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REPORT

The social and environmental impact of mining in the ACP

Committee on Social Affairs and the environment

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PART B: EXPLANATORY STATEMENT

"Everyone is involved; therefore no one can accuse anyone: everyone has dirty hands"

Local source working in the mining sector, Lubumbashi (DRC), November 2005

The social and environmental impact of mining in the ACP countries is a subject that is often not included in the agenda of international meetings, despite its importance. Indeed the impact of mining on the environment and population, although it is often known, must be researched. However, without regulation in the economic and political levels, the impact on local populations could remain largely negative. According to "World Gold Analyst" West Africa is the region where, over the last five years, most new gold mines have been exploited, including Ghana, Mali, Guinea, Burkina Faso, Mauritania and Ivory Coast¹. The speed at which the consequences of human actions affect society and the environment requires a fast response.

SOCIAL IMPACT

The modes of mining and the lack of regulation of waste management are among the main causes of the problems of mining at social level. Instead of being an asset and allowing the development, mines often become an obstacle for the countries concerned.

Development: People often do not benefit from the income of mining products. Minerals being non-renewable resource, revenues from mining activities should be invested in other forms of sustainable capital like in human social, physical and economic that can log after the closure of the mines. Paradoxically, many areas rich in oil, diamonds or other minerals are also extremely poor, whether in the Niger Delta or Kono, located in the heart of the diamond fields of Sierra Leone, to name only two examples.

A study by Global Witness shows the difference in the mining of two parallel sectors: the formal sector, in which foreign companies and multinationals resort to industrial mining methods and are supposed to be signatories to the Extractive industries Transparency Initiatives (EITI), and the informal or "artisanal" in which tens of thousands of miners are seeking to extract minerals independently, in an environment free from regulation². Fluctuating prices of mining products and the lack of

¹ West Africa is expected to be one of the world's fastest growth regions for gold production over the next four years, with output seen rising 30%, according to a study by GFMS. The combined gold output of has risen more than 65% over the last five years to about 190 t, or 6.7 Moz/y. Regional production is expected to rise by a further 2 Moz, or 57 t annually, by the end of 2013, according to GFMS. Cfr: <http://www.infomine.com/publications/docs/InternationalMining/Chadwick2011w.pdf>.

² In the mining industry in Katanga, most handmade products extracted are exported unprocessed, usually in the form of heterogenite, which contains copper, cobalt and other minerals, or as is more often the case in the form of malachite, an important copper ore. This means that even when these exports are declared, the DRC is injured due to the higher prices it could obtain if she treated herself minerals prior to export and sell them. Indeed, the treatment is done in Zambia, South Africa, or in the country of final destination - in most cases in China or other Asian countries - to give these countries considerable economic gains, but few value to the DRC

transparency in the management of natural resources do not allow a fair and efficient distribution of profits for the benefit of local people.

The operating agreements between companies and the government of the countries concerned are often not favourable to the country. In addition, mining, like any industry in which large sums of money are at stake, is also prey to corrupt practices at the expense of the states concerned, and therefore local people³.

Working arrangements: The lack of regulation in this area enables companies to reduce some production costs, including security and labour.

- Lack of safety

The lack of official control and supervision, especially in small-scale mining, the lack of clothing and protective equipment available to miners, the fact that the company will not assume responsibility for the welfare workers are among the leading causes of accidents in the workplace. Complete and accurate statistics are not available because many of these accidents are not reported. Miners may die without anyone knowing, except for their close colleagues and their families.

In 2005, two NGOs (Global Witness and Partnership Africa-Canada) launched in cooperation with two diamond companies (De Beers and the Rapport Group), the *Diamond Development Initiative* (DDI) to promote better working conditions for the one million African workers of small diamond mines, many of whom now earn a dollar a day, despite their hard and dangerous work. The situation has improved somewhat since then, but the problem persists.

- Child labour

According to statistics from the International Labour Organization (ILO), about one million children work in mines and their number is increasing. Work in the mines is dangerous in any form for children, both physically and psychologically. Nevertheless, child labour in mining has not received much attention as some other forms of child labour, because the number of children involved is relatively small - approximately one million - more country has only a few hundred scattered here and there, compared to one hundred million children in agriculture.

Rivalry and internal strife: Some researchers, including a team led by Paul Collier at the World Bank, found a strong correlation between the onset of armed conflict and the dependence of a country to one or two natural resources easily exploited, such as diamonds, gold or oil. Areas rich in natural resources are sometimes close to borders just watched, such as the diamond mines of Sierra Leone and Liberia, or mining areas in eastern Democratic Republic of Congo. Others are located in difficult terrain, such as

³ The NGO Global Witness has cited the case of Angola, where, according to estimates from the International Monetary Fund (IMF) officials diverted \$ 4 billion of oil revenues to private accounts off-shore between 1998 and 2002. Since then, the Government asked the World Bank to provide technical assistance to improve the transparency of the national oil sector.

the marshy delta of the Niger, in Nigeria. Given the money involved, the armed factions and smugglers can often buy the silence of the political authorities, the authorities responsible for granting operating licenses, customs officers and border guards.

ENVIRONMENTAL IMPACT

Mining has often a negative impact on the environment by the pollution it causes.

Pollution: The impact of mining on the environment affects different aspects. Radioactive substances emanating from uranium mines have such devastating effects on the environment. The massive use of water by mining companies and industrial waste discharged into water sources are among the leading causes of poisoning the water, of diseases, but also of economic problems of the countries concerned. The deforestation and generally the environmental degradation have indeed important implications for the economies concerned, particularly on agriculture, which is often the main economic activity. Pollution becomes an additional cause of poverty.

Health Issues: Problems with the impact of mining on the environment indirectly affect people. Various health problems have been associated with human exposure to radiation or the use of water stocked. Because all uranium isotopes mainly emit alpha particles that have little penetrating ability, the main radiation hazard from uranium occurs when uranium compounds are ingested or inhaled. However, workers in the vicinity of large quantities of uranium in storage or in a processing facility also are exposed to low levels of external radiation from uranium decay products. At the exposure levels typically associated with the handling and processing of uranium, the primary radiation health effect of concern is an increased probability of the exposed individual developing cancer during their lifetime. Cancer cases induced by radiation are generally indistinguishable from other "naturally occurring" cancers and occur years after the exposure takes place. The probability of developing a radiation-induced cancer increases with increasing uranium intakes⁴.

ROLE OF THE EU AND ACP COUNTRIES

The EU and ACP countries should work together, and in collaboration with civil society and international organisations, to limit the social and environmental impact of mining, possibly through:

- initiating and funding research to analyse the conditions and the impact of existing mines;
- encouraging ACP countries to adopt measures to ensure transparency and fairness of mining contracts, requiring sustainable development plans to protect

⁴ <http://web.ead.anl.gov/uranium/guide/ucompound/health/index.cfm>
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the environment, to benefit local communities and contribute to national development priorities⁵, including legal support during contract negotiations;

- urging ACP countries to invest the mining revenues into sustainable projects especially in human resources;
- supporting the efforts of ACP countries for better market regulation;
- producing a document that will regulate the activities of mining companies regarding respect for the environment and local populations (note the European Commission - *industrial transparency*)⁶;
- promoting the establishment of a monitoring mechanism of mining work.

⁵ The ACP countries could foster relationships with companies that have decided to adhere to the "OECD Guidelines for Multinational Enterprises" or to act according to the "United Nations Global Compact" in support of human rights, environment and the fight against corruption.

⁶ This is to reinforce the EU strategy to promote corporate social responsibility (COM (2002) 347) in respect of compliance with international agreements and instruments (including those of the International Labour Organisation (ILO) and Organisation for Economic Cooperation and Development (OECD)).