



Formalization & Management Strategies for (ASM) – License Areas and ASM

General views on successes and challenges of ASM licensing and delineation

Willison K. Mutagwaba (PhD, CEng),
MTL Consulting Co. Ltd, Dar es Salaam, Tanzania



ZONING OF ASM AREAS

- ▶ Concept of zoning areas dedicated for ASM has been adopted in many countries in Africa;
- ▶ Some of the reasons for zoning include:
 - ▶ Improving access to mineral rights – part of Formalization;
 - ▶ Dealing with mining land conflicts between ASM & LSM;
 - ▶ Part of rural land use planning adopted by countries;
 - ▶ Improving Government revenue collection from ASM;
 - ▶ Improving ASM Management – provision of extension services and HSE regulation.

ZONING OF ASM AREAS

- ▶ Ghana & Tanzania have made progress in zoning of ASM areas;
- ▶ Ghana has since 1986 had regulatory provisions for setting up dedicated areas for ASM (Prescribed in Mining Act, 2006);
- ▶ Similarly, the Tanzania 1998 Act provided for zoning dedicated areas for ASM (carried forward in 2010 Act);
- ▶ The concept of zoning ASM areas has also been implemented in DR Congo (BGR, 2017);
- ▶ Delineation of ASM zones has also been tried in Zambia and Mozambique (BGR, 2017)
- ▶ In both Ghana and Tanzania, limited exploration of the zoned areas are being carried out to provide geo-data to ASM.

SUCSESSES: GHANA

- ▶ The zoning requirement is engraved in the Mining Policy and prescribed in the Law – **Commitment**;
- ▶ A designated area is managed by a dedicated “Small-scale Mining Committee”;
- ▶ Mineral Policy commits Government to provide geo-data in designated areas;
- ▶ The 1996 Mining Sector Development & Environment Project - limited exploration of 16 selected sites & 47% were demarcated for ASM;
- ▶ To date (June 2017), about 150 areas covering 5,400 sq. km have been designated for ASM;
 - ▶ 9 of these areas (6%) have been explored and those found positive were demarcated for ASM.

SUCSESSES: TANZANIA

- There is commitment at both Policy & Legislative levels;
- To date, 36 areas have been zoned for ASM - total area 2,438 Sq. Km; 8,800 licences issued;
- Detailed exploration carried out (GST & STAMICO) in 5 zoned areas;
- In 2017 drilling carried out in 4 of the 5 explored zoned areas;
- Interpretation of results being carried out in collaboration between GST & STAMICO;
- Potential mineable areas for ASM identified through areas returned by LSM exploration during renewals;
- Online licensing available and used by ASM (93% of all online applications in 2016/17).

CHALLENGES: GHANA

- ▶ Zoning was established to aid formalization & reduce Illegal ASM operations;
- ▶ Illegal ASM has continued to increase due to following challenges (Ministry of Lands & Natural Resources, June 2017):
 - ▶ Involvement in illegal ASM by high-profile people;
 - ▶ Non-cooperation & impediments placed on measures to curb illegality by state agencies and local government institutions;
 - ▶ Lack of access to finance and technology by ASM;
 - ▶ Inadequacy of geo-data forces ASM to operate by trial and error; and
 - ▶ Inadequate mineable land lead to encroachment on LSM and mining in unauthorized areas.

CHALLENGES: TANZANIA

- ▶ Although the country has made strides in improving licensing and zoning areas for ASM, the following challenges remain:
 - ▶ The number of new entrants into ASM far outweighs the capacity to formalize;
 - ▶ Whereas an average of 1,600 ASM licenses were issued per year (1999 – 2013), 8,200 people were entering the Sector every year;
 - ▶ Both GST & STAMICO depend on Government limited budget to undertake geological exploration to provide geo-data to ASM;
 - ▶ Out of the 8,800 licences issued, only 4,737 were taken and only 626 licences (7%) are working due to lack of geo-data;
 - ▶ Limited resources to enforce the law and undertake inspections, encourages illegal activities to continue unabated.

ADDRESSING CHALLENGES: GHANA

- ▶ In addressing the challenges, the following measures are being undertaken (MLNR, 2017):
 - ▶ A 5-year \$150m Project launched to clean-up the current ASM issues;
 - ▶ In collaboration with Security Agencies, enforcing existing laws & regulations to curb illegal ASM activities;
 - ▶ Geological exploration to be carried out over 2,500 sq. km of land over the next 5-years;
 - ▶ Provide sustainable sources of funding through facilitation of PPP arrangements with investors and/or PMMC;
 - ▶ Training and capacity building of ASM & regulatory agencies;
 - ▶ Institutional strengthening by increasing district offices & involving traditional authorities in mineral rights management.

ADDRESSING CHALLENGES: TANZANIA

- ▶ A number of measures are being undertaken to speed up ASM formalization:
 - ▶ Both GST and STAMICO have been charged with the responsibilities of exploring ASM designated areas & provide geo-data;
 - ▶ About \$3.4M allocated in 2017/18 for grants to ASM to encourage development of small-scale enterprises;
 - ▶ About \$8.4M allocated in 2017/18 to develop small-scale demo Mines (Gold & Tin, Industrial minerals & salt value addition);
 - ▶ GST & STAMICO target to train 4000 miners in designated areas;
 - ▶ Continue improvement of licensing process, e.g., more District Offices & extension of coverage of online licensing.

OUTLOOK

- ▶ Zoning of ASM areas has advantages for formalization & development of ASM business;
- ▶ However, for it to succeed, the following are pertinent:
 - ▶ Financial & human resources should be allocated for exploration prior to delineation of ASM areas;
 - ▶ ASM zones should be linked to land use planning of the area to avoid conflicts;
 - ▶ Access to training, technology, finance, markets, etc. should be accorded to participants in the zones;
 - ▶ Financial & human resources required for managing the delineated areas (extension services, monitoring & regulation).