

TERMS OF REFERENCE FOR THE RESEARCH

I. Background

Africa is a poor continent, rich in resources. Over centuries African resources have supported industrial development elsewhere in the world, while industrial development in Africa itself has languished. African people have not benefited in any significant way from the resources which have been extracted from their countries to power industrialisation elsewhere. The world is going through another period of high economic growth and thus needs resources from Africa to support the current wave of industrialisation. The scramble for resources has also brought in new emerging powers such as Brazil, India, China and South Africa.

South African companies are increasingly investing in Southern Africa in the Extractive Industries, in apparent competition with Western, Chinese and Indian companies; as companies want to increase their chances to profit from favourable international markets for minerals. Resources are fetching record prices on the world market. People in Southern Africa also want to see this commodity boom translating into improved conditions of their life. Poverty in Southern Africa is as bad as it has always been if not worse.

In recent time the attention and pressure has been mostly put on Chinese companies to adhere to best standard business investment in the extractive industries; very little pressure has been put on other players (including South Africa). Chinese companies have been criticised for their poor environmental standard and human rights record. Meanwhile South African companies are investing billions of dollars in mining business across the region. This investment is having an impact on communities and the environment where these companies operate. Back home South Africa companies do not have a good record of corporate social responsibility and environmental protection. Studies by civil society organisations in South Africa show a poor record in this sphere. What is the record of South African companies outside their borders regarding respect for human rights, environmental protection and corporate social responsibility?

One would expect that companies from a country such as South Africa that has a strong rights- based constitution would adhere to globally accepted environmental and human rights standards. South African companies have been criticised by local communities for behaving no differently to Western or Chinese companies. While South African companies' record at home is not good despite stricter legislation on corporate accountability, it seems that their performance outside South African borders is far worse. South African companies and others are taking advantage of legislation gaps and weak state capacity to monitor to actively avoid their social responsibility.

South African corporations have been accused of very little consideration for the rule of law when doing business on the continent, for example by not conforming to environmental protection laws. Studies have shown South African gold mining companies in the DRC seriously damaging the livelihoods of local rural communities, and South Africa's Gas pipeline in Mozambique is disastrous for forests.

Considering South Africa's ambition to play a leading role on the continent, there should be greater coherence between the country's high morals when it comes to respect of human rights and democracy within and beyond its borders, and the practices of its businesses outside its borders (Especially because many of its businessmen are exponents of the liberation movement). Shouldn't they apply the same standards in their business practices outside the country as they do in South Africa?

II. Objectives

The objective of the study is to investigate the conduct of South African mining and gas companies' activities in Southern Africa and how they affect the communities where they operate. South African multinational corporations are flooding the region. South Africa has stricter legislation on corporate accountability. One would expect that companies from a country with a strong rights- based constitution would adhere to the same standards at home when they invest outside their borders. The question is how South African mining companies investing in SADC countries behave with respect to

matters relating to environmental protection, human rights and corporate social responsibility.

We would like to investigate the contribution of these companies to the improvement of social conditions in the countries where they invest in SADC. Are South African companies falling short of good governance when doing business in SADC? Do companies use the same standards of social responsibility to protect African communities where they invest in the region? Do South African companies respect and apply the host country's legislation?

III. Terms of Reference (Issues to be covered)

SARW will identify in-country resource persons who will undertake fieldwork to collect information from companies, communities, civil society and government. The data collected will be consolidated into a document.

The research will investigate the following issues:

- Identify South African companies in the country;
- measure the investment of each company; annual turn-over;
- contribution in terms of taxes and royalties;
- number of people employed (men and woman) and condition of work;
- investment in social : identify the activities in which South African companies invest;
- companies' HIV and Aids programme;
- companies consideration of gender issues;
- identify the social, environmental, and economic effects of South African companies in the region (To what extent have they contributed to environmental degradation—desertification and pollution);
- identify the consultation mechanisms with local stakeholders and communities as applied by South African companies;

- assess the level of misconduct of South African companies regarding corruption, application of environmental and social standards, as well as overall project performance;
- investigate companies' beneficiation policies and the actual practice on the ground
- identify the role of civil society can play to enable open, accountable and transparent operations of South Africa companies in the region. The project will determine the perception, views and attitudes of local communities with respect to the operation and function of South African companies;
- formulate recommendations for South African companies to effectively contribute to development.

The project in its initial phase will focus on six countries: Botswana, DRC, Mozambique, Namibia, Zambia and Zimbabwe. SARW will contract two researchers per country, a senior researcher and coordinator and a junior researcher.

IV. Activities /Outputs

- Six country reports
- A regional roundtable
- One report of the roundtable proceeding
- Four in-country seminars

The regional conference and in-country workshop are part of of an advocacy strategy. The regional conference will bring together government officials from the countries where research was undertaken, the South African government, civil society groups from the countries, selected members of the communities where mining takes place and South African companies. This will be the initiation of a process in which regional key players start working together in order to improve monitoring of businesses and their contribution to development in the region. The conference will bring together approximately 60 participants from the different countries. It will take place in South Africa for maximum impact.

SARW will partner with one South Africa organisation, still to be identified, to organise the workshop.

SARW will follow-up with in-country meetings between communities, civil society, companies and government.

V. Implementation strategy

The project is first and foremost an advocacy project. It wants to contribute to changing the behaviour of South African companies investing in the region. The advocacy will take place after the collection of data on the ground through fieldwork and the publication of reports on each country. The advocacy will include a regional roundtable to discuss the findings of the research, and in-country workshops.

VI. Guiding principles

- Sensitivity to people's aspirations and expectations;
- Independence, fact-driven, and balanced evaluation;
- Appreciation of concrete circumstances and features of particular countries;
- Acknowledgement of global and competitive nature of the mining and industry; and
- Need to engage in meaningful consultations with a wide range of stakeholders

VII. Key milestones

- Participate in the methodology workshop
- Prepare an overview of South African mining companies investment in your country (2 pages)
- Present the overview at the workshop
- Hire a junior researcher
- Develop fieldwork strategy
- Conduct field research (collect data)
- Coordinate the work of the Junior researcher
- Analyse the data and write up the final document
- Incorporate changes from the editor until finalisation of the document
- Present the paper to the regional conference

- Convene a country roundtable
- Present the paper at the round table

VIII. List of Researchers per country

Botswana	Nancy Kgengwenyane	nancy@irbm.co.bw	(267) 3928933	USAID Southern Africa
DRC	Dr. YAV K. Joseph	joyav22@yahoo.fr	+243 997021758	University of Lubumbashi -- DRC
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IX. Expected accomplishments

It is expected that the study will produce a body of knowledge and practices on Corporate governance that will contribute to changing the behaviour of mining companies in Southern Africa, not only South Africans. In addition, through the advocacy component of the project, people will be informed of the behaviour of companies and the impact of their activities on their lives. It will also mobilise people to start taking charge of their own life by monitoring companies' activities.