OPERATIONS OF THE MINISTRY OF MINES AND MINERALS DEVELOPMENT

A PRESENTATION BY
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Outline of Presentation

• Mandate of the Ministry
• Policy and legal framework
• Organisation Structure
• Performance of the Sector
• Programme/projects of the Ministry
The Ministry of Mines and Minerals Development is responsible for:

- Managing the development of mineral resources;
- Monitoring and regulation operations of the mining industry; and
- Monitoring of seismic activities.
Mandate cont’d

Accordingly the portfolio functions as outlined in the Government Gazette Notice are:

- Mines and Minerals Development Policy;
- Explosives Policy;
- Mines safety;
- Mineral exploration;
- Minerals processing and research;
- Geological mapping;
- Petroleum exploration.
Policy and Legal Framework

Policy

To execute its mandate the Ministry is responsible for the Mineral Resources Development Policy adopted in 2013. According to the Policy Government Vision for the mining sector is “to have a vibrant, well organized private sector and public-private partnership led mining sector contributing in excess of 20% towards GDP and sustainable economic development of the country by 2030”

Objectives of the Policy:

- To attract and encourage local and foreign private sector participation;
- To facilitate empowerment of Zambians to participate in the sector;
- To facilitate orderly development of small-scale mining sub-sector;
- To achieve a socially acceptable balance between mining and the bio-physical environment
- To promote R&D and its application in the mining sector;
- To encourage participatory and collaborative approach to mine planning and development
- To ensure transparency and accountability in the management of mineral resources
Policy and Legal Framework

Legislation

- The Mines and Minerals Development Act No. 11 of 2015 is the principle legislation of the sector. It covers licensing, procedures for exploration, mining and mineral processing, safety, health and environment in the mining sector.

- The 2015 Act provides:
  - Exploration licence - valid for an initial period of 4 years and may be renewable for 2 further periods of 3 years (except exploration licence for small-scale and gemstone is not renewable). The duration of exploration licence in the 2008 Act was 7 years.
  - Mining licence valid for: 25 years for large scale; 10 years for small-scale; and 2 years for artisanal;
  - Mineral processing licence valid for a maximum of 25 years.
  - The Act provides for electronic submission of applications and reports. This supports the establishment of the computerized cadaster system to enhance transparency in the issuance of mining rights and mineral processing licence.
  - The Act also provides for issuance of permits: trading permit; export and import permits
Policy and Legal Framework

- Other pieces of legislation are the Explosives Act of 1974, the Petroleum (Exploration and Production) Act of 2008.
- There are also various Regulations (The Mines and Minerals Development (General) Regulations of 2016; the Mining Regulations of 1971; The Mines and Minerals Development (Uranium) Regulations of 2008.
Organisational Structure

Minister

Permanent Secretary

- Mines Safety
- Geological Survey
- Human Resources and Administration Department
- Mines Development
- Mining Cadastre
- Planning and Information
Functions of the Departments:

- **Human Resources and Administration**: Responsible for managing human and financial resources; and providing logistical and administrative support services to other departments in the Ministry.

- **Geological Survey Department**: Responsible for: undertaking geological mapping of Zambia and exploration operations on behalf of the Republic; advising the Minister on geological matters; providing data concerning geology and mineral resources of Zambia, and assisting members of the public on information concerning geological matters. (as provided in Section 5 (5) of Mines and Mineral Development Act, 2015)

- **Mines Safety Department**: Responsible for all matters concerning the environment, public health and safety in exploration, mining and mineral processing operations. (as provided in Section 5 (4) of Mines and Mineral Development Act, 2015)
Mines Development Department: Responsible for supervising and regulating the proper and effectual development of mines in accordance with the provisions of the Act. (as provided for in Section 5 (3) of the Act)

Mining Cadastre Department: Responsible for the administration of mining rights and mineral processing licenses. (as provided for in Section 5 (6) of the Act)

Planning and Information Department: Responsible for planning, Cabinet and Parliamentary liaison, policy formulation and review and monitoring and evaluation

Note: Planning and Mining Cadastre Departments approved in 2015, have not yet been established in effect.
Performance of the Mining Sector

- Despite challenges faced by the mining industry due to low metal prices and energy crisis, copper production increased though marginally and less than the projection.

- Copper production increased by about 2% from 708,254 tonnes in 2014 to 710,560 tonnes in 2015. This was against the projection 1 million tonnes. In 2016, for the period January to August copper production increased by about 6.5% compared the corresponding period in 2015. The projected total production by end of year is 946,824 tonnes. The increase is attributed to ramp up of production at Kalumbila.

- Projects in the industry continued and these include: Mopani Copper Mine’s Synclinorium, Mindola and Deeps shaft sinking projects at the total investment of USD 1.2million; Kitumba Copper Project by Blackthorn Resources and Intrepid completed the exploration exercise and about USD 400million investment is earmarked for mine development; and Non-Ferrous Metals Mining Corporation (NFCA) commenced the South East Orebody Project at a total investment of USD 500million.
Performance of the Mining Sector

- Major challenges that have affected the performance of the sector include:

  ✓ Declining metal prices on the international market: average copper prices declined from USD 7,993.38 in 2011 to USD 4,367.50 in 2016;

  ✓ Energy crisis in the country. Supply to the mines was reduced by 30%

  ✓ Unstable fiscal regime. The issue was resolved in April 2016 with the introduction of a sliding mineral royalty rate for copper. The rate is tied to the price.
Projects in the Ministry

Currently there are four projects in the Ministry to enhance performance of the sector as follows:

- **Mineral Production Monitoring Support Project**: A three year European Union funded project which started in January 2015; Objective: to build and strengthen the capacity of the Ministry to effectively monitor mining activities and mineral production so as to increase revenue from the sector; activities under the project include: training of Ministry officers; procurement of sampling and analytical equipment; and setting up of a mineral production data capturing system.
Projects cont’d

- **Zambia Mining and Environmental Rehabilitation Project**: A five-year World Bank Project, preparations for the project commenced in 2015; Objective: to reduce environmental health risks posed by mining in critically polluted areas of Kabwe, Mufulira, Kitwe, Chililabombwe; therefore, the project extends to ZEMA, Radiation Protection Authority (RPA), and the four municipal councils.

- **African Caribbean Pacific (ACP) – European Union Development Minerals Programme**: A 13.1 Euro three-year programme implemented at both regional and country level; Objective: to build the profile, and improve the management of industrial minerals; construction materials; dimension stones; and semi-precious stones often referred to as neglected development minerals so as to increase their contribution to economic development. The Programme focuses on artisanal and small-scale miners.

  ✓ There over small-scale 1,000 licenses issued in the recent past, majority of which are held by Zambians;

  ✓ However, most of the licenses are dormant due to lack of technical expertise; geological information; appropriate equipment; and access to finance, investment and market information;
Thus the Programme in line with the Government Policy to promote and empower Zambians to own productive mines by:

- building capacity of miners and other stakeholders through training and provision of small grants;
- improving availability of geological information by producing maps and creating databases;
- acquisition of appropriate technology through technology fairs and networking events; and
- facilitating partnership building and upgrading of value chains.

Implementing Zambia Vision 2030 and the African Mining Vision (AMV): A Preparatory Assistance Project for Mining Sector Capacity Development in Zambia. The Project is aimed at developing a five year multi partner programme to implement the AMV and Zambia’s Vision 2030.
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