

Regional mining ministers accuse multinationals of exploiting Africa



Najib Balala, Kenya's Mining secretary and Seamic's chairman (right) and the African Union Commission (AUC) senior industry adviser Frank Mugenyi address the press during the Governing Council meeting of Southern and Eastern Africa Mineral Centre (Seamic) at Sankara in Nairobi on May 27, 2015. PHOTO | EVANS HABIL | NATION MEDIA GROUP

IN SUMMARY

- Kenya, Uganda, Tanzania, Sudan, Ethiopia, Angola and Mozambique have called for the formation of a parallel transparency organ for mining in Africa.
- The ministers said transparency should be homegrown to rid the continent of multinationals holding contracts in their favour, leaving African countries as workers rather than beneficiaries.
- Seamic Governing Council criticised EITI for being one-sided and auditing governments instead of following up with multinationals who they accuse of engineering agreements that do not benefit locals.

African countries are seeking to pull out of an international initiative that tracks governance in the mining sector and form one of their own.

Kenya, Uganda, Tanzania, Sudan, Ethiopia, Angola and Mozambique have called for the formation of a parallel transparency organ for mining in Africa.

Ministers and ambassadors from the seven countries, who met in Nairobi on Wednesday, called for Africa to form an alternative to the Norway-based Extractive Industries Transparency Initiative (EITI).

EITI is a global organisation that promotes good management of oil, gas and mineral resources and assesses the levels of transparency in countries with mineral wealth.

Of the seven countries only Tanzania, Ethiopia and Mozambique are members of EITI.

"We are calling for a local transparency body under the African Union which will also look into contracts with multinationals to determine if they are fair," said Kenyan Mining minister Najib Balala.

Mr Balala was speaking at the 25th Governing Council meeting of Southern and East African Mineral Centre (Seamic) in Nairobi.

The council criticised EITI for being one-sided and auditing governments instead of following up with multinationals who they accuse of engineering agreements that do not benefit locals.

The ministers said transparency should be homegrown to rid the continent of multinationals holding contracts in their favour, leaving African countries as workers rather than beneficiaries.

Mr Balala who was stepping down as the chairman for Seamic for his Ethiopian counterpart Gebreziabher Tewdoros called for African countries to work together in getting rid of "lopsided agreements" with multinationals.

The countries are members of the Seamic – a United Nations-backed agency that provides information, research, training and technical assistance to the region's mining sector. Comoros is also a member.



Latest News <URL: javascript:void(0);>

Igad backs replacement of Machar, calls for peace <URL: /news/Igad-backs-replacement-of-Machar-calls-for-peace-/2558-3359978-4cmwxq/index.html>

Kenya's move to cap bank rates rattles East Africa <URL: /business/Kenya-cap-on-interest-rates-could-impact-EAC-monetary-Union-/2560-3359818-g6b3qz/index.html>

Japan expected to pledge over \$32b for projects in Africa <URL: /news/Japan-expected-to-pledge-over--32b-for-projects-in-Africa-/2558-3359610-14m9ymaz/index.html>

Museveni 'giving spree' comes under attack <URL: /news/Uganda-president-Museveni-giving-sprees-comes-under-attack-/2558-3360004-f6cwff/index.html>

Japan, Africa teaming up to boost food security, nutrition <URL: /OpEd/comment/Japan-Africa-teaming-up-to-boost-food-security-and-nutrition--/434750-3360250-h3c5m7/index.html>

African govts must commit to a sanitation plan with achievable goals <URL: /OpEd/comment/African-govts-must-commit-to-a-sanitation-plan/434750-3360248-8o9xyz/index.html>

Déjà vu: Kenya's banking sector in a new mess that is similar to the old <URL: /OpEd/comment/Kenya-banking-sector-in-a-new-mess-similar-to-the-old-/434750-3360244-lxqaok/index.html>

Uganda insurance authority, BoU differ over charges <URL: /business/Uganda-insurance-authority-and-BoU-differ-over-charges/2560-3360238-9j9p06z/index.html>

No bailout for excesses, Uganda govt warns tycoons <URL: /business/No-bailout-for-excesses-Uganda-govt-warns-tycoons-/2560-3360228-m8u0cgz/index.html>

Tech helps Tanzania to discover more gold reserves <URL: /business/Tech-helps-Tanzania-to-discover-more-gold-reserves/2560-3360196-odgwauz/index.html>



The governing council of the eight-member Seamic also saw the renaming of the organisation to Africa Mineral and Geoscience Centre. Seamic has received an application from Egypt and Zambia expressing interests to join it.

The council is angling for relevance in the continent in a bid to the African Union to host the African Development Mining Centre.

“We visited President Uhuru Kenyatta to champion our bid at the AU summit in June at Johannesburg,” the outgoing chairman said.

The stated that the continent was losing out on mineral wealth and proposed harmonised policies and regional regimes to ensure mutual benefits.

READ: [Region moves towards harmonising mining policies](http://www.businessdailyafrica.com/Region-moves-towards-harmonising-mining-policies/-/539546/2339736/-/7rqul0z/-/index.html) <URL: <http://www.businessdailyafrica.com/Region-moves-towards-harmonising-mining-policies/-/539546/2339736/-/7rqul0z/-/index.html>>

They also want African countries to share their experiences with multinationals with a view of isolating the companies with bad track records. They said the continent's nations ought to complement each other rather than compete which was rendering them vulnerable to exploitation.

“Africans must unite to develop its resources for the benefit of our people and not somebody else,” Tanzania’s Energy minister George Simbachawene said.

The nationalistic sentiment in the mining industry has been gaining ground in East Africa especially in Kenya where the ministry is calling for a review of old mining contracts.

Mr Balala who held the chairmanship for the council for two terms when Mozambique missed its chance due to elections, has been antagonising multinationals and recently moved to cancel 65 licenses.

He maintained that he did not have an apology and would be more aggressive this coming year.

Back to [The East African: Regional mining ministers accuse multinationals of exploiting Africa](#) <URL: [javascript:history.go\(-1\)](#)>

Considering a future
in Marketing or PR?



Southampton
SOLENT
University





**BREAK
FREE**
Jeep

Jeep Grand Cherokee

1. Impressive in size, appearance, or general effect.
2. Stately, majestic, or dignified.
3. Magnificent or splendid.
4. Highest, or very high, in status



DT DOBIE
Call: 0703 222 555