



PHOTO: JIM ELMSLIE

## OTOMINA AND AJKWA RIVERS, WEST PAPUA, INDONESIA



ONE OF THE WORLD'S most egregious examples of tailings dumping is Freeport McMoRan's Grasberg copper-gold-silver mine in West Papua, Indonesia. The mine dumps

tailings that flow into the Otomina and Ajkwa rivers, to wetland estuaries, and out to the Arafura Sea. The mine produces and dumps over 200,000 tonnes of tailings per day (over 80 million tonnes per year).<sup>72</sup> Estimates show the mine will have produced over three billion tonnes of tailings before it closes.<sup>73</sup> The tailings contain high concentrations of toxins such as copper, arsenic, cadmium, and selenium. Releasing these toxins into the environment is a violation of Indonesian law.<sup>74</sup> Company reports have revealed that the rivers and wetlands are unsuitable for aquatic life because of the tailings dumping. The tailings have buried over 166 square kilometers of formerly productive forest and wetlands, and fish have largely disappeared.<sup>75</sup> The tailings have also contaminated the coastal estuary and Arafura Sea and possibly the Lorentz National Park, a World Heritage site.<sup>76</sup>

The U.S. Overseas Private Investment Corp. (OPIC), an export credit agency of the U.S. Government that helps finance and insure U.S. companies in other countries, suspended its

insurance for the project in 1995 in part because of its use of river dumping. The Norwegian Pension Fund has also excluded investment in Freeport or Rio Tinto (a partner in the project), because of the dumping at Grasberg.<sup>77</sup> The World Bank's Multilateral Investment Guarantee Agency (MIGA) also prepared to investigate concerns with its US\$50 million guarantee from the project, but the mine canceled that guarantee before the investigation began.<sup>78</sup> Freeport has continued to dump tailings into the Otomina River despite the lack of a waste-dumping permit from the national government and in spite of ongoing requests from the Ministry of Environment to find alternatives to the pollution.<sup>79</sup> The mine has also caused acid rock drainage from its waste rock dumps, destruction of lakes and forests, and destruction of livelihoods, food sources, and areas of spiritual significance for the Amungme and Kamoro Indigenous Peoples.<sup>80</sup>

Militarization of the area has led to killings and other human rights violations.<sup>81</sup> The company has continued to pay the Indonesian military and police for protection of the mine.<sup>82</sup> The mine and company have received financing from a number of commercial banks, including JP Morgan Chase and Merrill Lynch.<sup>83</sup>

**ABOVE:** Freeport McMoRan's Grasberg mine in West Papua.