**REPUBLIC OF ZAMBIA**



IMPLEMENTATION OF EITI IN ZAMBIA

A STATEMENT DELIVERED BY HON. MAXWELL M. B. MWALE, MINISTER OF MINES AND MINERALS DEVELOPMENT AT THE 5TH EITI GLOBAL CONFERENCE HELD IN PARIS: 2ND TO 3RD MARCH 2011

IT IS MY HONOUR AND PRIVILEGE TO REPRESENT THE PRESIDENT OF THE REPUBLIC OF ZAMBIA, HIS EXCELLENCE MR. RUPIAH BANDA AND INDEED ALL THE PEOPLE OF ZAMBIA AT THIS IMPORTANT GLOBAL GATHERING.

CHAIRPERSON,

ZAMBIA IS ONE OF THE RESOURCE RICH COUNTRIES IN THE SOUTHERN AFRICAN REGION IMPLEMENTING THE EITI. THE DECISION TO SUBSCRIBE TO THE EITI WAS MADE IN JULY 2008 AT A MULTI-STAKEHOLDER CONSULTATIVE WORKSHOP. AT THE WORKSHOP, VIRTUALLY ALL THE STAKEHOLDERS AGREED AND EXPRESSED ENTHUSIASM TO IMPLEMENT THE EITI IN ORDER TO ENSURE TRANSPARENCY AND ACCOUNTABILITY IN THE MANAGEMENT OF MINERAL RESOURCES.

SIGNIFICANT PROGRESS HAS SO FAR BEEN MADE IN IMPLEMENTING THE INITIATIVE AND WE ARE HOPEFUL OF SUCCESSFULLY COMPLETING THE VALIDATION PROCESS BY 14TH MAY 2011. THE FIRST EITI RECONCILIATION REPORT WAS LAUNCHED ON 22ND FEBRUARY 2011.

THE COMPILATION OF THE REPORT HAS REVEALED A NUMBER OF CHALLENGES THAT WE AS A COUNTRY ARE DETERMINED TO ADDRESS TO ENSURE THAT THE INITIATIVE CONTINUES TO BE IMPLEMENTED SUCCESSFULLY FOR THE BENEFIT OF ALL PARTIES CONCERNED. THESE CHALLENGES INCLUDE:

1. LACK OF LEGAL FRAMEWORK TO COMPEL ALL PARTIES TO COMPLY WITH EITI REPORTING REQUIREMENTS. AT THE INCEPTION OF THE EITI, IT WAS BELIEVED THAT SINCE ALL STAKEHOLDERS UNANIMOUSLY AGREED TO IMPLEMENT THE INITIATIVE, THERE WOULD BE NO NEED FOR A LEGAL FRAMEWORK FOR MANDATORY DISCLOSURE. HOWEVER, PRACTICE HAS REVEALED THAT A LAW IS REQUIRED TO MAKE IT MANDATORY FOR ALL PARTIES TO DISCLOSE INFORMATION AS AND WHEN IT IS REQUIRED FOR REPORTING PURPOSES.
2. INADEQUATE CAPACITY FOR REPORTING PARTIES. DUE TO DELAYS IN ACCESSING FINANCIAL RESOURCES, FEW CAPACITY BUILDING ACTIVITIES WERE UNDERTAKEN AS A RESULT, THE REPORTING PARTIES HAD DIFFICULTIES IN UNDERSTANDING THE EITI REPORTING REQUIREMENTS.

CHAIRPERSON,

HAVING COME THIS FAR, ZAMBIA CAN SAY THAT THERE ARE BENEFITS IN IMPLEMENTING EITI: THESE INCLUDE

1. FOSTERING A SPIRIT OF CONSTRUCTIVE PARTNERSHIP AND ENGANGEMENT AMONG STAKEHOLDERS. THE IMPLEMENTATION OF EITI IN THE COUNTRY HAS CREATED A PLATFORM FOR THE THREE STAKEHOLDERS, GOVERNMENT, CIVIL SOCIETY AND MINING COMPANIES TO WORK TOGETHER TO IMPROVE MANAGEMENT OF MINERAL RESOURCES IN THE COUNTRY.
2. PROVIDING A PLATFORM TO DEBATE MINING ISSUES PUBLICLY USING COMMON INFORMATION. FOR THE FIRST TIME IN ZAMBIA, INFORMATION WHICH WAS RESTRICTED TO MINING COMPANIES AND GOVERNMENT INSTITUTIONS HAS BECOME PUBLIC, MAKING IT POSSIBLE FOR THE PUBLIC TO DEBATE MINING ISSUES FROM AN INFORMED POSITION.
3. ENHANCING GOOD GOVERNANCE IN THE MANAGEMENT OF MINERAL RESOURCES IN THE COUNTRY. THROUGH THE EITI, CAPACITY OF CIVIL SOCIETY ORGANIZATIONS TO PLAY AN OVERSIGHT ROLE IS ENHANCED. THIS ARRANGEMENT WILL REMOVE SUSPICIONS OF CORRUPTION AND WHERE IT REALLY EXISTS REDUCE AS ISSUES OF PAYMENTS AND RECEIPTS WILL BE PUBLIC INFORMATION.
4. IMPROVE THE SOVEREIGN AND CORPORATE RATING OF BOTH THE COUNTRY AND COMPANIES.

CHAIRPERSON,

THE IMPLEMENTATION OF THE EITI IN ITS CURRENT FORM IN ZAMBIA, WILL NOT ADDRESS ALL THE CONCERNS OF THE PUBLIC. AS GOVERNMENT, WE ARE AWARE OF THE PEOPLE’S CONCERN THAT ALTHOUGH MINERAL PRODUCTION IS INCREASING TO SURPASS THE HIGHS THAT THE COUNTRY HIT IN THE 1970S, IT IS FELT THAT THERE IS LITTLE TO SHOW FOR IT IN TERMS OF DEVELOPMENT OF THE COUNTRY.

FURTHER, THE EITI RECONCILIATION REPORT DOES NOT GO BEYOND DISCLOSURE OF PAYMENTS AND RECEIPTS TO MAKE THE PUBLIC UNDERSTAND HOW THESE FIGURES WERE DETERMINED. THIS IS A CHALLENGE WE AS A COUNTRY HAVE, TO TAKE EITI TO LEVELS THAT WILL BE MEANINGFUL. ALL STAKEHOLDERS HAVE A CHALLENGE TO WORK TOGETHER TO CONTINUE IMPLEMENTING THE EITI BEYOND MERELY PUBLISHING PAYMENTS AND RECEIPTS.

IN CONCLUSION, I WOULD LIKE TO ASSURE THIS GATHERING THAT AS A COUNTRY WE ARE DETERMINED TO IMPLEMENT THE EITI EVEN BEYOND ITS CURRENT FORM IN ORDER TO IMPROVE THE LIVES OF OUR PEOPLE. THE EXPERIENCES AND LESSONS WE ARE SHARING HERE AS IMPLEMENTING COUNTRIES, I BELIEVE, ARE A QUICKER WAY OF IMPROVING THE EITI PROCESS. SUCH GATHERINGS ARE INDEED ENRICHING. ALLOW ME TO END BY THANKING THE ORGANIZERS, THE INTERNATIONAL EITI SECRETARIAT, THE SUPPORTING DONORS AND MINING COMPANIES FOR A JOB WELL DONE. MAY I ALSO SAY THANK YOU TO ALL OF YOU REPRESENTATIVES OF EITI IMPLEMENTING COUNTRIES GATHERED HERE TO IMPROVE THE EITI PROCESS FOR THE BENEFIT OF OUR PEOPLES.

I THANK YOU