



Alternative Mining Indaba

Making Natural Resources
Work for the People,
Leaving No One Behind

Concept Note
9th Alternative Mining Indaba in Cape Town
2018

Background

The Alternative Mining Indaba is a platform that was created in 2010 by faith leaders and civil society, after realizing that for over 20 years mining affected communities have been excluded from the Investing in Mining Indaba Conference held annually in Cape Town, South Africa and all other industry conferences and seminars where all the other mining stakeholders meet, and discuss the future of African Mining. Therefore the main objective of hosting an Alternative to the Mining Indaba on the side-lines was to provide a platform for communities affected by mining to voice their concerns and be capacitated to fight for their rights. However as the platform continued to grow each year the objectives of the platform have also broadened, to encompass the following:

- Advocate for transparent, equitable and just extractives practices in the management, governance and distribution of national resources through policy and legislative reform.
- Create meaningful decision making processes for communities, advocating for just national and regional policies and corporate practices.
- To provide space for engagement for the inter-faith communities, governments, CSO's and private sector to share information and experiences.
- To provide space for the interfaith community to lead and accompany affected and impacted community

As a result of the broadening of the conference objectives, the AMI is now attracting the attention of other mining stakeholders that attend the Mining Indaba notably such as the African Union representatives, the president and members of the International Council of Metals and Mining (ICMM) as well as mining company representatives, developmental agencies and think tanks.

Context:

The Alternative Mining Indaba (AMI) is a platform that was formed in 2010 by the Economic Justice Network of the Fellowship of Christian Councils of Churches(EJN of FOCCISA), Norwegian Church Aid (NCA), ESSET, IDASA and the Bench Marks Foundation,. These founding organizations realized the need to host an "Alternative" to the Mining Indaba because for over two decades, mining companies, investors, financiers and governments met at the Investing in African Mining Indaba(IAMI) to discuss the future of African Mining in Cape Town, a city far away from mining activity and communities directly affected by mining. Therefore the AMI was formed to give African mining affected communities a platform to be capacitated and

challenge mining companies and governments for the injustices that they face as a result of the African extractives industry.

After successfully hosting the AMI in 2010, it was clear to the conveners that the platform had to be held concurrent to the corporate Mining jamboree that annually brings together mining companies and government officials from exploited countries. This would ensure that the voices of community members whose livelihoods were violated by Mining activities on the continent are heard by these influential mining stakeholders .A steering committee comprising of stakeholders from resource-rich and active countries has made sure that the AMI is a process of constant activism and learning in different countries throughout the year that culminates in the annual global gathering in Cape Town.

Over the years the AMI has made significant progress towards documenting and articulating the struggles of the communities and capacitating them to fight for their rights. This has empowered communities to develop their own strategies and lobby points to engage mining companies and government institutions in their own countries. The AMI is especially geared to offer communities the tools they will need to monitor and engage the natural resource value chain and ensure their rights are respected throughout. The AMI continues to attract development practitioners, academics, journalists and all manner of activist and stakeholder whose aim is to ensure that mining communities have both the language and strategies to tackle the challenges that natural resource exploitation imposes on their lives. A variety of tools and knowledge are shared at the beginning of each AMI to give communities the know-how to be able to engage with mining companies without fear.

Initially, while exposing the grave injustices that communities face in mining areas, the AMI was issued with the threat of a lawsuit by Mining Indaba conveners over the use of the term “Indaba”. Ironically the term is African while the Mining Indaba conveners are domiciled in the United States. The threat was dropped when the AMI refused to budge on the use of this name. In 2013 the International Council of Metals and Mining (ICMM), an industry body of some of the mining companies, elected to request to address the AMI delegates rather than accept their Declaration, and reciprocated by inviting AMI delegates to a Mining Indaba side event, the Sustainability Development Day. The begrudging and sensitive relationship formed in 2013 has grown since then and the ICMM as an organization has committed to continue this reciprocity every year, thus giving the community members an opportunity to interact with mining company representatives. As a result of the trust-building exercise and the constructive nature of the engagements, two side meetings were held in 2015 and 2016 in which

community members and mining executives held a facilitated conversation that sought to break down the walls of misunderstanding. As a result of these meetings, mining communities have had an opportunity to engage with decision makers in mining companies that they would have never had the opportunity to engage in their communities. These two tentative meetings have opened the door to more engagement opportunities between the two platforms, such as community members being invited to participate in some of the sessions at the corporate Indaba.

The demand for participation at the AMI platform continues to grow exponentially each year and at nearly 500 applicants for participation far exceeds budget and conference space. The demand also exceeds the resources available in the different countries to get communities to Cape Town. Community members are keen to engage with global peers and unfortunately not every wish is supported by resources. To ensure that communities are kept abreast of world trends in natural resource governance there has been a drive to decentralize the Mining Indaba platform by establishing National, Provincial and even District Alternative Mining Indabas (NAMIs, PAMIs and DAMIs). This has ensured that all AMI-active countries are at the same level of activism and understanding of the AMI strategy and that maximum participation of community members is not hindered by their inability to travel to Cape Town and that all debates and discussions take on a national context. The national processes inform the agenda of the Alternative Mining Indaba in Cape Town, to which are sent a number of community representatives with their national recommendations to represent their national position among global peers.

The National Alternative Mining Indabas and Provincial Mining Indabas have also witnessed a significant growth with 11 countries: Zambia, Zimbabwe, Malawi, Angola, Botswana, Mozambique, South Africa, Madagascar, Swaziland, Lesotho and Tanzania hosting NAMIs in 2016/2017 year. The hosting of the NAMIs and PAMIS has gone a long way in articulating the voices of thousands of African mining affected communities.

The hosting of the NAMIs has also facilitated a bottom up approach whereby the issues discussed at the regional Alternative Mining Indaba are drawn from issues that arise from the national processes. This has allowed delegates to leave the AMI with viable recommendations on addressing their national issues.

Africa Cursed by its Resources

The African continent is endowed with a wide variety of precious natural resources that could be utilized for its growth and development, exporting some \$232 billion worth of minerals and oil to the rest of the world.¹⁰ The value of mineral reserves in the ground is of course even larger - South Africa's potential mineral wealth is estimated to be around US\$2.5 trillion, while the untapped mineral reserves of the Democratic Republic of Congo are estimated to be worth an astronomical \$24 trillion. However, the history of mining on the continent tells a tale of poor governance and revenue mismanagement with mining communities often being displaced and reaping little or no benefit from the minerals extracted. One major challenge is the lack of transformation from 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.

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 adequate 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.

Over and above the fact that the continent and its citizens have not reaped real benefit from natural resource extraction, African countries have lost a great deal of their fair share of revenue from natural resource extraction. This is owing to the aggressive tax planning that mining companies and Multinational Enterprises (MNEs) are engaging in which include base erosion and profit shifting as well as trade misinvoicing, which deprive developing countries of the much needed revenue for social and economic development. The recent research from Curtis and Jones (2017) has shown that the \$68 billion stolen from Africa through illicit financial flows amounts to 6.1% of the continent's entire gross domestic product (GDP). Well over \$48 billion is being stolen by multinational companies through trade misinvoicing based on the figures published by Global Financial Integrity.

It is evident that although resource-rich African countries have experienced some level of economic growth, in actual sense, very little benefit has been realized as a result of increased financial outflows, environmental degradation and the violation of human rights associated with extraction. 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. The reality of the commodity price slump has left resource-rich countries at a risk of falling deeper into poverty due to the increased environmental degradation and the inability of community members to sustain their livelihood disrupted by the extraction industry.

The Panama Papers scandal also exposed the global problem of MNEs and High Net Worth Individuals (HNWI) taking advantage of loopholes in the global economy by using aggressive tax avoidance mechanisms such as Base Erosion and Profit Shifting to reduce their tax obligation to the country of economic activity. African countries are the most affected by this phenomenon as a result of their dependency on the complex extractives industry for revenue generation.

African governments have made efforts to break the historic chain of revenue mismanagement and the random and uncompensated displacement of its communities by developing policies such as the SADC Mining Protocol and the Africa Mining Vision, among other policy initiatives, to manage these non-renewable natural resources within a sustainable development framework, while maximizing social development and mitigating the social and environmental effects of mining. However the implementation and monitoring of these documents is slow and sometimes non-existent.

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 excluded 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 realized the importance of including the voices of affected communities in the extractives industry discourse, faith based organizations and civil society have been hosting an Alternative Mining Indaba on the side-lines of the Investing in African Mining Indaba conference for the past eight years..

The AMI has over its eight year lifespan offered mining affected communities and the broader citizenry from the SADC region and beyond, the biggest and most respected independent, non industry-sponsored platform to voice their concerns to governments and mining companies, as well as an opportunity to learn industry mechanisms to better fight for their rights in their own constituencies. It has also provided platforms for communities and civil society to engage with the mining companies through the two NCA-ICMM sponsored trust-building side meetings that have been held since 2015. The AMI platform has also added the cautious, but optimistic, community voices to the roll out of the implementation of the Africa Mining Vision by actively including them in engagements in the development of the governance framework document with the African Minerals Development Centre (AMDC). Overall the AMI is also an important space for learning, sharing, networking and building solidarity amongst community members and civil society organizations working on resource extraction in the region. It bridges the knowledge gap between the holders of knowledge in natural resource governance, power and money and those who are exploited, poor, intimidated and inconvenienced by mineral resource extraction.

As the AMI platform continues to grow, it is drawing the attention of various extractives industry stakeholders such as extractive industry businesses, academics and regional government bodies such as the AU Commission. This has necessitated the steering committee to design a strategy on how to engage with the various stakeholders while maintaining the status of it being primarily a platform where communities affected by natural resource extraction can share and learn from each other's experiences and be capacitated to fight for their rights.

The main goal and objectives of the 2016-2018 AMI strategy are:

Goal and objectives

The main goal is to present an alternative voice, the community voice, to that of corporates who meet yearly during the Mining Indaba. Furthermore it is hoped that the AMI will, through effective advocacy, enhance transparency and accountability in the governance of natural resources and lead to a continent that extracts minerals sustainably and distributes natural resources revenues equitably.

Objectives

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

- 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 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.

Desired outcomes:

- To bring together community representatives, civil society organizations, and multi-lateral organizations and other stakeholders from the SADC and abroad to actively participate in discussing and providing viable recommendations for the future of natural resource extraction in Africa, physically and virtually.
- Publish the Communiqué in national and regional media so as to gather the support of all African citizens.
- The development of an Action Plan that has ownership from all the representatives present as a follow up to the Declaration of demands.
- Solidarity amongst regional mining affected communities, inter-faith organizations, civil society and other likeminded organizations against the injustices in the extractives sector through Marching to the Cape Town International Conference Centre (CTICC) to the Africa Mining Indaba with a clear and progressive Communiqué.
- Lobby key government bodies and corporates such the AU, SADC, Africa Union Commission and the ICMC to take into account the message from the AMI community.
- At least 50 per cent of communities attending the AMI receive tangible legal advice from lawyers at the mining legal clinic so as to capacitate them on their legal rights.
- Increased engagement with the AU Commission through the AMDC and holding discussions with mining affected communities as a result of their activities around reclaiming their rights
- The AMI platform widely recognised as a vehicle used by CSOs and FBOs and communities to demand for transparent, just and equitable practices in the management of our natural resources
- At least 2 discussions and engagement opportunities created each year, as a result of the AMI, that bring together the inter faith communities, governments, CSO's and private sector

AMI Thematic Discussions for 2018

The theme for AMI 2018 is: **“Making Natural Resources Work for the People: Towards Just Legal, Policy and Institutional Reform”**

The Thematic issues for discussion will be:

- Human Rights Defenders
- The Curse of Natural Resource Policies
- Gender and Legal reforms
- Independent Problem Solving Mechanism
- Policies and laws that facilitate the benefit sharing for local people.
- Faith and the Extractives Sector