

## 2017 AMI DECLARATION

### **DECLARATION OF THE 8<sup>TH</sup> ALTERNATIVE MINING INDABA**

#### **“MAKING NATURAL RESOURCES WORK FOR THE PEOPLE: DOMESTICATION OF THE AFRICA MINING VISION: FROM VISION TO REALITY”**

We, representatives of over 450 members of faith-based organisations, civil society organisations, community-based organisations, Pan-African networks and organisations, labour movements, women movements, human rights activists, media, students from African countries and our international partners met on February 6 – 8, 2017 in Cape Town to share experience, lessons and deliberate on the role and the impacts of extractives on communities, national economies, the environment and society at large.

This marks the eighth (8<sup>th</sup>) year of the Alternative Mining Indaba (AMI) which has grown from a modest 40 to over 400 delegates from the whole of Africa and other parts of the world.

**Cognisant** of the adoption of a new global pact, the Sustainable Development Goals (SDGs), the ongoing fragility in the global economy but more especially in Africa following the collapse in commodity prices and dwindling levels of external funding, mobilising domestic adequate resources and financing for development remains a national obligation and a challenge.

**Recognising** the rising vulnerability of African economies complicated by the looming debt crisis, balance of payment deficit, over exposure of African economies to external fragilities and unstable weather patterns made worse by climate change.

**Noting** that the African Mineral Governance Framework (AMGF), a policy instrument of the Africa Mining Vision (AMV developed by the African Union (AU) and Economic Commission for Africa (ECA) in collaboration with civil society, and endorsed by AU Ministers of Trade, Industry and Mining in May 2016, presents an institutional, analytical and methodological framework that can be used by all stakeholders at continental, regional and national levels to monitor the operationalization of the AMV.

**Further noting** that the need for a comprehensive analytical framework to diagnose, assess, monitor and support peer review for mineral sector governance is a direct response to African governments request to develop an Africa-led and owned mineral sector governance framework,

**Convinced** that AMV is an important vehicle to stimulate inclusive economic development, which doubly serves as an aspirational standard for the extractive industries (EI) in Africa.

**Conscious** that the AMV goes beyond other EI governance frameworks by covering the entire mineral value chain beyond revenue maximisation, and embodies often neglected areas such as the human rights of affected communities, artisanal and small scale mining, and skills building, linkages and diversification.

**To this end**, several CSOs, movements, coalitions, networks, and alliances are mobilising civil society, affected communities and other constituencies to engage with AMV implementation across Africa.

**Aware**, however, that eight years after the AMV's adoption, there is little community and civic awareness of the AMV – it is seen as a highly technocratic policy document that is beyond the scope of ordinary African citizens. Likewise, African countries have been slow, at best, to align their national laws and other regulatory frameworks to the AMV.

This is further compounded by a paucity of awareness among senior public official circles across the continent

**Recognising** that the African Minerals Development Centre, a specialised technical agency of the AU charged with implementing the AMV Action Plan, is now supporting African governments to roll out national AMVs or Country Mining Vision (CMVs) in many countries,

**Conscious** of the increasing deterioration of the quality of life of communities living in the shadows of mining projects,

**Further conscious** of the precarious state of job security in the various mining countries and the threat of and indeed mine closures following the collapse of commodity prices.

**Aware** of the still dominant role of mining MNCs vis-à-vis the subservient role of African states.

**Concerned** with the increasing scale and extent of Illicit Financial Flows [IFFs] from Africa as further demonstrated by the Panama Papers and recent court rulings against major Multinational Corporations (MNCs) and their tax dodging practices which deprive the continent's resource-rich economies vital investible capital,

**HEREBY CALL FOR:**

## **FISCAL REGIME AND REVENUE MANAGEMENT**

- Cognisant that institution of mechanisms for improved geological information on mineral resources will strengthen bargaining positions for African governments and allow for better pricing of countries' mineral resources,
- We call on African governments to develop an optimal land-use framework to determine whether mining should or not take place in a given area. Furthermore, African governments should invest heavily in gathering geological information. This information should inform the terms of extractive concessions,
- We call on our governments to recognise that the economic value of local ownership of mining rights is higher than foreign MNCs,
- We urge African governments to push hard for stronger and better regulatory institutions to ensure that the benefits of extraction are shared equitably

- We call on our governments to pursue legislation including strong regulatory institutions to ensure that African countries derive their fair share of the benefits of their extractive resources,
- We urge our governments to domesticate the progressive regional processes and instruments at the national level like the AMV.
- We urge African nations to dispense with the Foreign Direct Investment (FDI) logic of the MNCs, which invariably results in these countries unnecessarily competing against each other for foreign investment by lowering tax thresholds, thus further undermining their ability to mobilise adequate domestic revenues,
- We call on governments to invest resources in their Sovereign Wealth Funds from minerals so as to create inter-generational equity, instead of just saving the money,
- We call on governments to not only focus on revenue mobilisation but also the distribution end to ensure that the poorest in society also benefit from the mineral wealth transparently and accountably
- We urge our governments to identify processes of the mining chain where corruption is most likely to occur, starting from concession-granting to revenue collection to demobilisation and bloc these loopholes,
- We urge our governments to employ taxation as an important strategic tool to foster linkages between mining activities and the larger national economy,
- Furthermore we call on our governments to harmonise regional policies to improve the benefit of extractives to African citizens,
- We call upon African governments to fully optimise mining revenues by tackling over generous fiscal incentives, corruption and lack of transparency;
- We call on our governments to review/re-negotiate contracts unfavourable to their countries to raise revenue to fund structural transformation of their economies
- Also, we urge our governments to exercise maximum restraint in negotiating Bilateral Investment Treaties (BITs) including Double Tax Agreements (DTAs) as they have been noted to undermine African countries' ability to mobilise domestic revenue.

## **ENVIRONMENT, ARTISANAL & SMALL-SCALE MINING & SOCIAL PROTECTION**

- We call on African governments to set aside part of revenues from extractive industries to fund basic income/grant to vulnerable groups in society,
- We call on African governments to improve the investment climate for enterprise developed, shaped by tax regime, where there is a balance between tax regime that is business and investment friendly and raises optimal revenues to fund socio-economic development.
- We encourage communities and their allies to develop alternative environmental impact assessment studies/reports to compare and challenge those prepared by companies

- We urge our governments to legislate Corporate Social Responsibility programmes and not view them as philanthropic practices by the private sector,
- We call on government to recognise that ultimate political power resides in the citizens and they can stop their governments from accepting non-beneficial agreements.
- Decriminalisation and regulation of the Artisanal Mining sector

## **LINKAGES, INVESTMENTS AND DIVERSIFICATION**

- We call on African governments to improve the capacity of public officials involved in mining legislation and contract negotiation to better understand implications of the mining regimes they enact and contracts they negotiate with the private sector.
- We challenge CSOs to play a bigger role in monitoring and putting checks to prevent the occurrence of state capture
- We call on our governments to be transparent and involve the broader nation when negotiating contracts on the extractive sector.
- Furthermore, on contract negotiations we call on our governments to hire experts from outside government circles to strengthen state capacity in negotiating better agreements,
- There is need for structural changes to the extractives industry so that there is a positive link between resource exploitation and economic growth.
- We call on African governments to minimize the export of raw minerals and actively shift to domestic value addition to create jobs and better linkages between the extractive sector and the broader national economy
- Our governments must leverage minerals to create wealth, higher taxes and invest these revenues to improve the quality of life of their citizenry,
- We urge our governments to work better with CSOs to identify and investigate trade mispricing and thereafter sue for losses incurred thereof
- We call on our governments to work more closely and CSOs in identifying and investigating trade mispricing, and thereafter sue for the losses incurred thereof.
- We urge African governments to use their natural resource endowments to underpin and accelerate the industrialisation and diversification of their economies,
- We urge African governments to negotiate conditionalities into mining contracts to ensure that they benefit the citizens of their countries,

## **LEGAL AND INSTITUTIONAL MANAGEMENT**

- We urged African governments to embark on policy reforms and improve the capacity of state agencies in charge of the extractive sector to discharge their duties effectively and efficiently.
- We urge companies to recognise that traditional leaders are not community members and therefore they need to carry out proper and thorough consultation.

- We call on communities to build linkages with strategic key resource professionals such as lawyers and accountants to assist them in their engagement with governments and companies.
- We urge different stakeholders including MPs, public officials, CSOs community and the media members to improve their capacities on and popularise the AMV principles.
- We further urge our governments not to politicise the AMV and CMV processes.

## CONCLUSION

- As citizens and representations citizen-organisations we wish to express our willingness to work with African governments and other stakeholders in the quest to harness the continent's vast extractive resources to underpin Africa's socio-economic transformation and the AMV lays a foundation for this.

SIGNED

Malcolm Damon, AMI Secretariat