

**CARITAS ZAMBIA (EJP) UPDATE ON FOLLOW-UP ACTIVITIES ON  
EXTRACTIVE INDUSTRIES IN ZAMBIA  
PRESENTED AT THE PLANNING MEETING FOR PARTNERS IN KITWE  
(16<sup>th</sup> April 2008 to 17<sup>th</sup> April 2008)**

Since the Mineral Resources Management in Southern Africa: Mining Contracts Revision Conference took place in December 2007, Caritas Zambia has been involved in a number of activities and they include;

1. **Issuance of A Press Release; Caritas Zambia applaud Government of Zambia's determination to reform extractive industries tax regime.**

The Press Statement was released in February and was distributed to most media houses. Caritas Zambia gave its position on the introduction of the windfall tax as highlighted in the 2008 budget. Some of the major issues that were highlighted include;

- Caritas Zambia commending Government on the introduction of the windfall tax and for its determination and stance on the new tax regime
- Caritas Zambia urged Government to involve civil society and other relevant stakeholders in future development agreements so as to ensure transparency and enhance confidence and trust in the general public to whom the Government owes ultimate responsibility
- Caritas Zambia urged the Government to initiate the EITI (Extractive Industries Transparency Initiative)
- Caritas Zambia recommended that the Government should focus on responsible spending of the increased revenues on mining related issues such as environmental and infrastructural degradation and the inclusion of women in the mining sector; improved labour standards and rights enforcement; HIV/AIDS prevention and mitigation and general pro-poor development in line with the FNDP

**Result**

- The position of Caritas Zambia on Government's introduction of the windfall tax on mining companies was known by the general public

2. **Submissions to parliament on;**

- **Analysis of the 2008 National Budget before the joint Estimates Committee**

From this submission, Caritas Zambia commended Government for changing the fiscal tax regime i.e., introduction of the windfall tax on mining companies noting that the current situation was inequitable, unacceptable and inconsistent with the constitution of the Government of Zambia. Government was also urged not to compromise its current situation.

## **Results**

**The committee were enlightened on the concerns and recommendations of Caritas Zambia and contributions to parliamentary debates by parliamentarians were improved**

- **Submissions before the Estimates Committee on;**
  1. **Income Bill; amendment made was to increase minimum income tax threshold from K600, 000 to K1, 000,000**
  2. **VAT Bill; amendment made concerning the effecting the reduction of VAT from 17. 5 % to 16%**
  3. **Customs and Excise Bill; amendment made was to effect the 15% levy on copper concentrates**

## **Results**

- **Caritas Zambia commended Government on the introduction of 15% levy on copper concentrates, as this would encourage companies to locally process copper before exporting and Zambia would not lose out on Duty. Also, parliamentarians appreciated the input that Caritas Zambia made on the bills.**
  
- **Submission before the Economic Affairs and Labour Committee on Macroeconomic stability, the role of energy and the MFEZ in Zambia**

## **Results**

- **Caritas Zambia expressed concern that the implementation of the MFEZ could end up having consequences of the Development agreements that were signed between mining companies before the introduction of the windfall tax and renegotiation of mining contracts and parliamentarians appreciated this input.**
3. **Attending EITI (Extractive Industries Stakeholders Initiative) Stakeholders workshop**

**The workshop was organised by Centre for Policy Dialogue in collaboration with Southern Africa Resource Watch. The aim of the**

**workshop was to introduce government companies and civil society to the EITI and share experiences of some countries that are implementing it**

#### **Results**

- **Success stories of some countries implementing the EITI were shared**
  - **Government's position on the EITI was known**
  - **A baseline survey report on Zambia concerning the EITI was shared**
  - **Strategies were developed on how Civil Society can lobby both Government and mining companies to sign up or implement EITI in Zambia**
  - **Centre for Policy Dialogue would spearhead the process on behalf of Civil Society to lobby government to implement the EITI process**
- 4. Networking with like minded organisations e. g CSTNZ**

**Information has been shared from other organisations about the latest happenings in the Extractive industry in Zambia, for example, the amendment of the Mines and minerals Act and other activities.**

#### **PLANNED ACTIVITIES BUT NOT DONE**

- 1. Planning meeting on recommendations from the December conference**

#### **CHALLENGES**

- **Different organisations working on similar activities due to lack of linkages thus losing out on some donor funding.**