



CENTRE FOR ENVIRONMENT JUSTICE (CEJ)

RESEARCH FINDINGS AND RECOMMENDATIONS

Universal Mining and Chemical Industries Ltd (UMCIL) - Kafue Steel Plant

"Social accountability of extractive industries, corporate social accountability, annual turnover, contract and pollutant transparency"



"Our Environment Our Responsibility"

FORWARD

The ‘Corporate Social Responsibility, Annual turnover, Contract and Pollutant transparency project was proposed and implemented by Centre For Environment Justice (CEJ) with support from the Civil Society For Environment Fund (CSEF). The project was implemented in two district(s), starting with Kafue District focusing on Universal Mining- Kafue Steel Plant followed by Chilanga District focusing on Lafarge Zambia Plc. The project in Kafue started in February 2013 covering a period of six weeks. The project was designed to fulfill the urgent need for dialogue and creating a platform for engagement between the community, government and industries (Universal Mining – Kafue Steel Plant) in Kafue District.

The project also aimed at strengthening the capacities of the surrounding communities, (namely; Kafue Estates, Shikoswe and Zambia Compound) in the environment management sector with special emphasis on corporate social responsibility, annual turnover, contract and pollutant transparency; and the role of extractive industries in sustainable community development. The information generated by the project is useful for environmental management that creates a platform for continued informed dialogue. Furthermore the project was intended to be a model for industries and community engagement.

I am gratified to note that the output of the project includes formation of action groups in the targeted communities, training the community action groups and full participation of Universal Mining - Kafue Steel Plant in the implementation process. This will be useful in planning continued advocacy, especially in view of social accountability by extractive industries. I am very hopeful that this report provides a starting point for much documentation that will be produced in Kafue District addressing various environmental issues.

However, what remains is the challenge to fully utilize and achieve the ultimate goal of community and industries partnership to foster community development in Kafue District. It is however, notable that the limited information on corporate social responsibility, annual turnover, contract and pollutant transparency, was one of the main challenges met during the implementation of the project. In this regard, Centre for Environment Justice (CEJ) appreciates continued support from Civil Society for Environment Fund (CSEF).

Finally, I wish to commend the Project Team - CEJ Management, Community Environmental Action Groups, Universal Mining – Kafue Steel Plant and government for successfully implementing the project.

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TABLE OF CONTENTS



List of Acronyms

Introduction

Background Information

Project Objectives

Project Activities

Project Timeline

Findings

General Observations

Gaps

Recommendations

Project Limitations and Future Research

Conclusion

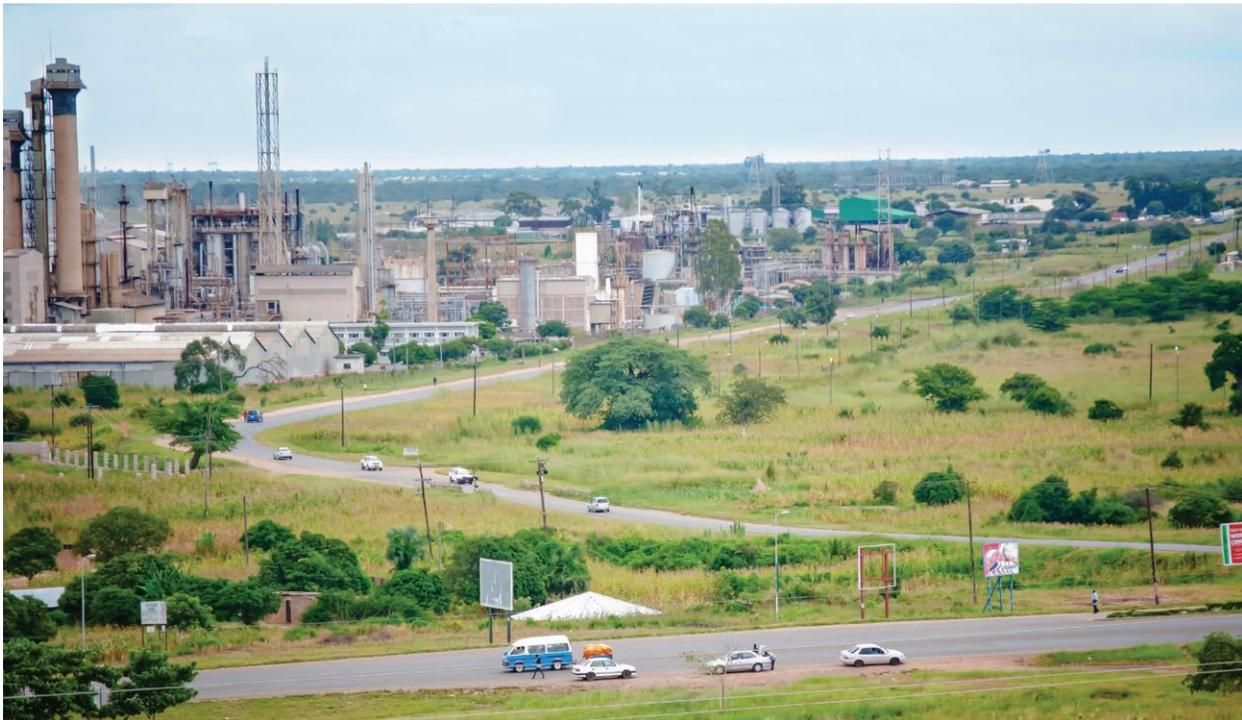
Bibliography

LIST OF ACRONYMS

CEAG	Community Environmental Action Group
CEJ	Center for Environment Justice
NCZ	Nitrogen Chemicals of Zambia
NGO	Non-Governmental Organization
EIA	Environmental Impact Assessment
EIS	Environmental Impact Statement
TCA-DRAMA	Theatre for Community Action Drama
UMCIL	Universal Mining and Chemical Industries Ltd
ZEMA	Zambia Environmental Management Agency
ZC	Zambia Compound

INTRODUCTION

Kafue town, seated in the south central part of Zambia, is located about 45Km from the capital city Lusaka. Kafue is the hub for several industries including the Nitrogen Chemicals of Zambia (NCZ), Kafue Chemicals, Bata Tannery, Lee Yeast Ltd, Nkhosi Breweries Ltd, Universal Mining and Chemical Industries Ltd (UMCIL-Kafue Steel Plant), and Infraset, most of which have been in operation since the early 1970s (UMCIL-Kafue Steel Plant Environmental Impact Statement, 2005). Kafue is an attractive site for industries due to the transport network (both road and rail), natural resources and the Kafue River; Kafue currently has a larger proportion of manufacturing industries than most towns outside the Copperbelt Province. As one of the principal water bodies in Zambia, the Kafue River serves as a lifeline for 40 percent of Zambia's population in addition to supporting industrial activities (Empowerment for African Sustainable Development, 2000). The Kafue River supports the local community via agriculture, tourism and fishing. It also supplies water to Lusaka and cities along the river. Being a home to several manufacturing industries, addressing adverse environmental impacts in Kafue is critical and cannot be ignored.



With the industrial activities in Kafue, adverse environmental effects have been an increasingly pressing issue for the local community and the nation at large. For example, it has been recorded that more than 93,000 tons of industrial waste are produced annually, most of which finds its way

into the Kafue River (Blacksmith Institute, 2005). Air, water and land pollution is evident and continues to be a contentious subject as aquatic life and human health are at risk (Blacksmith Institute, 2005). Undoubtedly, industrial development especially extractive industries, is critical to the Zambian economic growth, however, doing so without concern for the environment is detrimental and does not lead to sustainable growth. Environmental degradation is exacerbated by poor monitoring and evaluation of pollutants emitted. Due to the complexity of the problem, this cannot be effectively achieved by a single entity alone, instead all parties, including the industries, local communities and government, must work together. The access and provision of timely, effective information is critical to this process. It is for this reason the Center for Environment Justice (CEJ) was born. CEJ's mandate is in belief that a safe environment is the basic fundamental human right and that all people have the right to access quality and accurate information on environmental issues to enable effective adaptation, mitigation and response to disasters affecting communities and districts at the local and national level.

In line with its mission and the immediate need to address environmental concerns in Kafue, CEJ embarked on a project called ***'Social accountability of extractive industries, corporate social accountability, annual turnover, contract and pollutant transparency'***. The project is targeting two major industries; namely Lafarge Zambia Plc in Chilanga District and UMCIL-Kafue Steel Plant in Kafue District. Lafarge and UMCIL-Kafue Steel Plant were selected primarily due to the environmental concerns raised by the local communities and other stakeholders. The project timeline was six months starting with UMCIL-Kafue Steel Plant.

UMCIL-Kafue Steel Plant is the first Integrated Iron and Steel plant in Zambia and has been in the development process since 2006. The steel plant is investing in 200 000 tonnes of steel products per year from a steelmaking plant that is in the process of being constructed in phases starting with a rolling mill and a steelmaking plant (UMCIL-Kafue Steel Plant Environmental Impact Statement, 2005). The first phase began with the construction of the steel mill to process iron and steel scraps into various rolled products. In the second phase, a direct reduction plant will be added to the steel plant to convert iron ore into sponge iron. The iron ore will be first sourced from Sanje Hills and later from the Nambala and Chongwe iron ore deposits (UMCIL-Kafue Steel Plant Environmental Impact Statement, 2005). The Kafue Steel Plant borders three

main communities namely; Shikoswe, Zambia Compound (ZC) and Kafue Estates. The total area of the Kafue Steel plant covers 200 acres of land (UMCIL-Kafue Steel Plant Environmental Impact Statement, 2005).

The ‘Social accountability of extractive industries, corporate social accountability, annual turnover, contract and pollutant transparency’ project aimed at creating a conducive environment for dialogue and partnership between government, industries and the communities in order to address and give emphasis to corporate social responsibility with regards to environmental impacts. Accordingly, the project involved collaborating with UMCIL-Kafue Steel Plant, local government, and the three communities in close proximity to the steel plant, as noted above; Zambia compound, Shikoswe and Kafue Estates. The project was implemented in the month of March - April 2013 and focused on the following five Key Strategic Activities;

1. Community sensitization and Awareness
2. Policy Engagement with Government, Stakeholders and Community Representatives
 - 2.1. Social Accountability of Corporate Social Responsibility Fund
 - 2.2. Contract Transparency
 - 2.3. Annual Returns Transparency
 - 2.4. Pollutants Transparency
3. Review and Production of policy engagement meeting findings and recommendations
4. Public Hearing and Dissemination event
5. Advocating for policy implementation

The project reveals and reviews important gaps in addressing environmental concerns in Kafue.

BACKGROUND INFORMATION

Corporate Social Responsibility (CSR) is defined as ‘corporate initiative to assess and take responsibility for a company's effects on the environment and impact on social welfare’ (Investopedia US, 2013). Consequently, as evident in several parts of the world, CSR has promoted activities in areas such as education, health, the environment, culture and the arts (C M Fundanga, 2006). Benefits of CSR are not solely for the public, industries engaging in CSR also

benefit. Firstly, investment in CSR can have a direct impact on the productivity of the community, contributing to the overall health of a company's employees. This enhances social and human capital and therefore profitability of the industries and local community. Secondly, the responsiveness of an industry to the concerns of a community can contribute positively to its reputation and the acceptability of its products and services. In addition, this responsiveness can help to manage conflicts between the community and the company. Thirdly, CSR can foster harmonious relationships between various stakeholders in a particular community (C M Fundanga, 2006).

Despite the benefits to industries, public and government, CSR is not widely employed in Zambia. Zambia, like several other countries in Southern Africa, is heavily dependent on extractive industries for economic development. The availability of resources and attractive investment policies, including favorable work environment, intended to attract investors from all over the world, has resulted in the strategic establishment of such industries. However, with the massive existence of such extractive industries, local communities are experiencing adverse effects to their environment, health and safety, which have created imbalances between benefits and costs. For example, Post Newspaper reported, 'CSR is not to be viewed as a favor from the mining companies' (Oct 22, 2012).

More recently, much attention has been raised regarding the lack of CSR by extractive industries, especially in the mining industry in Zambia. As a result, selected research has been done regarding CSR in the mining sector. A research done by the Bench Marks Foundation covering Southern African countries including Zambia, identified gaps of CSR in the Zambian mining industry. The research study showed legislation regarding CSR is ineffective due to the inability to implement and monitor the regulations. This is further exacerbated by low levels of accountability, transparency and commitment (Cronje et. al, 2008). Analysis of the study findings revealed CSR in mining communities is relatively ineffective in terms of facilitating sustainable development. These communities continue to experience consequences of the gaps between policy and practice, policy and human rights and practice and human rights (Cronje et. al, 2008). The research showed vast differences between expectations, perceptions and needs of stakeholders involved. It highlighted the need for alignment by embarking on community

engagement aimed at mutual understanding (Cronje et. al, 2008). This emphasizes the important role community involvement should play.

Currently, there is no clear legal framework governing CSR in Zambia, neither is there a consensus on the meaning or how it can be effectively used in the development process (N Noyoo, 2007).

As part of CSR, transparency about pollution emissions, contract and annual returns is crucial in promoting accountability and management of natural resources (EITI Zambia, 2013). As illustrated, there are still gaps in these areas which have resulted in ineffective environmental management. The ‘Social accountability of extractive industries, corporate social accountability, annual turnover, contract and pollutant transparency’ project focuses on two industries; UMCIL-Kafue Steel Plant and Lafarge Zambia Plc. This project will build on existing literature and provide recommendations to address environmental effects in Kafue with emphasis on corporate social accountability, contract transparency, annual returns transparency and pollutants transparency. This project will be the foundation for future research and advocacy which is currently lacking in Kafue District.

PROJECT OBJECTIVES

The overall project objective is to create a platform for dialogue and partnership between government, UMCIL-Kafue Steel Plant and the local communities in order to address adverse environmental impacts in Kafue, with emphasis on corporate social accountability fund, contract transparency, annual returns transparency and pollutants transparency.

Below are the specific Objectives:

1. **Social Accountability of Corporate Social Responsibility Fund:** Corporate Social Responsibility literature provides evidence showing a significant positive effect of corporate social/environmental performance on corporate financial performance (Aguilera, et. al, 2007). As part of their environmental management, industries commit to allocating a percentage of their revenue towards addressing environmental issues and community development. External parties (including community, public and private sectors) plays a

key role in ensuring industries fulfill their social goals. Therefore, the project objective is to identify UMCIL-Kafue Steel Plant's agreed percentage to allocate towards social corporate responsibility, evidence on community initiatives implemented in the last 2 years (2011-2012) and environmental initiatives planned for 2013-2015.

2. **Contract Transparency:** The objective is to disclose UMCIL-Kafue Steel Plant's contract contents of production for the benefit of the local communities and Zambia as a whole. This will provide accurate information for concerned parties, which is critical in moving towards addressing environmental and social concerns.
3. **Annual Returns Transparency:** As noted above, industries commit to allocating a percentage of their revenue towards corporate social responsibility. Disclosing annual returns will help track revenues and expenditures on community development initiatives based on their corporate social responsibility fund. The project objective therefore is to identify UMCIL-Kafue Steel Plant's annual returns and facilitate transparency.
4. **Pollutants Transparency:** The objective is to provide a platform for UMCIL-Kafue Steel Plant to disclose their pollutants emitted and the effects to human health and the environment. This transparency is critical to addressing pollution effectively.
5. To gather data in the above listed areas to accurately inform and educate the community.
6. To propose recommendations to both the community and UMCIL-Kafue Steel Plant on how to respond to adverse environmental effects.
7. To disseminate information gathered during the project that will serve as the foundation for advocacy and future projects.

PROJECT ACTIVITIES

In order to successfully achieve the objectives, various mechanisms and policy engagement meetings with government, UMCIL-Kafue Steel Plant and the community were undertaken. The following activities were carried out:

Stage 1:

Community sensitization and awareness: The first stage of the project aimed to educate the members of the selected communities in close proximity to UMCIL-Kafue Steel Plant (Zambia

compound, Shikoswe and Kafue Estates) on community benefits from industries around their communities, corporate social responsibility, annual turnover, contracts and pollutants transparency. This was done through Theatre for Community Action Drama (TCA-Drama). TCA-Drama is a concept that is used to engage the community to respond to issues raised during the performances. The TCA-Drama was a key tool for community mobilization and participation through cultural dances to ensure wide community engagement in public places. The 30 minute long drama highlighted challenges between the community and Kafue Steel Plant, such as misinformation and the importance of attaining a common solution. The play was presented at the community markets and performed once for each community.

During the sensitization and awareness TCA - Drama activities, CEJ formed "**Community Environmental Action Groups (CEAGs)**" which are comprised of selected local community



Drama performance at Shikoswe Market

members. The identification process of the CEAG members was two-fold; firstly, during the drama performance, interested individuals, especially those who asked questions were identified as potential members. Secondly, key individuals and institutions in society who have had an interest towards environmental concerns were identified and invited. The CEAGs will play a vital role in advocating for policy implementation and corporate social accountability.

Stage 2:

Policy engagement with government and stakeholders (Information Collection): Following community sensitization and awareness, a policy engagement meeting was held to discuss social accountability of corporate social responsibility, contract transparency, annual returns transparency and pollution transparency. Both meetings were held at Ngwenyama Lodge in Kafue.

The policy engagement meeting that was held on March 11th 2013, brought together representatives from Zambia Environmental Management Agency (ZEMA), UMCIL-Kafue Steel Plant, community members from Zambia compound, Shikoswe and Kafue Estates, District Commissioner's office, Kafue District Council, United Nations Youth Association, Zambian Network of Youth and the media. The opening speech was read by the Council Secretary, Mr. M Hichilema, on behalf of the invited guest of honor, the Kafue District Commissioner Mrs. G Ngulube. In her speech, she emphasized the need for dialogue between industries and the community and the significance of the project. She also encouraged the project team to involve other industries in Kafue if environmental concerns are to be adequately addressed as a whole. In her conclusion, Mrs. Ngulube indicated government commitment and availability to participate as well as support the initiative.



Following the opening speech was a presentation by Mrs. Perine Kasonde, Acting Senior Inspector EIA from ZEMA, outlining the contents, types and process of obtaining an Environmental Impact Assessment (EIA). The presentation highlighted the following: ZEMA's role in assisting the developer to determine the scope of EIA studies; review of project briefs, terms of reference,

Environmental Impact Statements (EIS) and decision making process; conducting verification surveys of the affected environment; public involvement and monitoring the project once implemented. Public participation in project formulation and implementation is a legislative requirement under the Environmental Protection and Pollution Control Act (1990). During the presentation, the community leaders emphasized how vital it was for them to learn about the contents and process of obtaining EIAs.

Thereafter, UMCIL-Kafue Steel Plant representatives, Dr. Kaoma (Technical Director) and Henry Kasuba (Personal Assistant) gave a presentation on Kafue Steel's corporate social responsibility, contract transparency, and highlighted some of the community activities supported between 2011 and 2013 towards environmental mitigation. As a result, both UMCIL-Kafue Steel



representatives and the community leaders understood and agreed on the importance of working together and particularly for the community to drive projects to ensure ownership and sustainability. Both presentations allowed for a question and answer session from the community which addressed contentious issues around the location, production and pollution.



UMCIL-Kafue Steel Plant Site Visit: As further engagement with UMCIL-Kafue Steel Plant, CEJ representatives and community leaders requested for a tour of the steel plant site. The day long tour included a presentation on the process of steel production and safety management at the UMCIL - Kafue Steel Plant. Also a video documentary was shown before the

tour to highlight the long term vision of their CSR. UMCIL-Kafue Steel representatives further

emphasized the importance of participation from the community so that efforts towards CSR are rightly targeted and appreciated.

Stage 3

Review of the Policy engagement meeting (Information Review): The second meeting was held on March 15th 2013 and served as a review of the findings from the first meeting, in order to develop an inclusive accurate report with community participation. Participants of this meeting included community members who attended the first meeting and the CEJ project team led by the Project Consultant.



Community participate during the Policy engagement meeting

Below: Hon. O. Mwaliteta MP participate during the Public Hearing



Stage 4

Public Hearing and Dissemination Event:

At this stage, information gathered on lessons learnt, gaps and recommendations from the project was publicized. This was done through the public hearing where government officials, line ministries, UMCIL-Kafue Steel Plant representatives, community members, stakeholders, private sectors, Non-Governmental Organizations (NGOs) and Community Based Organizations were present. This Public Hearing event gave opportunity for the wider community members to obtain information, raise environmental concerns and UMCIL-Kafue Steel Plant in partnership with the

community to offer responsive strategies. In addition, other industries in the Kafue District were present and the need for collaboration was highlighted.

Below: CEJ representatives and Community Action Groups during the planning meeting for policy advocacy



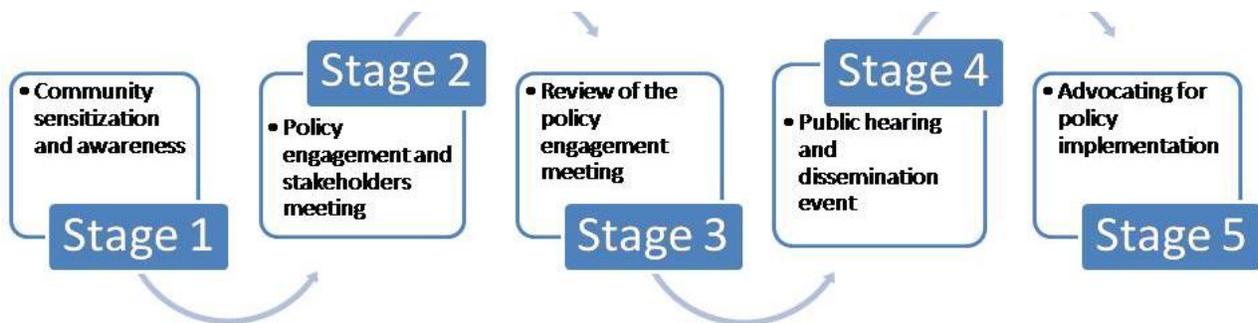
Stage 5

Advocating for policy implementation:

Consequently, CEAGs will work alongside key stakeholders to ensure implementation progress of Community Social Contracts. Representatives met with local community leaders, Kafue Steel Plant and CEJ to determine and agree on community activities desired to be

implemented in their areas. This was done after the Public Hearing event.

SUMMARY OF PROJECT ACTIVITIES



PROJECT TIMELINE

STAGES	WEEK					Activities
	W1	W2	W3	W4	W5	
Pre-Planning						
Stage 1						Community Sensitization and Awareness
Stage 2						Policy Engagement and stakeholders Meeting
Stage 3						Review of the Policy Engagement Meeting
Stage 4						Public Hearing and Dissemination Event
Stage 5						Advocating for Policy Implementation <i>This is a continuous activity.</i>

FINDINGS

The following findings were observed based on the above project activities;

1. Social Accountability of Corporate Social Responsibility

UMCIL-Kafue Steel Plant stated that the industry is currently in the first phase (out of a total of three) of construction and production. Phase 2 is expected to begin by mid 2013; consequently, the steel plant is not yet operating at full capacity (full operation will be at 200 000 tonnes/year). A total of 2% of UMCIL-Kafue Steel Plant's net profit will be **voluntarily** ploughed back into the community once in full operation. This does not prevent UMCIL-Kafue Steel Plant from supporting community activities in the interim. UMCIL-Kafue Steel Plant noted they have supported a number of community activities as need arose including funding orphanages and faith based organizations, recently built water drainages in response to the Shikoswe flood disaster, sunk boreholes in Kafue District and Sanje, invested in schools in Sanje, planted a total of 1000 trees (out of which 910 survived) along the industry perimeter fence opposite Kafue Estates and Shikoswe residential areas respectively, extension of the radio mast for Kafue Radio and built a clinic on site available to all. However, at this point, UMCIL-Kafue Steel Plant does not calculate the total amount of money that has been allocated towards community development/ activities thus far.

UMCIL- Kafue Steel Plant's vision of corporate social responsibility is modeled from TATA Steel. As one of the world's leading steel producers, TATA Steel is dedicated to sustainability

and giving back to the community. Over the years TATA Steel has invested heavily in numerous sectors including education, sports, medicine, construction, culture and assisting the vulnerable members of society. UMCIL-Kafue Steel Plant plans to localize the TATA corporate social responsibility model. In doing so, plans include converting Naboye Secondary School into a technical school, building a road from Kafue to Sanje Hill, training their employees, and creating a skills center/ library available to all. It was clear the community was unaware of UMCIL-Kafue Steel Plant's activities and vision with regards to their corporate social responsibility.

2. Contract Transparency

Although UMCIL-Kafue Steel Plant was given permission by the government to begin construction and operation of the steel plant in 2006, it has been an antagonistic issue and a source of misunderstanding and mistrust in the community. During the engagement meetings, UMCIL-Kafue Steel Plant responded to questions from the community regarding the same. According to UMCIL-Kafue Steel Plant, despite the extensive Environmental Impact Assessment and community endorsement, ZEMA rejected the initial submission based on the location of the plant. However, after wide consultation, UMCIL-Kafue Steel Plant argued the site was ideal and relocating would pose massive transportation and construction costs on the company. The present site offered good housing, water and transportation infrastructure. UMCIL-Kafue Steel Plant appealed to the Minister of Environment and Tourism who then approved the contract. This information gave the community much needed insight into the procedure and process of obtaining the contract.

ZEMA is currently revising the appeal process through the new Environmental Act of 2012. Appeals can now be taken to court provided concrete evidence is presented.

3. Annual Returns Transparency

UMCIL-Kafue Steel Plant did not disclose their annual returns when questioned. They insisted the steel plant is in phase 1 and at this point still heavily investing in the process.

4. Pollution Transparency

UMCIL- Kafue Steel Plant has plans to mitigate any environmental issues that may arise from operations of the steel plant. Currently air pollution from the plant includes gaseous emissions comprising dusts, carbon monoxide, sulphur dioxide and nitrogen oxides (UMCIL- Kafue Steel Plant Environmental Impact Statement, 2005). In addition, operation of the steel plant produces liquid effluents from the sanitation, sewage and cleaning; and solid waste discharges such as fly ash and lime particles; and electric arc furnace slag. UMCIL- Kafue Steel Plant has incorporated mitigation measures to manage the effects on the environment specifically, air quality, noise vibration and solid wastes. In doing so, UMCIL- Kafue Steel Plant has invested in environmentally clean technologies. As part of environment management, UMCIL- Kafue Steel Plant hires an external expert to collect levels of pollution emitted every 6 months and submits the records to ZEMA, who verifies the information submitted. UMCIL-Kafue Steel Plant representatives stated the company is operating under the pollution threshold to meet ZEMA standards/ regulation. CEJ and the community leaders requested a copy of UMCIL-Kafue Steel Plant's emission levels; UMCIL-Kafue Steel Plant is yet to make a copy of their emission levels available. ZEMA now puts appropriate fines for pollution emitted above the standards depending on the type of pollution.

Further, UMCIL- Kafue Steel Plant has incorporated safety measures to make the atmosphere conducive for working. The process of steel making requires high levels of extreme heat making the plant hot. UMCIL- Kafue Steel Plant has installed equipment, such as industrial fans to control the working environment. UMCIL- Kafue Steel Plant also stated they provide protective clothing for their workers.

5. Other Findings

In addition to the above findings, it is pertinent to note the following:

- Through the policy engagement meetings, lines of communication were opened between UMCIL- Kafue Steel Plant and the community. Both community members and UMCIL- Kafue Steel Plant representatives were **educated** and informed on a number of issues that had caused mistrust between the two and produced a negative public perception. For instance;

- The community was under the impression that UMCIL- Kafue Steel Plant primarily hired Indian expatriates, deliberately excluding the local community. However, UMCIL- Kafue Steel Plant proved that out the 1000 employees, less than 200 are expatriates;
- The community was educated on the general operations of the steel plant including the amount invested in the plant;
- The community had the perception that UMCIL- Kafue Steel Plant was inapproachable, making it difficult to raise their concerns. However, UMCIL- Kafue Steel Plant clarified their open door policy, which was previously unknown to the public. UMCIL-Kafue Steel Plant is willing to listen to concerns and make adjustments as needed, when incorrect;
- UMCIL- Kafue Steel Plant emphasized the importance of community partnership to tackle community challenges. The community needs to participate in the process in order to own the process, appreciate efforts and utilize the benefits of the projects. UMCIL- Kafue Steel Plant is willing to fund projects and requested the community to help direct the company on the best use of funds that would benefit the community. As such, UMCIL- Kafue Steel Plant welcomes proposals from the community.
- UMCIL- Kafue Steel Plant had the perception that the community lacks initiative with regard to environmental issues and are only approached during a crisis. Communication is important as the community may raise issues previously not realized by UMCIL- Kafue Steel Plant. UMCIL- Kafue Steel Plant encouraged more engagement meetings with the community and commended CEJ for creating such a platform.
- UMCIL- Kafue Steel Plant encouraged the community to take a proactive approach and not reactive, with regards to environmental issues.
- As a result of the communication and information, several negative perceptions based on misinformation/misunderstanding were corrected, leaving room for effective further engagement.

- Knowledge of the contents and process of conducting Environmental Impact Assessments was critical in educating the community and provided guidance on steps to take towards appropriate legal action if needed.
- During the site visit, it was noted that no females are presently employed due to the harsh working environment.
- UMCIL- Kafue Steel Plant’s safety policy includes safety of the machines, safety of employees and safety of the surrounding environment. These are designed and managed by the Safety and Occupational Manager. As part of safety, employees are sensitized on health and standards such as the importance of wearing protective gear. It was noted that UMCIL- Kafue Steel Plant does not have an environmental specialist on board.

SUMMARY OF ACTIVITIES

Key Issue	Finding
Social Accountability of Corporate Social Responsibility	- UMCIL-Kafue Steel Plant will plough back 2% of their net profit back into the community once in full operation - Community members educated on community activities UMCIL-Kafue Steel Plant has supported
Contract Transparency	- UMCIL- Kafue Steel Plant’s submission was initially denied by ZEMA based on location. However after re-submission to the minister, the contract was approved
Annual Returns Transparency	-UMCIL- Kafue Steel Plant did not disclose their annual returns
Pollution Transparency	- UMCIL-Kafue Steel Plant submits their air pollution levels to ZEMA every 6 months. Currently operating under pollution threshold
Other	-Both UMCIL-Kafue Steel Plant and the community was educated and informed on a number of issues e.g. operation of the plant, EIA process, collaboration with UMCIL-Kafue Steel Plant on community projects, public perception

GENERAL OBSERVATIONS

Based on the findings, the following observations were made:

- Information on UMCIL- Kafue Steel Plant's social corporate responsibility was not fully disclosed; questions such as how much has been allocated for community development so far was not answered. Additionally, UMCIL- Kafue Steel Plant did not disclose how the 2% of their net profit to be allocated to community development was derived at.
- The community still feels the contract details were not fully transparent.
- Although UMCIL- Kafue Steel Plant emphasized their safety regulation and requirement for employees, it was observed during the site tour that most of the employees did not have masks, while others did not have safety gloves but all wore safety boots. After inquiry, UMCIL-Kafue Steel Plant noted their employees tend to not wear the safety gear despite it being a requirement. UMCIL- Kafue Steel claims to continue to educate their employees on personal safety.

GAPS

The project exposed the following gaps:

- Currently it is difficult for the community to provide solid evidence to prove effects of pollution resulting from a particular industry.
- Misinformation on both parties based on the contract.
- Currently, CSR does not fall under a legal framework. Industries' contribution towards CSR is voluntary.
- Community and other stakeholders lack awareness and education on the benefits of collaboration; commitment from all angles is critical.
- Industries are not networking, especially those excreting massive environmental stress. As all major industries in the area contribute towards the pollution, it is crucial to exchange ideas and collaborate with the community to address environmental issues.
- Currently UMCIL- Kafue Steel Plant does not have an environmental specialist on board. At the time of this report, the safety and occupational hazard specialist, who is not a qualified environmental specialist, also covered environmental concerns.

- Currently UMCIL- Kafue Steel Plant does not track how much is allocated towards community development/activities thus far.
- What UMCIL- Kafue Steel Plant and the community constitute as corporate social responsibility activities is different. For example, the employment of unskilled personnel is regarded by UMCIL-Kafue Steel Plant as a social corporate responsibility act, as employees acquire skills on the job. However, the community on the other hand view direct infrastructure development as an activity under corporate social responsibility. This has resulted in misunderstandings between UMCIL-Kafue Steel Plant and the community.
- ZEMA does not play an aggressive role in monitoring and evaluating environmental effects.

RECOMMENDATIONS

- Information is key to having an effective dialogue with parties; CEJ recommends developing a strategy on educating the community and stakeholders as well as providing access to critical information regarding environmental issues. This can be effectively done using the Action Groups and working with the local council.
- Continuous sensitization programs on various environmental issues affecting the community for example in schools, churches and community.
- To promote ownership of the environment, Action Groups should identify and adopt an activity to model and take the lead. This would allow the community to identify a pressing problem, and devise a sustainable solution. Without community commitment, involvement and participation, little is achieved and sustained.
- CSR activities should be a mandate to strategically help in social development and environmental management.
- The community should identify a systematic method to develop and propose projects through which UMCIL-Kafue Steel Plant and other partners can contribute or give back to the community.
- The community should ensure continuous engagement with UMCIL-Kafue Steel Plant by taking advantage of the open door policy. This can be achieved by arranging quarterly meetings with UMCIL-Kafue Steel Plant.

- Industries in the Kafue area should create a platform to network, share ideas and collaborate to address adverse environmental impacts.
- CEJ recommends UMCIL-Kafue Steel Plant track the funds given and set aside a specific percentage for environmental concerns.
- ZEMA's inspection unit should identify gaps in monitoring and evaluation pertinent to the environmental and safety issues raised. In addition, ZEMA should conduct informational sessions to educate the public on the role ZEMA plays and the EIA processes.

PROJECT LIMITATIONS AND FUTURE RESEARCH

- The project focused on UMCIL-Kafue Steel Plant; as other industries contribute to pollution and other environmental issues, it is important to collaborate with neighboring industries. Future research should incorporate other industries in the area as mentioned previously.
- The project had limited funds.
- Access to accurate and consistent information was limited. This created a gap in information verification.

CONCLUSION

In conclusion, the project revealed significant gaps in initiating effective dialogue in order to reach common ground with the community and other stakeholders. Shared ground would enrich community participation (and partnership) and advocacy, promoting awareness that allows each stakeholder to play their respective roles responsibly. The gaps are due to lack of information, honesty and transparency. The project created a platform and opportunity for continued dialogue and engagement between the local community, UMCIL – Kafue Steel Plant and the government, which will enhance accountability and transparency for social development and address environmental concerns accordingly. Realizing effective and sustainable advocacy is challenging, as the community and stakeholders lack information on environmental impacts contributed by UMCIL- Kafue Steel Plant and surrounding industries. The information on corporate social responsibility, annual turnover, contract and pollutant transparency is not readily available to the communities, fueling the gaps highlighted in the findings. To effectively address environmental concerns, pertaining to the project objectives, attaining shared understanding with stakeholders (community, government and industries) is critical.

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