

CARITAS ZAMBIA STATEMENT ON THE NON-DISCLOSURE OF ZCCM-IH DEAL

Caritas calls on Government to divulge all the pertinent details regarding the ZCCM-IH deal.

For Immediate Release

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Caritas Zambia challenges government to disclose the full details of the deal signed with Kansanshi Copper Mines if there is indeed nothing fishy about the conversion of the shares Zambians hold in the mining giant via ZCCM-IH. We have taken note of the press release by ZCCM-IH minority stakeholders in which they are claiming that certain elements of the KMP Royalty deal have been concealed. In the same media statement, the minority shareholders share their frustrations with regulators and watchdog institutions like the Anti-Corruption Commission who they turned to in the hope of getting answers but to no avail.

Caritas Zambia is concerned with non-disclosure of this Agreement by the parties involved in the transaction. We call upon the Government through ZCCM-IH and Kansanshi Copper Mine PLC to disclose the terms of the agreement in the spirit of upholding transparency and accountability in the mining sector. Poor levels of transparency and accountability in the management of the natural resources is responsible for widespread under-development in mining-affected communities. Mining operations characterised by opaque, exclusive, and lack of accountability and transparency, deprives mine-hosting communities the true benefits that are due to them.

The main source of corruption in the mining industry over the years has been the lack of openness in the sector's management and administration, which has deprived Zambians of the benefits. Communities are unaware of whose benefits are established on their behalf due to the near-impossibility of having access to compensation documentation and contracts, as was the case with the ZCCM-IH agreement. As a result of this systemic form of information exclusion and document hiding, there is a serious risk of corruption and improper reward administration in the mining sector. Numerous investigations, court judgements, and research studies reveal that opacity increases the likelihood of elite capture. As a result, both the management of community benefits and the long-term profitability of the entire mining value chain suffer.

If the ZCCH-IH deal is going to be to the Zambian people's benefit, then why are they being kept in the dark about it? We contend that the only reason the ZCCH-IH agreement with FQM is being kept a secret from the people of Zambia is because it most likely benefits a select group or individuals. We demand that the government follow the law and make available to the people of Zambia all documents related to the ZCCM-IH agreement. We want the utilization of mineral resources to benefit Zambians. We have become weary of witnessing the extreme levels of corruption and lack of transparency that have left many mine-affected communities mired in abject

poverty, barred from growth, and with no possibilities for the future. Despite holding the most expensive commodities in the world, mining regions across the nation remain destitute and have questionable prospects for prosperity and opportunity.

The most horrifying illustration of this reality is the widespread theft of mining earnings by public servants, traditional leaders, and business representatives. Corruption is a major enabler of the resource curse. If policymakers, oversight agencies, and industry leaders don't set the example by prioritizing transparency and accountability in the management and administration of contracts and arrangements, systemic looting of mining proceeds will continue.

We are expectant that the government will act honorably and divulge all of the pertinent details regarding the ZCCM-IH deal. These details should include the identities of the agencies and beneficial owners that stand to benefit from the agreement, as well as the nature of the benefit and the total amount of money to which those entities are entitled.

Issued by:



Edmond Kangamungazi
Caritas Zambia- Head of Programmes

Programme