The Green Economy & Strategic Environmental and Social Assessment (SESA) of the Minerals Sector in Tanzania

Under the Sustainable Management of Mineral Resources Project
1. THE SESA IN CONTEXT
In 2010, the top 40 mining companies in Africa made net profits of USD 110 billion and had a net asset base in excess of USD 1 trillion.

Mineral resources in Africa are fuelling growth in many of the world’s industrialized and emerging economies, but the continent itself remains poor, underdeveloped and dependent upon donor assistance. (Jean Noel Francois: Director Trade & Industry)

The World Bank’s USD 290 million investment (for 7 countries) aims to work on building capacity at the government level and at an institutional level in addition to strengthening the overall regulatory systems of the mining sectors.

(Dr. Brigitte Bocoum of the Bank’s Sustainable Oil, Gas and Mining Division).

Conference of African Ministers, Ethiopia, December, 2011
Sustainable Management of Mineral Resources
TANZANIA  IDA CREDIT 4584-TA
USD 50 Million Credit (WB) /USD 5 Million Govt. Tanzania

“to strengthen Tanzania’s capacity to manage the mineral sector; to improve benefits for Tanzania and Tanzanians, and enhance private investment”

- spurring local economic development,
- reducing conflict,
- improving management of environmental and social issues, and,
- increasing growth and enhancing competitiveness in the mining sector
TANZANIA  IDA CREDIT 4584–TA
Project Components

(a) Improving the Benefits of the Mineral Sector for Tanzania: Artisanal and Small–Scale Mining, Local Economic Development Planning, and Skills Development;
(b) Strengthening Governance and Transparency in Mining;
(c) Stimulating Mineral Sector Investment; and
(d) Project Coordination, Management and Monitoring and Evaluation.
2. UNDERSTANDING THE SESA
AIMS OF THE SESA

The SESA is a component of the Sustainable Management of Minerals Resources Project and aims to satisfy:
1) the requirements of the World Bank’s Environmental Safeguards Policy,
2) Environmental regulations in Tanzania,
   While also incorporating international principles for Strategic Environmental Assessment.
The SESA will:

Establish the interests and concerns of stakeholders in the Minerals Sector;

Provide recommendations and guidance on:

a) Improving environmental, social and local economic performance;

b) Introducing institutional reforms;

c) Improving governance and social accountability.
Tanzania’s Rich Mineral Resources
<table>
<thead>
<tr>
<th>Type of Mineral</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold</td>
<td>2,222 tonnes</td>
</tr>
<tr>
<td>Nickel</td>
<td>209 million tonnes</td>
</tr>
<tr>
<td>Copper</td>
<td>13.65 million tonnes</td>
</tr>
<tr>
<td>Iron Ore</td>
<td>103.0 million tonnes</td>
</tr>
<tr>
<td>Diamonds</td>
<td>50.9 million carats</td>
</tr>
<tr>
<td>Tanzanite</td>
<td>12.60 tons</td>
</tr>
<tr>
<td>Limestone</td>
<td>313.0 million tonnes</td>
</tr>
<tr>
<td>Soda Ash</td>
<td>109 million tonnes</td>
</tr>
<tr>
<td>Gypsum</td>
<td>3.0 million tonnes</td>
</tr>
<tr>
<td>Phosphate</td>
<td>577.04 million tonnes</td>
</tr>
<tr>
<td>Coal</td>
<td>911.0 million tonnes</td>
</tr>
</tbody>
</table>

Source: Geological Survey of Tanzania, 2007

290,000 tonnes Nickel discovered in October 2012
GDP & THE NATIONAL ECONOMY

Tanzania’s GDP = USD 57.5 Billion (2009)

Made up of:

- Agriculture = 26.6%
- Industry = 22.6%
- Services = 50.8%
GDP & NATIONAL ECONOMY

- Tanzania mineral products have risen from 1% to 52% of all exports in value in a decade.

<table>
<thead>
<tr>
<th></th>
<th>1997</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$27 million</td>
<td>$1003 million</td>
</tr>
</tbody>
</table>

(an annual growth rate of 13.74% between 1999–2009)

- Over the same period, the contribution of mineral production to GDP remained around 2.7%

- However, in the **last 3 years** mineral production has increased to **4.6%** of GDP
SOCIO–ECONOMIC DIMENSION

Large Scale Mining
- 12,000–24,000 people employed

Small Scale and Informal Mining Sector
- Estimates range from 600,000 – 800,000 people who depend on minerals for a large part of their livelihood
4. LEGISLATION
KEY LEGISLATION

- Mining Act (1998) replaced by
- Mining Act (2010)
- Mineral Policy (2009)

- Identified 8 key issues with priorities and associated indicators
  - Water and Soil pollution,
  - Land Degradation
  - Air pollution
  - Disturbance of Biodiversity
  - Climate Change
  - Earthquakes, flooding and landslides,
  - Radioactive minerals
  - Unsecured mine closures
5. NATURE OF THE INDUSTRY
STAGES IN MINING

- Reconnaissance
- Exploration and Feasibility Assessments
- Mining & Production
- Processing and Refining
- Mine Closure and Rehabilitation

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- Trading
- Value Addition
Small scale Mining – Entering Shaft
Small Scale Underground Mining
The Dealers
working the blueseam

the tanzanite mines of merelani
6. CONDUCT OF THE SESA
 STAKEHOLDERS (1)

**Government**

- MEM and World Bank SMMRP Client Team
- MEM (acting Commissioner for Mines)
- Government Ministries
- MEM – Environmental Management Unit
- Mining Inter–stakeholders Forum / MEM
- Geological Survey of Tanzania (GST)
- Tanzania Bureau of Standards
STAKEHOLDERS (2)

**Mining Sector**

- Mining Advisory Committee
- Tanzania Chamber of Mines
- Barrick Gold
- Anglo Gold Ashanti
- Geita Gold Mining Ltd
- Shanta Gold
Civil Society / NGOs
- Policy Forum
- Legal and Human Rights Centre
- Lawyers’ Environmental Action Team (LEAT)
- Tanzania Women Miners Association (TAWOMA)
- AFWIMN - Africa Women in Mining Network
- Norwegian Church Aid
PHASES OF WORK

1) Inception Phase and Situation Analysis
2) Stakeholder Analysis
3) Regional Stakeholder Workshops
4) Action Planning – National Workshop
5) Reporting
PHASE 1 - INCEPTION & SITUATION ANALYSIS

- Stakeholder Interviews
- Review of Environmental and Social Scoping Report
- Progress on SMMRP
- Literature Review
- Study of Institutional framework and decision-making processes
- Situation analysis identifying key stakeholders’ environmental and social priorities
- Key institutional, policy, legal, regulatory and capacity constraints in management of minerals sector
- Preparation of Inception Report
PHASE 2  STAKEHOLDER ANALYSIS

- Examine the role and capabilities of the different actors in the Minerals sector,
- Preparation of a Progress Report
Held in Arusha, Morogoro, Mwanza and Mbeya.

The stakeholder workshops focused on identifying key issues and prioritising actions that are needed – (for further elaboration in Phase 4).
Specific Objectives of the Workshops include:

a) Prioritising environmental, social and economic issues;

b) Reviewing strategic options and alternatives;

c) Developing a policy matrix and action plan

d) Developing indicators
The process of developing an action plan has entailed:

a) Establishing the views of stakeholders on priorities;

b) Creating a Policy Matrix outlining goals, targets, timescales, resource requirements, action leaders or ‘champions’ and other key players, and indicators for measuring success or failure.
PHASE 5 REPORTING

The Final Phase of the Process will:

- Draw together overall findings;
- Feed these to a National Workshop for verification and further refinement:
  - Agree Recommendations with stakeholders at the National Workshop;
- Generate a Draft Report, and,
- Submit a Final Report
7. TECHNIQUES WITHIN THE SESA
KEY TECHNIQUES

1) Heavily based on participation of stakeholders
   - requiring:
      Good understanding of technical issues in the sector,
      Facilitation and engagement skills,

2) Analysis and Synthesis of large amounts of data,

3) Capacity to Prioritise issues.
PRINCIPLES OF THE WORKSHOPS

- Objective, open and transparent discussion
- Entirely Participative
- There is no single correct answer to questions raised in group sessions
- Everyone’s views count
- The consultants are here to present the participants’ views, and assist in developing the Action Plan after the regional workshops
Stakeholders’ Influence on Policy
TASK 1  IDENTIFY PRIORITIES FOR ACTION

WITHIN FOUR THEMATIC AREAS:

1) ENVIRONMENTAL
2) SOCIAL & HEALTH
3) LOCAL ECONOMIC
4) LEGAL, INSTITUTIONAL AND FINANCIAL
DECIDING ON PRIORITIES

Environmental Issues

- Loss of Land
- Vegetation & Biodiversity
- Water Pollution
- Dust & Air Pollution
- Noise
- Use of Chemicals
- Landslides /instability
- Radioactive Materials
- Land Degradation
- Climate Change
DECIDING ON PRIORITIES
Social & Health Issues

- Areas set aside for Small Scale Mining
- Licensing small scale miners
- Residents’ rights to resettlement and compensation
- Forced Evictions
- Role of Legislation
- Child Labour
- Mine Workers’ Health and Safety
- Mine and Community Security
- Community Health and Safety in Mining Areas
DECIDING ON PRIORITIES
Economic Issues

- Urban Development and Redevelopment
- Women in Mining
- Valuation and compensation
- Role of Local Authorities
- Local Authorities – Management of Finance
- Mining Companies
- Corporate Responsibility
- Employment
- Inequalities in Society
- Related Development
DECIDING ON PRIORITIES
Institutional and Financial Issues

- Mining Contribution to GDP
- Foreign Direct Investment (FDI)
- Present and Future Tax Revenues
- Financial Transparency Measures
- Liberalisation of Mining Codes
- Role of Civil Society
- Role of Parliamentarians
- NGOs and Civil Society
- International Partners
- International Investors & Globalisation
- Faith Groups
- Media Activities
TASK 2 PREPARE ACTION PLANS

FOR THE 5 TOP PRIORITIES UNDER EACH THEMATIC AREA:

- ENVIRONMENTAL
- SOCIAL & HEALTH
- LOCAL ECONOMIC
- LEGAL, INSTITUTIONAL AND FINANCIAL
<table>
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<th>Social Issues</th>
<th>MWANZA</th>
<th>ARUSHA</th>
<th>MOROGORO</th>
<th>MBEYA</th>
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<td>Licensing Small Scale Miners</td>
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<td>3</td>
<td>2</td>
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<td>Residents Rights &amp; Obligations</td>
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<td>Forced Evictions</td>
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<tr>
<td>Role of Legislation</td>
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<td>3</td>
<td>5</td>
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<td>Child Labour</td>
<td>4</td>
<td></td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Workers’ Health &amp; Safety</td>
<td>3</td>
<td>2</td>
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<td></td>
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<tr>
<td>Mine &amp; Community Security</td>
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<tr>
<td>Community Health &amp; Safety</td>
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<td>4</td>
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<tr>
<td>Alcohol &amp; Drug Abuse</td>
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<td>Cultural tensions/immigration/ gender</td>
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<td></td>
<td>Mwanza</td>
<td>Arusha</td>
<td>Morogoro</td>
<td>Mbeya</td>
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<tr>
<td>Central Government</td>
<td>6</td>
<td>10</td>
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<tr>
<td>Local Government</td>
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<td>14</td>
<td>49</td>
<td>0</td>
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<td>Civil Society Organisations</td>
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<td>4</td>
<td>2</td>
<td>5</td>
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<td>Small Scale Mining</td>
<td>8</td>
<td>4</td>
<td>6</td>
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<td>Private</td>
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<td><strong>35</strong></td>
<td><strong>73</strong></td>
<td><strong>52</strong></td>
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8. DEVELOPMENT OF RECOMMENDATIONS
KEY RECOMMENDATIONS

- Finance
- Institutional Structures
- Community Development
- Forward Planning
- Awareness Raising and Skills Training
- Monitoring and Enforcement
FINANCE

- Explore ways of retaining a bigger share of financial development within the country
- Review the balance of finance retained at national and district level
- Introduce (EITI) transparency initiatives at District level
INSTITUTIONAL STRUCTURES

- Review relationships and roles of national MDAs in delivering mineral policy objectives
- Strengthen the delivery mechanisms in mining areas
COMMUNITY PLANNING

- Give communities in mining areas the resources they need to adjust to mining and post-mining development
- Prepare land use and resettlement plans
FORWARD PLANNING

- Focus attention on Small Scale Mining Areas
- Introduce spatial planning for mining districts
- Support plans with SESA
- Improve mine authorisation processes
AWARENESS RAISING AND SKILLS TRAINING

- Specific recommendations for all key themes
- Eg:
- Health risk guidance
- Entrepreneurial skills development
- Advice to Parliamentarians
- Strengthening effective media presentations
MONITORING, EVALUATION, ENFORCEMENT

- Implementing the legislation
## OUTLINE ACTION PLAN

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>ACTION REQUIRED</th>
<th>WHO DOES IT?</th>
<th>HOW LONG WILL IT TAKE?</th>
<th>HOW MUCH WILL IT COST?</th>
<th>WHAT WILL BE ACHIEVED?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>LEAD AGENCY</td>
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<td></td>
<td></td>
<td>SUPPORT BODIES</td>
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