



COMMUNIQUE FOR THE FIRST MANGANESE INDABA AND THE FIFTH LUAPULA MINING INSAKA

6/7/23

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1. ATTENDANCE:

The First Manganese Indaba and Fifth Luapula Mining Insaka was held in Mansa, Luapula Province on 6th to 7th June 2023 at Sali Riverside Lodge. The indaba was attended by:

Traditional Leaders

12 Traditional Leaders, 7 from Luapula Province namely: Dr. Chilufya Justine Hagamwaya, Chief Chisunka, Chairperson of the National House of Chiefs, Snr. Chief Mwewa, Snr. Chief Mushota, Chief Kalaba, Chief Chimese, Chief Kalasa Lukangaba and his Sub Chief Kunda Mfumu and 5 Traditional Leaders from Central Province namely Snr. Chief Chibale, Chief Chitina, Chief Shaibila, Chief Kabamba and Chieftainess Serenje. The gathering was officiated by the Minister of Mines Honorable Paul Kabuswe and other delegates in attendance by Sector Include:

Provincial Administration

Luapula Province permanent Secretary, Mansa, Samfya and Kawambwa District Commissioners, His Worship the Mayor of Mansa and other Government officials from various departments

Ministry of Mines

Director Cadastre, Director Planning, Chief Registrar, Chief Geologist, Snr Engineer from Mansa Mines Bureau, President of the Mine Workers Union of Zambia, including other officials from the Ministry

Civil Society Organizations

Care for Nature Zambia, Center for Policy, Trade and Development, Civil Society for Poverty Reduction, Rural Women Assembly, Transparency International Zambia, Publish What you Pay and Zambia Land Alliance, Council of Churches in Zambia including CSPR and PWYP Network Members, Children and the Press

Business Sector

Miners from Artisan, Small Scale, Large Scale, Smelters and Processors, Investors and Luapula Chamber of Commerce.

With the gathering of close to 350 participants, the following communique was developed.

PREAMBLE:

We, the stakeholders gathered at Sali Riverside Lodge for the first Manganese Indaba and fifth Luapula Mining Insaka, held on 6th and 7th June 2023, and having deliberated on various issues in the mining sector, specifically Manganese Mining in Luapula Province, do note the following:

2. OBJECTIVE OF INDABA:

The main objective of the Indaba was to discuss and find lasting solutions to the challenges being experienced in the Manganese Mining Sub Sector, such as illegal mining activities, non-compliance to legal and policy frameworks on Mining, Environment and Labour, increase in child labor, taxation, health and Corporate Social Responsibility.

3. THEME OF INDABA:

The Manganese Indaba was held under the Theme: “leveraging from Manganese Production in the Energy Transition Era”.

4. KEYNOTE SPEECH BY MINISTER OF MINES AND MINERALS DEVELOPMENT:

In his keynote speech, the Minister of Mines and Minerals Development, Hon. Paul C. Kabuswe, MP, noted that the New Dawn Government has made it a point to work with traditional leaders and appreciated the role traditional leaders play in National Development. He pointed out that the theme of the Indaba resonates well with the New Dawn Government’s Development Agenda in energy transition such as the electric vehicle (EV) batteries and the importance of Manganese as a raw material in the manufacture of such batteries. This will result to maximum benefit from the global demand.

The Minister pointed out that the Government will review the performance of the Manganese subsector. He expressed concern with the uncoordinated mining of Manganese in Central and Luapula Provinces where the mineral is prevalent. The government was thereby committed to work with all stakeholders to resolve the problems in the Mining Sector. Although Luapula is endowed with so much wealth, it is poverty stricken due to illegal mining, confusion, and disorderliness in the sector. The Minister also showed commitment to setting up a Minerals Commission that will regulate the Mining Sector and curb illegal mining. The commission will ensure that the Manganese being mined is legal and the Miners also have legal licenses allowing them to access the resource. Illegal Mining operations will result to prosecution of offenders and shutting down of operations. As such, the whole value chain must be controlled, and the miners must have a license.

The Minister also pointed out that the Government was losing revenue through illegal mining, thereby affecting social sector development. As such, Government is committed to working with traditional leadership to fight cartels and illegalities in the Manganese trade. The Minerals Commission, once launched, will restore order in the economy especially that mining contributes a lot to the country’s Gross Domestic Product and economic growth. It was further mentioned that when there is meaningful investment in the mining sector, communities must benefit through enhanced social wellbeing and livelihoods. It was also noted that foreign investors will be supported to invest in the sector but also encouraged partnerships with Zambian citizens.

In his address, the Minister pointed out that the Indaba should be a platform for finding lasting solutions to the challenges being experienced in the mining sector, such as illegal mining operations and child labor, and the need to address the long-term health effects of unregulated Manganese mining. He further noted the potential that Manganese has, as it can contribute up to 17% of GDP. The Minister also showed commitment to the need for stability in terms of policy formulation and tax regime in the mining sector, in addition to benchmarking prices.

The Minister also encouraged traditional leadership to monitor projects in their chiefdoms, by holding contractors accountable if they are not performing according to stipulated standards.

5. RESOLUTIONS BY SECTOR:

The following resolutions were agreed upon during the Mining Indaba, and have been stipulated as follows:

a. Traditional leaders:

- i. The law that states that traditional leaders only have control over the surface land and not underneath needs to be amended.
- ii. Mining companies undertaking mining activities must be paying royalties to Chiefdom Trusts.
- iii. No company with an exploration license should embark on mining operations.
- iv. The Geology Department must avail information on the availability of minerals to the chiefs where traces of minerals are found.
- v. Mining companies must adhere to safety regulations when undertaking mining activities.

b. Luapula Artisanal and Small-Scale Miners Association:

- i. Full implementation of the Mines and Minerals Development Act No. 11 of 2015 is the immediate solution to address problems such as acquiring of mining licenses, poor pricing of Manganese due to cartels by foreign buyers, illegal mining, etc. Those found on the wrong side of the law must be arrested and prosecuted regardless of their status in society.
- ii. Zambia Environmental Management Agency (ZEMA) should decentralize its operations under the new Decentralization Policy which was introduced and create a standard form to fill by a license holder instead of engaging private contractors who charge exorbitant fees.
- iii. All mining companies must adhere to labor laws and not engage children in mining operations.
- iv. Illegal Mining must be stopped at all costs.
 - v. Foreign buyers should stop going into the bush to buy from illegal miners but instead should buy from licensed miners.
 - vi. The immigration department must monitor the number of foreign investors who come into the country to buy Manganese from illegal miners.
 - vii. Some foreign investors have brought mining equipment which are being hired out at exorbitant prices of between K140,000 to K250,000 per month without issuing receipts, making it difficult for Zambia Revenue Authority (ZRA) to collect Withholding tax on hiring fees.

c. Civil Society Organizations:

- i. There is a need for improved transparency in the collection and utilization of revenues from mining.
- ii. Government should retain part of the revenues gotten from mining back to mining host communities, due to the environmental impacts of mining operations.
- iii. There is a need for documentation of land of the local people.

- iv. Law enforcement agencies should make sure that they put laws into force against child labor.
- v. Mining investors should provide environmental impact assessments.

d. Mining Companies:

- i. There is a need for transparency in Mineral Royalty which is being paid to the Government. Once it's paid at the time of buying either by miner/processor, there shouldn't be more payments towards mineral royalty to be paid at the time of export for the same ore/concentrate.
- ii. There is need for a Policy to be put in place to track down mineral royalty payments, for which entity, when it was paid, and by whom.
- iii. Coordination is required between Ministry of Mines and Minerals Development and Zambia Revenue Authority (ZRA).
- iv. Manganese is not always profitable. Hence, Government needs to reduce mining cost. This can be done either by streamlining hired equipment rates or by bringing Government owned machinery at lower rental or Zambia National Service (ZNS) equipment could be utilized for mining because artisanal and small-scale miners do not have enough capital to hire earth moving equipment at high prices.

e. Government Departments (Council, Agriculture, Forestry, and Provincial Planning Unit):

- i. Mining companies must ensure that they legalize their businesses by obtaining mining licenses and other required documentation.
- ii. Strengthen monitoring mechanisms for companies that have exploration licenses to ensure that they do not engage in mining.
- iii. Mining Companies should comply with health and safety regulations.
- iv. Government should enact a law to that which compel an investor who employs at least not less than ten (10) workers to employ a qualified Human Resources Practitioner to deal with labor issues, such as child labor.
- v. Government should engage Mining Companies on Corporate Social Responsibility.
- vi. Care and compliance should be adhered to environmental or ZEMA regulations, Forestry Act, Agricultural land, and protected areas such as Game Management Areas (GMAs).

Children

- I. Government to implement the National Action Plan on Child Labor to help reduce the number of children working in the mines
- II. Government to ensure that Minerals that are mined by children are not bought as they illegal, if it is mined by children, it is illegal!
- III. Mining companies to adopt child protection policies
- IV. Government, Mining Companies and Communities to work together to take children in mining back to school
- V. Mining companies to adhere to Children's Rights and Businesses principles