



## **7<sup>th</sup> Alternative Mining Indaba Concept Note**

**8<sup>th</sup> -10<sup>th</sup> February 2016**

**Double Tree by Hilton, Upper Eastside Hotel, Cape Town**

### **BACKGROUND**

The Alternative Mining Indaba (AMI) is a space that was created in 2010 especially for communities affected by extractive industries and ordinary citizens to articulate the challenges posed in their day to day lives by the sector in terms of human rights and socio-economic growth. The main objective was to provide an international platform for affected communities and broader civil society organizations (including National Christian Councils and inter faith groups) to share experiences, mobilize, as well as motivate mining communities to strengthen their work on advocacy and the development of strategic tools which empower them. Every year, the AMI is convened at the same time as global mining corporates and governments meet to design strategies of expanding investments and consolidate profits from the sector at the Africa Mining Indaba also held in Cape Town.

After 6 years of meeting on the side lines of the Africa Mining Indaba, the Alternative Mining Indaba has made significant progress in affirming the voices of affected communities in the region. The platform is also beginning to make efforts and strong inroads into engaging the mining corporates and the national governments who are key stakeholders in the sector. AMI also realises that to make gains in its efforts, it cannot continue to talk to itself but engage the Mining Indaba, national governments and other key stakeholders in the sector since they also have a key role in the development of the continent. Encouraging collaboration has been fostered with the International Council on Metals and Minerals (ICMM), through the Sustainable Development Day session where AMI has been given opportunities to participate and be represented in the panel discussions, to give AMI perspectives in the Mining Indaba platforms. In 2015, a side meeting was organised between a group of community representatives from AMI participating countries and representatives of global mining corporates, enabling the start of a unique conversation that had not happened before.

Initially starting as a Southern Africa space, AMIs geographical outreach has significantly grown beyond the SADC borders to reach the rest of Africa, Latin America, Europe and Asia. In 2015, more than 300 delegates from 32 countries across the globe participated in the 6<sup>th</sup> Alternative Mining Indaba, evidence of the strength, impact, recognition and legitimacy of the space, The 2016 AMI is expected to draw even larger numbers of participants from across the globe.

AMI has achieved many successes in the last few years, amongst them, is the establishment of national and provincial level AMIs which are the foundation of the work of AMI in participating countries. Since its inception, several National Mining Indabas (NAMIs) have been convened in Zimbabwe, Zambia, Botswana, Malawi, Tanzania and Mozambique where affected local community members and civil society have engaged with government officials and mining companies in order to address the challenges they are facing, and to develop solutions in moving forward. Provincial Mining Indabas (PAMIs) have taken place in Zimbabwe and in South Africa, which have initiated discussions at the community level, and will eventually feed into the regional AMI.

## **CONTEXT**

Mining history on the continent tells a tale of revenue mismanagement and mining communities often being displaced and reaping little or no benefit from the minerals extracted. A major challenge is the lack of transformation to the colonial structures of the extractives industry that were designed to exploit natural resources from the continent with minimal benefit for the local citizens. This has resulted in African countries lacking the capacity to exploit natural resources within a sustainable development framework, where all relevant stakeholders benefit in a transparent and accountable manner.

The commodity boom that started in the early 2000 driven by increased demand in mineral resources and oil by China, India and other emerging economies, led to an influx of foreign direct investment from multinational companies and mining companies in mineral rich countries in Africa, such as Mozambique, DRC and Zambia. As a result, these countries have been recorded amongst the fastest growing economies in the world. This gave resource rich countries hope that developing the extractives industry could be the ticket to sustainable economic growth for poor countries. Therefore, governments in these countries began a quest of attracting foreign direct investment by loosening their extractives industry policies with the hope of trading political instability and poverty, with a future of sustained jobs, infrastructure development, and prosperity. However, after a decade of the commodity boom the extractives-led growth model has proved to be inefficient, as it

has resulted in poor governance in the sector due to the enrichment of minority elite groups, at the expenses of the majority.<sup>1</sup> (Chatman House, 2015).

Empirical evidence from resource rich countries across the globe shows that the majority of the citizens particularly communities close to mining areas do not benefit from the activities of the industry. Their livelihoods are stripped off from their very hands as they are forcibly evicted from their ancestral, agricultural and grazing land and relocated to infertile land, without compensation, thus pushing them further into poverty. Community members employed by the mining companies are often underpaid and not adequately compensated for health risks associated to resource extraction. Extraction activities have also led to major environmental degradation, such as water and air pollution, as well as soil erosion and depleted water bodies. For example during the 2015 Alternative Mining Indaba, one Mozambiqian community member José Jesse, reported that communities in Tete Province (the hub of extractives activity in the country) have been relocated by mining companies such as VALE and Rio Tinto with little or no compensation to infertile land where they cannot sustain their livelihoods. The water around this area has also been polluted by coal residue thus leading to deaths of children and livestock in the community ([AMI 2015 highlight video](#)).

Over and above the fact that the majority of the citizens do not benefit from resource extraction, African countries have not received their fair share of revenue from natural resource extraction. This is due to the fact that mining companies and Multinational Enterprises (MNEs) exploit the countries by engaging in aggressive tax avoidance and evasion mechanisms such as base erosion and profit shifting as well as trade misinvoicing, which rob developing countries of the much needed revenue for social and economic development. Research by Global Financial Integrity has shown that 65% of the estimated USD50 to 80 billion lost to Illicit Financial Flows (IFFs), from Africa alone are attributed to international commercial transactions such as tax evasion, trade misinvoicing and abusive transfer pricing. More than half of the total IFFs recorded from 2000-2009 have been attributed to the mining and extractives industry (ATAF, 2015). It is evident that even though resource rich African countries have experienced some level of economic growth, in actual sense, very little benefit has been realised as a result of increased financial outflows, environmental degradation and the violation of the human rights associated to extraction. It has long been proven that the cost of the extraction of the resources far outweighs the benefits. Now that the commodity boom has come to an end, the prices of commodities are decreasing, resulting in reduction in economic growth for resource rich countries. For example, Bloomberg's index of raw material prices including oil, gold and soybeans has slumped 50% since 2011 and is just below 90, after hitting a high of 175 in July 2011. Commodity prices seemed to start their rebound in the summer of 2014; however, the subsequent crash in crude prices and

---

<sup>1</sup> <https://www.chathamhouse.org/publication/resource-curse-revisited>

widespread political risks quashed any optimism.<sup>2</sup> This has resulted in Glencore threatening to shut down operations in Zambia and the Democratic Republic of Congo (DRC), which will result in loss of employment by the local people.

The reality of the commodity price slump has left resource rich at a risk of falling deeper into poverty due to the increased environmental degradation and the inability of community members to sustain their livelihood caused by extraction.

Taking into consideration the complexities and some of the problems in the extractives industry mentioned above, one would assume that extractive industry stakeholders, including community members would meet and discuss the future of mining at the annual African Mining Indaba in Cape Town. However for many years, mining affected communities have been side-lined by the exorbitant Mining Indaba registration fees (£1,211/\$1800 per person for registration only), and have had their future decided for them in their absence. Having realised the importance of including the voices of affected communities in the extractives industry discourse, faith based organisations and civil society host an Alternative Mining Indaba on the side-lines of the Investing in African Mining Indaba conference. The AMI offers mining affected communities and the broader citizenry from the SADC region and beyond, a platform to voice their concerns to governments and mining companies, as well as be capacitated to fight for their rights in their own constituencies. AMI is also an important space for learning, sharing and solidarity between and amongst the participants. This year the 7<sup>th</sup> AMI will be hosted in Cape Town from the 8<sup>th</sup> to the 10<sup>th</sup> at the Double Tree by Hilton Hotel Cape Town under a theme- ***“Making Natural Resources Work for the People, - Leaving No One Behind”*** that speaks well to the Sustainable Development Goals adopted in September 2015:

## **MAIN GOAL**

To provide a platform where community members, faith based organizations and civil society can effectively advocate, engage and dialogue for enhanced transparency and accountability in the governance of natural resources and lead to a Southern African Development Community (SADC), and Africa that extracts minerals sustainably and distributes natural resources revenues equitably to its citizens.

## **OBJECTIVES**

The objectives of the AMI 2016 are:

- To provide a platform for communities affected and impacted by the extractive industries to reclaim their rights through the formulation of alternatives.

---

<sup>2</sup> <http://sputniknews.com/business/20150929/1027726259.html#ixzz3sIyRNkXr>,

- To advocate for transparent, equitable and just extractives practices in the management, governance and distribution of national resources through policy and legislative reform.
- To create meaningful decision making processes for communities, advocating for just national and regional policies and corporate practices.
- To provide space for engagement for the communities affected by mining, inter faith communities, governments, CSO's and private sector to share information and experiences.
- To provide space for the inter faith community to lead and accompany affected and impacted communities.
- To increase and strengthen engagement with ICMM and its membership, national governments and other key stakeholders in the sector.

### **Proposed ACTIVITIES**

- Panel discussions on researches conducted by participating organization and testimonies by members and representatives of affected communities that highlight the main issues in the extractives industry and provide possible concrete strategies and campaigns to remedy the issues.
- Thematic sessions where policy recommendations are offered to priority issues identified at National Mining Indabas, which include:
  - Environmental Sustainability,
  - Small scale mining and land,
  - Mining and Taxation,
  - Access to Remedy: litigation and mining,
  - Business and Human Rights,
  - Gender and Extractives
- A march to the Africa Mining Indaba, and have a Declaration submitted;
- An exhibition room where mining companies will be invited to see the impact of unsustainable extraction to communities.
- Debating sessions on selected thematic issues in the extractive industry.
- Presentation of case studies and inspirational stories.
- Half day capacity building workshop for the communities on priority topics in the extractives sector.

The Economic Justice Network (EJN) serves as the AMI Secretariat and is a member of the Alternative Mining Indaba Steering Committee. The Network has well established mechanisms and structure from local level, regional and international levels to bring experience and concerns of the marginalized and poor people to the agenda.

CONCEPT NOTE: 7<sup>TH</sup> ALTERNATIVE MINING INDABA  
8<sup>TH</sup> TO 10<sup>TH</sup> FEBRUARY 2016

Participating organisations and members of the steering committee include the following organisations:

Benchmarks Foundation (BMF)  
Council of Churches Zambia (CCZ)  
Diakonia  
IANRA  
Mozambique Christian Council (MCC)  
Norwegian Church Aid (NCA)  
Oxfam  
Publish What You Pay (PWYP)  
South African Council of Churches (SACC)  
Zimbabwe Council of Churches (ZCC)  
Zimbabwe Environmental Lawyers Association (ZELA)

Drafted by  
Denise Dube Mubaiwa  
Acting Programme Officer: Tax Justice and Extractives  
Economic Justice Network of FOCCISA: Secretariat to the AMI Steering Committee  
<http://altminingindaba.co.za/>