

SARW 2019 ANNUAL REPORT




**BUILDING A RESILIENT,
TRANSPARENT AND
PROFESSIONAL ORGANISATION
WITH A DIFFERENCE**



SARW
Southern Africa Resource Watch

Improved human conditions through good
governance of the region's resources.



This report is published by the Southern Africa Resource Watch. Southern Africa Resource Watch (SARW) is an independent body that advocates and promotes human rights and environmental protection in resource extraction activities by monitoring corporate and state conduct in a peaceful and collaborative manner.

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HUMAN
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ABOUT SARW

Southern Africa Resource Watch (SARW) is a regional non-profit organisation that promotes the transparent and accountable use of natural resources, particularly minerals, oil, gas, timber and marine resources. Established in 2006 by the Open Society Initiative for Southern Africa (OSISA) as a semi-autonomous project, SARW became a fully autonomous organisation in 2019. This decision by OSISA was in recognition of the

12 years contribution that SARW has made in the field of resource governance in the Southern African Development Community (SADC) and beyond. SARW's main goal is to tackle inequality, injustice, human rights abuses, poverty, and climate change by ensuring that the extractive industries contribute to broad-based sustainable development.

MESSAGE

FROM THE CHAIRPERSON OF THE BOARD



“ OUR AMBITION TO ACHIEVE A TRANSPARENT, ACCOUNTABLE AND CORRUPTION-FREE EXTRACTIVE SECTOR IS UNFLINCHING. ”

The past year has been a life-changing and burden-bearing period, made so by the severe disruptions and lasting impact of the corona virus pandemic. That notwithstanding, our commitment as a Staff and Board Team has continued with resolve in redefining our mission, our ethos and our purpose.

The content of this first annual report is testimony to the hard work that is essential to our DNA. When the June 2018 decision was made to spin off the Southern Africa Resource Watch (SARW) from being a dedicated project of the Open Society Initiative for Southern Africa (OSISA) into a stand-alone, fully grown regional entity by the end of that year, not even the most faithful would have predicted the progress made in one year of SARW's existence as an independent organisation.

We want to communicate that SARW is a now fully functional organisation, fully staffed and building its portfolio of programmes, human and financial resources to get the important work done. Our regional footprint has grown into four bases of operation across Southern Africa, namely Johannesburg, Kinshasa, Harare, and Ndola.

Through the work of the Board and the executive team, we devoted much of our time to institutional development efforts, building governance and oversight infrastructure by putting in place internal control systems including a set of rules, policies, and procedures that ensure business certainty and continuity, predictability, transparency, and accountability.

While setting up this institutional edifice, SARW continued to implement projects as our growing multidisciplinary staff led an emerging body of work on the political economy of natural resources governance, beginning to bravely tackle the root causes of the entrenched “rich in natural resources but poor in human development” paradox so prevalent in our region, developing a growing partnership base with communities, and strengthening our research and advocacy work.

Some key projects include the investigation into the Canadian mining company First Quantum Mineral's governance and corporate responsibility in Zambia; the investigation into the exploitation of artisanal miners in the cobalt value chain in the Democratic Republic of Congo

(DRC); the organisation, in partnership with several other African civil society organisations, of a continental policy conference to review the implementation of the Africa Mining Vision (AMV) after ten years of its existence; the organisation of the DRC Alternative Mining Indaba and the organisation, in partnership with the Levy Mwanawasa Centre for Democracy and Governance, of a seminar on the Extractive Industries Transparency Initiative (EITI).

On behalf of the Board, I wish to thank our dedicated staff by whose clarity of mind and fixity of purpose the work is made possible, and our key funders and partners who have supported our work to hold governments and companies to account and enabled us to push new frontiers of transparency in the extractive industries. Southern Africa's abundant mineral endowment will continue to attract foreign and local investment. As mineral resources get depleted and their demand increases, the competition to access and control these resources will continue to drive corruption, illicit financial flows, human rights abuses, the destruction of the environment, the pollution of water and air, and the displacement of communities without proper compensation.

Our ambition to achieve a transparent, accountable and corruption-free extractive sector is unflinching. It will require continued support from our funders, staff and partners to carry our mandate forward.

Deprose Muchena, Chairperson

MESSAGE

FROM THE EXECUTIVE DIRECTOR



“ THE YEAR 2019 MARKS AN IMPORTANT MILESTONE IN SARW’S EXISTENCE AS A TIME IN HISTORY... ”

The question why Africa’s natural resources do not benefit the continent has dogged citizens and observers for years. It is an important question, to which there are no simple answers. The continent’s extractive resources’ annual worth stands at trillions of dollars, with Africa boasting the world’s largest mineral reserves of key metals such as copper, cobalt, lithium, coltan, manganese, platinum, and more. These resources are credited with modernising other societies while the continent’s citizens remain among the poorest in the world.

Africa’s undoing can be traced to the export-led resource model being used, and its leaders lack of political will to embrace reforms that favour rectifying deeply entrenched injustices, mismanagement, and corruption. While the lack of transparency and accountability have triumphed in place of policies and legislation that support environmental rights and equity in the distribution of riches, there is an emerging consensus that the colonial model of exporting raw minerals, which does not allow the continent to expand its fiscal space and to industrialise through value addition to its minerals, could be the major factor limiting the ability of the continent to optimally benefit from its resources.

When the Open Society Initiative for Southern Africa (OSISA) took a decision to make SARW an independent organisation in its own right, the intention was to establish an organisation that will truly work to protect Africa’s interests in a fast-changing context of global international trade, with the emergence of new powers (China, Russia and India) and the escalating effects of climate change. It therefore gives me great pleasure to present the first annual report of the organisation as an independent watchdog that seeks to ensure that Africa, and especially African mining communities, benefit optimally from resource extraction on their land.

The year 2019 marks an important milestone in SARW’s existence as a time in history when the organisation cemented its presence in the civil society space, laying solid foundations as a stand-alone body. To contribute to our mission of promoting good governance, transparency, accountability and equity in the management

of natural resources, our first task was to have the right people in the bus by strengthening our staff component. The second task was to put in place internal systems and policies to assist the organisation to act in a professional, transparent and accountable manner. As these systems were being put in place, we have managed, at the same time, to embark on activities that support the organisational vision of working towards improving human conditions through advocating for the good governance of mineral resources within the SADC region. We successfully published groundbreaking and well-researched reports focusing on activities within the mining sector in various countries, hosted seminars and indabas that brought together different stakeholders in the mining sector, and facilitated workshops.

While we work hard to ensure that we monitor corporate behaviour and government conduct in the region, over the past year we established an ongoing physical presence in four countries, namely South Africa (where our head office is located), the Democratic Republic of Congo, Zambia and Zimbabwe. In anticipation of our future growth, we have also put together a diverse, highly qualified, and skilled board, which understands its three duties of care, loyalty and obedience, to provide strategic and policy direction, to supervise management, and to maintain a good organisational reputation through a high-quality work ethic. Challenges of setting up new offices notwithstanding, we also adopted a five-year strategic plan that will keep us on track as we focus on the most important task of ensuring that Africans benefit optimally from the resources under their feet.

Claude Kabemba, Executive Director

OUR VISION AND MISSION

VISION

SARW's vision is to improve human conditions through good governance of the region's extractive resources.

MISSION

SARW's mission is to work for participatory, transparent and accountable utilisation of extractive resources in a manner that optimises transformative social and economic benefits, and intra- and inter-generational equity, with sensitivity to environmental, gender and human rights impacts.

The institutional Vision and Mission are supported or actualised through six organisational and operational objectives.

OBJECTIVES

SARW's objectives are to:

- monitor corporate and state conduct in the extraction and beneficiation of natural resources in Southern Africa, and assess to what extent these uplift the economic conditions of the region's communities;
- generate and consolidate research and advocacy on natural resource extraction issues in Southern Africa;
- provide a platform – for communities, activists, researchers, policy makers, corporations, regional and global governing bodies – of action, coordination and organisation in the state accountability in extractive resources;
- build capacity for communities, civil society organisations (CSOs), parliaments, and media to hold governments and corporations to account, and to participate in decisions about resources management;
- advocate and promote human rights and environmental protection in resource extraction activities;
- support efforts to legislate mandatory public disclosure of and access to financial, social, environmental and regulatory compliance information in the extractive industries.

PROGRAMME AREAS

SARW's objectives are to:

- revenue transparency and accountability;
- legal and institutional reforms support;
- promoting a continental agenda on natural resources for transformation and development;
- geo-politics and geo-strategy of resources;
- business and human rights (extractive industries, communities, and the environment);
- climate change and extractive industries;
- mining and the African blue economy;
- artisanal and small-scale mining.

PRIORITY FOCUS FOR 2019

The year 2019 marks an important milestone in SARW's existence as the year in which the organisation first operated as an independent and autonomous institution after 12 years of incubation within the Open Society Initiative for South Africa (OSISA). In 2019, the organisation focused on putting in place the initial framework of structural systems and human resources to operate as a new entity.

Therefore 2019 was dedicated to setting up the institution, which included setting up the first Board of directors, internal systems, management and administrative policies and recruitment. During this period the organisation focused on implementing solid workplace structures and systems that will prove pivotal in ensuring that we meet our strategic plans for next five years.

ESTABLISHING A FULLY FUNCTIONAL BOARD

The first step was to set up a Board that could be trusted by following a rigorous process of identifying and vetting suitable candidates from the various countries where we work. SARW has in place a functional and diverse Board of directors from the SADC region, made up of six people. This governance structure provides financial and leadership oversight for the organisation. Our Board has been positioned to play a more dynamic and strategic role of guidance to the secretariat. A key achievement in 2019 was the convening of a development meeting for Board members to reflect on their contributions to the organisation, clarify their roles, and strengthen their understanding of their overall mandate and their three duties of care, loyalty and obedience. To coordinate its role, the Board has set up five sub-committees: Executive Committee, Audit and Risk Committee, Finance Committee, Programmes and Fundraising Committee, and Ad-Hoc Committee(s). The Board meets three times a year.

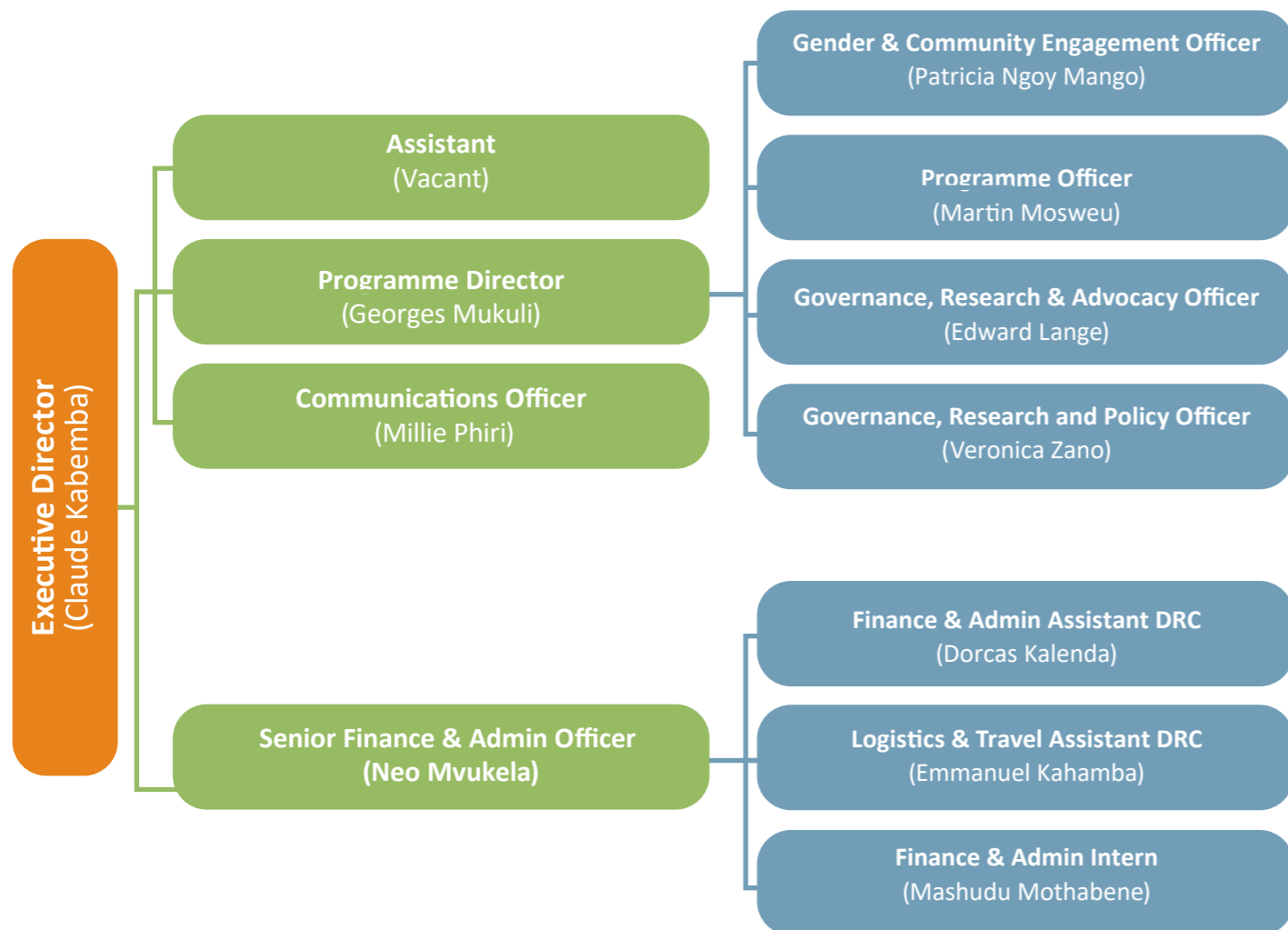


Board Members from left to right: Hudson Mtegha, Claude Kabemba, Deprese Muchena, Vincent Ziba and Claudia Tinela. Photo insert: Claudine Tshimanga, Democratic Republic of Congo Board member

BUILDING A RESILIENT ORGANISATION

SARW started to function with a staff complement of seven. By the end of 2019 the staff had grown to eleven members, disaggregated in terms of six females and five males. The staff is made up of diverse, qualified and experienced professionals in the fields of social science, law, governance, gender, community engagement and accounting who bring great value to the programming and management of the organisation. SARW also has an internship programme. In 2019, one intern was brought on board for a period of a year. We have built a multicultural and women-dominated team.

SARW ORGANOGRAM AND STAFF MEMBERS (2019)



STAFF MEMBERS (2019)



Claude Kabemba
Executive Director



Patricia Ngoy Mango
Gender and Community Engagement Officer



Neo Mvukela
Senior Finance and Admin Officer



Edward Lange
Governance, Research & Advocacy Officer



Georges Mukuli
Programme Director



Dorcas Kalenda
Finance and Admin Assistant



Mashudu Mothabene
Finance and Admin Intern



Veronica Zano
Governance, Research & Policy Officer



Martin Mosweu
Programme Officer



Emmanuel Kahamba
Logistics and Travel Assistant



Millie Phiri
Communications Officer



Liselie Lisulo
Office Administration and Program intern

SETTING UP A REGIONAL AND COUNTRY OFFICES

In 2019, four functional offices were set up in South Africa (Head Office), the Democratic Republic of Congo (DRC), Zambia, and Zimbabwe. All four offices are locally registered.

DRAFTING OF KEY INTERNAL POLICIES AND STRATEGIES

The year 2019 saw the drafting of policies and strategic documents. These documents include a five-year strategic plan, branding and communication strategy, human resource policies, resource mobilisation strategy, financial policy, travel policy and a procurement policy. These important institutional frameworks define how the anticipated growth trajectory will be realised in order to attain the mission and objectives of the organisation.

BOARD AND STAFF MEETINGS

The Board participated in a joint session with staff to review the organisation’s strategic priorities for the coming year (2020) and to discuss the roles and expectations of each team member. The experience allowed both the Board and the staff to share their perspectives on working within SARW and with each other. Individuals reflected on the contributions they make, the challenges faced, and the support needed to ensure that each person fulfills their responsibilities.



SARW staff and board members retreat. Photo: SARW

PROJECT IMPLEMENTATION AND IMPACTS

Despite the demands of setting up an institution and ensuring that it is functional, SARW was able to implement a number of projects involving research, policy dialogue and advocacy.

RESEARCH AND PUBLICATIONS

In this period, three major research reports were undertaken, all responding to our key programme areas. Two of these reports were published.

What follows is a summary of the three research reports that were undertaken.

Mining companies’ corporate social investment in Zambia: The case of First Quantum Minerals

This investigation followed the first report that looked into the governance and corporate social responsibility (CSR) of Kansanshi Mine, published in 2018, and which the company disputed. The 2019 investigation was done on the invitation of First Quantum Minerals (FQM). SARW’s research group met with the company and visited the social responsibility projects. The research group was made up of academics (from University of Lubumbashi in the DRC and University of Limpopo in South Africa), CSOs represented by Bench Marks Foundation, and community members (Sub-Chief Wangabanya and community members from Kabwela, Kyafukuma, Mushitala, Muzabula and Kabitaka). This report is yet to be published. It will be published in 2020.

Impact feedback

The project has had considerable impact even before the report is published. We have seen the company taking steps to implement some of the recommendations which were in the 2018 report, which the company disputed. The company has embarked on the process of attending to some of the issues raised in our discussion during the field visit and in our 2018 report. For example, the company is supporting the Kyafukuma community with a school computer lab and it has adjusted upwards the land compensation for the Kyafukuma community.

Over-exploitation and injustice against artisanal miners in the Congolese cobalt supply chain

The second research report focuses on the artisanal mining of cobalt in the DRC. In this research SARW wanted to establish why a sector that contributes approximately 20 per cent of the DRC’s total annual cobalt production does not contribute to the socio-economic upliftment of local communities. We are seeing the continued presence of child labour and unsafe labour conditions for the miners. The DRC is the world’s main producer of this strategic metal as it holds 65 per cent of the world’s reserves in cobalt. Cobalt is one of the metals used in the manufacturing of batteries for electric cars. With mounting pressure to reduce carbon dioxide emission, key metals such as cobalt have acquired strategic importance for the world economy.

The research makes one particularly important observation regarding child labour in DRC artisanal mining which is that:

... the key to cleaning the supply chain of child labour and position artisanal cobalt as a viable business that can contribute positively to local economic development is to consider artisanal and small-scale mining (ASM) as a business at the same level as industrial mining, and ensure artisanal miners are paid a fair market price for their cobalt. If artisanal miners are properly paid, the revenue will help their children out of the mines, put them in school and contribute to local development.

This is a dramatic departure from solutions proposed by a number of projects and interventions, which focus on taking children out of the mines but leaving the sector under the control of speculators who are exploiting and enslaving artisanal mine workers.

Impact feedback

The research has created discussions on how to regulate and control artisanal cobalt activities in the DRC. Before the publication of the report, SARW published a press release condemning the invasion of private concessions by artisanal miners and the use of armed forces by mining companies and the Congolese authorities to keep artisanal miners out of private mine concessions.

The political economy of the formalisation of artisanal and small-scale gold mining in Zimbabwe

The third publication focuses on the formalisation of artisanal mining in Zimbabwe.

The study is based on the strategic importance of artisanal and small-scale gold mining (ASGM) to the country's economy. Increasing numbers of people in Zimbabwe are turning to ASGM as a means of seeking alternative livelihoods, compelled by the growing economic crisis and decreasing rural livelihoods catalysed by natural disasters such as droughts and floods.

The study questions why the government of Zimbabwe is reluctant to put in place a policy, legal and regulatory framework for this sub-sector despite the visible contribution of ASGM to the national economy. The purpose of the study was to probe the underlying factors that have inhibited formalisation, ascertaining contributions being made by ASGM at national, local and personal levels, and the socio-economic and environmental impacts due to the current status quo. The research also proposed practical ways of formalising through legislative or regulatory framework.

Impact feedback

The report has been shared with diverse actors in Zimbabwe, regionally and internationally, including the Ministry of Mines and Mineral Development, to influence legal and policy reform. Positive feedback on the study has been received on how it challenges many myths and misconceptions that ASGM literature has perpetuated about the disorganised nature of the sub-sector.

SADC EXTRACTIVES MONITOR

In 2019 SARW started publishing its specialised publication, SADC Extractives Monitor. This is a quarterly publication that identifies and analyses pertinent issues throughout the region. The SADC Extractives Monitor is meant to inform and influence government and private policy, and strengthen civil society advocacy in promoting good governance of mineral resources. In 2020, three quarterly monitors were published.

The inaugural publication, covering a period from September to December 2019, explored topical and strategic issues in 11 of the 16 SADC countries, namely Angola, Botswana, DRC, Lesotho, Madagascar, Malawi, Mozambique, Namibia, South Africa, Zambia and Zimbabwe.

Impact feedback

The first two editions of the SADC Extractives Monitor were appreciated and received with enthusiasm by several partners especially because the publications highlight natural resource issues throughout the Southern African region. Publication of these nature marked a first of their nature to be published in the region.

POLICY DIALOGUE

In 2019, SARW organised three important policy dialogues.

Third Alternative Mining Indaba in the Democratic Republic of Congo

The Alternative Mining Indaba (AMI) was organised under the title "Challenges and Opportunities for the application of the DRC Revised Mining Code". The indaba was held as the DRC had just reviewed its Mining Code in 2018. The code, which had been in application for the past 12 years, was criticised for not advancing the interests of the Congolese people. For many, the Mining Code simply protected the interests of investors. The revision has given hope to the Congolese, especially mining communities, that they will now directly benefit from the exploitation and commercialisation of the country's minerals.



Attendees of the third annual Alternative Mining Indaba at the Pullman Hotel in Kinshasa in July 2019, Photo: SARW.

The AMI has since become one of the most important, participatory and credible national gatherings in the DRC mining sector events calendar. It brings together all stakeholders to discuss issues of common interest in the sector. The third edition of AMI was held in Kinshasa from 9 to 11 July 2019 at Pullman Hotel. In attendance were local and national government officials, mining companies, CSOs, and local mining communities.

A total of 250 participants registered and attended the event. Participants were made up of delegates from the DRC presidency, government services (such as public administration, financial authorities and specialised services), mining companies, local and international CSOs, universities, technical and financial partners, international institutions, embassies and local communities. Civil society representatives from Angola, Botswana, South Africa and Zimbabwe attended the AMI in 2019.

The key observation of the meeting was that the revised Mining Code was not being enforced by the government and many stakeholders did not know its content. One key recommendation was for the Code to be popularised among all stakeholders – government institutions, private sector, communities and CSOs.

The recommendations from the third edition of AMI were forwarded to all stakeholders. Some of the key recommendations included:

- the state must ensure that the new provisions of the Mining Code and mining regulations are fully implemented;
- the state must ensure that all minerals declared strategic are given special treatment in terms of control, exploitation and commercialisation;
- put in place processes to operationalise the Miners Fund (this should include a national consultation involving all stakeholders to determine the rules and management procedures);
- draft a mining vision which will inform the application of the Mining Code;
- invest in reviving state-owned enterprises aimed at increasing the country’s share of mine management in the face of the growing monopoly of private investors;
- reform the tax collection system by eliminating the multiplicity of agents involved and opt for a single authority responsible for collecting taxes, duties and other royalties on behalf of the state;
- the state must invest in education and capacity-building of decentralised territorial entities for the management of mining revenues allocated to them under the Mining Code; and
- the state must implement the Mining Code to ensure the formalisation of artisanal mining – the code is clear on all aspects including that ASM can coexist with industrial mines.

Impact feedback

Despite the fact that the third edition of AMI/DRC took place in the early stage of President Felix Tshisekedi Tshiombu’s regime, its impact has been visible. A number of recommendations have been taken up by the Ministry of Mines. Following the AMI, tripartite meetings were held between civil society, the Ministry of Mines, and the Ministry of Social Affairs to adopt measures to implement provisions of the Mining Code that directly affect local communities (such as the 15 per cent). The government took a decision to popularise the revised Mining Code across the entire territory of the DRC.

Civil Society Africa Mining Vision conference

SARW in collaboration with other CSOs (Third World Network Africa, Tax Justice Network Africa, Publish What You Pay, Zimbabwe Environmental Law Association and Norwegian Church Aid) organised the Civil Society Africa Mining Vision (AMV) Conference on 23-25 October 2019 in Johannesburg, South Africa. The conference was attended by over 45 participants from Africa, including CSOs, labour unions and key continental and international organisations such as Africa Minerals Development Centre (AMDC), Africa Development Bank (ADB) and the United Nations Development Programme (UNDP).

The objectives of the Civil Society AMV Conference were:

- to assess progress made by countries in the past decade towards the implementation of the AMV as an agreed continental development framework to transform the management of the diverse and abundant mineral resources; and
- to solidify efforts by civil society to keep the vision alive and contribute towards its promotion, implementation and actualisation by African governments.

The conference participants assessed the implementation progress of the AMV using the six pillars provided by the Africa Mineral Governance Framework (AMGF):

- the legal and institutional framework on contracts and licenses;
- geological and mineral information;
- fiscal and revenue management;
- linkages and diversification;
- artisanal and small-scale mining; and
- environmental and social issues.

A key observation of the conference was that whilst 32 states in Africa are implementing various aspects of the AMV by incorporating it into their national mining policies, there is still a long way to go by member states towards its implementation using the AMGF, which is the implementation tool of the AMV.



Delegates at the Civil Society Africa Mining Vision conference that took place in November 2019 in Johannesburg, Photo: SARW.

The Civil Society AMV Conference opened space for civil society to be represented and participate at the Africa Mining Forum, organised by the Africa Union Commission on 13-15 November 2019 to review the implementation of the Africa Mining Vision. Using the Johannesburg recommendations, civil society representatives were able to contribute at this important decision-making meeting which reviewed progress on implementation of the AMV and its future. Civil society showcased how they have played a pivotal role (more even than governments) in popularising the implementation of the AMV. A key narrative advanced by the non-governmental stakeholders at the Johannesburg AMV conference was the AMV's relevance 10 years since its adoption, and the need for political reinvigoration amongst African governments for its implementation. Ultimately, the Civil Society AMV Conference has enabled civil society to critically situate the need for collaborative action towards implementation of the AMV to ensure that countries adopt it at national levels in the development discourse.

Impact feedback

A key outcome of the conference has been the development of a document that details recommendations (<https://www.sarwatch.co.za/publications/>) that emanated from the discussion to guide future strategies on implementation by the AMDC, regional economic blocs, governments and civil society.

One key impact of the conference was the agreement among all civil society participants to kickstart the collaborative work by establishing a community of practice which will promote and coordinate research and advocacy work on ASM, led by SARW.

Resource looting in the Southern African Development Community

SARW, SAPES Trust, and the Centre for Natural Resources Governance (CNRG) organised a one-day regional policy workshop in Harare, Zimbabwe, on the political economy of resource looting in Southern Africa to discuss the nature and character of how resources are being pillaged in the region. Civil society, journalists and academia from South Africa, DRC, Zimbabwe, Mozambique, and Zambia attended the meeting. The objectives were:

- to unpack, unbundle and understand mismanagement and corruption in the extractive industries;
- to share experiences on how civil society is engaged in the fight against corruption in the extractive industries; and
- to offer practical solutions on how to plug the illicit financial flows in SADC countries' mining sector.

The key observation was that despite their abundant mineral resources, most countries in Southern African will not achieve the sustainable development goals (SDGs). Rampant resource looting coupled with natural capital depletion is depriving these countries of substantial amounts of revenue which could be channeled towards developing and improving the livelihoods of their citizens.

In addition, the looting of mineral resources, illicit financial flows and corruption happen with the support and encouragement by the political elite.

The conclusion was that the main cause of resource looting is internal mismanagement rather than external control; unless people stop the elite from looting the resources, the bleeding will continue with grave consequences for socio-economic recovery.

The meeting proposed several recommendations which included:

- lobbying and advocacy campaigns to promote the functional autonomy of the sovereign bodies of the countries of the region in the creation, review and application of public policies and in strengthening the status of public prosecutors in overseeing how the extractive sector managers operate;
- strengthen local authorities to play a determinant role in the management of the extractive industries, and raise awareness in mining-affected communities to ensure that citizens are active and pay attention to these issues;
- lobby governments to fight impunity and hold culprits to account and further institute measures to collect the foregone revenues;
- establishment of value addition hubs in the SADC region, the idea being that if there is a value added on the continent, this will reduce looting;
- regional harmonisation of policies to strengthen the ability to curb illicit financial flows; and
- establishment of a Southern African Media Resource Watch network to report on resource management in the region.

The conference on resource looting provided insight into how the region's extractive industries sector is under strict control of political elites. The consequence of this has been weak state capacity, increased corruption, weak implementation of legislation and regulation, and the inability of governments to protect their people from the harmful activities of mining companies. The capture of the extractive industries by political elites is the main cause of the poor contribution of the sector to development. SARW, SAPES Trust and CNRG agreed to work together on a project focusing on state capture, resource governance and conflict in SADC. This research will contribute towards influencing policy development by the African Union on resource governance and sustained peace and security.



SARW Executive Director, Claude Kabemba, making a presentation at the resource looting regional policy workshop in Harare, Zimbabwe. Photo: SARW.

Impact feedback

The conference on resource looting identified and exposed internal factors that contribute to the hijacking of mining revenues in the SADC region. The meeting which was attended by government, civil society and academia, clearly demonstrated that beyond external factors that undermine Africa's ability to benefit from its mineral resources, internal factors played a determining role in exposing the sector to looting both by internal and external actors. The conference concluded that colonial and post-colonial predatory state has remained intact in the democratic dispensation across the SADC region.

ADVOCACY

For our advocacy work in 2019 three main activities were undertaken, focusing on the promotion of revenue transparency in the extractive industries in Southern Africa and the popularisation of the DRC revised mining code.

The activities consisted of the following three initiatives.

Promoting revenue transparency and accountability through the Extractive Industries Transparency Initiative, Zambia

In its quest to contribute to prudent, transparent and accountable management of mineral resources in the SADC region, SARW continues to promote the global Extractive Industries Transparency Initiative (EITI). This year we partnered with Levy Mwanawasa Regional Centre for Democracy and Good Governance of the International Conference on the Great Lakes Region (ICGLR) to host a colloquium on "Assessing the Status of Implementation of the Extractive Industries Transparency Initiative (EITI) in the ICGLR Member States". The discussion focused on the Republic of Zambia, which is one of the ICGLR member states implementing the EITI. The project evaluated the progress achieved by Zambia on the implementation of the EITI. Among the key issues raised was the need for increased knowledge and understanding by Zambian stakeholders, especially mining communities, of the EITI and its strategic importance for the country. It was also recommended that more work be done to popularise the EITI as one of the ICGLR instruments on natural resource governance.

Impact feedback

SARW's promotion of the EITI in Zambia earned it a seat on the Zambia Extractive Industries Transparency Initiative Council/Board. Mr Edward Lange, SARW's country coordinator and research and advocacy programme officer, was elected as chairperson for the Publish What You Pay (PWYP) Zambia Chapter. He was also appointed to lead the EITI legislation process in Zambia.

Strengthening PWYP Southern Africa coalitions to promote revenue transparency and accountability in the extractive sector

SARW has always supported PWYP in Southern Africa and currently plays the role of fiscal agent for PWYP Southern Africa. In partnership with the PWYP international Secretariat, SARW secured funding from the Open Society Initiative for Southern Africa (OSISA) to support PWYP country coalitions in Madagascar,

Malawi, Mozambique, Zambia and Zimbabwe. The project's objectives are to enhance Southern African members' knowledge and understanding of the PWYP global strategy for 2020-2025. This enabled the region's PWYP to streamline their strategies and goals in line with the global strategy; advocate for transparency and accountability in the use of revenues from mining projects in Zambia, Zimbabwe and Malawi; and strengthen governance, coordination and knowledge management abilities of PWYP Madagascar and Mozambique to develop into legitimate and credible movements calling for a transparent and accountable extractive sector. The project facilitated the Southern African coalitions' alignment of their strategies to the global PWYP strategy 2020-2025, as well as the participation of 11 members of the PWYP Eastern and Southern Africa coalitions chapters at the 2019 Global Assembly which took place in Dakar, Senegal.

All the five coalitions attended the global assembly in Dakar, Senegal in 2018 and were able to grasp the global strategy. Zambia, Malawi and Zimbabwe (who had existing strategies) gathered their stakeholders in various workshops to refine their strategies and align them to the global one, thus creating synergy in dealing with issues of governance and transparency in the region. The coalitions met again at the regional consultation meeting for Southern and Eastern Africa to discuss a three-year operational plan of the global strategy and come up with top priorities to enable them to contribute to the global advocacy work. On this basis, Malawi held its steering committee meeting to provide feedback. Mozambique organised a workshop and reworked their engagement strategy to ensure that it aligned with the 2020-2025 global one. Madagascar is the one country that was not able to conclude their strategy, mostly due to lack of experience.

Impact feedback

The grant has supported the visibility of the coalitions as it enabled the steering committee members to meet and strategize on how they can become effective in their advocacy work. A communication plan was put in place which is being implemented through use of various media channels such as Facebook, Twitter, use of Website, Blog and Vlog account. Media teams were put in place to ensure the implementation and monitoring of the communication plan/strategy. The various workshops and countries assemblies enabled the PWYP coalition members to come up with stronger advocacy strategies to hold the government and corporates accountable on mineral revenue transparency reforms. They also helped strengthen the governance issues as well as advocacy strategies for the PWYP coalition.

Popularisation of the DRC revised mining code

For years SARW has fought to promote equity in the distribution of mining benefits. The provisions of the new DRC Mining Code have improved the benefits for communities directly impacted by mining activities. The code allocates 0.3 per cent for the financing of community development projects, a 15 per cent quota of the mining royalty to be paid directly to Decentralised Territorial Entities (ETD), and the obligation to sign the "Cahier de charge". For mining communities and ETDs to claim their rights, they need to familiarise themselves with the provisions of the Code.

SARW initiated the project to popularise the Mining Code. With the support of GIZ, SARW produced a popular version of the DRC revised Mining Code, called "Guide for the Popularisation of the Revised Mining Code." SARW used the Guide to popularise the new Mining Code among Congolese citizens, particularly mining communities.

After the launch in Kinshasa on 13 May 2019, SARW went on to disseminate the Code in Kindu, Goma,

Bukavu, Mbuji Mayi, Bunia, Lubumbashi and Kolwezi. At least 1200 people participated in the dissemination workshops. The implementation of this project saw SARW establishing partnerships with a number of organisations, including:

- Commission Episcopale pour les Ressources Naturelles (CERN)
- Association Africaine pour les Droits de l'Homme (ASDHO)
- Action Contre l'Impunité et les Droits Humains (ACIDH)
- Ligue Congolaise Contre la Corruption (LICOCO)
- Organisation Concertée des Ecologistes et Amis de la Nature (OCEAN)
- Initiative Bonne Gouvernance et Droit de l'Homme (IBGDH)
- Femmes et Justice Economique (FEJE)
- Maniema Liberté (MALI)
- Plateforme des Organisations de la société civile dans le secteur Minier (POM)
- Bureau d'Etudes Scientifiques et Techniques (BEST)
- Organisation de la Société Civile pour les Minerais de Paix (OSCMP)
- Justice Pour Tous (JPT)
- Groupe d'Appui aux Exploitants des Ressources Naturelles (GAERN).

The dissemination has hugely contributed to making the dispositions of the revised Mining Code known and better understood by mining communities. It has also facilitated stakeholders' dialogues in Lualaba and Haut Katanga where mining companies, local government, CSOs and mining communities sat together to discuss the better implementation of community projects. Furthermore, the popularisation of the Mining Code contributes to making mining companies more aware of CSOs and communities' determination to see the law implemented.

The guide is used by other organisations such as POM, IBGDH, OSCMP, BEST in their own sensitisation activities.

Impact feedback

One potential lasting impact is the visible interest within mining communities to denounce the wrong usage of mining revenues and demand more transparency, as well as community consultation and consideration in the process of implementing community projects. The case of King of Bayeke and Kampemba commune below can attest to this.

There was also a case of suspected embezzlement of a mining revenue fund in the province of Ituri and Haut-Uélé.

SARW and other CSOs wrote an open letter to President Tshisekedi requesting an official investigation into the allegations and received a response from the Minister of Mines confirming the dispositions of the Mining Code that stipulate that the 15 per cent paid to ETDs is not for use by the provincial government.

CAPACITY BUILDING

Capacity building of the Kingdom of Bayeke to improve the management of mining revenue for development

After the workshop to popularise the new provisions of the Mining Code and the critical analysis of the management of revenues from the mining royalty, the Bayeke King requested the support of SARW to build the capacity of different groups involved in the management of the 15 per cent revenue, and to produce a local development plan for the kingdom. SARW and the Kingdom of Bayeke signed a memorandum of understanding which guides the implementation of the project. SARW was invited to popularise the Mining Code in the Kingdom of



Attendees of the workshop on Mining Code sensitisation at Katebi in Lualaba province, Photo: SARW.

Over 100 people attended this sensitisation meeting, which was held at Katebi, in Lualaba province. Among the participants were His Majesty the King of Bayeke, national and local members of parliament, a representative of the national Ministry of Mines, CSO members from Kinshasa, Haut Katanga and Lualaba, and community members from Tenke, Fungurume, Kakanda, Kisanfu, Bunkeya and Lubudi. The meeting was opened by the Vice-Governor Mrs Fifi Masuka.

Impact feedback

Following the sensitisation meeting, the Kingdom of Bayeke understood the need to be accompanied and strengthened in capacity by SARW. This prompted the signing of a protocol accompanying this kingdom by SARW. The first accompaniment to date is the completion of consultations to identify the priority needs of the communities impacted by the Tenke Fungurume Mining project, one of the largest mining companies in the DRC. This support will result in the signing of specifications between the community and the mining company. All major mining companies are waiting for the specification model that Tenke Fungurume Mining will sign.

Campaigns: Justice for Miners

SARW works on a campaign for compensation to be paid to ex-mineworkers who suffer or have died from tuberculosis (TB) and silicosis contracted in South African gold mines. SARW is working with Breath Films in the implementation of the project.

More than 500 000 current and former mineworkers from the Southern African region contracted TB or silicosis (or both) while working on the gold mines. Due to the glaring gaps in the law and the absence of functioning institutions, many mineworkers who contracted these occupational diseases were dismissed without compensation and literally disappeared back to their rural homes in countries such as Malawi, Zimbabwe, Lesotho and Swaziland. Seeking justice for these miners and their families, a group of lawyers launched a class action lawsuit on behalf of the miners against the gold mining industry more than 10 years ago. In April 2018 an out-of-court settlement was reached, through which the gold mining industry committed to avail up to R5 billion for compensation for the ex-mineworkers.

The objectives of the Justice For Miners Campaign are to assist former gold-miners affected by TB and silicosis and their dependents to access compensation in terms of the out-of-court settlement, and to campaign for speedy payment of compensation, as well as legal and administrative reform which will facilitate more equitable and just access to compensation, especially for ex-miners residing in remote rural areas of Southern Africa.



Ex-miner Albino Tivane from Chibuto, Mozambique

One key activity organised in 2019 was the launch of the Justice for Miners Civil Society Forum under the chair of Bishop Seoka, held at the Mandela Foundation in Johannesburg on 18 November 2019. The forum is an important social structure which guides the campaign and strengthens its mandate and representation.



Bishop Seoka, Chair Justice for Miners Campaign Civil Society Forum



The first meeting of the Justice for Miners Campaign Civil Society Forum at the Nelson Mandela Foundation in 2019.

Press Releases

Official Statement on Silicosis and TB Class Action out of Court Settlement from Breathe Films and the Southern African Resource Watch

SARW se dit préoccupé par le déploiement des militaires des FARDC à Tenke-Fungurume pour protéger les installations de TFM contre les Artisanaux

Press Release in Parallel with the Third Edition of The Alternative Mining Indaba/DRC

SADC meeting agrees on need for STEM in industrialization

SARW Urges the Zambian Government not to Sell its 20% Shareholding in its Joint Venture with First Quantum Mine

Project Partners in 2019

- Third World Network and Publish What You Pay for the organisation of the 10-year evaluation of AMV in Johannesburg
- Publish What You Pay for capacity building of national coalitions in Madagascar, Zambia, Mozambique, Malawi, and Zimbabwe
- GIZ in the organisation of the DRC Alternative Mining Indaba
- Breathe Films in advocating for justice and fair compensation for miners and their families in Southern Africa
- Zimbabwe Alternative Mining Indaba (ZAMI): The Southern Africa Resource Watch Zimbabwe Office collaborated with the Zimbabwe Environmental Law Association (ZELA), Zimbabwe Council of Churches (ZCC) Zimbabwe Coalition of Debt and Development (ZIMCODD) and African Forum and Network on Debt and Development (AFRODAD) in co-hosting the 8th edition of the Zimbabwe Alternative Mining Indaba (ZAMI) in 2019
- Organisation de la Société Civile Congolaise pour les Minerais de Paix (OSCMP): collaboration in the organisation of a workshop for analysis and exchange on the international context of the exploitation and marketing of artisanal gold in the DRC, which took place in Goma, North Kivu Province.

Summary of Grants Received 2019

Funder	Project	Amount	Grant period
1. OSISA	Institutional and Programme Support	\$1 546 737.00	2019
2. OSISA	Justice for Miners Campaign	\$100 000.00	2019 to 2021
3. OSISA	Publish What You Pay	\$130 080.00	2019 to 2020
4. OSISA	Popularisation of the DRC 2018 Mining Code	\$24 790.00	2019
5. GIZ	Popularisation of the DRC 2018 Mining Code	\$24 478	2019
6. GIZ	DRC Alternative Mining Indaba	€171 829.00	2019 to 2021
7. Ford Foundation	Institutional Support	\$300 000.000	2019 to 2021
8. Heinrich Boll Stiftung	Justice for Miners Campaign	R150 000.00	2019

EXTRACT OF 2019 FINANCIAL REPORT

Southern Africa Resource Watch NPC

(Registration number. 20181313821108)

Annual Financial Statements for the year ended 31 December 2019

Statement of Financial Position as at 31 December 2019

Figures In US Dollar	Notes	2019	2018
Assest			
Non-Current Assest			
Property, plant and equipment	2	46 735	
Intangible assest	3	13 731	
		<u>60466</u>	
Current Assets			
Trade and other receivables	4	1 200 333	
Cash and cash equivalents	5	110989	
		<u>1 311 322</u>	
		<u>1 371 788</u>	
Total Assets			
Equity Liability			
Equity			
Retained income		(43 197)	
Liability			
Non Current Liabilities			
Loan liabilities	6	314 154	
Deferred income	8	168 943	
Current Liabilities			
Trade and other payables	7	90134	
Deferred income	8	834 910	
Provisions	9	6 844	
		<u>931 888</u>	
Total Liabilities		<u>1 414985</u>	
Total Equity and Liabilities		<u>1 371 788</u>	

EXTRACT OF 2019 FINANCIAL REPORT

Southern Africa Resource Watch NPC

(Registration number. 20181313821108)

Annual Financial Statements for the year ended 31 December 2019

Statement of Profit or Loss and Comprehensive Income

Figures In US Dollar	Notes	2019	2018
Grant Revenue	10	1 364 117	
Project disbursements	11	(479 546)	
Gross profit		88 671	
Operating expenses		(939 460)	
Operating loss	12	(64 889)	
Interest income	13	11 692	
Loss for the year		(43 197)	
Other comprehensive income			
Total comprehensive loss for the year		(43 197)	



SARW Objectives

Monitor corporate and state conduct in the extraction and beneficiation of natural resources in Southern Africa, and assess to what extent these activities uplift the economic conditions of the region's communities.

- Generate and consolidate research and advocacy on natural resource extraction in Southern Africa.
- Create informed awareness of the specific dynamics of natural resources in Southern Africa, building a distinctive understanding of the regional geo-political dynamics of resource economics.
- Provide a platform of action, coordination and organisation for communities, activists, researchers, policy-makers, corporations, regional and global governing bodies in the watching and strengthening of corporate and state accountability in extractive industries.
- Engage with and support government on building accountable and transparent management of extractive resources.
- Build capacity for communities, civil society, parliaments, and media to hold governments and corporations to account, and to participate in decisions about resource management.
- Advocate and promote human rights and environmental protection in resource extraction activities.
- Support efforts to legislate mandatory public disclosure of and access to financial, social, environmental and regulatory compliance information in the extractives industry.
- Promote extractive industries that create wealth for local communities.

Southern Africa Resource Watch

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SARW 2019 ANNUAL REPORT



SARW
Southern Africa Resource Watch

Improved human conditions through good
governance of the region's resources.