Golden Opportunity or False Hope?

AngloGold Ashanti’s proposed gold mine in the Democratic Republic of Congo
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Richard Wainwright and CAFOD

We welcome feedback on the report. Please contact Sonya Maldar, CAFOD Policy Analyst on extractives, smaldar@cafod.org.uk John Capel, Bench Marks Foundation Executive Director, jcapel@eject.co.za Eric Mongo, CdC Joint Coordinator, aciarongd@yahoo.fr Fr Alfred Ndrabu Buju, CdC Joint Coordinator, cdjpunia_bunia2007@yahoo.fr

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Executive summary

The boom years which preceded the financial crisis saw unprecedented demand for metals. This led to a surge of exploration by mining companies, pushing them into ever more fragile environments and socially sensitive areas and provoking a spate of bad news stories about mining. The current downturn is no more than a pause in this activity. As growth returns, so will the demand for metals and mining companies will intensify their search for new deposits.

Business can have both positive and negative impacts in developing countries. The private sector has a vital role to play in contributing to sustainable development, whether through job creation, tax revenues, investment or skills transfer. However, in an increasingly globalised business place where companies operate across national boundaries and legal jurisdictions, many developing countries lack the capacity to regulate the behaviour of transnational firms operating in their territory or may feel hesitant to do so for fear of putting their investment at risk.

Historically, countries with weak governance, a high level of poverty and a history of conflict have experienced disproportionately high levels of corporate abuse and have failed to profit from the benefits of private investment. The Democratic Republic of the Congo (DRC) knows this all too well. Despite its mineral wealth, the DRC remains one of the poorest countries in the world. Its underground riches like gold, coltan and cobalt have done nothing to improve the living conditions of the majority of Congolese people, most of who continue to live in abject poverty.

This report focuses on a proposed Anglo Gold Ashanti (AGA) gold mine in Mongbwalu, in the Ituri District of the DRC. It outlines some key concerns that will determine whether local people stand to benefit from this mine which will be built on their doorstep in the coming years.

CONFLICT

The DRC has been marked by a devastating cross-border conflict (1996-2003) between warring militias and government forces in which millions of people have been killed. Struggle for control of the country’s mineral resources has served to drive the conflict.

Although the security situation in Ituri has stabilised in recent years, rebel and militia groups maintain a presence in the area and there are still several hundred UN peacekeeping troops garrisoned in the district capital, Bunia. Given the fragility of this context and that mining can exacerbate pre-existing social tensions, it is crucial that AGA takes steps to ensure its activities do not contribute to further conflict or human rights abuses in the area.

COMMUNITY CONSENT AND INFORMATION SHARING

Mining places poor communities around the world side by side with its most powerful companies. Making their voice heard and getting companies to listen is a desperately unequal struggle. AGA is the third largest gold mining company in the world with huge resources at its fingertips and is an increasingly significant investor in the Congolese mining industry, both at Mongbwalu and nearby Watsa.1

We believe that all communities have the right to give or withhold their consent for any project which will affect them based on clear and comprehensive information. However, at no point has AGA sought the consent of the people of Mongbwalu and the surrounding areas for the mining project.

Local people say they have very limited information about the mining project and the possible impacts that it could have on their lives and the environment. In particular, there is increasing concern amongst the community that some...
people will have to leave their homes to make way for the construction of the mine.

AGA’s contract with the government of DRC has been renegotiated as part of a national review of contracts, but local people were not involved in these discussions. Despite continuous requests from the community, the AGA contract prior to renegotiation was never published in full and it is unclear whether the newly renegotiated contract will be published once it is finalised. AGA says that it has no objection to making the new contract available to local communities, but cannot do this without the agreement of other parties which it has not yet received. This report calls on AGA and the DRC government to publish the new contract as soon as possible so that local people can understand and monitor the obligations and responsibilities of each party.

ECONOMIC IMPACTS AND DISPLACEMENT OF ARTISANAL MINERS

Mongbwalu is characterised by poverty and unemployment and is in desperate need of development. Community expectations about the benefits that the new mine could bring are very high. We are concerned that the mine will employ a relatively small number of workers, many of whom will have to be highly skilled, so there may be few employment opportunities for local people. The start of industrial operations is also likely to signal the end of artisanal mining on the concession, certainly within its richest areas, which will deprive thousands of artisanal miners of their only viable source of income.

ENVIRONMENTAL IMPACTS

Mining is one of the most environmentally damaging industries in the world, creating huge amounts of waste and using toxic chemicals like cyanide to extract the gold from the rock. It can result in the pollution of rivers and streams, and the destruction of biodiversity and agricultural land.

This report calls on AGA to carry out a comprehensive environmental and social impact assessment for the Mongbwalu project in partnership with the local community. It should take into account the environmental implications of the design of the mine, the storage and treatment of mine waste, the chemical processes used to extract gold from the ore, as well as the closure plan for the project.

The report also outlines concerns about the way in which AGA has assessed and is proposing to manage the impacts of an employment generating project to extract gold from the tailings of four former mines in the Mongbwalu area. This project may displace more people than it will employ, negating its value as a community development initiative. We believe AGA should address the weaknesses identified in this report and ensure that they are not replicated in the social and environmental impact assessment for the large-scale mine.

RECOMMENDATIONS

The terms, such as ‘license to operate’ and ‘good corporate citizenship’, which the mining industry itself uses to set out its responsibilities to local communities, emphasise their voluntary nature and are often vague and ambiguous. In the absence of internationally agreed regulation, it is not clear where voluntary initiatives end and government responsibilities begin.

This has been the experience of the people of Mongbwalu. AGA has already taken a number of steps to respond to community demands for dialogue but dialogue cannot continue indefinitely without producing results. Local people have been engaging with AGA since 2006 but there has been no progress on their key demands, which have been raised time and time again.

This report makes a series of recommendations to AGA, OKIMO (L’Office des Mines d’Or de Kilo-Moto, the state gold-mining company) and the DRC
government to ensure that the new mine in Mongbwalu is socially and environmentally responsible and that it benefits the local, regional and national economy. These factors will determine whether the project will be a golden opportunity or false hope for the people of Mongbwalu.

RECOMMENDATIONS TO AGA

Social impacts

1. Seek the consent of all communities who stand to be affected by the Mongbwalu project before mining begins. Community consent should be sought at all subsequent decision-making points throughout project design and implementation, including before the Environmental and Social Impact Assessment begins and at the end of the feasibility stage of the project.

2. Respect the right of all communities to give or withhold their consent for mining projects by changing AGA’s corporate policy on community engagement, in line with international human rights standards for indigenous peoples and the recommendations of the 2003 World Bank Group’s Extractives Industries Review, to include:

   • the requirement of Free, Prior and Informed Consent (FPIC) for indigenous communities
   • demonstrable and independently verified community agreement based on genuine and participatory information sharing and consultation
   • an effective grievance mechanism for redress.

3. Follow international standards for conducting an environmental and social impact assessment (ESIA) for the Mongbwalu project that includes the participation of affected communities. Communities should consent to the ESIA content and priorities before the ESIA begins.

4. Publish and make readily available to affected communities full information about the project and its potential social, economic and environmental impacts, in an appropriate and accessible manner.

5. Conduct and publish a community register which identifies those who stand to be affected by the Mongbwalu project.

6. Ensure AGA’s presence does not contribute to local insecurity by immediately conducting and publishing a human rights impact assessment. This should be reviewed annually.

7. Provide training to private security staff to ensure that they operate in accordance with international human rights standards.

8. Develop a shared five-year vision for social development in Mongbwalu and the surrounding areas in partnership with local communities, civil society and local and traditional authorities. Ensure transparency in the identification and management of all social development projects and publish an annual budget and implementation plan.

9. Establish an open, transparent and independent grievance mechanism as soon as possible and before the scoping phase of the ESIA begins.

10. Publish the ‘rePlan’ report on resettlement in Mongbwalu and AGA’s proposed plans for displacement.

11. Minimise voluntary displacement and do not practice forced or involuntary resettlement at the Mongbwalu project. Where people consent to displacement, develop plans for resettlement in partnership with local communities. This should include a mapping exercise to identify the least environmentally sensitive areas for relocation.
12. Publicly disclose all community compensation payments made for the Mongbwalu project.

13. Establish a regular dialogue with artisanal miners to manage expectations and concerns about the large-scale mine. Ensure a unified approach between AGA, OKIMO and the DRC government for the management of artisanal miners working on Concession 40.

14. Before operations begin, share details of AGA’s HIV and AIDS policy with the local community and publish a detailed plan for how local people can benefit from and participate in HIV and AIDS programmes.

**Economic Impacts**

1. Publish the AGA-OKIMO-DRC government contract for the Mongbwalu project, including any amendments.

2. Make clear the division of responsibility for social investment between OKIMO and AGA.

3. Commit to local procurement and change their corporate procurement policy to reflect this. Where suitable suppliers do not exist, investigate supplier development programmes and set up a linkages programme to maximize benefits for local suppliers and support local business growth and development.

4. Publish plans for job creation to manage community expectations and develop a training programme to bridge the local skills gap.

5. Ensure a fair and transparent recruitment process which avoids exacerbating ethnic and social tensions.

6. Proactively seek to resolve the ongoing dispute between OKIMO, AGA and former-KIMIN workers to the satisfaction of all parties before any large-scale mining begins.

**Environmental Impacts**

1. Commit to independent third-party monitoring of the implementation of the International Cyanide Code at all AGA project sites. These audit results should be made publicly available.

2. Ensure that the design and management for any tailings dams take the climatic context of Mongbwalu into account and that a transparent and comprehensive audit system is put in place.

3. Develop and publish a tailings management policy that prohibits riverine, lacustrine or submarine tailings disposal.

4. Carry out and publish a thorough risk assessment of acid mine drainage and establish mechanisms for monitoring and long term rehabilitation.

5. Ensure transparency in the reporting of air emissions.

6. Carry out and publish a baseline water quality assessment before mining starts. Ensure that water consumption from the Mongbwalu project does not impact on the availability and accessibility of drinking water for local people. Regularly monitor water quality before, during and following the mine operations and immediately publish the results.

7. Carry out and publish a baseline biodiversity study on Concession 40 before mining starts. Change AGA’s corporate policy on biodiversity to prohibit mining in all protected areas.

8. Make financial guarantee for emergency rehabilitation of the environment via a bond, letter of credit or cash deposit.
**Tailings Project**

1. Undertake and publish an independent review of the tailings project to clearly address the concerns raised in CAFOD’s January 2010 submission to AGA.

2. Before the second round of public consultations on the tailings project, publish the SRK Environmental and Social Action Plan for the tailings project and share it with local people in an appropriate language and format. The scope of consultation should be broadened to include all communities in Mongbwalu and the surrounding areas.

**RECOMMENDATIONS TO OKIMO AND THE DRC GOVERNMENT**

**Social impacts**

1. Respect the right of all communities to give or withhold their consent for mining projects in line with international human rights standards for indigenous peoples and the recommendations of the 2003 World Bank Group’s Extractives Industries Review. The right of consent should be made clear in the DRC Mining Code and Mining Regulations, to include:

   - the requirement of FPIC for indigenous communities
   - demonstrable and independently verified community agreement based on genuine and participatory information sharing and consultation
   - an effective grievance mechanism for redress.

2. Ensure transparency and disclosure of information about the social, economic and environmental impacts of mining to the public in an appropriate, timely and accessible manner.

3. Take immediate steps to assume responsibility for the transparent oversight of artisanal miners and the improvement of their working conditions.

4. Provide training and support to decentralised government offices on national mining legislation to strengthen its implementation across the country.

5. Promote the standardisation of mining legislation throughout the Southern African Development Community (SADC) region.

**Economic impacts**

1. Swiftly implement the Extractives Industries Transparency Initiative (EITI) at national level by publishing payments it has received and ensure that all mining companies operating in the DRC comply with EITI requirements. Ensure that civil society is able to freely participate as an equal player in this process without fear of harassment or intimidation.

2. Publish all new contracts agreed for mining projects. Ensure that these reflect the interests of the people of DRC and set out clearly the responsibilities of both parties towards workers, local communities and the environment.

3. Support the process of matching local suppliers to investing companies and where appropriate be a partner in linkage development programmes, helping with contract negotiations and curbing anticompetitive supply chain practices.

**Environmental impacts**

1. Provide access to independent technical and legal advice to communities at all stages of mining projects.

2. Support mechanisms for independent participatory monitoring of the development of the mine by local communities. Provide funds for community training workshops to support their understanding of the impacts of mining.

3. Ensure Strategic Environmental and Social Impact Assessments are carried out and verified by independent experts before mining permits can be issued.
**1. Background**

**MINING IN THE DEMOCRATIC REPUBLIC OF CONGO (DRC)**

DRC is a mineral-rich country but its mining sector has historically been characterised by a lack of transparency and by corruption. Despite DRC’s underground riches, more than 80 per cent of the population live on less than US$1 per day. Rather than benefiting from their mineral wealth, the majority of people have been pushed further into poverty as the struggle for control of those resources has continued to drive conflict in the country.

In recent years, efforts have been made to reform DRC’s mining sector. The exploitation of minerals such as gold is now regulated by the 2002 DRC Mining Code and its accompanying Mining Regulations. The code was developed with the support of the World Bank and provides guidelines for mining companies ranging from licensing to environmental and social obligations. While reform of the DRC mining sector was a positive development, the 2002 Code has come under criticism for being poorly implemented on a national scale. The code also prohibits small-scale mining on concessions which have been licensed to larger mining companies, essentially rendering illegal an activity which is the only viable source of income for hundreds of thousands of Congolese people.

In 2005, a DRC parliamentary commission found that many of the mining contracts signed between 1996 and 2003 during the Congolese war were illegal or of limited value for the country’s development. In 2007, on the recommendation of the commission, the government embarked on a review of over 60 contracts.

In principle, the review was a welcome step towards ensuring the profits from mining are directed towards supporting the country’s development. However, in practice, the review has lacked transparency and there has been no meaningful involvement of civil society in the renegotiations. In addition, the review has progressed extremely slowly; three years on it has only just been completed. AngloGold Ashanti’s (AGA) contract in the Ituri district is among the last to be finalised. This has meant significant delays for the company’s plans to develop the mine and reduced access to information for local communities living near the proposed mine site.

As well as the uncertainty generated by the contract review, the mining industry in DRC has been badly hit by the global financial crisis. Falling prices of metals such as copper meant that many mining companies suspended their operations. This resulted in the loss of hundreds of thousands of jobs in Katanga province alone. Even as metal prices start to recover on the international markets, the immediate future of the mining sector in DRC remains fragile.
GOLD MINING IN MONGBWALU

1903  Gold first discovered in Orientale Province
1905  Belgian companies start mining for gold in the area
1967  Mining is nationalised and the area around Mongbwalu becomes controlled by state mining company l’office des mines d’or de Kilo-Moto (OKIMO)
1980s  OKIMO divides the area into three concessions: called 38, 39 and 40, with a total land area of 83,000 km² (about the size of Austria)
1990  OKIMO enters into a joint venture with Luxembourg-based Mining Development International (MINDEV) for access to Concession 40, an area totalling 8,191 km², over five times the size of Greater London. The joint venture is called Kilo-Moto International Minings (KIMIN). KIMIN has a licence to mine an area of 2,000 km² within Concession 40
1997  During the war, all KIMIN operations in Mongbwalu are suspended
1996-1998  Ghanaian company Ashanti Goldfields purchases MINDEV’s stake in KIMIN and the joint venture company is renamed Ashanti Goldfields Kilo (AGK)
2001  President Laurent Désiré Kabila approves an amendment to the AGK contract granting the company rights to the entirety of Concession 40
2004  Ashanti Goldfields merges with South African company Anglo Gold. The newly-formed AngloGold Ashanti (AGA) becomes the joint venture partner in AGK and the owner of the 86.2 per cent stake in the project, with 13% retained by OKIMO. Following the peace accord and the establishment of a transitional government in DRC, AGA starts discussions with the new government to commence their exploration programme in Mongbwalu
2005  AGA’s exploration programme recommences

AngloGold Ashanti (AGA)
AGA is a South African company and the third largest gold producer in the world employing over 60,000 people in 21 operations across four continents. In 2008, the company produced an estimated 4.98 million ounces of gold and had a market capitalisation value of US$9.8 billion. AGA is listed on the stock exchanges in New York, Johannesburg, Ghana, London and Australia, as well as the Paris and Brussels bourses. AGA was formerly a part of the UK’s Anglo American group which sold its final shares in AGA in March 2009.

CONFLICT IN MONGBWALU
Mongbwalu and the wider Ituri District experienced some of the worst conflict during the war, with Mongbwalu’s vast gold resources attracting a number of different militia groups to the area. The conflict in Ituri was particularly characterised by fighting between Hema and Lendu ethnic groups. The UN estimated that some 50,000 Iturians lost their lives.
Although the war in DRC is generally considered to have ended in 2003 with the signing of the Sun City peace accord, fighting continued, particularly in Ituri.\textsuperscript{18} A 2005 Human Rights Watch Report implicated AGA in payments and tacit support to National Integrationist Front (FNI) rebels in the area during this time “in order to facilitate their gold exploration activities in Mongbwalu”.\textsuperscript{19} AGA maintains that its staff only supported rebels “under duress” and under “threat of abuse and assault”,\textsuperscript{20} rather than by choice.

While the security situation in Ituri has improved, the area is still far from stable. Rebel and militia groups maintain a presence in the area and there were fears that the recent resurgence of conflict in the neighbouring Kivu provinces could spill over into Ituri.\textsuperscript{21} Security in the province is further threatened by the presence of Ugandan rebel group the Lord’s Resistance Army (LRA) who have killed and kidnapped hundreds of Congolese civilians. An AGA risk assessment in Mongbwalu categorises the security situation “as sufficiently elevated to require the inclusion of state military units on a near-permanent basis”.\textsuperscript{22}

The peacekeeping troops of the United Nations Organisation Mission in DRC (MONUC) still maintain a presence in Bunia, the capital of Ituri district. An additional 3,000 troops were authorised for deployment by the Security Council in December 2008 following renewed conflict in the Kivu provinces.\textsuperscript{23} However, to date, only 10 officers and 178 troops have arrived in DRC, all of which were stationed in Bunia in August 2009.\textsuperscript{24}

**Mining and Conflict**

There is increasing debate about whether mining companies should operate in conflict zones.

The World Bank commissioned an independent review of extractives industries from 2001 to 2003 to test the assumption that involvement in oil, gas and mining projects was consistent with its objectives of reducing poverty and promoting sustainable development. It concluded that under no circumstances should the World Bank Group support mining projects in areas involved in or at high risk of armed conflict.\textsuperscript{25}

The DRC parliament’s ‘Lutundula’ commission also stated that it is difficult, if not impossible, for a company to operate in an area occupied by militia without somehow being required to cooperate with them.\textsuperscript{26} A 2002 report from the UN Panel of Experts on the illegal exploitation of natural resources and other forms of wealth in the DRC agreed that:

“By contributing to the revenues of [groups engaged in illegal mineral exploitation], directly or indirectly, those companies and individuals contribute to the ongoing conflict and to human rights abuses.”\textsuperscript{27}

**DEVELOPMENT OF THE ANGLO GOLD ASHANTI MINE**

AGA is currently in the exploration phase of its mining project in Mongbwalu, even though its predecessor KIMIN had been actively mining for gold. Exploration involves searching for and marking out a newly discovered mineral deposit, or re-evaluating an existing deposit.

Initial exploration in Mongbwalu was suspended during the war but AGA recommenced exploration in 2005. Early indications from exploration suggest that there could be around 2.93 million ounces of gold on the concession – equivalent to the weight of 30 elephants.

In meetings with the local community, AGA has provided preliminary plans for the mine’s development.\textsuperscript{29} The company originally envisaged that mine construction would begin by 2010 and industrial operations in 2011. However, the slow progress of the contract review and the preparatory work that remains
to be done means that it is unlikely that mine construction will begin before 2012 with full scale operations not starting before 2013-14.

As AGA moves towards full-scale operations, the impacts of the mine on the community and environment will increase. To show how these impacts will be managed, all companies operating in DRC are required to produce an impact assessment and submit a management plan to the government. AGA has stated that this will be prepared in 2010.

**METHODOLOGY**

This report is based on research conducted in Bunia, Mongbwalu and the surrounding areas in May 2009. The research was carried out with the cooperation of the political administrative authorities in the Ituri district, the chef de la cité in Mongbwalu, and AGA.

The report has been produced through community-based participatory research - a partnership between CAFOD, the Bench Marks Foundation and local community network, the Cadre de Concertation (CdC). The research team was made up of three international consultants, three CAFOD staff, and 11 members of the CdC and Mongbwalu Forum of Stakeholders.

Research primarily took the form of a semi-structured individual interview or focus group. Researchers sought to engage with communities in as many different locations as possible both in and around Mongbwalu, and discussions took place in the preferred language(s) of each group. Over seventy people were interviewed with women and/or young people participating in every group.

Interviewees included representatives from local and traditional authorities, teachers, health workers, business owners and artisanal miners, as well as local AGA staff.

This research does not claim to be a comprehensive survey of local opinion, but highlights some of the potential impacts of the proposed Mongbwalu mine and the steps which AGA and the government should take to manage them. We hope this report will serve as a resource for people living near to the mine, and inform discussions between AGA, the DRC government, civil society and local communities about the mine’s development.
2. Social impacts

There can be significant social impacts for people living on or near to a mine site. Some of the factors which affect how communities might be physically affected by the mine, as well as the extent to which they are able to participate in decision-making about the mine’s development, include:

- Community consent
- Information sharing and community consultation
- Resettlement
- Migration
- HIV and AIDS
- Impact on livelihoods, in particular artisanal mining

COMMUNITY CONSENT

At no point has AGA sought the consent of the people of Mongbwalu and its surrounding areas for the proposed mining project. This includes the indigenous Pygmy people who live on the concession as well as the Nyali people, considered the original inhabitants of the area. The DRC Government, OKIMO and AGA have also never involved local people in discussions around the terms of the contract. We believe that every community should have the right to participate in decision making about mining and give or withhold their consent for projects which stand to have a significant impact on their lives.

This is in line with emerging international norms on community consent. The UN Declaration on the Rights of Indigenous Peoples and the International Labour Organisation Convention 169 on Indigenous and Tribal Peoples recognise the right of indigenous people to Free Prior and Informed Consent. There is increasing recognition that all communities, as well as indigenous people, should have the right to consent. This is recommended by both the World Bank Group, in the 2003 Extractives Industries Review, and the Framework for Responsible Mining.

Although Article 69 of the DRC Mining code states that local authorities and community representatives should be consulted about the mining project, there is no requirement for companies to obtain community consent. In our view, this is inadequate as it does not provide for communities to make an informed decision about a project based on a realistic picture of the costs and benefits.

A 2007 World Bank review of the DRC mining sector concluded that consultation of communities affected by mining operations has been poor or non-existent. Given the prominence of the mining sector in the DRC economy, we are concerned about the absence of community participation in decision making in DRC and the Mongbwalu project in particular.

AGA does not have a policy which requires community consent for its mining operations. The company rather states that it seeks to “inform” and “involve” communities in developments that affect them. We believe it is essential that AGA ensures the participation of local people in decision making and respects their right to give or withhold consent at all stages of the project cycle. This is important if AGA is to obtain a social license to operate and avoid provoking opposition, protest or unrest in the area.

INFORMATION SHARING AND COMMUNITY CONSULTATION

People in Mongbwalu and the surrounding areas have found it difficult to access information about the mine and say they are completely uninformed about even the most basic plans for mine development. This has left people in a great deal of uncertainty about their future.

AGA states that it has presented its exploration programme and related issues to leaders of the Nyali, Lendu and Bira communities and that these groups have
indicated acceptance of AGA’s continued presence and work. However, both political and traditional leaders in Mongbwalu told researchers in May that they have not been given information about the company’s plans for the mine and are rarely consulted about social issues. Traditional Nyali chiefs say they feel largely uninformed about how plans for large-scale mine development might affect their communities and the Mayor of Mongbwalu said he is only approached by AGA in extreme cases of social unrest.

"[AGA] does not consider creating opportunities for bridge building and dialogue with local communities. There is no structure for dialogue - it is a dialogue of the deaf between [AGA] and the community.” (Traditional chiefs)

We believe it is essential that communities who stand to be affected by the Mongbwalu mine have access to accurate information about the project, as well as the opportunity to raise concerns with AGA. In fact, all companies operating in the DRC are obliged to carry out consultation with local people and authorities under Article 451 of the national mining code.

What AGA says:
"We will strive to ensure that surrounding communities are timeously informed of, and where possible, involved in, developments which affect them, throughout the life cycle of our operations."

The main way in which AGA claims to engage with the local community is through a group of locally-elected community members known as the Mongbwalu Forum of Stakeholders (hereafter ‘the Forum’), which was established in its current form by the company in 2006. However, the Forum’s primary role is to identify projects for AGA’s social development programme rather than to provide the community with information about plans for the mine development. So, while local people acknowledge the Forum has identified a number of projects that have benefited them, the community still does not have access to the important information they have been requesting about the mining project.

AGA maintains that the Forum is also a means through which the company can informally find out about local problems, questions and concerns. However, we believe the Forum’s lack of independence from AGA has hindered its credibility in this role. The Forum was an initiative of AGA, its meetings are held in a company building, and Forum members said that AGA and its NGO partner PACT Congo maintain sole managerial responsibility for budgeting and oversight of its social development projects.

To address community concerns about the independence of the Forum and to better facilitate the sharing of information about the large-scale mine, local civil society in Ituri called for AGA to take part in six-monthly tripartite meetings. These gatherings are attended by AGA, OKIMO and community platform, the Cadre de Concertation (CdC), and are an important opportunity for all parties to share information and raise concerns about the mining project.

While these meetings have supported the sharing of information between company and community, the reality is that there is still a long way to go before local people are fully informed about the proposed mine. Since meetings began in 2006, the community still does not have access to much of the information which they have been consistently requesting from AGA and OKIMO. This includes the publication of AGA’s renegotiated contract and the amendments of their original contract; information about the social and environmental impacts of the mine; plans for the mine development; and the future of artisanal miners on Concession 40.

RESETTLEMENT
AGA maintains it is committed to avoiding resettlement at the Mongbwalu project. This is a positive commitment, but given the size of the proposed
mine and the fact that there are around 35,000 people living in Mongbwalu alone, some sort of displacement seems likely.  

Of the known exploration sites, the village of Saio, near to Mongbwalu, is one of the more densely populated and would likely result in significant displacement if a mine were developed there. The exploration bore hole is located only ten metres or so from the local school and village.

People in Mongbwalu and the surrounding areas are already starting to worry about resettlement and have been calling for AGA to publish its plans. However, the company has not shared this information or the full findings of a land management study they commissioned in 2008.

What AGA says:

"No decisions have yet been made regarding the site of any mining operation that may be developed. Therefore no decisions have been made regarding resettlement...Any resettlement that may arise will be carried out in line with international good practice i.e. the IFC Performance Standard on Involuntary Resettlement."

The lack of information from AGA has created fear and uncertainty amongst local people. On other parts of the Concession, Chiefs of the Nyali community told researchers they fear being displaced to make way for the large-scale mine and, having seen where AGA is exploring, they believe at least some resettlement to be inevitable. The chiefs stressed they are not opposed to resettlement in principle but rather object to not being involved in decision-making around this issue.

Traditionally, the Nyali people have a strong connection to their land which makes the prospect of displacement a culturally sensitive issue. They believe that their "forefathers who blessed that land are...not...very happy" about the prospect of displacement and fear that if they are removed from their land, without the consent of traditional leaders, they will die. They also believe that their forced removal will bring a curse upon the mining project.

**MIGRATION**

Large-scale mining projects often attract large numbers of migrants in search of work. At one of the world’s largest gold mines in Indonesia, local population numbers increased from below 1,000 to around 100,000 over a period of about 20 years. Given the high levels of unemployment and few alternatives for formal employment in the region, it is likely that Mongbwalu will experience a significant influx of migrants over the coming years. This will lead to increased pressure on resources like land and water, as well as local schools and Mongbwalu’s only hospital. With these resources already stretched to the limit, the additional pressure caused by migration could have serious consequences for community relations.

**HIV AND AIDS**

The mining sector is one of the industries most affected by HIV and AIDS because of the large number of male migrants working away from home and the high levels of prostitution it attracts. Some studies show that as many as half of South Africa’s miners are living with the disease.

Official estimates put the number of people infected with HIV in the DRC between 200,000 and 400,000. This is low in comparison with other sub-Saharan countries but, due to inadequate reporting, the figure could be significantly higher. In contrast, evidence suggests that the HIV rate in Mongbwalu could be fairly high. Although no official statistics are available, 70 per cent of blood donations tested by the Mongbwalu health clinic were found to be HIV positive.

AGA has a comprehensive HIV and AIDS programme for its employees. This includes education and training on prevention of HIV, and treatment and support for employees and their families living with HIV and AIDS. Although community members are not eligible for treatment, AGA states that local
people can still benefit from and participate in other aspects of its HIV and AIDS programming.\textsuperscript{62}

**IMPACT ON LIVELIHOODS: ARTISANAL MINING**

Artisanal mining is a global phenomenon, involving an estimated 13-20 million people worldwide, with a further 100 million dependent on it as a source of income.\textsuperscript{63} The DRC is no exception and in Mongbwalu alone, it is thought that 80 per cent of the young male population is engaged in these activities\textsuperscript{64} and that 70 per cent of demobilised former combatants turned to artisanal mining following the war.\textsuperscript{65}

As Concession 40 is officially licensed to AGA, any artisanal mining on the concession is technically illegal. However, there are still an estimated 9,500 miners working in and around Mongbwalu.\textsuperscript{66} According to AGA’s own estimates the number of miners on the entire lease area is around 100,000.\textsuperscript{67}

**Division of responsibility**

Although AGA says it is “not involved with the management” of artisanal mining on the concession,\textsuperscript{68} artisanal miners told researchers that they are confused about how management responsibility in Mongbwalu is divided between AGA and OKIMO.\textsuperscript{69} This has left miners vulnerable to exploitation and confused about whom to approach with their concerns and questions about the impact the prospective AGA mine will have on their livelihoods.

The current OKIMO approach to management, in place since the late 1990s, has been widely criticised\textsuperscript{70} and has led to significant tensions with the local community.\textsuperscript{71} It involves a complicated system of subcontracting, through which OKIMO issues licences to mine in a given area in exchange for a 30 per cent share of the gold found.\textsuperscript{72} However, the system is technically illegal under the Congolese mining code and there have been allegations of corruption at every level.\textsuperscript{73}

AGA’s new management standard for artisanal mining, due to be released in 2009, is not yet publicly available.\textsuperscript{74} The company should publish this standard as soon as possible and clarify the way in which they will work together with OKIMO to ensure a unified strategy for the management of artisanal miners on Concession 40.

**Displacement and loss of livelihood**

Given the large number of artisanal miners on Concession 40, it is difficult to see how the development of the mine will not cause the displacement of a significant number of miners from areas on which their livelihoods depend.

Without viable alternative options for employment, the impact of displacement on artisanal miners and their dependants is likely to be significant and could lead to serious community unrest if handled badly. Although AGA says that “co-existence” with artisanal miners is both “possible” and “desirable”, the company is well aware of the challenges of engagement.\textsuperscript{75} AGA has been the subject of a number of critical reports about its management of relations with artisanal miners at its Ghanaian project.\textsuperscript{76} AGA has documented several incidences of injury to mine staff as a result of ongoing conflict there.\textsuperscript{77}

In 2007, some artisanal miners were displaced from the former Adidi mine in Mongbwalu when AGA and the Provincial Governor closed the site for health and safety reasons. AGA sought the involvement of the local communities, OKIMO and the Catholic Church to help manage this process. Although tensions were high, serious conflict was avoided. To minimise the impact on their livelihoods, miners were relocated to other sites and said that they were promised jobs at the future AGA Tailings Project (see chapter five).\textsuperscript{78}

The Adidi closure is a good starting point for engaging with artisanal miners in Mongbwalu but when large scale operations begin, new challenges may present themselves. The number of miners facing displacement across the concession is...
likely to be much larger than at Adidi, and the number of areas to which miners could be relocated is likely to be smaller, particularly if the company will be mining at multiple sites.

One option available to AGA might be to set aside an alternative piece of land for miners to continue their activities, set apart from sites intended for industrial mining. The company has demonstrated that this is its general policy at other African sites but it is not clear whether this will be the case in Mongbwalu.

Employment and training
Miners have very high expectations about the benefits that the AGA mine could bring, the most common of these being job creation.

"The only hope is that the young [will] get a job with [AGA]..."
(an artisanal miner)

Although AGA's recruitment policy "encourages the hiring of locals", it is not clear how many jobs are likely to be created, leaving artisanal miners in Mongbwalu uncertain about their future. During exploration, some miners say that they have found it difficult to find employment with the company.

ARTISANAL MINING IN MONGBWALU
An important source of income
When no other employment opportunities are available, artisanal mining can constitute an essential, if often meagre and unreliable, means of income.

Josephine works as a rock carrier, one of the more common jobs for women within the artisanal sector. She carries large sacks of crushed rock from the mine site to the town where the gold can be extracted using mercury. The work is hard and one of her friends suffered a miscarriage from carrying such heavy weights. Josephine will only earn Fc2000 (about US$2) for carrying 50kg of rock but she cannot afford to stop because she is using the money to pay for her children's school fees. However, it is not uncommon for children to become miners themselves to pay for their own education or supplement their family income.

Luc, a 42 year old artisanal miner reports that, working as part of a group of five to ten people, he can earn just US$18 in a good month. In a bad month, he makes nothing.

Social problems with artisanal mining
Working conditions for artisanal mining are also very dangerous and miners are at constant risk of accident or injury. The dust produced during mining and the use of mercury to separate gold from the ore also means that miners commonly suffer from lung disorders such as tuberculosis and silicosis. A doctor at the Mongbwalu hospital estimated that around 3,000 artisanal miners are currently affected by respiratory diseases.

A wide range of social impacts are associated with the prevalence of artisanal mining, such as drug use, alcoholism, and prostitution. According to a report by PACT-Congo, the presence of artisanal mining has led to an increase in sexual and gender based violence, with Mongbwalu having the highest rate of such violence in Ituri. There is also a widely recognised link between artisanal mining and HIV and AIDS.

SOCIAL IMPACTS: RECOMMENDATIONS TO AGA
1. Seek the consent of all communities who stand to be affected by the Mongbwalu project before mining begins. Community consent should be sought at all subsequent decision-making points throughout project design and
implementation, including before the Environmental and Social Impact Assessment begins and at the end of the feasibility stage of the project.

2. Respect the right of all communities to give or withhold their consent for mining projects by changing AGA’s corporate policy on community engagement, in line with international human rights standards for indigenous peoples and the recommendations of the 2003 World Bank Group’s Extractives Industries Review, to include:

- the requirement of Free, Prior and Informed Consent (FPIC) for indigenous communities
- demonstrable and independently verified community agreement based on genuine and participatory information sharing and consultation
- an effective grievance mechanism for redress.

3. Follow international standards for conducting an environmental and social impact assessment (ESIA) for the Mongbwalu project that includes the participation of affected communities. Communities should consent to the ESIA content and priorities before the ESIA begins.

4. Publish and make readily available to affected communities full information about the project and its potential social, economic and environmental impacts, in an appropriate and accessible manner.

5. Conduct and publish a community register which identifies those who stand to be affected by the Mongbwalu project.

6. Ensure AGA’s presence does not contribute to local insecurity by immediately conducting and publishing a human rights impact assessment. This should be reviewed annually.

7. Provide training to private security staff to ensure that they operate in accordance with international human rights standards.

8. Develop a shared five-year vision for social development in Mongbwalu and the surrounding areas in partnership with local communities, civil society and local and traditional authorities. Ensure transparency in the identification and management of all social development projects and publish an annual budget and implementation plan.

9. Establish an open, transparent and independent grievance mechanism as soon as possible and before the scoping phase of the ESIA begins.

10. Publish the ‘rePlan’ report on resettlement in Mongbwalu and AGA’s proposed plans for displacement.

11. Minimise voluntary displacement and do not practice forced or involuntary resettlement at the Mongbwalu project. Where people consent to displacement, develop plans for resettlement in partnership with local communities. This should include a mapping exercise to identify the least environmentally sensitive areas for relocation.

12. Publicly disclose all community compensation payments made for the Mongbwalu project.

13. Establish a regular dialogue with artisanal miners to manage expectations and concerns about the large-scale mine. Ensure a unified approach between AGA, OKIMO and the DRC government for the management of artisanal miners working on Concession 40.

14. Before operations begin, share details of AGA’s HIV and AIDS policy with the local community and publish a detailed plan for how local people can benefit from and participate in HIV and AIDS programmes.
SOCIAL IMPACTS: RECOMMENDATIONS TO OKIMO AND THE DRC GOVERNMENT

1. Respect the right of all communities to give or withhold their consent for mining projects in line with international human rights standards for indigenous peoples and the recommendations of the 2003 World Bank Group’s Extractives Industries Review. The right of consent should be made clear in the DRC Mining Code and Mining Regulations, to include:

   • the requirement of FPIC for indigenous communities
   • demonstrable and independently verified community agreement based on genuine and participatory information sharing and consultation
   • an effective grievance mechanism for redress.

2. Ensure transparency and disclosure of information about the social, economic and environmental impacts of mining to the public in an appropriate, timely and accessible manner.

3. Take immediate steps to assume responsibility for the transparent oversight of artisanal miners and the improvement of their working conditions.

4. Provide training and support to decentralised government offices on national mining legislation to strengthen its implementation across the country.

5. Promote the standardisation of mining legislation throughout the Southern African Development Community (SADC) region.
3. Economic impacts

Mining can have a variety of economic impacts for a country like DRC, ranging from export revenues at the national level to the strengthening and diversification of the local economy. Important issues to consider include:

- Taxes, royalties and contract transparency
- Infrastructure
- Procurement and linkages
- Employment
- Social development and investment.

TAXES, ROYALTIES AND CONTRACT TRANSPARENCY

One of the primary ways in which the Congolese state can benefit from the mining industry is via the taxes and royalties it receives from extractives projects.

As AGA is still in exploration phase, the company is not paying any royalties or direct taxes to the DRC government. However, the company is paying a monthly ‘amodiation’ payment to government to have access to the areas which they are exploring. Although a different agreement may have been reached during the national contract review, the original AGA contract required the company to pay US$125,000 per month (US$1.5 million per year) to the Congolese government. When commercial production begins, this sum was to rise to US$2.5 million per year, to be increased by two per cent starting from the second year.

Payments made by the mining industry are an important source of revenue for the Congolese government but corruption in DRC and a lack of transparency within the extractives sector means that the money generated rarely trickles down to the local level. A 2008 review by the DRC Senate revealed that less than half of the revenue generated from the mining sector actually finds its way back to the public treasury.

To address this imbalance, the Mining Code stipulates that 40 per cent of commercial royalties paid by mining companies to the public treasury must be paid to the town and the provincial administration where mining activity is taking place to be exclusively allocated to building community infrastructure. The remaining 60 per cent stays with the central government.

To make sure people living in and around Mongbwalu are aware of these requirements and can hold their government to account for how mining revenues are spent, there must be transparency of all payments made between AGA and the government. This degree of disclosure was highlighted as a recommendation to AGA in CAFOD’s 2006 report Counting the Cost of Gold.

In 2006, AGA committed to the Extractives Industries Transparency Initiative (EITI), an international initiative which requires verification and publication of company payments and government revenues relating to oil, gas and mining. EITI is a multi-stakeholder initiative which gives governments, companies and civil society a seat at the table. As part of its EITI commitment, AGA has published all of its payments to the Congolese government, broken down by category.

As well as transparency about revenue payments, it is also important that the terms of AGA’s contract with OKIMO and the DRC government are made public so that the obligations and responsibilities of each party are clear. However, despite continuous requests from the community, the AGA contract prior to renegotiation was never published in full and it is unclear whether the newly renegotiated contract will be published once it is finalised. In correspondence with CAFOD, AGA has stressed that:

A 2008 review by the DRC Senate revealed that less than half of the revenue generated from the mining sector actually finds its way back to the public treasury.
"The decision to publish the contract is unfortunately not for AGA or AGK to make alone, rather, it rests on the terms of the contract agreed by the three parties. AGK has undertaken to request for one of the terms of the contract to be that it is published in its entirety as it is not in our interests for it to be confidential."97

Civil society has been excluded from the national contract review process, meaning that the views of those who stand to be most affected by mining projects have not been heard. In a memorandum to the Minister of Mines, the CdC stressed the need for communities and civil society to be involved in the process of renegotiating the terms of the AGA contract, but never received a response.98

INFRASTRUCTURE

Limited regional investment and decades of conflict have meant that most infrastructure in the DRC has either been destroyed or seriously neglected, rendering land transport in particular a constant challenge. This has implications for local business and trade and limits access to jobs. Investment in infrastructure is therefore a key way through which AGA could support regional economic development.

Since 2006, AGA and the UN peacekeeping mission MONUC have been jointly upgrading the primary road between Mongbwalu town and the District capital Bunia at a cost of around US$1.5 million.99 The new road is essential for AGA’s core business activities and for the functioning of the future mine. It has also significantly reduced travelling times and increased access to Mongbwalu, which has helped support local businesses by reducing trading costs.

However, the company concedes that a “question mark hangs over the sustainability of the project” unless local and provincial government “eventually” take full ownership and responsibility for the road.100 The time frame over which AGA proposes for local authorities to take responsibility for the road and whether they have sufficient capacity and resources to perform this role are unclear. AGA’s own costs are significantly reduced by the presence of a well-maintained road, and as a heavy user, at least a partial contribution by them for recurrent maintenance costs would not seem unreasonable.

PROCUREMENT AND LINKAGES

As well as the broader macro economic impacts that foreign investment in the mining industry can bring, there is growing recognition that more needs to be done to really harness the potential benefits this type of investment can have for the development of businesses in host countries.

One way that the AGA mine can contribute to the local and regional economy is to procure resources and services as locally as possible, including food, vehicles and raw materials. Although it is not without risks,101 creating a business relationship or ‘link’ between a company like AGA and an independent DRC business can benefit the broader local economy. It can help to generate income and jobs, as well as fostering improved business practices, the development of skills and technology, and facilitating access to international markets.

However, good quality linkages are far from automatic. There can be very limited benefits for the local economy unless investing companies actively develop local suppliers, for example through the provision of training, advice or even equipment. This would result in more stable and capable local suppliers, which is also beneficial for the investing company.102

What AGA says:
"We [AGA] will strive to contribute to the economic development of host communities through procurement activities;...assistance in the establishment
and growth of small to medium sized sustainable enterprises; and the outsourcing of goods and services from local vendors where appropriate.\textsuperscript{103}

Although AGA reports that it injects at least US$50,000 per month into the regional economy,\textsuperscript{104} there is a perception among people in Mongbwalu that AGA has not been giving sufficient support to the local business community.\textsuperscript{105} Business owners told CAFOD they are frustrated with AGA because they feel many of the goods and services the company sources outside of Mongbwalu are available locally.\textsuperscript{106}

**EMPLOYMENT**

Job creation is one of the most direct economic impacts of mining at local and regional level. Given the high rates of unemployment in Mongbwalu, estimated to be around 80 per cent,\textsuperscript{107} community expectations for future job creation at the AGA mine are very high.

In contrast to these high hopes for employment, the reality is that modern mining is not labour intensive and advancing technology means that relatively few workers are needed. At AGA’s much smaller 110km\textsuperscript{2} Iduapriem mining concession in Ghana, the company employs 721 employees and 602 contractors,\textsuperscript{108} and even at their Tanzanian mine in Geita (the largest of AGA’s African open pit mines in terms of production), AGA still only employs just over 2,000 people and 922 contractors.\textsuperscript{109}

Even if the AGA mine were to create a similar number of jobs in Mongbwalu, it is unlikely that all of those jobs will be filled by local people given the shortage of technical skills and training. However, as the mine is likely to be in operation for over twenty years, it would make sense for AGA to invest in training local people to do those highly skilled jobs in the longer-term.

What AGA says:

“Labour law in the DRC promotes and supports the hiring of nationals. AngloGold Ashanti’s policy encourages the employment of locals and replacement of expatriate employees over time through skills transfer programmes and the career development of citizens of the country.”\textsuperscript{110}

In 2008, AGA employed 113 people and 336 contractors as part of its exploration activities in Mongbwalu, of which only around six per cent were expatriates.\textsuperscript{111} It is positive that the majority of AGA employees are Congolese nationals and the company has also partnered with a recruitment agency to employ the 300 or so short-term local workers the company needs each month.\textsuperscript{112} However, some workers say AGA’s decision to employ certain types of workers through this agency is socially discriminating because the mostly local and indigenous employees are not provided with the same level of job security or benefits as those on longer-term contracts employed directly with AGK.\textsuperscript{113}

During the 1990s, local people had a similar perception that the salaries and recruitment practices for KIMIN workers were discriminatory, leading to significant local tensions.\textsuperscript{114} To avoid these tensions recurring, AGA should ensure that its recruitment process is fair and transparent and does not serve to reinforce social and ethnic divides.

**Former KIMIN workers**

Another challenging legacy is that more than 1,000 local people lost their jobs with KIMIN when AGA became the new joint venture partner in Mongbwalu. As a result of these job losses, there has been an ongoing dispute between the former KIMIN workers, AGA and OKIMO, which continues to be a major source of tension.\textsuperscript{115}
Although the company made a series of payments to the ex-workers in 2003, and formally settled the dispute in conciliation meetings in 2006, many former workers remain unsatisfied. Two organised protest marches have taken place and, although they have been largely peaceful, there is a risk that these tensions may continue to escalate if the dispute is not resolved before the mine begins full-scale operations. One man even described the situation as a “time bomb.” The CdC has long been calling for AGA and OKIMO to resolve this issue.

SPECIAL DEVELOPMENT AND INVESTMENT

As AGA is still in exploration phase, the company is not bound by national legislation which requires operational companies to invest in social development. The company has not shared its longer-term plans for social development with the community.

“We [the local communities] are just living by hope and promises…” (a nurse at the Mongbwalu Clinic)

AGA is entering into a context which is both in desperate need of investment following the war, and has had previous experience of paternalistic giving from mining companies. These two factors combined mean that people in Mongbwalu have high expectations of what benefits the AGA mine will bring.

“…Gold is our daughter and every suitor for the hand of this daughter should pay a dowry…to the parents and the brothers of the daughter solicited to economic marriage.” (a Group Chief)

In contrast to KIMIN, AGA has been clear that its social investment strategy has been and will continue to be based on being a “brother” to the community rather than its “father”. However, the precedent set by KIMIN will continue to be a challenge for AGA’s future development work unless immediate steps are taken to manage community expectations.

What AGA says:
“We [AGA] will undertake social investment initiatives in the areas of need where we can make a practical and meaningful contribution. In particular, we will contribute to those areas of education and healthcare which are relevant to our business activities and those most likely to be sustainable once our operations have come to an end in that community.”

Social development to date

Even though it is not legally required to, AGA has still been carrying out social development projects during its exploration phase with a budget of around US$119,000. The company is also engaged in joint projects with the UN Food and Agriculture Organisation, the European Union, USAID and the World Food Programme.

However, while it is positive that AGA is already engaged in social development, there is a feeling among local people in Mongbwalu that the level of social investment by the company to date has not been sufficient to really address local needs. AGA pays US$2,000 per month to both the local school and hospital but school teachers told CAFOD that its contributions do not provide them with enough money to buy food for their families and is no more than a “drop in the ocean”. In the hospital, this sum has to be divided between 62 workers, meaning that an experienced nurse might receive only US$30 per month and a hygienist as little as US$10-15 per month, less than US$1 a day. Staff also said that there are very limited medical supplies and equipment available.
ECONOMIC IMPACTS: RECOMMENDATIONS TO AGA
1. Publish the AGA-OKIMO-DRC government contract for the Mongbwalu project, including any amendments.

2. Make clear the division of responsibility for social investment between OKIMO and AGA.

3. Commit to local procurement and change their corporate procurement policy to reflect this. Where suitable suppliers do not exist, investigate supplier development programmes and set up a linkages programme to maximize benefits for local suppliers and support local business growth and development.

4. Publish plans for job creation to manage community expectations and develop a training programme to bridge the local skills gap.

5. Ensure a fair and transparent recruitment process which avoids exacerbating ethnic and social tensions.

6. Proactively seek to resolve the ongoing dispute between OKIMO, AGA and former-KIMIN workers to the satisfaction of all parties before any large-scale mining begins.

ECONOMIC IMPACTS: RECOMMENDATIONS TO OKIMO AND THE DRC GOVERNMENT
1. Swiftly implement the Extractives Industries Transparency Initiative (EITI) at national level by publishing payments it has received and ensure that all mining companies operating in the DRC comply with EITI requirements. Ensure that civil society is able to freely participate as an equal player in this process without fear of harassment or intimidation.

2. Publish all new contracts agreed for mining projects. Ensure that these reflect the interests of the people of DRC and set out clearly the responsibilities of both parties towards workers, local communities and the environment.

3. Support the process of matching local suppliers to investing companies and where appropriate be a partner in linkage development programmes, helping with contract negotiations and curbing anticompetitive supply chain practices.
4. Environmental impacts

Our research in Mongbwalu revealed a number of environmental concerns about the proposed AGA mining project, which could have implications for the health and livelihoods of the local community. Factors to consider include:

- Mine design
- The use of cyanide
- Management of mine waste
- Shortage of water
- Threat to biodiversity
- Project closure and rehabilitation

MINE DESIGN

One of the key factors determining the environmental impact of the Mongbwalu project will be the type of mine AGA chooses to build. To date the company has not publicly stated whether the mine will be a surface or an underground mine. This decision is a critical one because the impacts of mining vary depending on mine type.

AGA's 2007 DRC country report states that the company was initially exploring the possibility of both underground and open-cast mines in Mongbwalu but, following a conceptual study, an "open-pittable" resource was confirmed. However, this is inconsistent with what local AGK staff told researchers in May 2009. They said a decision has not yet been made and suggested that a hybrid-style mine - a combination of both open-pit and underground - is also a possibility.

Surface and underground mining: what’s the difference?

<table>
<thead>
<tr>
<th>Surface mining</th>
<th>Underground mining</th>
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<tbody>
<tr>
<td><strong>What does it involve?</strong></td>
<td>The predominant exploitation method worldwide. Refers to two main types of mining, open-cast and open-pit. Both open-cast and open-pit mining involves digging a large pit in the ground down from surface level. The main difference between the two is the direction of mining. In open-cast mining, the pit progresses across the landscape whereas an open-pit mine is deepened and widened but does not migrate laterally.</td>
</tr>
<tr>
<td><strong>Comparative benefits?</strong></td>
<td>Generally cheaper than underground mining, with higher productivity (i.e. a higher output rate of ore), lower operating costs, and safer working conditions.</td>
</tr>
<tr>
<td><strong>Problems?</strong></td>
<td>Environmental and social impacts are much greater because the large amount of land required– some are up to a kilometre deep and several kilometres in circumference. Frequently results in deforestation, relocation of communities, and removal of artisanal miners. Open pit mining, and to a lesser extent open-cast mining, creates a huge amount of rock waste compared to underground mining. Some analysts have estimated that 73 per cent of rock tonnage extracted by surface mining is waste, which requires a great deal of space for storage and poses environmental risks of its own.</td>
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THE USE OF CYANIDE

One of the most common methods of extracting gold from the mined rock involves using cyanide. Even though cyanide breaks down easily in contact with air, it is highly toxic and even the smallest amounts can prove fatal to plant and animal life.135

Which extraction technique is selected usually depends on the gold grade of the deposit i.e. how many grams of gold there are per tonne of ore. This is an important decision because, although most extraction methods use cyanide, the nature and volumes of the wastes produced will vary.

For low grade deposits, many mining companies often choose a low-cost heap leaching option. This process involves spraying huge piles of crushed rock with a dilute sodium cyanide solution which trickles down through the ore, bonding with microscopic flecks of gold. This produces small volumes of tailings but leaves permanent piles of crushed ore, covering a large area, on the surface.

For higher grade deposits, companies often choose to process the ore using vat leaching in a processing plant. Vat processing will generate large volumes of tailings material, the storage of which occupies a large surface area if not backfilled into an underground mine. Both processes use cyanide and are associated with significant long and short-term environmental risks.

AGA states that the grade of the gold in Mongbwalu is 2.68 grams per tonne, which is quite a low grade.136 AGA has not yet made public what extraction method it will use in Mongbwalu but it is highly likely that it will involve cyanide. However, one AGA staff member told researchers that the company may be able to significantly reduce the use of cyanide in Mongbwalu by using “carbon”137 but did not specify what form of carbon technology would be used or how it works. Research from Monash University in Australia has shown that granular activated carbon readily attaches to dissolved gold but this technology is still thought to be experimental.138

It is positive that AGA is signatory to the International Cyanide Management Code.139 However, some experts have expressed concern about whether the code is sufficiently comprehensive because it does not require independent third party auditing, does not take account of certain harmful by-products of cyanide and provides no comprehensive guidelines for the closure of cyanide waste disposal facilities.140

MANAGEMENT OF MINE WASTE

Often the most severe impacts of mining on local communities can stem from the waste produced by the project and how it is managed. The legacy of poorly-managed waste can continue to affect the local environment and population for centuries after the project has closed, and long after the mining company has left the area. Mine wastes contain hazardous substances that can be released into the environment and therefore require treatment, secure disposal and monitoring.

The legacy of poorly managed waste can continue to affect the local environment and population for centuries after the project has closed.
Storage of waste as tailings

'Tailings' are the finely ground material that is left over after gold has been extracted from mined rock, together with process water from the mine. Given the dangerous chemical cocktail present in these 'leftover' tailings, how they are stored or disposed of is crucial.

Most commonly, tailings are stored in 'dams', 'ponds' or 'lagoons'. One of the major risks with this type of storage is if the dam structure fails and its toxic contents leak. Given the acids, cyanides and heavy metals usually present in the tailings, there can be serious consequences for the health of local communities, pollution of ground and surface water and biodiversity. In addition, in areas with heavy rainfall, such as Mongbwalu, the tailings dam could overflow if improperly designed.

Some companies dispose of tailings from mines by dumping them in natural water bodies like rivers, streams or the sea. There is growing international consensus that this practice should be completely banned because it heavily pollutes the water, damaging animal and plant life both in the water and on land. As far as we are aware, AGA has no policy against the disposal of tailings into water and its corporate standard for waste management does not deal with tailings or rock waste. This is a concern given the harmful impacts that mine waste can have on the environment. We believe AGA should show its commitment to environmental protection by prohibiting tailings disposal into water bodies at all its mining projects. The company should change its corporate policy to reflect this and require backfilling the tailings in open cast pits or in tunnels wherever possible.

Rock dumps and Acid Mine Drainage

Open-pit mining produces a large amount of waste rock, which is literally dumped in a pile at ground level, usually somewhere near to the mine site. One of the major environmental risks of rock dumping is Acid Mine Drainage (AMD), which is highly damaging to the environment and notoriously difficult to reverse once it has begun. AMD occurs when sulphides in the rock, broken up during mining, are exposed to oxygen and water and react to produce sulphuric acid. This acid releases the harmful metals present in the mine waste such as arsenic, mercury and lead, which find their way into local rivers and streams and contaminate groundwater. Rock dumps are very porous and, given that Mongbwalu is an area which experiences seasons of heavy rainfall, this method of waste management could be particularly susceptible to the risk of AMD. Tailings deposits and heap-leach piles also present a risk of AMD if drainage from these wastes is not strictly controlled.

Local AGA staff told researchers that the main rocks which will be disturbed by mining in the area have low sulphur content, about two per cent. However, this does not mean that AMD is not a risk in Mongbwalu. Any presence of sulphides in the rock, no matter how small, is a problem.

In order to minimise the risk of AMD, it is essential to carry out a thorough risk assessment before mining begins and to develop mechanisms for monitoring AMD both during and following mining operations. It is also important to establish clear rehabilitation procedures, in case AMD should occur.

Air emissions

As a result of mining and processing, dust particles, greenhouse gases and sometimes other more harmful metals like mercury can be released into the air. These emissions can have a damaging impact on communities and livestock, particularly those situated down-wind of a mine site.

Companies are able to predict quite successfully what kind of air emissions are likely to be produced by a mining project. However, some experts argue that emissions monitoring is often of quite a low standard and is rarely disclosed publicly. In 2009, a gold mine in Nevada, USA was forced to close for failing to
reduce its mercury emissions to acceptable levels.\textsuperscript{153} It is thought that this company may have released as much as 6,000-8,000 pounds of mercury air pollution in 2005 and 2006, even though it had reported only 300-400 pounds to state and federal agencies for the same period.\textsuperscript{154}

AGA’s corporate management standard on air quality requires a baseline assessment of the actual and potential air quality impacts resulting from the project, as well as ongoing monitoring.\textsuperscript{155} The company also acknowledges the importance of “relevant community engagement processes” to help maintain positive relationships with communities who might stand to be affected by air emissions. To make sure this is effective, AGA should ensure full transparency in reporting air emissions at the Mongbwalu project.

WATER
Mining not only risks affecting the quality of local water supplies but also the quantity. The huge volumes of water required in large-scale mining can deplete local water supplies, used by communities for agriculture and domestic needs. This was the experience of the people of the Siria Valley in Honduras, where mining company Gold Corp was authorised to use more than 60,000 gallons of water per day during the construction of its San Martin mine.\textsuperscript{156}

While Mongbwalu is not an arid region, with an average rainfall of around two metres per year,\textsuperscript{157} clean drinking water is in short supply. At least partly due to artisanal mining activity in the area, most of the local rivers and streams run a bright orange colour due to high sediment and silt content. Therefore most of the local water is undrinkable without treatment and there are very few fish.\textsuperscript{158}

AGA’s corporate management standard on water requires each mine site to carry out a baseline water quality risk assessment and to establish an appropriate monitoring programme for surface and groundwater.\textsuperscript{159} AGA should ensure that the supply of clean drinking water for people in Mongbwalu and the surrounding areas is not affected by the mine’s operations.

BIODIVERSITY
Biodiversity refers broadly to the variety of plant and animal life in a given area. As outlined in this report, mining can be harmful to biodiversity when taking into account factors like mine design, waste management, and water use. There is growing international consensus that mining should be prohibited in areas of high biodiversity such as those classified under the International Union for the Conservation of Nature system.\textsuperscript{160}

Congolese Mining Regulations require mining companies to carry out a detailed biodiversity study and to identify particularly sensitive areas as part of its environmental assessment. AGA’s corporate management standard is not yet publicly available.\textsuperscript{161}

Of sites being explored by AGA, Lodjo is a forested area. We are concerned that there is real risk of environmental damage if AGA were to develop a surface mine at Lodjo because, although there is some artisanal logging in the area, the equatorial forest is largely in its natural state and hosts rich biodiversity. It is home to a wide range of plant and animal life including giant ferns, monkeys, baboons, okapi and the near-threatened Grauers Cookoo.\textsuperscript{162}

The development of a surface mine at more densely populated exploration sites like Saio will likely also mean significant displacement of local communities. This would have environmental as well as social implications, bringing new pressures on water sources, farming land and biodiversity.

Given that the impacts of mining on plant and animal life can be irreversible, AGA should take steps to prevent the loss of biodiversity caused by its mining operations in Mongbwalu.
PROJECT CLOSURE AND REHABILITATION
Some of the negative impacts of mining can continue for an extended period of time, so it is essential to ensure the mine is closed and monitored in a responsible way and that the environment is fully rehabilitated by the company prior to closure.

The 2003 Congolese mining regulations require mining companies to develop a Mitigation and Rehabilitation Plan and an Environmental Management Plan.\textsuperscript{163} As part of this, the company must produce a detailed closure plan to set out how it will eliminate risks to community health and safety, and limit the release of harmful substances into the environment once operations have ceased. It is also required to produce a budget and financially guarantee adequate funds\textsuperscript{164} to leave the mine site in a state acceptable to the local community and compatible with future land use.\textsuperscript{165}

AGA’s management standard for closure and rehabilitation recognises the importance of engaging local stakeholders and of considering their interests and views in the development of closure plans.\textsuperscript{166} To enable the meaningful participation of local communities, it is essential that they are involved in discussions about mine closure from the earliest stages and give their consent to any proposed plans.

ENVIRONMENTAL IMPACTS: RECOMMENDATIONS TO AGA
1. Commit to independent third-party monitoring of the implementation of the International Cyanide Code at all AGA project sites. These audit results should be made publicly available.

2. Ensure that the design and management for any tailings dams take the climatic context of Mongbwalu into account and that a transparent and comprehensive audit system is put in place.

3. Develop and publish a tailings management policy that prohibits riverine, lacustrine or submarine tailings disposal.

4. Carry out and publish a thorough risk assessment of acid mine drainage and establish mechanisms for monitoring and long term rehabilitation.

5. Ensure transparency in the reporting of air emissions

6. Carry out and publish a baseline water quality assessment before mining starts. Ensure that water consumption from the Mongbwalu project does not impact on the availability and accessibility of drinking water for local people. Regularly monitor water quality before, during and following the mine operations and immediately publish the results.

7. Carry out and publish a baseline biodiversity study on concession 40 before mining starts. Change AGA’s corporate policy on biodiversity to prohibit mining in all protected areas.

8. Make financial guarantee for emergency rehabilitation of the environment via a bond, letter of credit or cash deposit.
ENVIRONMENTAL IMPACTS: RECOMMENDATIONS TO OKIMO AND THE DRC GOVERNMENT

1. Provide access to independent technical and legal advice to communities at all stages of mining projects.

2. Support mechanisms for independent participatory monitoring of the development of the mine by local communities. Provide funds for community training workshops to support their understanding of the impacts of mining.

3. Ensure Strategic Environmental and Social Impact Assessments are carried out and verified by independent experts before mining permits can be issued.
5. Case study: assessing and managing environmental and social impacts

In addition to the large-scale mine in Mongbwalu, AGA is also planning a smaller project to extract gold left in the waste from previous mining operations in the area. Unlike the large-scale commercial mine, the tailings project is intended to "serve primarily as a community development project, with the potential to create employment".167

In the same way as for the large-scale mine, AGA is required to carry out an impact assessment and management plan for the tailings project.168 The company has not yet begun this process for the larger mine but completed the report for the tailings project in January 2009.169 This report has not been made public but was shared with CAFOD following a request in April 2009.170

While the large-scale mine and the tailings project are two separate initiatives, there are some important lessons that can be drawn from looking at the way in which the company has analysed and proposed to mitigate the social and environmental impacts of the tailings project.

This chapter identifies a number of concerns about the tailings project, which AGA should address and apply to the forthcoming impact study for the large-scale project. These are:

• Job creation and displacement
• Training and skills development
• Consultation and information sharing
• Community development and investment
• Nature of the tailings deposits and potential risks in reworking them
• Problems with hydrological study
• Method of gold extraction and its environmental risks
• Project closure plan.

A. SOCIAL AND ECONOMIC CONCERNS

1. Job creation and displacement

We are concerned that the tailings project appears to create fewer jobs than the number of people it risks displacing, negating its value as a community development initiative.

If the pilot phase of the project is successful, it will be expanded to three other sites. The maximum number of jobs likely to be created at each site is 160,171 all of which will be temporary, ending with the closure of the project after two and a half years.172 However, to make way for the project, the report confirms that economic and physical displacement of local people may be necessary and that displacement of artisanal miners is a certainty.173 To set this in context, there are an estimated 1,000 miners in Yedi, one of the potential project sites, who will have to "vacate the project area" when operations start.174

We welcome that AGA is proactively seeking to develop means for job creation in Mongbwalu and the surrounding areas. However, for both the tailings project and the large-scale mine, AGA should give serious consideration to both the positive and negative impacts of social development projects to ensure that local people are not worse off as a result of AGA’s operations.

2. Training and skills development

In terms of local skills development, the benefits of the tailings project seem limited given that only 20 of the 160 jobs created at each project site will be
skilled jobs. It is also unclear whether those people will receive training or be recruited with an existing skill set.

To increase the sustainable benefit of both the tailings project and the large-scale mine for community development, AGA should ensure that all workers are provided with at least some form of skills training.

3. Consultation and information sharing
We welcome that AGA has carried out a series of consultation meetings with local community members, who were reportedly given the opportunity to “provide comments to AGA” about the tailings project. However, it is not clear whether the people included in those consultations had access to detailed information about the project because the AGA report on the tailings project is not publicly available. The geographic scope of public consultation for the tailings project seems quite limited, restricting consultation to those who fall within AGA’s identified employment catchment zone. We are concerned that an exclusive approach to information disclosure will not manage community expectations because where there is limited information, there are likely to be rumours, particularly so in a context like Mongbwalu where expectations are already very high.175 In fact, the tailings report cites evidence of increased migration in some areas already due to rumours about the large-scale mine project.176

While there is clearly a need to manage community expectations about both the tailings project and the large-scale mine, we believe an inclusive approach to information disclosure is the only way to achieve this.

4. Community development and investment
Very little information is provided about what profits can be expected from the project. One of the report’s stated objectives is to ensure the project is economically sustainable177 but it does not consider the economics of the project at all.

Full transparency of the economics of the tailings project and the large-scale mine is necessary both to establish whether they are financially viable or not, and to ensure that affected communities are fully aware of the value of the resource and are satisfied they are deriving fair benefit from it. To avoid confusion, it should also be clarified whether, and how, social development projects for the tailings project will be distinct from social plans for the large-scale mine.

B. ENVIRONMENTAL CONCERNS

1. Nature of the tailings deposits and potential risks in reworking them
On the basis of the information presented in the report, it is not possible to say, with any certainty, that the reworking of the tailings will, or will not, generate environmental contaminants because the make-up of the tailings is not outlined in detail.

In particular, we are concerned that confirming the presence of “minor occurrences of oxide and sulphide minerals”178 is not specific enough. Even small amounts of sulphides, particularly pyrite, have the potential to generate acidic water and leach metals (i.e. acid mine drainage) if exposed to water and oxygen. This risk has not been addressed at all in the report.

It is crucial that a thorough analysis of waste management and treatment is undertaken for both the tailings project and the large-scale mine to ensure the measures required to mitigate the environmental impacts of both projects are fully recognised.
2. Problems with the hydrological study
We believe the tailings report also provides an inadequate understanding of the hydrology of the area, and the extent to which potential disruption of the hydrology might impact on people’s health and livelihoods. We are concerned that the limited number of water samples taken to date does not provide a scientifically defensible baseline against which to evaluate impacts on the hydrological systems during the course of the project.

In particular, we are concerned that the AGA report allows for the possibility of using a village spring to supplement the plant water supply. We believe the drinking water supply for local villagers should never be compromised for mining activities.

3. Method of gold extraction and its environmental risks
The AGA report explains that the tailings project will use a process known as iGoli to extract gold by using chlorine. The advantage of this method is that it would eliminate the need to use more environmentally harmful chemicals like cyanide and mercury. However, there is no consideration at all in the report of the potential environmental impacts of the iGoli process or the use of chlorination in general.

Industry and academic work to date involving alternative reagents to cyanide (of which chlorine is one) has mostly lacked any environmental focus on regulatory factors, employee health and safety, environmental protection, and proper disposal of wastes. We are not suggesting that cyanide would necessarily be a better choice of reagent, but are highlighting the fact that chlorination is not yet fully tested in production mode and that its potential impacts are not yet fully understood.

While we welcome AGA’s efforts to reduce the use of cyanide and mercury, we believe a thorough analysis of the possible environmental impacts of the extraction method for both the large-scale mine and the tailings project should be carried out and made public as soon as possible. A clear plan outlining how those impacts will be avoided or managed should also be made public.

4. Project closure plan
We are concerned that AGA’s plan for the closure of the tailings project after two and a half years is not sufficient to ensure that the longer-term impacts of the mine are adequately managed and monitored.

In particular, we believe it is unacceptable practice to propose to undertake, on project closure, a “once-off chemical analysis of the tailings material… to confirm there are no toxic constituents in [the tailings] or the potential for toxic leachates”. From the detail provided in the report, it is also uncertain whether one year of water-quality monitoring post-closure will be sufficient to ensure that the tailings, and the water conditions in and around them, have stabilised.

To ensure the responsible closure of both the large-scale mine and the tailings project, AGA should ensure an adequate period of monitoring, perhaps as much as five years, is incorporated into closure plans.

TAILINGS PROJECTS: RECOMMENDATIONS TO AGA

1. Undertake and publish an independent review of the tailings project to clearly address the concerns raised in CAFOD’s January 2010 submission to AGA.

2. Before the second round of public consultations on the tailings project, publish the SRK Environmental and Social Action Plan for the tailings project and share it with local people in an appropriate language and format. The scope of consultation should be broadened to include all communities in Mongbwalu and the surrounding areas.
Notes and References

1 Watsa is situated 280 km from Mongbwalu in Haut-Uele district
2 See correspondence between CAPOD and AGA, 11 August 2009 and 11 January 2010. See also tripartite meeting minutes 2006-2009 between AGA, OKIMO and CdC.
3 The United Nations Environment Programme (UNEP) Environmental Impact Assessment Training Resource Manual is a useful resource
5 UN Group of Experts Report S/2008/773, 12 December 2008
13 led by Laurent Désiré Kabila’s Alliance of Democratic Forces for the Liberation of Congo-Zaire
14 AngloGold Ashanti Corporate Profile www.anglogoldashanti.com/about/Corporat e+Profile.htm (accessed 15 October 2009)
19 Ibid., p.65
24 During the height of the war, MONUC was criticised for having only a limited presence on the ground in Ituri. See Human Rights Watch (2003) Ituri: “Covered in blood” Ethnically Targeted Violence In Northeastern DR Congo. By the end of the war there were 4,500 MONUC troops in the area, with one deployment based specifically in Mongbwalu. See Boshoff, H and Vircoulon (2004) Democratic Republic of the Congo: Update on Ituri
27 Final report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo S/2002/1146, 1/1
32 c.35,000 people live in the city of Mongbwalu, based on information collected by the Bureau de la cité in Mongbwalu for the first period of 2009
33 Although no official statistics are available, there are a number of Pygmy families living on the AGA concession who are widely considered to be indigenous. See Austrian Centre for Country of Origin and Asylum Research and Documentation (2009), DR Congo: Situation of the minority group Twa (Batwa/Bambuti) in the Equateur province www.unhcr.org/refworld/country..., COOD_4a5f22762,0.html (accessed 15 October 2009)
34 There is also a significant Nyalia community in the area who are considered the original inhabitants of the land. See Kapelus, P (2006) Anglo Gold Ashanti in the Democratic Republic of Congo: Management Challenges and Responses to Operating in a Weak Governance Area
36 Striking a better balance: the World Bank Group and extractive industries, Volume I December 2003
37 Although no official statistics are available, there are a number of Pygmy families living on the AGA concession who are widely considered to be indigenous. See Austrian Centre for Country of Origin and Asylum Research and Documentation (2009), DR Congo: Situation of the minority group Twa (Batwa/Bambuti) in the Equateur province www.unhcr.org/refworld/country..., COOD_4a5f22762,0.html (accessed 15 October 2009)
38 World Bank, Democratic Republic of Congo: Growth with Governance In the Mining Sector, Report No. 43402-ZR, May 2008
40 ‘Publication of Congo mining contract review welcome; renegotiations should be fair and transparent’, 25 March 2008 www.business-humanrights.org/Links/Repository/911072/jump (accessed 16 October 2009)
46 BMF, CAFOD and CdC interviews in Mongbwalu, May 2009
47 BMF, CAFOD and CdC interviews in Mongbwalu, May 2009
Ibid. Appendix 1 : MD personnel list

13 In particular, some workers say that they were not paid for the extended holiday period that AGK staff were required to take in November 2008 due to security concerns. In contrast, those working on longer-term contracts were given benefits and holiday pay for the entire period. They say that they approached both AGA and MD to try to claim these six months of payment in arrears but have not been successful. The workers say they have since taken the matter up with the Work Inspectorate in Bunia. See Mémorandum des travailleurs classifiés signataires des ‘Contrats à la tâche’ et transférés par AGK dans les Etablissements Mudogo Didi (M.D.) à Mongbwalu et environs, adressé à l’Inspecteur du travail à Bunia, 5 July 2009

14 Based on CAFOD interviews with ex-KIMIN workers, 16 May 2009. Researchers were told that KIMIN also had a two tier approach to salaries, providing a higher wage for ex-PATS by virtue of paying them in foreign currency while Congolese workers were paid comparatively less. There have also been claims that OKIMO’s management practices strengthened the divide between the two main ethnic groupings in Mongbwalu, where the Hema community were given better paid jobs, while the Lendu constituted the majority of labourers. See Human Rights Watch (2005) p.73.

15 CAFOD interview with ex-KIMIN workers, 16 May 2009

16 Memo from AGK Country Manager Guy-Robert Lukama to the Provincial Governor, 7 April 2006

17 Ibid. and CAFOD interviews with ex-KIMIN workers, 16 May 2009. Some ex-workers and their families are demanding the payment of pensions for retired workers as well as appropriate back-pay, holiday pay and severance fees. One woman told researchers that her father had worked as a senior geologist for OKIMO and KIMIN for a total of forty years but had received only US$1,450 from AGA. Because AGA’s 2003 payments were made in Uganda rather than DRC, workers had to use some of the money they received as a cross-border fee in their return home so workers have also claimed these associated costs from the company.

18 Based on local information

19 CAFOD interviews with ex-KIMIN workers, 16 May 2009

20 Unofficial tripartite meeting minutes, June 2008 and May 2009

21 See DRC Mining Code

22 CAFOD interview with Mongbwalu clinic staff, 16 May 2009

23 CAFOD interview with AGA/K staff in Mongbwalu, 13 May 2009

24 Hartman and Mutmanisky (2002) Introductory Mining Engineering

25 AngloGold Ashanti, Community and Environment Management Standards, Waste, 4.5.1

26 Ibid.


28 CAFOD interview with AGA/K staff in Mongbwalu, 13 May 2009


32 Mining, Minerals and Sustainability Development Project (2002), p.240

33 Ibid, p.235


35 National Environmental Management Act, 1997 (as amended)

36 Ibid. Appendix 1 : MD personnel list

37 CAFOD interview with AGA/K staff in Mongbwalu, 13 May 2009

38 Up to 1900mm per year, based on information from CdC interviews in May 2009


40 Ibid. p.235

41 To 1900mm per year, based on local information from CdC interviews in May 2009

42 CAFOD interview with AGA staff, 13 May 2009

43 The normal means of neutralising acid drainage is to add limestone. In CAFOD interviews on 13 and 15 May, neither AGA’s senior geological staff nor the HSE director knew of any local sources of limestone.

44 Up to 1900mm per year, based on information from CdC interviews in May 2009

45 Up to 1900mm per year, based on information from CdC interviews in May 2009

46 Up to 1900mm per year, based on information from CdC interviews in May 2009

47 Up to 1900mm per year, based on information from CdC interviews in May 2009

48 Up to 1900mm per year, based on information from CdC interviews in May 2009

49 Up to 1900mm per year, based on information from CdC interviews in May 2009

50 Ibid. p.235

51 Up to 1900mm per year, based on information from CdC interviews in May 2009

52 Up to 1900mm per year, based on information from CdC interviews in May 2009

53 Up to 1900mm per year, based on information from CdC interviews in May 2009

54 Up to 1900mm per year, based on information from CdC interviews in May 2009

55 Up to 1900mm per year, based on information from CdC interviews in May 2009

56 Up to 1900mm per year, based on information from CdC interviews in May 2009

57 Up to 1900mm per year, based on information from CdC interviews in May 2009

58 Up to 1900mm per year, based on information from CdC interviews in May 2009

59 Up to 1900mm per year, based on information from CdC interviews in May 2009
Conditions for granting exploitation licenses require "demonstration of the financial resources...[for] the environmental rehabilitation plan for the site when the mine is closed."


AngloGold Ashanti, Community and Environment Management Standards

SRK Consulting (2009), p.2


Correspondence between AGA and CAFOD, 9 April 2009

A more detailed assessment of AGA’s tailings project report was shared with the company on 4 January 2010 and is available on the CAFOD website.

SRK Consulting (2009), p.61

Ibid, p.64

Ibid.

Ibid, p.67

Ibid, p.69

Ibid, p.62

Ibid, p.1

Ibid, p.6 Pyrite, chalcopyrite, covellite, sphalerite, pyrrhotite, arsenopyrite, rutile, sphene, magnetite, hematite and ilmenite were also detected.

Galaya Ibid, p.83


SRK Consulting (2009), p68
This report focuses on a proposed Anglo Gold Ashanti (AGA) gold mine in Mongbwalu, in the Ituri District of the Democratic Republic of Congo (DRC). It outlines some key concerns that will determine whether local people stand to benefit from this mine which will be built on their doorstep in the coming years.

Opening a new mine can have both positive and negative impacts for communities living on or near to a mine site. It can bring new jobs, investment and infrastructure but it can also lead to social divisions and serious environmental damage. People in Mongbwalu say they are confused about how the new AGA mine could affect their lives and the local environment, and what it will mean for the thousands of artisanal miners currently working on the site.

This report makes a series of recommendations to AGA, OKIMO (the state gold mining company) and the DRC government to ensure that the new mine in Mongbwalu is socially and environmentally responsible and that it benefits the local, regional and national economy. These factors will determine whether the project will be a golden opportunity or false hope for the people of Mongbwalu.

This report has been developed jointly between CAFOD, Bench Marks Foundation and the Cadre de Concertation (CdC).

CAFOD, the development agency of the Catholic Church in England and Wales, supports and works with partners in countries where mining development threatens the livelihoods and way of life of local communities, small-scale farmers and indigenous people. CAFOD has an extensive track record of work on the private sector and in 2006, launched its Unearth Justice campaign, highlighting the hidden harm caused by mining.

The CdC is a network made up of representatives from local associations and community groups in the Ituri district of DRC. The CdC works to ensure that the exploitation of natural resources does not continue to be a source of conflict and poverty for the people of Ituri. It has been meeting with mining companies AngloGold Ashanti and OKIMO since 2006 to raise community concerns about the proposed mining project in Mongbwalu.

Bench Marks Foundation (BMF) is an independent South African organisation monitoring business practices in the field of Corporate Social Responsibility. BMF has developed a comprehensive set of principles for Global Corporate Responsibility which includes detailed social and environmental criteria and business performance indicators. This report is also the seventh in a series of BMF ‘Policy Gap’ reports, looking at the policy and practice of mining corporations and their contribution to sustainable development in the Southern African Development Community.