ZELA

Zimbabwe Environmental Law Association (ZELA)

"Using the law to protect and conserve the environment"

Testimony by Obert Bore, Responsible Investments & Business Program Lead, Zimbabwe Environmental Law Association

Before the **U.S House of Representative – Foreign Affairs Committee Subcommittee on Africa**

"Metals, Minerals, and Mining: How the CCP Fuels Conflict and Exploitation in Africa"

Tuesday, March 25 2025, at 10:00am

Rayburn House Office Building 220

Chairman Smith, Ranking Member Jacobs, and distinguished Committee members, I appreciate this opportunity to testify before this committee today. I am indeed honoured to appear before you today

I serve as a Program Lead on Responsible Investments & Business of the Zimbabwe Environmental Law Association, a public interest law organization with over 20 years of using the law to promote equitable, just and sustainable environmental and natural resources management, economic benefits and protection of the rights of marginalized communities and citizens in Zimbabwe and Southern Africa region.

Before I share my insights and perspective on what drives conflict and exploitation in the mining sector in Africa, allow me to provide some context and why Africa is a key player in global mineral supply chains.

Africa is endowed with abundant mineral resources. The continent is home to 30% of the world's mineral reserves with 8% of the world's natural gas; 12% of the world's oil reserves;

50% of the world's gold; 90% of its chromium; 90% of the world's entire reserves of platinum; 35% of the world's uranium; 2/3 of all manganese and 75% of coltan. With these abundance of minerals and metals, the mining sector is the backbone of

several African economies and continues to generate significant foreign currency, revenue and employment creation and contributes a large share of Africa's GDP annually. 42 out of 54 African countries are classified as resource dependent, and the Africa Mining Vision recognizes the potential of the mining sector driving broad based economic development on the continent.

In terms of critical minerals, Africa occupies a strategic position to meet the surge in demand for the critical minerals. The continent also holds 70% of the world's cobalt, 60% of manganese, 25% of bauxite, and nearly 15% of copper, amongst other 'critical' or 'strategic' minerals. Zimbabwe—where I was born--has the largest lithium reserves in Africa and 6th in the world, as well as second largest chromium deposits (12%) in the world. Thus, without a doubt, mining has and continues to drive economic growth and development on the continent.

While the mining sector presents opportunities for economic development, it has been plagued by governance challenges due to structural problems. For years, corruption has remained a significant barrier to responsible and sustainable mining. Several companies (***Chinese and non-Chinese have been implicated in corrupt practices to secure mining concessions).*** You may all know that Glencore paid millions of dollars in bribes to secure mining and oil contracts in multiple countries, including DRC, Nigeria and Ivory Coast, while French companies like Bollore Group – have also been fined 12 million for corrupt charges in Togo. Similarly Chinese entities like China Nonferrous Metal Mining Corporation and China National Offshore Oil Corporation have been implicated in corruption in DRC, Zambia and Nigeria. While these are just examples of large corporations implicated, they are not the only bad guys, they are simply the ones which were caught on the wrong side.

For years places like Kivu in the DRC have been afflicted by conflicts intricately linked to its vast mineral wealth. Various actors, including multinational corporations, have been implicated in activities that exacerbate these conflicts. Major technology companies, including Apple have also faced scrutiny over the potential use of conflict minerals—such as tin, tantalum, tungsten, and gold—sourced from the DRC in their products.

Linked to governance challenges enabling conflict among communities and mining corporations, African countries have outdated mining laws which create loopholes that foreign entities, can exploit. For instance, Zimbabwe uses a 1961 piece of legislation created at a time when the country was under colonial rule. ZELA and many local players have been advocating for the reform of the Mines and Minerals Act to include provisions for a transparency process for awarding mining rights.

In many African countries, regulatory framework does not reflect changing global contexts demanding high standards of transparency and accountability including environmental, social and governance requirements. A case in point is where a Chinese company, Bikita Minerals, which operates a lithium project in Zimbabwe polluted a major community dam and was only fined 5 000 USD – a figure that does not reflect neither the larger environmental impacts nor the impact on community. There was a similar case in Zambia too, where a Chinese-owned mining company contaminated a river with hazardous waste, and the company was fined a mere $10,000. These amounts barely reflect the long term environmental and public health damage.

Beyond regulatory gaps and weak institutions, challenges in the sector are coupled with high levels of unemployment on the continent – creating opportunities for predatory employment practices where companies tend to employ vulnerable labor force which is often exploited easily as they are desperate for jobs. In DRC, Zimbabwe, Zambia and other mineral rich countries, several companies (both Chinese and Western) have been accused of underpaying workers and failing to provide adequate safety equipment, contributing to workplace injuries and fatalities. We know of several workers whose employment contracts have been terminated for seeking to enforce their constitutionally guaranteed labour rights – such as joining or forming workers union or committee.

Another important factor aiding the exploitation of Africa's minerals is the continent's desperation for investment to finance development. This has resulted in several resource-backed loan agreements being signed – where African governments exchange mining rights or mineral resources for infrastructure development or financing. In theory, if the borrowing process is carried out transparently and effectively, and if the loan has favorable terms and the infrastructure projects are well selected and well executed, the transaction would be expected to generate positive returns for the borrowing country's economy. However, this is not the case in practice. As of 2018, more than 11 African countries had signed RBL deals with Chinese financial institutions – whose terms are often opaque and result in unsustainable debt levels and exploitation of natural resources. A case in point is Angola whose RBL with Export-Import Bank of China (Eximbank) raised serious concerns about its ability to pay back the loan. For China, it is evident that it strategically uses its financial muscle through RBL to exploit natural resources and court Africa governments into sweet deals which are difficult to turn down – as they are desperate to get low interest loans to finance development . In some instances, the opaqueness of the loans for infrastructure collateralised by resources have resulted in some governments questioning fairness of contracts signed by their predecessors.

As the scramble for critical minerals intensifies, it is evident resource rich countries are more prone to conflict and social instability intricately linked to their minerals. One of our recent study in Zimbabwe, Mozambique and DRC has revealed several instances of forced displacement linked to extraction of critical minerals resulting in social conflict and violation of human rights.[1] In Mozambique's Cabo Delgado province, companies such as Total Energies,

[1] Zimbabwe Environmental Law Association (2024) *Emerging Human Rights Implications of Transitional Minerals Extraction and Processing: Case Studies from DRC, Mozambique and Zimbabwe, Available at:* https://zela.org/download/12502/

and Eni Rovuma Basin projects have displaced local communities, leading to social unrest. In Zimbabwe Chinese lithium mining projects in areas such as Buhera, Kamativi, Bikita and Gwanda have contributed to social instability due to increased competition over water depleting as a result of water intensive lithium processing.

According to a 2021 Study by the Business & Human Rights Resource Centre on the impact of China's global investments on human rights, between 2013 and 2020 Africa had the second highest number of human rights abuses, with 26.7% of the claims recorded against Chinese companies.[2] In the face of these challenges, communities impacted struggle to access remedies and seek redress due to captured judiciaries.

Furthermore, several Chinese mining projects are linked to cases of forced displacement – resulting in social instability. For instance, a BYD sponsored lithium project by Shenzhen Chengxin Lithium Group in the Eastern part of Zimbabwe has been hailed as a good example for responsible mining projects yet several communities from Buhera were not adequately compensated .

Evidently, while Chinese companies contribute to fuelling conflict and exploitation of minerals in Africa, there are several non-Chinese companies that are also contributing to the bigger problem, including failing to adhere to high standards of ESG as well as transparency and accountability in their operations.

Therefore, to the United States Government I propose the following recommendations

Recommendations for the United States Government

1. ***Support to Civil Society Organisations and Local Communities*** **–** the role of CSOs in exposing corruption, human rights abuses cannot be understated. It is critical for the US Government to consider investing in CSOs working on mining governance sector to strengthen capacities of local communities to assert their rights and hold Chinese companies accountable.

2. ***Provide alternative markets for African countries to diversify investment partners and reduce reliance on Chinese investments***. Africa requires responsible investments that respect community rights and environmental, social, and governance needs, and therefore the US Government can support American companies with funding to explore possibilities in countries like Zimbabwe, while meeting environmental, social, and governance standards.

[2] Business and Human Rights Resources Centre, 2023 Report; *Going out" responsibly: The human rights impact of China's global investments, Available at;* https://www.business-humanrights.org/en/from-us/briefings/going-out-responsibly-the-human-rights-impact-of-chinas-global-investments/

3. ***Rethink or develop a clear American engagement strategy with Africa particularly to secure critical minerals for shared prosperity.*** African governments are all banning export of unprocessed minerals in line with Africa Green Minerals Strategy to compel beneficiation and value addition and optimize benefits. This provides an opportunity for US to strategically provide the requisite skills and knowledge by setting up processing plants and refineries in partnership with African actors.

4. ***Support democratic actors that are working to improve regulatory frameworks and enforcement capacity****, and* push for mandatory public disclosure of mining contracts, , particularly involving resource-backed loans. The US Government can also provide technical assistance to African governments to negotiate more balanced and transparent mining contracts.

To the US companies, I recommend the following

Recommendations for United States Companies

1. **US companies contemplating investing in Africa's mining sector should set high environmental, labor, and governance standards**. This is crucial for them to manage their reputations and avoid clashes with communities hosting the resources. It is also vital for us to have something to compare with. Currently Chinese dominance of the sector makes it difficult to compare as most US companies do not currently hold or control major mining projects.

2. **US companies should ensure that communities are benefiting from resources** extracted from their areas by putting in place measures for community benefit through meaningful corporate social responsibility. Communities that do not benefit from their resources will not be incentivized to protect the project and may engage in violent protest, thereby affecting the companies social license to operate. Further, companies may also create local content policies to procure certain goods locally to ensure that mining benefits are shared with local communities.
3. **US companies sourcing minerals from Africa should undertake proper due diligence to assess potential and actual adverse human rights impacts associated with mining projects they have offtaker agreements with.** This process should also be inclusive so that communities in areas where minerals are being sourced are consulted to appreciate how mining projects are impacting their rights. This also means investing in proper traceability mechanisms for the supply chain and ensuring that marginalized communities can share their perspectives.

In conclusion, the US has an opportunity to initiate and enter critical minerals deals in a transparent manner, with higher ESG standards, and provide alternatives to counter Chinese dominance. With better options and alternatives, African governments may begin to see how certain resource deals with Chinese entities are predatory and not beneficial for Africans. This can also serve as an example of how responsible investments in the critical minerals sector can be done.

Thank you for inviting me to testify, and I look forward to your questions