

ZAMBIA ALTERNATIVE MINING INDABA

DECLARATION



We, the participants of the Zambia Alternative Mining Indaba under the theme “***Mining in Zambia; who benefits?***”

having gathered at Cresta Golf View Hotel in Lusaka from 19

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June 2012

and met under the auspices of the three Church mother bodies namely: Council of Churches in Zambia (CCZ), Evangelical Fellowship of Zambia (EFZ) and Zambia Episcopal Conference (ZEC) . Participants were drawn from traditional leaders, Civil Society Organizations (CSO) and representatives from communities in South Africa, Malawi, Zimbabwe, Mozambique, United Kingdom, who shared experiences and knowledge pertaining to the detrimental effects of extractive Industries.

The participants note with concern that Zambia despite being rich in mineral resources, more than 60 percent of the people live under poverty datum line and the 2010 Human Development Index put Zambia on 150 out of 169 countries.....

We share not relent in our quest for social justice in the management of our natural resources
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According to *Micah 6:8* (*The lord has told us what is good, what he requires of us is this, to do what **is just**, to show constant love and to leave in humble fellowship with our God*) thus humanity has the biblical mandate to care for God's creation, through good stewardship.

1. Corporate Social Responsibility:

We note with concern that Corporate Social Responsibility (CSR) as a tool for poverty reduction is taken for granted by both the Government and the Extractive sector; the current CSR practices are unlikely to play a significant role in reducing poverty in Zambia because they are manipulated, ignored or excluded to suit a particular interest /groups.

We therefore demand that:

- Government must ensure that CSR becomes a compulsory mechanism as opposed to the current voluntary system.

- Government links CSR to already existing national, provincial and district plans.
- CSR must be underpinned by transparency, accountability and respect for Human Rights.
- Government must come up with laws and policies that will protect displaced communities and ensure that they are given alternative land and are adequately compensated for loss of livelihoods.
- Corporations must establish, implement and enforce decent labour practices and working conditions that clearly define benefit sharing mechanisms for communities and corporates.
- Corporates must establish processes to ensure free, prior, informed and continuous consent from affected communities.
- Government must show more political will to be CSR enforcers and not merely facilitators.
- Government must strengthen the current weak governance systems which render them vulnerable to corporate dictates.

2. Environmental Management and Protection

Extractive industries contribute to environmental degradation through deforestation, air, soil and water pollution and these are key factors to climate change and climate variability. Most communities depend on natural resources in particular forests for their livelihoods. However, due to weak legal frameworks and inadequate enforcement mechanisms, forests remain unprotected from degradation and corporate exploitation. In addition, the Mines Act supersedes all Acts including the forestry Act. This has resulted in unjust relocation of the Zambian people from their lands. Land dispossession, grabbing and alienation with marginal or no compensation has resulted in poor health, increased poverty levels among communities as well as ecological damage, thereby perpetuating violence against nature and livelihood resources of peoples.

We demand that:

- Government must review statutory instruments on Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA) to ensure compliance and stiffer penalties for non-compliance
- Government must increase the budget allocation to Zambia Environmental Management Agency (ZEMA) to enable them engage communities in monitoring of extractive industry activities
- Government must review the Mines and Minerals Development Act (2008) and the 2005 Lands Act to ensure that it gives mandates to traditional leaders and communities on the issuance of land to potential investors
- Urgent measures must be put in place by the government to finance and improve management to the forestry department to mitigate the high levels of deforestation as an adaptation mechanism for climate change.
- Government must establish a forestry commission and see to it that it's fully funded.
- To ensure effective monitoring of extractive industry activities, government must strengthen the institutional and legal capacities of its agencies and departments and enable them collaborate more efficiently.
- Government must establish an environmental court to address ecological claims or cases and develop and implement local or national legal mechanisms to ensure that mining companies ar

e made accountable for ecological debt, post mining rehabilitation and other socio-economic costs of their operations

- Government must impose a moratorium on current and future mining operations in ecologically fragile and sacred land and domain.

3. Investment and contract awarding

The Alternative Mining Indaba also notes with concern that the Zambian Government lacks the political will and capacity to negotiate contracts that should result in maximising the benefits of mining, while promoting ethical investment. This has resulted in inadequate and in some cases lack of inclusive participation and engagement with local communities in policy and decision making processes.

We demand that:

- As owners of the natural wealth we demand that Zambians be given the first priority in owning, prospecting and awarding of contracts .

- Realizing that mining contracts are shrouded with secrecy we demand that there must be a clear publicly disclosed and consistent contracting mechanism

- A fifty one (51) percent ownership of all mining contracts to be owned by Zambians
- Government must have a clear, transparent and consistent contract awarding mechanism that will result in maximizing the benefits of extractive industries while promoting ethical investments
- Government must review all current extractive contracts based on best environmental management and social standards
- Government must monitor and control capital flight.
- Parliament should be actively involved in the ratification of mining contracts to protect the interest of the Zambian people and enhance accountability

4. Forest Management

Poor policies and weak institutional capacity to monitor forest management have contributed to the poor status of the forests in Zambia. Lack of public participation, transparency and accountability, and equity in sharing of costs and benefits has also significantly contributed to poor forest management.

We therefore demand that:

- The 1999 Forestry Act is activated immediately in order for the 1998 policy to be operationalised.
- Full disclosure of information on forest use and management as forest communities are often totally alienated to various forest decisions and transactions.
- Government guarantees public access to information relating to the entire chain of operations of the timber industry within the public domain.
- All companies involved in timber logging and production should publicly declare all monies paid to the government including taxes, fees or fines. And the government should equally declare its receipts.

5. Mining tax, revenue and transparency

The existing tax regimes in the mining sector are inadequate and undermine the socio-economic benefits for Zambians from the extractive industries. This has resonated from lack of transparency and accountability across the whole mining value-chain, coupled with narrow scope and levels of the fiscal arrangement. The multinational corporations continue to undermine and manipulate national laws, standards and regulation resulting in the worsening of the situation on the ground. In addition the Zambia Revenue Authority limited capacity to monitor, collect and enforce tax laws has worsened the status quo.

We therefore demand that:

- The government should revise the current Mining tax regime in a way that would enable them to collect commensurate royalties on mineral sales, gross production and tax on mining profits
- Strengthen the institutional and legal capacity of Zambia Revenue Authority (ZRA) to monitor, collect and enforce tax laws
- Implement the revenue sharing mechanism stipulated in the 2008 Mines and Minerals Development Act
- Government must recognise the importance of EITI implementation in Zambia, and the initiative must be expanded to look beyond what the companies are currently mandated to pay
- The government should ensure that the EITI moves from voluntary to being compulsory by enacting an EITI law.
- Government mining policies should move away from the strong focus of giving incentives to foreign investments but instead put in place appropriate tax policies to ensure that the proceeds from mining benefit the population as a whole.
- In order to get better revenues, government should explore other taxing frameworks such as; basing taxation on expenditures, commodity taxes, production and sells mechanism.

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