



## **PRESS RELEASE IN PARALLEL WITH THE THIRD EDITION OF THE ALTERNATIVE MINING INDABA/RDC**

**Kinshasa, 18 July 2019**

The 3<sup>rd</sup> edition of the Alternative Mining Indaba of the Democratic Republic of Congo (AMI/DRC) was held in Kinshasa, at the Pullman Hotel, from 9 to 11 July 2019, on the theme “Year One of the Revised Mining Code: Application, Challenges and Opportunities”. The objective was to evaluate application of the 2018 revised Code since its entry into force. This was an important exercise in as much as one of the major criticisms levelled at mining policies in Africa is that they are rarely applied and, when they are, only selectively. The Mining Code of 2002 has always been criticised for not being correctly enforced.

More than 200 participants took part in the deliberations, among whom were delegates from the office of the President of the Republic, government services (public administration, financial authorities), mining companies, civil society, the universities, technical and financial partners, international institutions, embassies and local communities. These delegates came from the city of Kinshasa, the provinces and certain African countries including Angola, Botswana, Senegal and Zimbabwe.

The application of the Mining Code was evaluated in all its dimensions; obstacles to its effective and efficient application, both visible and invisible, were identified. The evaluation also included an analysis of the Congolese mining sector in general. An overall observation emerging from the various analyses put forward is that the application of the Mining Code is plagued by serious difficulties that need to be resolved as soon as possible. Among other aspects noted were the absence of widespread dissemination, the lack of financial means at the disposal of the administrations responsible for implementing the Code, the multitude of tax authorities, etc. During the discussions it was clearly demonstrated that the DRC has not yet derived any benefit from the revised Mining Code. The revised Mining Code was officially implemented during the price surge on the international minerals market, particularly the price of cobalt, which the Code declared a strategic mineral. The discussions indicated that the DRC did not increase its mining revenue during this period in proportion to the rise in market prices and the participants noted that the multiplicity of financial authorities (DGDA, DGI, DGRAD and other

provincial authorities) encourages the misuse of mining revenue, hence the description of 'legitimate fraud' that circulates within such authorities.

The difficulty of enforcing the revised Mining Code was also demonstrated by the constraints the country faces in ensuring the security of the artisanal sector. The 3<sup>rd</sup> edition of AMI coincided with the problem of invasions of industrial mining sites by artisans, some of whom were unfortunately killed by a rockslide in the KOV mine in Kolwezi.

It was also shown that the Mining Code was officially introduced with no plan for its effective enforcement. This emerged clearly in the way the different funds were created by the Congolese legislature and the lack of transparency in their management. Another example raised was that of the management of mining royalties in the Decentralised Territorial Entities where communities have never been prepared to manage large sums of money. The immediate consequence of this is the misuse of revenue from mining royalties and licences. The same misuse has been observed at other levels, both provincial and central. It is understood and clearly stated that mining royalties were created for the purpose of financing basic infrastructure projects and not for other uses.

Despite the application of the provisions of the 2018 Mining Code, certain aspects of the law still present challenges, such as the question of strategic minerals. This matter continues to generate confusion as to the definition, identification and management of these minerals as well as how to ensure their security.

Finally, consensus was reached regarding the DRC's lack of a clear vision for its mines and the necessity of such a vision in order for any proper application of the Mining Code to be possible. It was also noted that the Mining Code has not been sufficiently disseminated and that the resulting lack of information about the Code could be a reason for the difficulty in implementing it completely and effectively.

At the end of the plenary deliberations and parallel workshops, the participants recommended that the Government take the following action, among other measures:

- Provide substantial means to ensure the dissemination of the new provisions of the 2018 Mining Code and Mining Regulations further to the efforts already deployed by civil society;
- Ensure that strategic minerals are controlled and that a round table for further in-depth reflection on artisanal mining should be organised, particularly with regard to cobalt and its classification as a strategic mineral;
- Organise a round table on the Mining Fund involving all stakeholders in order to determine the rules and governance procedures of the Fund; furthermore, the Government should urgently issue a Decree providing for the organisation and operation of the Mining Fund for Future Generations;
- Define a mining policy or a clear vision for mining with respect to the management of the sector;

- Establish a policy to relaunch and manage public mining enterprises so as to increase the Republic's role in managing the mines in the face of the growing monopoly of private investors;
- Reform its tax collection system and opt for a single authority to collect taxes, fees and other royalties due to the state;
- Invest in educating and capacity-building within the Decentralised Territorial Entities with regard to the management of mining revenue due to them under the Mining Code. A guide should be drawn up on this subject;
- Ensure that artisanal mining is formalised through strict enforcement of the law, while still ensuring the protection of such mining and its coexistence with industrial mining, in such a manner as to prevent the former from impairing the latter.

The proceedings were opened by the Chief of Staff of the Minister of Mines and closed by the Secretary-General of Mining.

SARW wishes to thank all participants in the proceedings of the 3<sup>rd</sup> edition of AMI/DRC for responding to our invitation, particularly the delegates from the office of the Republican President, the Government, mining companies, embassies, international institutions, civil society (national and international) and local communities.

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