labor on its projects "will never happen."ⁱⁱⁱ

Danakali's website makes no mention of the forced labor endemic in Eritrea, or of the government's role in sustaining it. While citing a UNDP report that calls the Colluli mine a potential "game changer" for the country, Danakali's website omits the fact that the same report calls on the company to implement the ILO's Global Jobs Pact, which requires elimination and prevention of forced labor, by 2020.^{iv} It also omits that a 2016 UN report concluded that the National Service was a form of "enslavement" and a potential crime against humanity,^v and that the Special Rapporteur on Eritrea's report from last month concludes that—nearly four years later—there is "no indication of an improvement in conditions compared to previous years."^{vi}

In light of our community's concerns, we intend to seek their support on July 1 for a new campaign calling on foreign corporations and institutions to divest from Eritrea. It is developed in partnership with MiningWatch Canada and Eritrea Focus, who will also be announcing it at their conference 'Building Democracy in Eritrea'. You can view the campaign here: <https://www.freedomunited.org/advocate/eritrea/>.

All mining companies run the risk of being complicit in forced labor in Eritrea as its use is prevalent throughout the economy. Much of the government's income comes from mining projects: while there is little concrete information or oversight of the government's budget, the UN notes that "one important and undisputed source of revenue is proceeds from mining operations owned jointly by the Eritrean state and a transnational corporation."^{vii}

The system is one of the core reasons that Eritrea is one among the largest sources of refugees in the world; indeed, in 2018 it was the only country among the world's top 10 refugee origin countries that was not an active conflict zone.^{viii} Many perish or are trafficked along the way in their attempt to escape.^{ix} I do hope that you might reflect our concerns and the role of Danakali. Please do not hesitate to get in touch with me at joanna.ej@freedomunited.org to discuss the campaign.

Yours sincerely,



Joanna Ewart-James
Executive Director, Freedom United

ⁱ <https://www.nytimes.com/2020/01/08/world/europe/conscription-eritrea-eu.html>

ⁱⁱ <https://www.freedomunited.org/advocate/nevsun-in-eritrea/>

ⁱⁱⁱ <https://eritreahub.org/wp-content/uploads/2018/06/Mining-and-Repression-in-Eritrea-Corporate-Complicity-in-Human-Rights-Abuses-EMBARGOED-COPY.pdf>

^{iv} <https://www.danakali.com.au/images/stories/UNDP-Report-on-Colluli.pdf>

^v <https://www.ohchr.org/EN/HRBodies/HRC/ColEritrea/Pages/2016ReportColEritrea.aspx>

^{vi} <https://undocs.org/a/hrc/44/23>

^{vii} <https://www.hrw.org/report/2013/01/15/hear-no-evil/forced-labor-and-corporate-responsibility-eritreas-mining-sector#51d8ce>

^{viii} https://data.worldbank.org/indicator/SM.POP.REFG.OR?most_recent_value_desc=true

^{ix} <https://theconversation.com/eritrean-migrants-face-torture-in-libya-what-the-international-community-can-do-125861>