

Building constituency for The Realisation of the Africa Mining Vision (AMV)

Report on Conference for CSO Activists, Trade Unionists and Journalists

Organised By Third World Network-Africa and OSISA/SARW,

2-3 May 2014; Crowne Plaza Hotel, Rosebank, Johannesburg, South Africa



Introduction

35 persons, mainly trade unionists, CSO activists and journalists from Southern Africa took part in the two day constituency building workshop organised in Johannesburg, 2-3 May 2014 by Third World Network-Africa and OSISA/SARW. The meeting took the form of presentations in plenary sessions by resource persons, followed by discussions. The workshop programme, participants list and the various presentations by resource persons are attached.

There were opening and welcoming remarks from Siphosami Malunga and Yao Graham, respectively the Director of OSISA and Coordinator of TWN-Africa. Fabian Nkomo, Africa regional coordinator of Industriall, a global trade union, also made opening remarks. He expressed his appreciation for the efforts of the organisers of the workshop to get trade unionists, CSO activists and journalists to develop a shared perspective on the Africa Mining Vision (AMV), a policy framework which he believes is very important for the development of Africa.

Session One: Africa Mining Vision: Context and Key Features

The **first speaker** in this session was **Yao Graham** of TWN-Africa. His presentation was on the **“Context of the AMV”** (Powerpoint attached). It analysed the political economy of mining in Africa as a dimension of the continent’s raw material commodity export dependence and what this has meant for the structure of Africa’s economies, nature of integration into the world economy and the effects of the dependence. This was offered as the fundamental reality that the AMV seeks to address.

The more immediate factors that determined the adoption of the AMV were the results of the World Bank driven mining sector liberalisation policies of the past two or so decades which primarily aimed at attracting foreign investors within a policy logic that saw tax revenues as the primary economic benefit from mining. This policy was successful in attracting foreign investment but its development benefits were disappointing. The mining boom of the past decade vastly increased corporate profits with only marginal improvements in what accrued to governments. Long before this more recent official disappointment with these policy outcomes there had been growing complaints from different sections of society about the negative impacts of the mining boom – destruction of livelihoods, human rights abuses and environmental degradation. The convergence and pressure of these two streams of discontent formed the immediate context for the adoption of the AMV.

The presentation also looked at the contemporary context for the implementation of the AMV. The factors discussed include the nature of the global market and demand and how these will affect Africa’s room for manoeuvre. The elements of the global market context include:

- the new importance of China and other powers of the South as consumers and investors,
- the continuing power of the North Atlantic countries and companies,
- the obstacles posed by elements of the international trade and investment regime and rules; and
- the fact that other areas of the South as well as some Northern countries such as Australia are also seeking to correct the inequities in mineral benefit that favour the companies.

The presentation offered a cautionary analysis about the stop-start reform efforts of African countries over the past few years and what that says about the political will of governments. It drew attention to the coincidence of the AMV’s goals with the demands of African society which however is not sufficiently aware of or organised around the AMV.

The second presentation on the **“Key features of the Africa Mining Vision, its Action Plan and Processes”** was made by Oliver Maponga of the UNECA. (Powerpoint attached) The presentation had four main parts: the role and potential of Minerals and Africa’s Development; the main tenets of the AMV; the elements of the AMV Action Plan of 2011 and the role of the African Mineral Development Centre (AMDC), the continental body charged with leading the implementation process.

Oliver set out Africa's mineral endowment and the positive role it could play in the development of the continent. He also analysed the implications of the current global context of high demand for and price of minerals for Africa's minerals and development policies. His discussion of the AMV highlighted how it seeks to break with the pattern of exploitation of minerals, established since colonial times, and its aim of Africa utilising its minerals as a central element of an industrialisation process that powers structural transformation. The presentation on the AMV Action Plan, which is organised in programme clusters, explained how the vision of the AMV has been reduced into an implementation agenda. The clusters range from a concern with developing structural transformation linkages around the mineral sector through programme clusters on ASM, the optimisation of revenue, improved governance to environmental and social issues. The Action Plan sets out tasks and responsibilities for national governments, regional economic communities, civil society and the private sector and international development agencies and bilateral aid donors, all of which it sees as key actors in the realisation of the AMV. Oliver explained that the programme clusters of the AMV Action Plan have been turned into work streams for the AMDC.

The AMDC, which is hosted by the UNECA, was officially launched in December 2013. Its role includes:

- collaborating with member States and RECs to facilitate the transformative role of the minerals sector in line with the AMV aspirations;
- coordinating and tracking AMV implementation at regional and national level;
- undertaking and coordinating research to support AMV implementation;
- networking, linking and pooling knowledge and expertise from global sources to support AMV implementation and tracking; and
- undertaking advocacy and capacity development around the Vision.

The presentation also discussed the factors required for the success of the AMV. These include among others, a conducive policy space, the political will of governments, state capacity and the development of the requisite alliances for change. The concluding parts of the presentation offered a view about how the AMV could be operationalized at national levels through multi-stakeholder development of country mining visions (CMVs).

Discussion of First Session presentations

- There was a concern that the African Mining Vision is gender blind and also silent on climate change. Therefore a question was posed about whether the African Mining Vision could be revised to include these considerations? Furthermore, the participants recognized and appreciated the changing attitudes towards women in the mining sector, as reflected by WOMIN's gender and extractive activities.
- The implementation of the African Mining Vision was regarded as important. Specifically, the participants felt that there should be the African Mining Vision implementation strategy which would be championed by the people, NGOs and other relevant stakeholders such as the unions. This would enable these players to own it and see it as a tool that will improve their livelihoods. Strategies for collaboration with communities which were discussed were regarded by participants as sound. Therefore, the African Mining Vision was regarded by participants as relevant for both economic growth and development and therefore relevant even for other sectors. A distinction was made between economic growth and development and explanation provided that economic growth does not automatically lead to development.
- Indigenization in Africa was mentioned and a concern was raised about its implications for foreign investment. Therefore, it was suggested that there is need to critically look at it to establish whether it is well undertaken by people who advocate for it and discussed to see the ways in which it may keep foreign investors away.
- The issue of ownership without control was raised as a concern. Specifically, a question was asked – can't something be done to promote or empower communities around the mines to have some control so that it is not exclusively assumed by the mining companies?

- The importance of good governance was emphasized. Specifically, African Peer Review Mechanism (APRM) which is one of the tools meant to strengthen governance of mineral resources was mentioned. A question was asked about the extent to which countries are actually using it in their implementation of mining projects. Furthermore, they asked about other relevant documents that could be harmonized with the African Mining Vision to strengthen implementation efforts.
- Lastly, the participants wanted to map a way forward. They asked about the kind of support they could be provided with so that they can ensure the implementation of the African Mining Vision.

Session Two: “Mining Tax Regimes in Africa and Illicit Financial Flows (IFF)”

The first presentation in this session was by **Saviour Mwambwa of Tax Justice Network Africa**. After an initial overview of mineral taxation in sub-Saharan Africa (SSA) the presenter proceeded to discuss some of the factors behind poor mining tax revenue mobilisation in SSA. These include: the erosion of tax base due to factors (such as lack of effective ring fencing, treatment of hedging, reference prices and control of production, export and by products); and the ineffectiveness of corporate profit based tax standard instruments in the mining sector. He also cited factors such as the lack of political will among Africa’s ruling elites and the effects of external imposition of policies.

The presenter then proceeded to discuss IFF. He explained the variety of ways in which they can occur without showing up in balance of payments or national accounts records and indicated the massive scale of the problem for Africa’s economies with figures drawn from a variety of sources. He then discussed the mechanisms, facilitators and actors in illicit financial flows. These include:

1. 1. Secrecy Jurisdictions (International Financial Centres, Tax Havens, Off- Shore Centres);
 2. 2. International system of financial rules and structures that facilitate ‘Tax Planning’ and shell/phantom companies; and
 3. 3. MNCs via transnational and intra company transactions such as transfer (mis)pricing and trade misinvoicing.
- Each of these issues was discussed in some detail, especially transfer pricing and mispricing.

The presentation of the problems was followed by a set of proposals on how to deal with them. Four approaches were presented and discussed:

- Arms Length principle: Endorsed by OECD & UN and widely used as the basis for bilateral treaties between governments. Arm’s length principle very hard to implement, (e.g. specialised products, intangibles etc.)
- The unitary taxation approach: taxing the various parts of an MNC based on what it is doing in the real world **vs** Arm’s length principle: gives MNCs leeway to decide for themselves where to shift their profits
- Country-by-country reporting would require each multinational corporation to provide specific disaggregated information about the various aspects of their activities where ever they operate.
- BEPS Project: Action Plan (response to G20 calls for reform of international Tax system). Base erosion and profit shifting (BEPS) refers to tax planning strategies that exploit gaps and mismatches in tax rules to make profits ‘disappear’ for tax purposes or to shift profits to locations where there is little or no real activity but the taxes are low resulting in little or no overall corporate tax being paid.

Saviour concluding by drawing attention to the fact that the discussion of Illicit financial flows has to be situated within a broader discussion about how the exploitation of mineral resources can contribute to broad based development and transformation and trying to understand how and why countries become stuck in dependence on mineral exports and external dependency. He identified a number of factors which account for this reality. These include:

- Driving interest of MNCs, resource-based capital seen as opportunity for fast and large resource-based primitive accumulation by national, emerging capitalist classes
- Privatisation of rents from resources as a key element in translating multinational accumulation into domestic, fast capitalist accumulation;

- Only narrow articulation occurs, within the minerals-energy dynamics, (concentration on unprocessed exports and relatively small size of rents);
- Close association between political elite and private accumulation – the role of the state is focused on facilitating private accumulation.

He drew a number of lessons for mineral rich African countries:

- Pick the right battles, e.g. although CSR is important, it is most often not the «deal breaker» in terms of what fundamentally could ensure that a country achieves sustainable development
- Transparency and accountability, build in all three levels of transparency initiatives in country; EITI, CBCR-PBP and Transparency Guarantee,
- Concessionary versus contractual regulation, there is a fundamental imbalance in SSA in the choice of the most complex approach (e.g.MDA, PSA, PSC) combined with weak capacity and transparency and accountability weaknesses.

The presenter concluded by offering suggestions for action:

- Urgent renegotiation of mining contracts when they are unfavourable.
- Governments need to develop productive strategies that exchange mineral rights for local content conditions
- Capacity-building in the geological survey capacity in sub-Saharan Africa needs to be developed in order to improve the bargaining power of states vis-à-vis multinationals.
- Review approach to state ownership share in mining firms. Ownership interest, below a certain threshold ownership interest is ineffective (especially free or carried) and overall has not worked well in SSA.

Key Issues identified from presentation on ‘Tax regimes in mining sector and illicit flows’.

- His presentation noted that the major problem in the Sub-Saharan Africa is how to mobilise domestic revenue and overdependence on donors.
- He added that the tax base tends to get eroded due to lack of effective ring fencing, linear capital depreciation and control of production, exports and by products.
- He also noted that the poor Sub Saharan region needs transparency and accountability at all levels if the region is to meaningfully benefit from mining activities.
- He also highlighted urgent renegotiation of mining contracts when they are unfavourable.
- He also called on governments to develop productive strategies that exchange mineral rights for local content conditions and capacity-building in the geological survey in sub-Saharan Africa needs to be developed in order to improve the bargaining power of states vis-à-vis multinationals.

Questions, Comments and Discussions

- One participant agreed that indeed issues of taxation in the mining sector are complicated and one needs proper understanding to effectively deal with the issues. He noted that if all issues written in the AMV are adhered to, the problems of financial mismanagement in the sector would have been solved.He also called for a collective responsibility in dealing with such challenges. He said there has to be institutional arrangements in place to follow up on such issues. He wondered what, five years after the AMV was launched, African countries can show as a short term, medium term or long term activity under the vision.

- Another participant wondered as to what make Africans fail to stand up and accuse the ones that dishonestly manage the region's resources.
- Another one wanted to know what happens if a certain country chooses not to comply with the AMV contents.
- Another one also raised the issue of Mauritius, asking why is it that some companies are registered there and operate in other countries where there are mining activities.
- In his response and to sum up the discussion, Saviour said corruption remains a big challenge in the mining sector and asked the participants to brainstorm on how best to tackle this challenge so that the sector benefits the region. On the issue of Mauritius, he also agreed that Mauritius is apparently being used as a country to siphon money from the mining sector.

Session Three: Community Concerns and the AMV

The presentations were on Community Concerns and the AMV by Claude Kabemba of Southern Africa Resource Watch (SARW) and Samantha Hargreaves of Women in Mining (WOMIN).

Claude's opening remarks highlighted the generally negative impact of mining activities on communities across Africa - lack of development, pollution (air, soil and water), destruction of bio-diversity, land grab, forced relocation and disruption of livelihoods with young people moving into urban areas. He attributed these negative impacts to a number of factors. These include -defective approaches to contract negotiations between governments and mining companies in which communities are excluded and not consulted; the contracts protect companies than communities; collusion between companies and government, even in case of serious human rights abuses, violation of national laws, governments tend to protect companies. Effectively governments have become spokespersons of companies.

According to Claude, the Africa Mining Vision recognises the growing questioning of the traditionally disproportionate attention of national policy makers to the fairness of the allocation of benefits between mining investors and the host country and the increasing attention now being paid to the benefits that have to be derived by the communities where mining operations take place. It also notes that mining has not fulfilled its promised poverty reduction role and poverty reduction has not been mainstreamed into mining policies, often due to weak linkages into the local, regional and national economies. The AMV recognises that whilst the benefits of mining to certain national economies are evident, local costs (environmental impacts and social and cultural disruptions) associated with mining especially to local communities were not being adequately compensated for.

The presenter argued that the AMV is developmental in nature with a concern for an integral development model which includes communities. This is reflected in its long-term goal of a - "Transparent, equitable and optimal exploitation of mineral resources to underpin broad-based sustainable growth and socio-economic development". The Vision in all its aspects is designed to resolve the fundamental question of how communities should benefit from extraction and how we could minimize environmental and social impact of mining on communities. It seeks good governance of the sector in which communities and citizens participate in mineral assets based on equity in the distribution of benefits. Claude cited specific provisions in the AMV Action Plan which elaborate these general points. The AMV talks about:

- a mining sector that is mutually beneficial. It speaks of building partnerships between the state, the private sector, civil society, local communities and other stakeholders.
- a sustainable and well-governed mining sector that effectively garners and deploys resource rents and that is safe, healthy, gender and ethnically inclusive, environmentally friendly, socially responsible and appreciated by surrounding communities.
- a shared strategic vision, deliberate and proactive government-led collective action, timely interventions and coordination of public, private and community interests at all levels in order for a resource-based development and industrialization strategy in Africa

- harnessing the potential of small scale mining to improve rural livelihoods and integrating it into the rural and national economy
- Promoting sustainable environmentally and socially responsible mining, which includes communities and other stakeholders.
- Reforming mineral sector governance to ensure an inclusive and well governed mining sector appreciated by all stakeholders including surrounding communities

The AMV is strong on consultation and participation of communities. It speaks of a tri-sector-partnership involving government, the private sector and local communities to improve government, private sector and local community relations and the social and development outcomes of mining at local level. It is also very clear about equity. Equity does not only involve governments and investors. It includes other stakeholders, workers and communities. The AMV is also clear about how to improve the artisanal mining as source of livelihood for small size companies which in most cases are owned by local communities.

Claude next offered examples of initiatives around Africa that advance the interests of communities – CSR projects, allocation of part of mining revenue to local communities; indigenisation policies such as in Zimbabwe, new national policies which stress beneficiation, community consultation and participation e.g. D.R. Congo and Lesotho; the strong provisions on community empowerment in the South African mining charter. He however lamented that many of these initiatives suffer from lack of or poor implementation. He pointed to community shareholding in mining companies (South Africa), Community Trust (Chiadzwa in Zimbabwe), Sovereign funds (Chad–Cameroon pipeline, Angola, etc...), development funds based on a percentage of benefit: (DRC, TenkeFungurume model) as other instances that could be beneficial to communities. It is however not clear how these are functioning in that regard. He felt that communities have been sidelined from the management and no clear guidelines on how to use the fund is in place.

A segment of the presentation was devoted to a discussion of the importance of trade unions as a component of the mining community and the important contribution they can make to the building of links across countries and across national boundaries among communities. The location and role of workers means that they have access to information, mobilising capacities, specialist knowledge and skills as well as power in governance processes within the mining company and the country which could improve the voice and influence of communities.

Concluding Claude underlined that the AMV and its Action Plan are progressive and people centred and give civil society a legal instrument on which to base its demands. The problem with Africa however has been the disjuncture between policy and implementation.

Samantha Hargreaves' presentation was titled **“Extractivism and the AMV from the vantage point of peasant and working class women”**. She started by explaining what the term extractivism means. According to her the concept of extractivism is powerful as it moves us beyond a focus on the activities of extraction and their impacts to talk about a whole system which shapes the way our societies are organised. Extractivism refers to a mode of accumulation reaching back many centuries which is centred upon the over-exploitation and exportation (with no or minimal processing) of increasingly scarce and non-renewable natural resources often located in geographies that have usually been considered peripheral or "unproductive" giving rise to a highly unequal and deeply exploitative model of development.

Geopolitically, countries of the Global South perform a particular role in a global and territorial division of labour – the provision of cheap raw materials and low cost labour in a system of global capitalism.

Other regions and countries (the traditional Global North, BRICS and other emerging national economies) take on the role of producing manufactured goods. “The former export Nature, the latter import it.”

Extractivism does not only distort the structure of economies and income distribution, but also shapes political and socio-cultural relations.

Basing herself on the theorist Eduardo Gudynas (2010), Samantha identified three types of extractivism:

(a) predatory extractivism, which is the dominant form, and occurs at significant scale, with little concern for social, environmental and climate impacts; (b) cautious or moderate extractivism, which does consider some social and environmental standards, and may provide for some level of community participation, but which still functions as the economic basis of a country or region; and finally (c) indispensable extraction which Eduardo argues is not a model of extractivism because its intent and practice is a reduced extraction of resources and the promotion of sustainability through recycling, the tightening up of laws, policies and regulatory systems to close unfair material and resource flows, radically reducing pressures on eco-systems, and minimising contributions to emissions.

Samantha next discussed the “unsustainable impacts” of extractivism. These include:

- **Environmental** - Air pollution, Biodiversity loss (wildlife, agro-diversity), Food insecurity (crop damage), Loss of landscape/aesthetic degradation, Deforestation and loss of vegetation cover, Surface water pollution / Decreasing water quality, Mine tailing spills, Fires, Soil contamination, Waste overflow, Groundwater pollution of depletion, Large-scale disturbance of hydro and geological systems, Acid rain and acid mine drainage, Global warming, Noise pollution
- **Socio-economic** - Increase in Corruption/Co-optation of different actors, Displacement, Increase in violence and crime, Lack of work security, Militarization and increased police presence, Violations of human rights, Land dispossession, Loss of landscape/sense of place, Loss of livelihood, Loss of traditional knowledge/practices/cultures, Social problems (alcoholism, drug abuse, prostitution, etc.), Child Labour, Increased burdens on women’s unpaid labour
- **Health** - Malnutrition, Violence related health impacts (homicides, rape, etc.), Accidents, Exposure to unknown or uncertain complex risks (radiation, etc.), Mental problems including stress, depression and suicide, Health problems related to alcoholism, Health problems arising from environmental pollution and poverty (reproductive health problems, sterility, infertility, respiratory diseases, TB, increased incidence of HIV/Aids etc.) Occupational disease and accidents (silicosis, asbestosis), Infectious diseases, Deaths

She explained that there are gendered dimensions to all these impacts. Also the social, environmental and economic impacts of extractivism are manifold, reaching beyond local geographies of impact to communities living alongside the many hundreds or thousands of kilometres of the whole extractives chain, as well as to the communities who send labour to the mines. The impacts also extend across time to impact future generations whose development choices will be bounded by decisions to extract now, and who will bear the brunt of climate change arising very directly from the extraction of fossil fuels – coal, gas and oil – to feed this extractivist-centered capitalist development model.

Referring to studies about the impact of resource depletion, such as calculations of reserves, costs of extracting deposits and the environmental costs of extracting coal in South Africa and the Southern Africa region Samantha noted that if we were to internalise all of the costs of extraction to the corporates, if proper cost benefit analyses were done, most extractives projects would not provide the necessary returns on investment and would not proceed to implementation.

Extractivism has generated considerable resistance, an example of which was being played out in the long drawn platinum workers strike in South Africa (13 weeks at the time of the workshop). It followed on from a series of strikes for fair and just wages that has run off and on for over two years and had been met with hostility from the South African establishment. The Marikana Massacre is the strongest example of the nexus of interests between ruling party, state and corporate – Ramaphosa was chair of LonMin at the time of the massacre. This synergy of shared interest is the greatest obstacle to transformation of the mining sector in all of our countries – South Africa is no exception but rather the finest example of crony capitalism. In addition to the South African instances of resistance she provided a long list of struggles of resistance to extractivism from around the world.

All these struggles can be grouped into categories:

- NO to mining: leave the oil in the soil, the coal in the hole and the gas up mother nature's (bowel?)
- Nationalise/socialise mines to ensure better distribution of benefits – including to workers and communities
- Commit transition to a low carbon, post-extractivist development future, which creates decent, safe work; reduces consumption by the rich; safeguards eco-systems and the planet; and advances women's rights
- Reform of extractives sector to ensure full internalisation of social, environmental and economic costs to corporates; full adherence to environmental and social laws and policies; compensation and remediation (sensible extractivism)
- Increased benefit to communities – jobs, local linkages, rents, corporate social responsibility – often linked to demand for FPIC (on a continuous basis)
- Affirmative action for middle-class/elite women, minorities and black South Africans to level the playing field with dominant Capital

Samantha posed and answered the question whether the AMV is a variant of neo-extractivism. According to her the AMV contains significant advances to hold corporates accountable and increase revenues for public services and a national development agenda BUT the extractivist model remains substantively untransformed. This because with the AMV's development model:

- Extractivism is defended in terms of growth logic - foreign investment and productivism must be promoted over the preservation of natural resources and the rights of indigenous peoples and communities to their livelihoods.
- Pattern of accumulation and wealth concentration is not changed - the rules of productive processes continue to focus on competitiveness, efficiency, maximising profits and externalising impacts. Deep social inequalities remain substantively intact.
- Real control of national exports still lies with the rich countries [or the emerging economies].
- Will induce natural resource conflicts, fail to create jobs, and continue to pass on the most substantive social and environmental costs to communities.
- The state safeguards conditions for continued accumulation by Capital or the State (where nationalisation has occurred).
- Eco-systems continue to be destroyed, sometimes at a greater scale and pace, and climate change is fuelled with resource extraction relates to traditional sources of energy.

In contrast to this view of the AMV the presenter offered a post-extractivist vision. It does demand an end to resource extraction but extraction is done on very different terms:

- driven by local and regional interests and demands
- low intensity and smaller scale projects with minimal social and environmental impacts,
- decisions informed by a commitment to preserve ecosystems and reduce carbon emissions,
- community/women's participation and social control/ ownership
- a deep and profound redistribution of revenues from mining and other extractivist activities
- decent work outside of the extractivist industries and supporting a transition to a low carbon economy
- all within the framework of a diversified economy which breaks down the "cycle of specialisation in raw materials"
- Valuing the work of social reproduction, supporting society organise the necessary work on a collective, shared and equitable basis, and ensuring the necessary state support and resourcing etc.

Samantha concluded with the view that the Africa Mining Vision could be thought of as offering "sensible extractivism", and seen as a step along the way to post-extractivism. Progress would however require the following minimum

achievements: countries' social and environmental laws would need to be fully complied with and all costs internalised to the corporations. In this phase, technologies are of the highest order, remediation is enforced, and mitigation and social compensation strategies are in place. This is a necessary reformist step en route to a deep structural transformation.

Discussion of presentations by Claude and Samantha

Oliver Maponga: In reference to Samantha's presentation, Oliver wanted to clarify about the elements that Samantha indicated that they were missing in the AMV, among them gender issues and climate change. He said the Action Plan of the AMV emphasized what was supposed to be done at national and community level. Oliver said the vision was developed and the Action Plan took the vision at heart to develop specific activities. He said in the Africa Mining Vision, a lot of issues that Samantha raised against it were adequately covered.

Saviour Mwambwa wanted a clarification from Samantha on non-reformist policy reforms. Samantha in response said there were some additional concerns about the AMV because it did not address issues of women's rights. She said non-reformist reforms were about focusing on addressing issues that arise from extractive industries such as mining. She said there was the need to critically look at issues with long term effects such as the ecosystem, carbon emissions and many others that could be considered to have long term effects in the next thirty or forty years away. She also said there was need for necessary policy and legal reforms to protect the interests of the people sitting on mineral resources.

This, she said, was about providing strong safeguards around the environment, forcing internalization of social and environmental costs on corporate's undertaking mining activities.

Saviour added that the reason why the issues of environmental protection and issues of protecting people in mining areas had been talked about for many years and the reason why it was difficult to change was because of the reforms that were needed. He said the real people in mining communities that were seriously affected by extractive activities were not even empowered and that there was need for a more serious and radical means to bring about the much-needed reforms.

Yao Graham in his comment on the topic under discussion, said he totally agreed with Samantha that out of the work done so far on the Africa Mining Vision (AMV) there were some weaknesses such as the lack of gender analysis and another weakness was on the lack of response to issues of climate change which was supposed to be a critical aspect of the AMV.

Graham said there were still critical issues that needed to be addressed on the mining development model. He said there were questions such as, given the history of struggle and demand, does the AMV contain enough as the basis for beginning to push the agenda of protecting the environment and the mining communities? He said there was need to seriously look at the new model of ownership. There was the need to look at where to go in terms of political action to operationalise such a stance and to make amends on the strengths and weaknesses of the AMV. He said some of the actions that had been left out needed to be taken into serious account.

Betchani Tchereni wanted Claude's clarification in his presentation when he said local communities that are hosts to extractive industries were usually ignorant about what was happening around them. He said the AMV needed to give enough powers to the host communities because powers to control, powers to own were very distinct and there was need for this aspect to be emphasized in the vision document.

Claude in his responses to the concerns that were raised indicated that the implementation plan of the AMV mainly dealt with issues that had been raised. He said it would not do justice to issues of the environment, to issues of the changing environment, if a specific type of intervention does not include climate change. Claude said using the Congo Basin as an example, which has two-thirds of the African forest and was known to contain oil such a development will come with a serious issue of climate change. Claude reiterated that with the implementation of the AMV, such issues were adequately addressed in the document despite not being articulated.

He said the issue of climate change was an important issue and therefore was not missing in the AMV, as it might not have been articulated but it was a specific issue in the implementation.

Claude further said Southern Africa Resource Watch was involved in a project called the social environmental impact of the extractive industries where issues of economic evaluation were seriously looked at. He said serious questions such as, is it worthy to do mining or leave the environment the way it is? What is beneficial for the country? A proper analysis of the impact on extractions on the environment must be seriously considered and this has been integrated in the vision.

He emphasised that what has been observed was that many governments were rushing to do mining without proper costing of what would be destroyed or the adverse impact on the environment. On the question of ownership and host communities from Betchani; Claude said principally, communities through the state might own resources as stipulated by many constitutions in Africa but in terms of real ownership that was the main struggle involved in by various organizations. He said host communities must not just be beneficiaries of corporate social responsibility programmes, but must be participants in the actual mining. He said the ownership can have different forms, in this particular case it was very difficult even for the state to control and claim ownership because even at management level of various mines in Africa, they were not well represented because of minority shareholding.

In conclusion, Claude said control was a serious part of critical decision-making and many African countries lacked control because they were not part of key decision making processes. He said the AMV had a clear articulation of the African mining around ownership of minerals.

Session Four: The AMV: Mining Sector Linkages and Clusters

Oliver Maponga was the resource person for this session. His presentation covered the benefits and prospects of mineral beneficiation in Africa; the instruments for promoting linkages and an exploration of the challenges; and concluded with a discussion on industrialisation and beneficiation.

Oliver made clear that linkages, beneficiation and value addition are the centre piece of industrialization from minerals. To that extent this ambition in the AMV represents its most far reaching element with regard to Africa's structural transformation because it is in stark contrast with the current reality of very weak links between mining and the rest of national and regional economies. The presenter set out the many elements of action at national and regional levels in the AMV Action Plan that deal with linkages and diversification.

National Actions

- Identify and promote development of minerals to enhance economic linkages;
- Develop value addition policies and strategies (based on supply-chain analyses) including local content and beneficiation ;
- Investigate the judicious use of export taxes to encourage beneficiation;
- Identify and promote viable beneficiation projects;
- Review and align international agreements to create space for mineral resource based industrialization and development;
- Create a database on tariff and non-tariff barriers to mineral-based value added products and expand their access to regional and global markets
- Promote holistic and multi-sectoral approaches to mineral development policy
- Develop institutional arrangements that combine the minerals, industry, trade and STI complexes.

Regional Actions

- Review best practice in state equity participation and develop guidelines and toolkits for RECs and member states

- Cooperate in the formulation and implementation of trade and investment policies that facilitate linkages development
- Ensure that WTO, EPAs, FTAs, BITs and other bilateral, regional and/or international agreements do not constrain policy space for mineral resource based industrialisation and value addition.
- Develop regional strategies to eliminate tariff and non-tariff barriers to mineral-based value added products and expand their access to regional and global markets.
- Develop a framework for mineral value addition in Africa for RECs and member states
- Develop best practice guidelines for holistic and sector-wide and multi-sectoral approaches to mineral development policy for RECs and member states
- Develop best practice on new institutional arrangements combining the minerals, industry, trade and STI complexes for RECs & member states
- Review best practice in linkages promotion and develop guidelines and toolkits for RECs & member states

Oliver explained the nature of linkages – from upstream, through sidestream to downward linkages. He also represented them in terms of fiscal and productive linkages. The fiscal linkages come through the optimum capture and use of revenue to create productive assets, including skills, infrastructure and new production units outside the mineral sector. The productive linkages include - upstream and backward linkages – supply side; downstream and forward linkages – demand side; technological linkages – incubation & R&D, and sidestream linkages – support services. Productive linkages are created through various formal (e.g. supply contracts), informal (e.g. technology transfer networks), and direct and indirect supply chains comprising procurement, outsourcing or sub-contracting of services

The development of linkages is important for a number of reasons:

- Mineral resources can catalyze broad-based growth and development and provide opportunities to deepen the resources sector through the optimization of linkages into the domestic economy;
- Dependence on mining rent alone can hamper development by shifting focus from broader development issues and the expansion of other productive sectors;
- Mining should spur the development of spin-off sectors that supply mining companies with a range of inputs and services.

The next part of Oliver’s presentation examined the benefits from linkages and prospects. He also examined the benefits and prospects for mineral based development clusters. He next looked at the steps that need to be taken to promote beneficiation, a point he illustrated with the experience of Botswana and Brazil. The needed steps include policy reform, strengthening of regional cooperation and integration, invest in economic infrastructure and the develop human resources and innovation capacity.

Oliver discussed a number of obstacles and challenges to successful beneficiation. They include the following:

- **Market access and protectionism:**
Distortions in industrialized countries: Tariffs, NTBs (REACH) and subsidies that hinder value addition
Unfair competition
Inability of local firms to penetrate established global value chains
- **Multinational Company Policies**
TNCs’s resistance to go beyond their core competence i.e. resource companies
TNCs usually come with ready-made global linkages, which optimise their global returns
Have global purchasing strategies which hinder the development of local suppliers
TNCs tend to optimise their global mineral processing and beneficiation facilities which can deny local downstream opportunities
Locate their high-level HRD and R&D in OECD countries thus denying Africa the development of this critical side-stream capacity
- **Human Resources Capacity:** value addition requires high level skills for intensive R&D to drive value addition and industrial development – basis for a knowledge-driver sector (highly skilled knowledge driven sector)
- **Infrastructure:** energy key to value addition – develop energy resources, basis for the development of corridors, spatial development initiatives, regional approach to infrastructure, can help access orphaned mineral deposits and become the basis of other economic activities; - can we build our regional value addition strategy around the vast energy resources of the DRC, for example?
- **Neglect of Industrial Minerals**
Minerals with greater potential to promote local development and to be better linked to other sectors of the local economy (e.g. industrial minerals) have been neglected and have attracted less investment than those meant for export to the global market

- **Locational Advantages, Small Private Sector**
No locational advantages for low volume and high-value minerals: Proximity to and knowledge of high-end markets and capacity to address their needs dictate advantage
No competitive local transport and logistics infrastructure to overcome distance to consumer markets
Small local private sector with little capacity to seize business opportunities to enter the minerals value chain
- **Rent capture and Management and Small Markets**
Inadequate capture and management of resource rents
Underdeveloped economies and insufficient economies of scale
No financial muscle and difficulty to access capital
Small and fragmented markets especially for industrial goods and services and reduced intra-African trade
- **Poor legal and regulatory frameworks and limited government capacity**
Unfavourable legal and regulatory frameworks
Fear that imposing strong linkages conditionalities could deter FDI
Restrictive procurement policies of IFOs and inability of local firms to comply
Lack of government capacity (e.g. to negotiate good deals)

In conclusion Oliver suggested some of the steps needed for the success of beneficiation policies:

- Mainstreaming of linkages and cluster development in overall development policy
- Adequate coordination of public and private initiatives anchored on a shared vision
- Focus on quality/competitiveness, rather than size
- Leveraging of factor conditions and existing assets and endowments
- Focus on acquiring, assimilating and continuously improving the knowledge base
- Establishing of virtual networks and global outsourcing of services to overcome the barriers of distance.

Session Five: the AMV and Labour Issues in Africa's Mining Regimes

Glen Mpuwane opened his presentation with information about his global union, INDUSTRIALL, showing how its 50 million members in 140 countries are spread across the mineral value chain – from extraction, manufacturing to support services. He then posed two questions - do labour issues find articulation in the AMV, and what are the issues /constraints/challenges/ for advocacy in Africa's Mining Labour regime? He answered the first question in the affirmative, pointing out that the broad developmental as well as governance objectives of the AMV are in the interest of workers. He saw these objectives expressed in the AMV's:

- Objective of transforming finite natural resources and transient wealth into lasting forms of capital beyond the currency of mining
- Broader understanding of "benefits"
- Vision of a developmental, transformative, knowledge-driven and integrated mining sector with downstream, upstream and sides-stream linkages
- Concern for respect of intergenerational equity, environmental and material stewardship
- Concern for labour standards, safety and health are advanced; stakeholders are empowered; and contribution of the sector to development well recognised by society
- Promotion of good governance of the mineral sector in which communities and citizens participate in decision making and in mineral assets, and in which there is equity in the distribution of benefits.

He pointed out the recognition of these principles alone is insufficient to bring about change and that the engagement of workers and trade unions in the struggle to change and shape policies is key to ensuring that we have policies that create more jobs and foster a better working relationship that can uplift the working and living conditions of workers and communities. According to Glen the provisions of the AMV on ASM was another positive area, considering the millions of persons who work in or depend on the sector. He explained the convergence of the tenets of the AMV with INDUSTRIALL's concerns for a sustainable industrial policy. Elements of this include moving away from mining enclaves to integrated models of production which entail the creation of linkages, industrial policies that recognise decent work, development of R&D and support for lifelong learning by workers, sustainable and secure energy policies and

global, fair and binding treaty on greenhouse gas emissions. A Just Transition must be part of sustainable industrial policy and green jobs must be about both products and processes.

Session Six: Panel Discussion on Collaboration among Trade Unions, CSOs and Journalists

The discussions in this session had opening remarks from Fabian Nkomo (trade unionist), Mantoe Phakanti (journalist) and Mutuso Dhliwano (CSO activist) with Yao Graham moderating

- Mantoe kick-started the debate by highlighting challenges facing the media in covering issues of mining. She cited lack of the Access to Information Bill as is the case in her country Swaziland and most of the African countries as well. This, she said makes it difficult for the media to access information regarding developments in the mining sector. It is difficult to talk to government officials, miners themselves and also mining companies as they keep referring you from one person to another, she lamented. Again, she opined that issues of mining are difficult to pursue because they seem unattractive compared to politics. Most journalists are general news reporters with no specialisation and hence their concentration on mining issues is at best minimal.
- From the Trade Union point of view, Fabian Nkomo representing Trade Unions said unions working on issues of mining do not know each other, hence the poor linkages. He suggested that as unions they need to come together and form a position of base, there has to be one grouping to speak with one voice so that they can influence change. It is important for the unions to trust each other knowing that they are working for one purpose and also know the modes of communication in order to strengthen the grouping's collaboration. This calls for the unions to know each other's roles in all civil society groups. Even individuals need to know each other better. Need to have collaboration with 'progressive CSOs' that are working in the sector and be affiliated to one major grouping. He said the unions can also collaborate and know that there are some key countries that are very critical like Tanzania, Cameroon and Gabon in East and West Africa and Zimbabwe, Swaziland and Madagascar in Southern Africa with regards to issues of mining. He cited that in Malawi, his organisation will be implementing a project to create a new mining union which will collaborate with all trade unions on issues of mining. In DRC the union is working at trying to build membership of the union to foster collaboration.
- On the civil society point of view, Mutuso said in Zimbabwe, there is a draft minerals policy which is actually reflective of some of the provisions in the AMV which he said is a good move. There seems to be a good foundation as collaboration among the already existing mining CSOs at the diamond mines but what is needed is to foster collaboration, vibrant partnerships and supporting each other.

Comments from the floor

- The participants were given the floor to contribute to the discussion. A Media person from Botswana said in his view, the vision has been a document for officials only. It has not been fully made available to the media for action. He also noted that the media involvement in the process of licensing, signing of contracts and others related to mining is limited. To foster collaboration with all stakeholders, there is the need to create a platform like a face book page where stakeholders can exchange information on the popularisation of the AMV.
- Another participant emphasised the importance of the media as it sets the agenda. He said the media is an ally and any grouping cannot afford to work without the media but highlighted the need to know the media organisations to work with, which have common interest with the grouping.
- Another participant noted that civil society and the media can be easily manipulated by mining multinational companies, government officials so they cannot be affectively trusted. He suggests that there should be programs put in place to effectively analyse these NGOs and the media and other players.

- On this note, another participant said it is easy to analyse the media by looking at the media ownership and know whose agenda they pursue.
- Another participant noted that the AMV is properly articulating all the issues concerned but what is needed is to move on and do the best in collaborating to address the issues and stop conducting business as usual.
- Another participant noted that beyond specialisation, journalists can look beyond stories and consider features which effectively give common voices and access to common people to speak their mind. He said it was high time journalist began to go to CSOs working on the ground to get real issues and do investigative stories not necessarily doing it themselves but what other NGOs are doing. Talking about NGOs, he said their research findings are always put in journals which cannot effectively cover the big populace and suggested popular modes of communication that can reach out to many people so that they understand what is happening.
- Another participant suggested that everyone when leaving the workshop has to have an action plan on what he or she will be doing about the AMV. He said participants needed to take the AMV to the centre of their policies and strategies. Take it to the level of the G8 so that they are aware of the contents when they are making decisions to invest in the region.
- Another one said the media should give themselves tasks and follow up on each other on the activities and also share experiences on the programs. Only discussions will not bear fruits.
- Responding to the issues, Yao Graham said the major issue highlighted during the discussion was funding. He urged the participants to take away the perception that all funding impedes organisational independence to select issues and define how you work on them. The issue of capacity building is also important. On the part of the media, there is need for collaboration and linking up so that everyone understands what is going on. It will be good to have good media relations and connections. Talking about journalists, the journalists need to have passion for the sector and be committed to the work we are doing. Try to investigate on what is happening and go beyond the workshop. He asked the organisers to analyse first what the journalists are doing before inviting them to another workshop.
- Another participant noted that much reporting is done in the private sector and not the public sector.
- A participant also raised a concern that plans that journalists make, do not materialise due to lack of support. The best way should be to review the already existing plans and see the way forward in implementing them. Editors also need to be convinced on the importance of mining stories.
- To sum up, Yao suggested that individual journalists and CSOs should implement programs that can better suit the needs and situations in their communities. Whilst a common work plan on the popularisation of the AMV would be useful it is not a precondition for undertaking that kind of work. Every organisation present, every individual journalist in the workshop can decide on which way to go to contribute to the cause. He noted that there is still more work to be done to address challenges in the collaboration gaps that exist between different players in the field.
- In his concluding remarks, Claude Kabemba reiterated the commitment expressed by the head of OSISA, Siphon Malunga to support initiatives around the AMV.

Addendum - two articles by journalists who participated in the workshop

1. Africa continue to bleed billions in mining tax revenue- by Boitshupo Majube

Despite the significant growth in mining yield, tax revenue collected from mining multi-national companies operating in Africa have remained stagnant or less beneficial to the detriment of the African continent inhabitants. Few countries like Botswana have reaped the rewards from mining, while most countries have not. With the use of top accountants and lawyers, multi-national companies have been able to create company structures that allow them to avoid tax. They do so by creating by creating complicated overhead structures, that individual African countries cannot easily trace, and in process bleed billions of US dollars.

Statistics points out that Africa has lost more than 1 trillion American dollars to tax heavens or offshore centers in the process.

As Africa wakes up from its slumber, activists like Saviour Mwambwa are calling for "urgent renegotiation of mining contracts when they are not favorable."

Mwambwa also warned that until Africa has representation in tax regime negotiations, the situation would not improve. "Without African participation they would (Europeans, Chinese, Americans etc) agree on the tax regime that favours them, not Africa."

Lack of political will and lack of control over production in the mining sector are pointed out as key components fuelling the tax avoidance by multi-national companies. "Behaviour of rulers and key stakeholders needs to change in order for Africa to benefit."

Participants at the African Mining Vision, constituency building workshop also highlighted the injustice committed by multi-national companies, in order to avoid tax. They pointed out that that this companies employ their consultants paying them huge salaries, a move they say it's designed to avoid tax. "They sub contract their companies at exorbitant fees that benefits them, and defraud the masses by paying less tax," a delegate from DRC stated.

Participants also pointed out that African economic growth pioneered by mining sector has not translated into real jobs, rather has left more African inhabitants poorer.

Adjusted revenue figures presented at the conference, showed that Africa is only earning less than half of what it should be earning in real terms. The losses go as far back as the colonial era.

2. Call for Mining to Improve People's Livelihoods by Khutliso Sekoati

Delegates attending the Constituency Building Workshop on African Mining Vision have strongly observed that mining activities in the African continent should be geared towards improving the livelihoods of the people.

The two- day meeting held in Johannesburg from May2-3 which brought together labour unions, civil society organisations and media from the Southern Africa and the West African states, noted that there was a dire need for any mining activities in the region to benefit the people in which the exploitation of resources take place.

"Our mining sector has to talk to development. It has to improve the lives of the people through transforming them to better conditions than before the mining activities began," clearly urged Dr Oliver Maponga, Economic Commission for Africa Sub-Regional Office for southern Africa based in Zambia.

He was deliberating on the African Mining Vision (AMV), a document adopted by the African Heads of State and Governments in February 2009 on providing guiding principles on the benefits of the mining sector in the continent.

The AMV is intended for development in such a way that people benefit from exploitation of the region's minerals in Africa, he added while in addition observing the region has mineral resources in abundance while human development aspects are in poor state.

Dr Maponga suggested that despite the rich mineral resources available in the region social factors such as health and education as some of those still lagging behind.

The document advocates fro transparent, equitable and optimal exploitation of mineral resources to underpin a broad based sustainable growth and socio-economic development.

During the discussion, participants it emerged that monitoring and evaluation systems should be enforced as a score card to measure the progress in the realisation of the implementation of the tenets of the AMV and its Action Plan.

Such sentiments were also echoed by Dr Claude Kabemba, director of the Southern Africa Resource Watch, a non-governmental organisation advocating for people to benefit from the mining activities while meeting their needs.

He warned that while labour should understand that the struggle in mining is about wages that should translate into improving livelihoods.

In his address he highlighted that the concerns of the communities must be taken on board from the commencement of the mining project, saying the mining companies should take due regard of the needs of the communities in which they operate.

The AMV draws attention to mining projects not benefiting the communities in which the projects are being undertaken, said Dr Kabemba. He noted that most mining operations are far from fulfilling the promise of helping to reduce poverty.

He cited negative impacts such as pollution, land grabs, soil degradation, climate change and fewer job offers as factors that engulf the mining activities.

“Community issues intended for mitigation against negative impacts of the mining activities are left unattended. Governments seem to protect the mining companies to the extent of killing the people.

But he stressed the AMV was providing a key guidelines on beneficiation of the people, significantly pointing to a shift from just a private public partnership relationship but also to a people centred gains.