Malawian Voices, Malawi’s Natural Resources
Extractive Industries (EI) Listening Exercise

Date: 12th March 2015  On behalf of: Scotland Malawi Partnership  Author: Daniel Gilbert

Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Name</th>
<th>Page no.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Executive Summary</td>
<td>2</td>
</tr>
<tr>
<td>B</td>
<td>Introduction</td>
<td>3</td>
</tr>
<tr>
<td>1</td>
<td>Status</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>Purpose</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>Structure</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>Methodology</td>
<td>4</td>
</tr>
<tr>
<td>C</td>
<td>Main Report</td>
<td>5</td>
</tr>
<tr>
<td>1</td>
<td>National EI Context</td>
<td>5</td>
</tr>
<tr>
<td>1.1</td>
<td>EI: Background</td>
<td>5</td>
</tr>
<tr>
<td>1.2</td>
<td>EI: Scotland and Malawi</td>
<td>13</td>
</tr>
<tr>
<td>1.3</td>
<td>Donor support</td>
<td>14</td>
</tr>
<tr>
<td>2</td>
<td>Key Empirical Findings</td>
<td>17</td>
</tr>
<tr>
<td>2.1</td>
<td>Malawi’s EI Experience to date</td>
<td>17</td>
</tr>
<tr>
<td>2.2</td>
<td>Positive Malawian EI perspectives</td>
<td>24</td>
</tr>
<tr>
<td>2.3</td>
<td>Negative Malawian EI perspectives</td>
<td>28</td>
</tr>
<tr>
<td>3</td>
<td>Analysis</td>
<td>31</td>
</tr>
<tr>
<td>3.1</td>
<td>The case for and against petroleum sector development</td>
<td>31</td>
</tr>
<tr>
<td>3.2</td>
<td>The case for and against LSM sub-sector development</td>
<td>33</td>
</tr>
<tr>
<td>3.3</td>
<td>The case for and against ASM sub-sector development</td>
<td>36</td>
</tr>
<tr>
<td>3.4</td>
<td>Analysis of stakeholder relationships</td>
<td>38</td>
</tr>
<tr>
<td>3.5</td>
<td>The role of Scotland</td>
<td>39</td>
</tr>
<tr>
<td>D</td>
<td>Conclusions and Recommendations</td>
<td>40</td>
</tr>
<tr>
<td>E</td>
<td>Bibliography</td>
<td>41</td>
</tr>
</tbody>
</table>

Table of Exhibits

<table>
<thead>
<tr>
<th>Figure</th>
<th>Page</th>
<th>Box</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Interview Locations Map</td>
<td>5</td>
<td>1: “New age for Niobium”</td>
<td>12</td>
</tr>
<tr>
<td>2: EI Resources Map of Malawi</td>
<td>6</td>
<td>2: About the Tilitonse Fund</td>
<td>15</td>
</tr>
<tr>
<td>3: Malawi/ Tanzania territorial dispute</td>
<td>8</td>
<td>3: An Academic’s View</td>
<td>18</td>
</tr>
<tr>
<td>4: Petroleum Blocks 1,2 and 3 (northern Malawi)</td>
<td>9</td>
<td>4: Malawi and the ‘Resource Curse’</td>
<td>29</td>
</tr>
<tr>
<td>5: ASM Issues</td>
<td>37</td>
<td>5: Lake Malawi - Caution Required</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6: Amended, draft 2015 Mines and Minerals Bill</td>
<td>33</td>
</tr>
</tbody>
</table>
A. EXECUTIVE SUMMARY

A recent study carried out by the UoD, and commissioned by the Scotland Malawi Partnership (SMP), consulted key stakeholders in Malawi from government, industry, donors and civil society, to gather different perspectives on the current state of Extractive Industries (EI), i.e. mining and petroleum, in the country.

The catalyst for the SMP’s specific interest in Malawi’s EI sector was a request by the Government of Malawi (GoM) for external development partners, including those from Scotland, to take note of the strategic importance of this sector to Malawi’s future economic development.

The research was comprised of thirty-two semi-structured stakeholder interviews with forty different interviewees in Malawi. Of these interviewees, twelve were from the Non-Governmental Organisation (NGO) sector, twelve were from the EI sector (both cooperatives and private companies), nine were donor agencies, and seven were (former and current) GoM employees.

The findings demonstrate that the range of views, and level of consensus amongst stakeholders, varies across the sectors. The petroleum (oil and gas) sector is contentious, not least because it is still in the exploratory stage with the potential hydrocarbon reserves located under Lake Malawi. This heightens the risks associated with extracting these reserves, particularly with respect to impact on the environment and livelihoods. Despite the large-scale mining sector’s slower development than in neighbouring countries, there is a general consensus amongst the stakeholder groups that the mining should be developed.

This report’s analysis suggests that there are significant risks associated with developing EI in Malawi, in particular, environmental and social risks, but also considerable opportunities. Presently, these risks are assessed by stakeholders to be too great for the petroleum sector. However, while investment, regulation and capacity building would be required, there is evidence that, in their different ways, both Large-Scale Mining (LSM) and Artisanal and Small-scale Mining (ASM) could provide a much needed source of sustainable economic development for Malawi.
If approached in such a way as to:

1) Minimise environmental impact;
2) Protect miners’ and other affected peoples’ rights;
3) Incentivise investment; and
4) Effectively and fairly manage how generated resources are utilised and distributed, there appears to be the motivation, support, and potential for this to happen.

It is suggested here that for this potential to be realised the GoM would need to take a holistic and inclusive approach to developing EI related policy and regulation and also attract significant investment in the mining sector. In this respect there could be a partnership role for Scotland / Scottish organisations to:

- Develop the existing advisory relationship between GoM and UoD, for example in the development and implementation of new EI related policy;
- Assist the coordination among actors active in the EI sector, avoiding duplication with the efforts of other international actors including both development agencies (donors) and international organisations, e.g. United Nations agencies.
- Work in partnership with GoM toward developing capacity in departments linked to EI, for example the department of mining; and
- Ensure that the voice of civil society is represented in the consultations.

A recommendation of this report is that the Scottish Government give serious consideration to support the creation and operation in-country of a Scientific Testing Laboratory for mineral samples.

B. INTRODUCTION

1. Status
The SMP part-funded\(^1\) UoD Masters candidate Daniel Gilbert undertook a five week Malawian “listening” research exercise relating specifically to the extractive industries (EIs), i.e. mining and petroleum, in-country during September/ October 2014. This is the final and summative report for that research. Additionally, on the 17\(^{th}\) December 2014, Daniel Gilbert submitted his final MSc dissertation based on the same research interviews he conducted, but focussing exclusively on the subsector of ASM, a type of mining discussed below. This ASM document will be available from the author (email: daniel_edwin_gilbert@yahoo.co.uk) once the UoD has awarded its academic grade for this work.

2. Purpose
The purpose of the listening exercise is to: (1) outline the current landscape of EIs in Malawi; (2) listen to and represent the views of key stakeholders involved in EIs in Malawi; and (3) analyse the findings to identify the key issues and assess the potential for EIs as a source of sustainable economic development.

\(^{1}\) The £1,000 contribution to internship expenses of CRU Group, a London-based consultancy with no operations in Malawi, is also kindly acknowledged alongside UoD’s support for this work.
3. **Structure**
A Memorandum of Understanding between the SMP and UoD set out the agreed range of specific questions to be investigated through this listening exercise, reported on herein and listed below:

(a) What work has already taken place between Scotland and Malawi in the Els in recent years; what has the learning been from this; and what is planned for the future?
(b) What work has been done in and with Malawi by other donors in this area; what is planned for the future; and what is the best way to connect and coordinate with other nations offering support in this area?
(c) What has been Malawi’s experience to date with the Els?:
   i) A civil society perspective;
   ii) An environmental perspective;
   iii) A GoM perspective;
   iv) The industry’s perspective;
   v) Donors’ perspectives;
   vi) An academic perspective; and
   vii) The author’s own views.
(d) What are Malawi’s priorities with regards the Els going forwards?:
   i) A civil society perspective;
   ii) An environmental perspective;
   iii) A GoM perspective;
   iv) The industry’s perspective (including mining companies and investors)
   v) Donors’ perspectives;
   vi) An academic perspective; and
   vii) The author’s own views.
(e) What is the case for increased Els in Malawi, and who is advancing this case in Malawi?
(f) What is the case against increased Els in Malawi, and who is advancing this case in Malawi?
(g) To what extent is there a constructive working relationship between the government, the industry, civil society and donors engaged in the Els? And what, in the author’s opinion, could be done to strengthen this relationship; and
(h) In the author’s opinion, and informed by the above, what potential value could Scotland (civil society and government) add to work in Malawi in the Els.

4. **Methodology**
Daniel Gilbert undertook thirty-two semi-structured stakeholder interviews with forty different interviewees. Of these interviewees, twelve were from the NGO sector, twelve were from the El sector itself (both cooperatives and private companies), nine were development partner interviewees, and seven were GoM, past and present, interviewees, indicating a good balance across sectors; Annex 1 refers.

---

2 During the drafting process of this report, it was agreed that the report would better flow if it was allowed that some of the above items were covered collectively, rather than singularly.
Interviews were conducted in each of Malawi’s three officially recognised regions, the map below (Figure 1) showing the location of each of the thirty-one different face-to-face interviews:

**Figure 1: Interview Locations Map**

The author would like to hereby acknowledge the very considerable support of interviewee Hilton Banda, President of the Geoscientist Association of Malawi (GAM), in helping to make so many of the necessary arrangements for the author’s two project trips to the Southern region of Malawi within this five week, listening exercise, period. The author further acknowledges the great support of his supervisor, Keith Bohannon, Member Development Officer at the SMP.

### C. MAIN REPORT

**1: National EI Context**

**1.1 EI: Background**

Malawi is on the cusp of developing its EI sectors – mining and petroleum – but future outcomes remain uncertain. Moreover, the starting points for these two sectors are significantly different, as can be seen from Figure 2 below. One thing they do have in common, however, is the general perception of Malawi as an almost exclusively agrarian economy. This is a view articulated by Joseph Mpinganjira, Governance Advisor, Irish Aid who stated that “under our first President Hastings Kamuzu Banda, who left office 1994, there was a focus almost exclusively on agriculture, leading to Malawi having very limited mining industries of any sort”; indeed, Malawi’s population remains largely (80%) rural and its economy undiversified and agrarian – agriculture accounts for 90% of export revenues, over half of which is from tobacco (CIA, 2014).

That view is certainly true with regards to both petroleum and LSM, both of which are capital intensive and hence unlikely to develop in a landlocked country such as Malawi without, at least, strong GoM support and encouragement and allocated resources. More recent policy developments

---

33 Additionally, David Kienzler, previously of the Ministry of Mining on a Fulbright-Clinton Scholarship, has returned to the USA and was therefore interviewed by email
by the GoM have variously sought to promote the Els in general. Of the Els, only ASM is conducive to labour, rather than capital, intensive production, and hence could flourish before former President Hastings Banda’s 1994 departure.

**Figure 2: EI Resources Map of Malawi**

An EI resources map (Hilton Banda, 2014, p.11) of Malawi is shown above at **Figure 2** with important EI resources listed to the left. It is noted that mining areas tend to be either in northern or southern Malawi, and less so in central areas. The location of any petroleum resources is unknown, however commercial discoveries elsewhere in Africa’s Rift Valley suggest that the subsoil below this valley’s extension into Malawi, in particular under Lake Malawi, may be rich in these hydrocarbons.

Grain Malunga, former Minister of Mining, notes in his interview that smaller scale mining is “strong in the following subsectors: stone aggregates, limestone, terrazzo, gemstones”. Other minerals, notably uranium, are only suitable for LSM due to necessary, expensive, safety equipment.

Lastly, it is noted that neighbouring countries have proven rich in EI resources, notably Mozambique (e.g. coal, natural gas) and Zambia (copper and other minerals). Whilst this can be seen as encouraging in terms of Malawi’s likely prospectivity, it also raises the question as to whether Malawi needs to explore for coal given its proven abundance in Mozambique’s Tete province and the rail line between Tete and the Mozambican port of Nacala, a route that crosses Malawian territory. The implication is that it might be more cost effective for Malawi to simply buy Mozambican coal rather than mine its own. The Tete-Nacala is an example of vital infrastructure that EI sector development can bring, but is also illustrative of EI “enclave”-characterised schemes that can limit and inhibit the potential development of such construction, since this line is largely designated for the export to port of Mozambican coal rather than wider community use.

---

*A similar, but economically weaker, argument could be applied to the very substantial natural gas discoveries offshore Mozambique.*
**Petroleum**

In simple descriptive terms, Malawi’s petroleum sector remains nascent and is thus far restricted to exploration rather than production. In summary terms, upstream petroleum relates to production, and downstream to supply (retail); American authors, mainly, also refer to midstream aspects of petroleum, e.g. pipelines. Writing sixteen years after the end of former President Hastings Banda’s rule ended, oil expert Duncan Clarke (Clarke, 2010) summarised Malawi’s upstream petroleum situation then as follows:

- “Malawi has no discovered hydrocarbons”;
- “An aeromagnetic review of Lake Malawi by Duke University in 1981-85 was the first exploratory activity in the landlocked country, which is reliant on (fuel) imports”; and
- “Maybe with new success in the Ugandan Rift Valley and on/offshore Lake Albert, even Lake Malawi might one day receive more attention. But it’s a long shot at this stage.”

This description both remains accurate now (including the final comment above) and provides a historical context for upstream petroleum in Malawi, despite developments since 2010. For example, and potentially complementary with upstream development, in June 2011 the downstream state petroleum firm National Oil Company of Malawi (NOCMA) was established to provide the country with fuel security. This was a function that was left substantially unfulfilled one year later during a period of acute shortage of foreign exchange in the country. Two years later in 2013, Malawi launched an aerial survey, which focussed on both minerals and petroleum potential. The full results of this should soon be released; in July 2014 the GoM reported the surveying as 98% completed (Nyasa Times, 2014). Although positive, these developments cannot shift the fundamental issues that may impede upstream petroleum development, both exogenous and endogenous.

A key endogenous issue is the oil’s likely location, a question which the results of the aerial survey may help to clarify. If it is likely to be under Lake Malawi, as Clarke suggests, that would be a very sensitive location, not least environmentally.

Lake Malawi fishing scene

Lake Malawi’s geographical centrality is mirrored by the centrality it takes in Malawian life and consciousness. Critically, it is vital for the nation’s tourism industry, food production, and freshwater. Much of Malawi’s petroleum resources are thought to be located under Lake Malawi, implying both
additional financial costs of extraction (whether via offshore installations or through onshore-located directional drilling) and potential dire societal costs should there be an oil spill.

Furthermore, Malawi’s neighbour Tanzania has an unresolved territorial claim on half of Lake Malawi’s northern part, see Figure 3 below (Gilbert, 2013a, pp.3-7). The political uncertainty that this implies are mirrored by uncertainty about how much petroleum there is under the lake and how difficult it would be to extract.

Figure 3: Malawi/ Tanzania territorial dispute:

(a) northern Lake Malawi map, respective claims; and

(b) Lake Malawi political cartoon by G. Mwampembwa, 2013 ©; reproduced with permission.

Notes: (1) Malawi’s claim is to the eastern shoreline; and Tanzania’s is to an equal share, mid-way into the lake. (2) West (i.e. left) to east (i.e. right), countries shown: Zambia; Malawi; and Tanzania (Mozambique is also shown in lower right corner).
As can be seen from Figure 4, (2013, p.12) below, all of northern Malawi has now been divided into oil blocks, awarded for exploration. As is the case for the majority of southern Malawi too, these blocks clearly overlap the disputed international boundary, albeit not the extant, shore-side one shown.

**Figure 4: Petroleum Blocks 1, 2 and 3 (northern Malawi)**

Furthermore, GoM’s November 2014 announcement (Mining in Malawi, 2014a), discussed in more detail in section 3.1 of this report, of the suspension of all of these oil block licenses pending a review of their procedural validity and in terms of policy (i.e. national benefit) has added yet further uncertainty to this situation. This puts at risk further investment in these blocks, which the GoM report on optimistically as follows: “the project(s) once operational will produce oil” (Malawi Investment & Trade Centre, 2014). Lastly, and a key exogenous factor, the fall in the international price of oil from a high in June 2014 of $116 per barrel to c.$60 per barrel as of mid-March 2015, just nine months later, is choking off new investment in upstream petroleum globally, even in locations with proven, accessible, reserves and good access to port for international shipping – none of which situations pertain for Malawi.

**Mining**

A key difference between mining and petroleum is that smaller-scale operations, including informal ones, are economically viable for mining but not for petroleum. This is because, whereas mining need not be capital intensive, petroleum extraction requires large amounts of capital investment. This creates the opportunity for informal, small-scale mining that is, labour rather than capital, intensive. Smaller scale mining, formal and informal, is well-established in Malawi. Where it is informal, it is referred to as ASM, the constituent parts ‘small’ and ‘artisanal’ of which term are used interchangeably. However, ASM definitions are contested, and the interviews indicated that formally organised mining cooperatives are often considered part of the ASM sector.

One mine in particular dominates the history of LSM in Malawi: the Kayelekera uranium mine in the very north of the country, in the district of Karonga, 85% owned and run by Paladin (Africa) Ltd (PAL), a subsidiary of Paladin; the final 15% equity is owned by the GoM. An image of the Kayelekera mine is shown below:
The proposed niobium mine at Kanyika, also in the Northern region of Malawi, would rival the scale of Kayelekera in its investment scale; see Box 1 below. However, the mining agreement for Kanyika remains in negotiation, and as a result the September 2014, PAL interviewee comment by Greg Walker, General Manager – International, PAL, remains true now, in mid-March 2015: “other mining investments in Malawi were counted in the $ms of US Dollars, but Kayelekera’s is measured in the in the $100ms - the project represents a huge leap for the country’s mineral sector.” When operational, the mine contributed c.10% of Malawian GDP (PAL, 2014); the mine started some production in 2009 with commercial production declared the following year, as of July 1, 2010 (PAL, 2010).

Kayelekera was placed into care and maintenance during 2014 (Mining in Malawi, 2014d) as a result of the very negative (i.e. downward) impact of the Fukushima Daiichi nuclear disaster of 2011 on the price of uranium oxide. Kayelekera’s Bankable Feasibility Study was completed in 2007, four years before Fukushima, when uranium oxide price was $75 per lb, implying profitability immediately prior to Fukushima. In March 2011, the price was largely unchanged at $72.63 per lb (PAL, 2010, p.3). Subsequent to that unexpected and catastrophic event the price significantly depressed, trading within a the $30 to $50 per lb range and currently, as of January 12th 2015, at just $35.40 per lb (Info-Mine, 2015). Hence, since Fukushima the mine has operated at a loss. For it to re-open, PAL would need to be convinced of its likely future profitability, as Walker confirmed.

In April 2014, largely as a result of Kayelekera entering care and maintenance and halting production, the Reserve Bank of Malawi (Reserve Bank of Malawi, 2014) issued a statement to the effect that the mining sector was expected to decline in value in the forthcoming year, in contrast to the growth of the other sectors of Malawi’s economy. As the interviews make clear, the mine is relevant in terms of the contracting of future LSM licenses, as a de facto benchmark for discussions, despite the government of the time specifically seeking to avoid that outcome. As Walker notes, “GoM wanted it to be a confidential agreement (although there is no clause to that effect in the contract).”

Given its importance, this report includes references throughout to the mine in its different facets, e.g. as a strong focus within the (academic) interviewee text at Box 3 below. One of the key difficulties that the mine faces is high cost driven by the fact that its diesel power is imported in by truck, a fact necessitated by the inability of the national electricity retailer, ESCOM, to supply the...
mine with the required amount of electricity. This issue links Kayelekera to the question of whether Malawi should be mining far more thermal coal for burning in power generation, discussed below.

Such an increase in coal mining would be from a low base, however, as this subsector is relatively under-developed in Malawi, especially as compared to neighbouring Mozambique. Encouragingly for this subsector however, was the release in 2014 of Malcoal’s Nkhachira area coal exploration results, indicating “a combined total in situ coal resource for the project at 38.4-million tones comprising 10.1 million tonnes measured, 13.8-million tones indicated and 14.4 million tonnes inferred category coal; (the company) seeking to expand production to supply its 120MW Pamodzi Power Project, which it is developing at Chipoka in Salima” (2014b).

Globally, most coal is not traded internationally but consumed domestically. This consumption can be very local to the mine head, as the following example indicates: Russel Thornicroft, Director of Rift Valley Mining explained how his company planned to mine coal locally in Nsanje, southern Malawi, to burn in the processing of locally mined limestone.

As Thornicroft notes: coal, alongside limestone, is a good example of a mineral for which there is considerable domestic demand within Malawi; and expanded mineral production could be important for import substitution, not just (or, instead of) export, both of which alike reduce stress on stretched foreign exchange reserves. Import substitution also has the benefit of reducing the considerable transport costs. As Thornicroft notes, this presently constitutes a large part of the cost of imported limestone. Moreover, uranium mines such as Kayelekera also typically use hydrated lime, a product of limestone mining discussed below and prevalent as ASM across southern Malawi, for “lime softening (which) has been identified by (the US) (Environmental Protection Agency) EPA as a ‘best available technology’ and Small System Compliance Technology for uranium and radium” (EPA, 2015).

By contrast, ASM has no one single mine or groups of mines that act as a focal point for the subsector; instead this type of mining is highly diffuse. Even so, ASM is an important subsector to Malawi, a fact recognised by the 2014 draft ASM policy issued by the GoM for consultation at a national ASM conference held in partnership with NGOs. It is “a sector in Malawi (that) is yet to be fully understood by establishing an inventory of resources capable of extraction” (TF, 2013, p.6).

One estimate puts the number of Malawians “involved” in ASM at 22,000, (Mining in Malawi, 2014c), and another (Kalmongera, 2011, p.1132) quotes an estimate of “at least” 40,000 “engaged in” ASM as of 2001. Rapid population growth since 2001 can be expected to have boosted numbers significantly. Considering that Kayelekera, when operational, employed just 743 Malawian nationals (PAL, 2013, p21), it is possible that the number of Malawian ASM miners outnumbered Malawian nationals employed by PAL by a ratio of c. one hundred to one. ASM is important in Malawi with respect to both poverty/ livelihood issues and environmental degradation, and is the subject of sustained debate about its net positive or negative development impacts. This report separately analyses ASM and LSM, whilst noting ambiguities in using this, widely referred to, distinction.

One similarity between mining and petroleum is the high cyclicality of pricing (Crowson, 2005), and the fact that commodity prices are generally depressed currently, the most important cause being slowing growth in China. Overall, IMF indices show a reduction in metals prices, adjusted for
inflation, from a high in February 2011 of 119.50 against base=100 prices for 2010, down to 71.39 for September 2014, the last month that the data was published for (IMF, 2014). The same data show that current prices are not out of the ordinary. For two years from November 2007 to October 2009 this index varied between a minimum level of 57.3 to a maximum of 88.5; the 71.39 level is near to a midpoint of this range.

However, not all mineral prices move together. For example prices of zinc and niobium have proven to be very resilient; Malawi has important known reserves of the latter, but not the former. Moreover, the case of the falling uranium price, noted above, illustrates that falls in mineral prices of specific commodities often are explicable by factors specific to that mineral (in uranium’s case, the Fukushima accident of 2011, see above), alongside more general trends.

Box 1 below reports on niobium, a mineral that could induce mining sector growth once again in Malawi, and which has experienced stable pricing over the past five years.

**Box 1: “New age for Niobium”; “Malawi’s most marvellous metal”**

Niobium is a hypoallergenic element, i.e. physiologically inert and harmless, hence it is suitable for invasive medical applications and use in jewellery, where it causes no irritation to even sensitive skin. Niobium is further important in steel making since even small amounts (circa 0.1%) of the element, when combined in an alloy, harden the metal and allow it to be manufactured at less mass, i.e. reducing cost as well as weight. This “super alloy” quality means that it is utilised in space technologies, referred to enthusiastically below, amongst other applications (Huxham, 2013).

The mining private sector and the Lilongwe-based Mining Review, which is sponsored by both GoM and the private sector, alike are united in their praise of this metal, which is commonly referred to in Malawi as a rare earth element, a description which is justified on geological grounds (i.e. it is highly dispersed and is typically found in relatively low levels of concentration) but not on chemical ones (it falls outwith the periodic table grouping of rare earth metals).

Grant Davy, Managing Director of Cradle Resources, which operates the Panda Hill niobium mine in neighbouring Tanzania, headlined his keynote address to the “Ferroalloys (October) 2014” conference as follows: “New age for Niobium” (Davy, 2014).

A 2013 edition of the Mining Review’s front page was entirely taken up by reporting on this project, leading with the headline “Kanyika Niobium – Malawi’s most marvellous metal”. Neville Huxham, Executive Manager of Africa at Globe Metals and Mining (Globe), an interviewee of this project and the author of this article, wrote (Huxham, 2013), that “Malawians may justifiably feel blessed at having one of the most important metals of the ‘Space Age’”, arguing that, pending a licensing agreement, Globe’s proposed production at Kanyika in northern Malawi means that the country “stands poised to become the world’s third largest niobium producer” behind Brazil and Canada since “the project is scheduled to produce 3000 tons of niobium oxide a year, as well as a further 150 tons a year of tantalum – another ‘rare earth metal’”.

Davy (2014) argues that the market for niobium is “likely growth of 30% in six years and a current market size of $2.2 billion (three times that of graphite)”, another important mineral for Malawi.
This positive outlook is echoed in the Mining Review (ibid): “World demand for special steels – including niobium – is certain to escalate in coming years”. Moreover, and unlike the falling uranium prices that have plagued Malawi’s largest mine at Kayelekera, price stability is a feature of this metal that Davy (2014) notes: “niobium has shown exceptional price stability over five years: the effects of economic recovery and the USA, EU and India push prices up only to be countered by falling Chinese demand and currency exchange fluctuations.”

Also encouraging for Malawi’s nascent rare earth mining subsector are the pre-feasibility study results announced for Songwe Hill Rare Earth Project by Mkango Resources, which indicated a net present value of US$293-million with an 18-year mine life. A definitive feasibility study should now follow, with mine construction scheduled to commence in 2017. “The rare earth elements expected to be mined at Songwe include lanthanum, cerium, praseodymium, neodymium, samarium, europium, gadolinium, terbium, dysprosium and yttrium” (Mining in Malawi, 2014b).

Huxham notes that the aerial survey could result a wide range of possible outcomes in terms of Malawian mineral prospectivity, including:

- Positively, as: “there are large areas of Africa without proven, substantial mineral reserves. It is possible that much of Malawi is in the same position”; and/or
- Less positively, that: “the complex geology of the Rift Valley may result in folding of mineral deposits, making them more expensive to extract.”

Huxham did not make the point in his interview that the aerial survey’s results may indicated that Malawi has comparatively few high quality mineral resources to extract, although logically this is another potential outcome too.

1.2 EI: Scotland and Malawi

The MoU asks “what work has already taken place between Scotland and Malawi in the extractive industries in recent years; what has the learning been from this; and what is planned for the future?”

Scottish flags fly astride that of Malawi at La Caverna library and restaurant, Blantyre

Scottish support delivered thus far includes that provided by the UoD’s Centre for Energy Petroleum, Mineral Law and Policy (CEPMLP) Director, Professor Peter Cameron to the GoM. Cameron
delivered this support through 2013/2014, with respect to comprehensive EI sector legal reform with respect to the drafting of laws to replace the:

- Malawi Mines and Minerals Act (Republic of Malawi, 1981); and
- Malawi Petroleum (Exploration and Production) Act (Republic of Malawi, 1983).

Additional CEPMLP, UoD support work conducted to date includes the six specifically-Malawian webpages of the EI “good-fit practice” website, led by UoD: the EI Source Book. These webpages are available at [www.eisourcebook.org/1484_Malawi.html](http://www.eisourcebook.org/1484_Malawi.html) and include links to 16 Malawian EI downloads, all accessible from the above. CEPMLP (Prof Cameron and this author) presented this project at the UN to the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development, a meeting attended by the Mining Ministries of over forty countries, and Chaired by Leonard Kalindekafe, Malawi’s [then] Principal Secretary of the Ministry of Mining, and an interviewee of this report. Additional UoD support is noted as including:

- The provision, in 2013, of CEPMLP, UoD hosted/delivered intensive, ten day duration, professional development training delivered to the Malawian senior civil servants, including from the Ministry of Mining (Mining in Malawi, 2013a) and supported by materials developed with Scottish Development International funding; and
- The work of Rachel Etter, who was at the time Project Coordinator of the Revenue Development Foundation’s work in the natural resources sector in Malawi, interviewee for this project and a Lilongwe-based distance learning Masters CEPMLP candidate who runs the Mining in Malawi blog, [http://mininginmalawi.com/](http://mininginmalawi.com/). Etter also gave a Malawian mining presentation at the University of Edinburgh, April 2014, conference “Mining and Political Transformation in Africa” (University of Edinburgh, 2014, p.3).

A key learning point from the in-country interviews, and with discussions held by the author with SMP members in Edinburgh and additional key individuals in Lilongwe, including Professor James Otto (formerly Director of the Insitute for Global Resources Policy and Management at the Colorado School of Mines, and commissioned by the GoM to assist it update its mining legislation through a replacement mining Act), is the importance of empathetic, practical support. That support does not seek to provide an off-the-peg solution to Malawi’s challenges but instead listens and properly responds to the needs of Malawians as articulated by Malawians, duly tailoring its design and delivery thereby. This learning is fully consistent with the original design, intention and purpose of this listening exercise project.

CEPMLP, currently has five Malawians enrolled on its Natural Resources Masters programme and is seeking to build up this educational role yet further in future years. Additionally, individual members of the SMP continue to support the Malawian mining sector with linkages to Scottish (and rest of UK) based potential sources of finance and other networking support.

1.3 EI: Donor support
The MoU asks “What work has been done in and with Malawi by other donors in this area; what is planned for the future; and what is the best way to connect and coordinate with other nations offering support in this area?”
The World Bank (WB)’s 2011-approved Mining Governance and Growth Support (MGGS) Project, part funded by the European Union, is ongoing in its support to its scheduled close on the 30th September 2014 and consists of a mixture of grants and loans totalling US $25 million. It is designed to support efficiency, transparency and sustainability in the mining sector (WB, 2011a) and is the largest single donor EI intervention in Malawi. The MGGS is important both for the support that it provides directly, and for the catalyst that it has proven to be with respect to other donors coming in to support the Malawian EI sector, as GoM interview Charles E. Kaphwiyo, Director of Mines, Department of Mines, notes: “for a long time it was a problem identifying donors for Els, who pointed to the fact that GoM policy was directed at agriculture and not at Els, when this was changed donor attitudes started to change too; with advent of MGGS, other El donors started to come; it’s interesting that Scotland is now looking at this too.” Kaphwiyo proceeds to provide a summary of donor support outwith the MGGS, see below, the importance of which is widely acknowledged in the interviews, e.g. by Wasim Ul Haque, Country Economist at the Royal Norwegian Embassy, who stated that “WB funding for the sector via the MGGS is very generous anyway, and broad, ensuring that absolute gaps in provision of donor support are reduced in scope significantly anyway, and, by default, making donor coordination far simpler and less onerous.”

The WB states that (WB, 2011b) the MGGS will both:

- “Support the Government build a sustainable framework for managing mineral rights and operations which respects environmental and social management best practices”; and
- “Support the development of transparent arrangements for optimal generation and use of mineral revenues.”

The Norwegians and other donors have sought to avoid duplication with the MGGS by jointly funding the Tilitonse Fund (TF, see Box 2, below), a fund that acknowledges its alignment with the MGGS, presented as part of an overall strategy of donor coordination, on its homepage: “Tilitonse is in-line with the MGGS and is working with other key partners in the Government’s Democratic Governance Sector Working Group.”

Box 2 : About the Tilitonse Fund – ‘Let us do our part’

The Fund describes itself thus: “Tilitonse is a multi–donor pooled grant making facility supporting more accountable, responsive and inclusive governance in Malawi through grants to projects led by civil society & other local organisations. Total funding available for grants is £12 million with DFID, Irish Aid and the Royal Norwegian Embassy as the contributing donors” (TF, 2013a).

The NGO focus of this fund complements, not duplicates, the GoM focus of the MGGS. It is a fund that excited strong comments, both in favour and critical of it; see below.

Kaphwiyo both criticises the TF for funding some NGOs without an established EI track record nor obvious knowledge of the sector, and is supportive of it for its funding of, in his view, better established, more knowledgeable and constructive NGOs to engage with GoM on EI issues. Huxham concurs that there is an issue to be addressed: “it is unfortunate that some funding is reaching NGOs with transparently anti-mining agenda. In my opinion this is anti-development, and Malawi needs all the development assistance it can access.” There is an echo of these (respectively) GoM and EI producer comments, albeit with a specific ASM-focus, from the NGO sector: Malawi Women in
Mining Association’s (MAWIMA) President, Emma Adam, commented that regrettably, TF funds were not limited to organisations actually involved in the ASM subsector in some way.

Despite the above comment, NGOs interviewees tended to be very supportive of the TF, e.g.:
- a) Adam, who made supportive comments regarding the TF additional to the above noted caveat;
- b) Clive Bacon, Country Manager at PACT, who stated that: “the Tilitonese Fund is doing a good job, it’s very supportive, enabling the voice of citizens to be actually heard”; and
- c) Elyvin Nkhonjera, ActionAid Malawi’s Mining Project Coordinator, an NGO with a strong ASM track record, was supportive of TF, not just its funding for their Responsive Mining Governance project.

Moreover, the TF is explicitly aware of the dangers that it is accused of supporting, arguing that (TF, 2013, p.9) “one thing was obvious – that if corruption is to be exposed (in Malawi) and addressed in the mining sector, then Civil Society Organisations (CSOs) and other stakeholders should move from making speculative allegations to producing tangible evidence that can withstand professional scrutiny”. The same document notes (2013, p.15) the “fragmented role of CSOs” as a “key issue.” It argues for “evidence based advocacy” (2013, p.25) as the best way forward, including through its NGO/CSO funding, to better enhance relations between different sets of Malawian stakeholders involved in mining. This conclusion is analysed in section 3.4.

Looking forward, Etter notes considerable, unresolved funding issues regarding the TF, such that, as things currently stand: “TF’s support to mining governance projects will come to an end this year, unless a new call for proposals is released…. Through this it funded the Natural Resources Justice Network as well which may require future support.”

Donor coordination meetings, funded from the MGGS and hosted by the WB, are frequently cited by project interviewees as being important to the achievement of joined-up interventions by the donors. Their efficacy is reported to be higher when the GoM has specifically requested donors to attend, resulting in a higher and more engaged turnout of donors. The MGGS itself is a form of donor coordination, since its funding is from the European Union alongside the WB. Fifteen interviewees commented positively on donor coordination, one more than those who commented negatively – a close result implying that there is still room for improvement available in this regard.

In his interview, Kaphwiyo provides notes three further donor support areas beyond those above:

- United Nations Development Programme5: ASM;
- The Germans, Japanese and French: geological mapping; and
- Norwegians: advice on petroleum issues, not just funding for the TF.

Looking forward, one future significant focus of donor funding is likely to relate to support for Malawi’s candidate membership of the, global, Extractive Industries Transparency Initiative (EITI). This is referred to in numerous project interviews, and which the new President Arthur Peter Mutharika declared, in his speech to Parliament on assuming the Presidency, that he wished the country to join (MalawiVoice, 2014). Etter notes that the German government agency Deutsche

5 The United Nations Development Programme, through UN Women, is also supporting MAWIMA.
Gesellschaft für Internationale Zusammenarbeit is currently the main funder in Malawi for both the EITI and supporting Publish What You Pay stakeholder engagement channels (“campaign”), work which is funded through their Strengthening Public Sector Financial and Economic Management programme with the GoM. The Norwegian’s Oil for Development programme has established a strong track record in building civil society capacity to better monitor national government’s behaviours in neighbouring Tanzania and Mozambique, and could well provide a strong template for future delivery in a Malawian context too.

Lastly, in the context of donors’ future plans, a range of suggestions were made with respect to how Scotland could best become involved in supporting Malawi’s EI sector development, including: further support for civil society engagement on EI sector issues, in particular governance, and undertaken through the Publish What You Pay coalition to avoid fragmentation; ASM sector support through grants for capital equipment; purchase of equity stakes in mining developments, to boost investment and fasten their implementation; funding for environmental monitoring; support for in-country higher education EI-relevant courses development / delivery; and funding for in-country scientific laboratories for the mineral sample testing. These suggestions are referred to again in section 3.5, “Analysis of the Role of Scotland”.

2: Key Empirical Findings

2.1 Malawi’s EI experience to date

Overall, as noted throughout this report, there is a broad consensus between different groups of stakeholders in favour of mining sector development, so long as it is conducted in the right manner, but no such consensus regarding petroleum. The drill-down below breaks this down by sector:

i) A civil society perspective

On the basis of past experience, NGO interviewees were not convinced by the need for upstream petroleum development, providing four sets of comments in outright opposition to it, just one in favour, and six that consider the issue to be in the balance. Paul Taylor, Blantyre Branch Chairman, Wildlife & Environmental Society of Malawi, is representative of the sector: “I am very worried regarding petroleum exploration and production and Lake Malawi - it is a case of WHEN not IF there is an oil spill. That would be devastating for the Lake, which has thousands of endemic species and is still very important regarding fishing and nutrition for Malawi’s populace (despite over-fishing).”

NGOs were supportive of ASM, in particular due to its important role in Malawi supporting rural livelihoods, whilst recognising the environmental and health issues associated with this form of mining. Malawi Scotland Partnership (MaSP) Programme Officer, Clement Masangano, concludes in his interview that ASM it “to be encouraged as it contributes greatly to the Malawian economy”, a representative view of this sector.

Regarding LSM, and given that it was done responsibly, NGOs were overwhelmingly positive regarding the desirability of the development of this sector, with ten of twelve sets of comments received clearly stating the desirability of Malawian LSM, e.g. the comment of Happy Makala, MaSP National Coordinator: “LSM is important for the economy and should be developed, in order to boost GDP, help tackle poverty, and achieve economic diversification. The majority of Malawians survive on
less than $1.25 per day. With a well-managed economy we can emulate Botswana, which is a middle-income economy. Some MaSP members are themselves miners.”

**Box 3: An Academic’s View**

Laurence Mpekansambo⁶, Lecturer at Chancellor College, University of Malawi, was interviewed through this project. His comments on Malawi’s experience of the EIs is shown:

a) Recounting his experience of undertaking conflict management research regarding the Kayelekera mine (image shown below), Mpekansambo contends that LSM can be of great benefit to Malawi, but only if managed correctly. Thus far it is possible to identify both positive and negative aspects of our LSM experience – in the case of Kayelekera, the research indicated a real conflict of values and lack of empathy between the company and those against the development of the mine;

b) Regarding gender mainstreaming, Mpekansambo supports the views of the UN Women interviewees that there is still considerable work to do in the context of Malawi’s EI sectors, as there is across the whole of Malawian society; and

c) Malawi lacks enough in-country higher education provision specifically focussed on the mining sector, an inhibiting factor in its development to date.

The relationship between NGOs and other sectors, in particular LSM and GoM, is analysed in section 3.4, below.

**ii) An environmental perspective**

A wide range of issues were raised with respect to the environmental experience of Malawi to date regarding its EIs; the distinctions between mining and petroleum, and between LSM and ASM, are once again important therein. Deforestation for charcoal production is an additional issue that is relevant for both aspects of mining, and is considered below alongside the LSM and ASM reporting.

As discussed throughout this report, a key reason for interviewee reluctance to see upstream petroleum development in Malawi is that the likely location of the petroleum under Lake Malawi, which is a fragile ecosystem – a freshwater lake with only one outlet river (the Shire) which supports important, UNESCO⁷-recognised, wildlife and fisheries. Environmental concerns mix with economic ones given the importance of tourism, fishing and downstream (Shire valley) agriculture, all of which are dependent upon Lake Malawi’s waters remaining clean. In the case of petroleum, these concerns are so important as to have the effect of undermining confidence that upstream development should happen at all. Even amongst the GoM interviewee group, the most common response was that more evidence should be gathered, in particular regarding environmental impact, before deciding whether or not to proceed.

In terms of mining (both LSM and ASM) a lively subject area of stakeholder contributions were the issues of coal mining, charcoal production and deforestation. These issues are linked since more coal production was considered by some interviewees as a practical alternative to the widespread,

---

⁶ It was agreed with the SMP to categorise this academic as part of civil society/ the NGO sector. An alternative would have been to categorise his views as ‘GoM’ since he is a State employee, and hence considered a ‘civil servant’ in the Malawian context, however it was considered that this would fail to represent the academic independence that does exist in Malawi and that particularly asserted itself, under pressure, under President Bingu wa Mutharika.

⁷ In 2014 UNESCO carried out its first Lake Malawi verification visit to date, driven by environmental concerns regarding its possible degradation.
inefficient and unsustainable, very widespread production of charcoal through deforestation. Malawi is also extremely capacity short in terms of electricity supply. Only 9% of the population is connected to the electricity grid. Coal could be an ‘answer’ to this issue, but obviously at substantial net environmental cost, and only after any allowance for substitution of energy sourcing away from charcoal burning is taken away. Both fuels generate gasses very strongly associated with anthropogenic climate change, but interviewees noted that coal is a far more efficient fuel than charcoal, implying less climate change impact generated relative to the calorific value of energy generated. Moreover, coal mining’s physical ‘footprint’ occurs in and around the actual mines, whereas deforestation to supply charcoal production is geographically widespread, implying even greater levels of environmental degradation caused by the latter relative to the former source of energy generation.

For better or worse environmentally, the GoM is taking a supportive approach to coal mining development, licensing and also the burning of thermal coal in new power plants. Two new coal-fired power plants are in development, including one at Salima near Lake Malawi. Some interviewees were against this development. Outright opposition was noted amongst some to against additional coal mining and burning, e.g. Taylor, whose unequivocal views on this subject are quoted in section 2.3. Another problem with using coal for power generation, and mentioned in the interviews, is the amount of water required for cooling at the power station. Of the water used, there is a consumptive loss (i.e. evaporation) of at least 6%.

As part of a widespread logging and charcoal production cottage industry, the protected forests are the site of numerous and frequent allegedly\(^8\) deliberate bushfires, as this author personally observed. Moreover, they can be the site of mining too, as Success Sikwese, Project Officer at the Catholic Commission on Justice and Peace (CCJP) notes: “there is a conflict between forestry and mining not least of conflicting laws and implementation thereof, e.g. the payment of licenses by mining companies to operate in protected forested areas.” The overall result is a pressing issue: “forestry protection is a key issue that needs urgently addressing”, as Finn Petersen, Programme Manager at Irish Aid, accurately observes. Taylor notes that this issue, which can generate a “general fatalism” amongst Malawians, is now being tackled by many young Malawian volunteers engaged in small-scale reforestation activities nationally. Taylor also explicitly links the issue of deforestation to mining: “properly managed mining need not and should not have a big impact on forestry, but in fact mining can have a huge and negative impact due to the complicity and corruption of forestry department officials - illegal forestry destruction, mining in protected forests, and lack of replanting further to arboreal loss.”

Other interviewees linked the issues of deforestation, charcoal production and mining with that of livelihoods. In particular:

- The large army of charcoal producers in Malawi need to be given an alternative form of economic activity, and not just instructed to stop logging for Small-Scale production;
- Mining jobs, including substitute-fuel coal mining but not limited to it, should be provided to these people to give them a practical alternative to making a living.

\(^8\) According to both project interviewees and other Malawians the author met.
Exponents of this last viewpoint include both Hilton Banda and Thornicroft. Clifford Mkanthama, Programme Officer at LEAD Malawi explained his environmental unease regarding this issue, and his general summation realistically balances the different environmental and livelihood issues at stake:

“I have mixed views: it’s important to give people an alternative to charcoal production, but there are huge negative environmental direct impact of mining. However, if mining, including LSM, can develop to the extent that expected higher profits draws in people from charcoal production, then that would be a positive.”

Section 3.3 summarises a wide range of ASM environmental concerns: uniformalised ASM is unregulated and typically employs outdated technologies and techniques, leading to a lack of control in terms of environmental impacts. It is also far more widespread than LSM, leading to far more extensive environmental degradation. Maggie Kasasmbara, Managing Director of Razomaka Mining, in her interview gave an example of a hillside abandoned ASM mine she had observed personally, being apparently left open to the elements, with no apparent mine closure plan in operation, just prior to Malawi’s wet season. As she noted, Large-Scale land slippage could be expected, a further form of environmental blight.

Interviewees also criticised LSM for its environmental performance. People’s personal environment was also noted as a key issue, in particular forced relocation of homes ahead of the establishment of new LSM operations. This was an issue raised by Sikwese alongside two other interviewees. A further personal-environment issue is that of health and safety, seen by interviewees as at least better in LSM than in the case of ASM, where, according to Thornicroft, other interviewees and as observed by this author, many miners simply do not use any form of personal protective equipment (e.g. to protect their eyes from flying pieces of ore) at all. As an example, please see the image below, taken at an ASM mine site on the road back from Nsanje to Blantyre.

iii) A Government of Malawi perspective

GoM views are characterised thus:

- Strongly in favour of LSM development and support for ASM;
- Open-minded regarding petroleum sector development, but seeking further evidence on which to base future decision making;
- Committed to legal reforms regarding both mining and petroleum;
- Against new licensing moratoria pending completion of the above reforms;
- Favourable to working with the other groups of stakeholders recognised by this study, but not without criticism of some NGOs in cases where they consider criticism – not least of the private sector, i.e. not just of GoM – to be unjustified; and
- Realistic, open and constructive about the challenges facing the mining sector.

To take an example, GoM interviewees were realistic that ASM would – as now - be unlikely to produce a significant fiscal take for the GoM in the future, but that it was still very much worth supporting anyway. GoM interviewees reported that such mining was vital for the country in terms of poverty-alleviation and the provision of accessible income for families, in particular for subsistence livelihoods. As part of its mining reform drive, in 2014 the GoM developed a draft National ASM (NASM) policy (see section 2.2 for more detail). The above is in line with the mining sector EI legal reforms that the GoM is pursuing across the board.

For these interviewees, the policy challenges to be addressed were in terms of societal and ASM miners welfare: taking action to stop the environmental degradation that can blight local communities during and after ASM mining operations; transforming ASM miners health and safety levels from their frequently pitiful levels to acceptable ones; and how to help miners get a better and fairer deal (price) for their products. Interviewees recognised the importance of policy implementation and not just development, and asked that ASM miners help this process by formalising into cooperatives so that GoM (and others) could be in a better position to support them.

iv) The industry’s perspective

This report is replete with the views of the nine EI sets of producers interviewed, seven in the private sector and two social enterprises.

EI interviewees’ perspectives regarding mining tend to focus on the need for a re-setting of the debate on mining, including regarding smaller scale mining (i.e. how its good aspects should be enhanced, e.g. poverty alleviation, and its negative ones avoided, e.g. environmental degradation), and larger scale mining. This is the case in particular regarding the creation of the right stable and enabling environment, and realistic expectations about both the competitive nature of securing investment in a globalised industry and the practical limits on what the sector can do for local communities, especially given the:

- Frequent intermediary role of GoM (i.e. taxes are paid to the GoM and it is then up to the government and not industry to ensure that this money is spent for community benefit);
- Fact that revenues can only accrue at the extraction phase and not exploration phase; and
- Reality that the majority of explorations never lead to commercial discovery and extraction. (N.B. This is a viewpoint also mentioned by donor interviewees, and those in GoM, e.g. Hamella.)
Consideration of the first bullet point above led to one interviewee, Neville Huxham, Executive Manager of Africa, Globe Metals and Mining, to conclude that a “New Deal” was required for mining in Malawi, and globally. Namely, one whereby mining companies took active and hands-on ownership of ensuring that the dues they paid in return for extraction actually did reach local communities effectively, i.e. mining companies would need to occupy some of the space previously reserved by the State in terms of revenue allocation. This viewpoint is consistent with the widely-discussed anecdote of Kayelekera fiscal revenues being re-directed within GoM from the provision of local health care specialists dedicated for the mine’s northern Karonga district to funding on healthcare elsewhere in Malawi, and hence not to the direct benefit of local residents to the mine. This is just one of many such anecdotes relating to a perceived lack of understanding by some GoM officials that there was a popular expectation that local-raised mining fiscal revenues should be spent locally, and not, for example, on a new road bridge in a different province of the country, an example that was also referenced.

The underlying question here is one of “hypothecation” of revenues, i.e. should the GoM continue to have full geographical flexibility in its revenue allocation, or should EI revenues be hypothecated (allocated ahead) to the EI producing regions that generated them?

Huxham’s comments above refer to LSM. In terms of smaller scale mining, the two mining cooperatives interviewed were both members of MAWIMA, the Director of which, Adam, made a strong case for far greater support and fairness for her, frequently ASM subsector, members. In doing so, she pointed to the poor treatment that smaller scale miners can receive from traders (in particular, payment of low purchase prices resulting from inequalities in market power and asymmetry of information) and officials, e.g. fair treatment for small gemstone prospectors. This appeal reflects Adam’s stated conviction that there is more work to be done to deliver social and economic justice to Small-Scale miners in Malawi, despite the development of considerable recent momentum in that direction. Whilst Adam was interviewed by this project explicitly in her NGO capacity at MAWIMA, it should be noted that she is also part of the EI sector, being the Director of the Chichiri Mining Cooperative, of which project interviewee Paul Pakaine, himself one of two male members of MAWIMA, is Deputy Director.

EI interviewees also had clear views on Malawi’s EI experience in the context of the support provided by donors. Box 2 above, “About the TF – ‘Let us do our part’”, includes the views of Huxham on that particular fund, however some EI interviewees broadened this discussion beyond the various funds themselves to specifically include the approach of the GoM towards them with regards to the EIs. One criticism made by different EI interviewees was that Malawi was too passive in relation to the various donors and should instead take a more proactive and even forthright approach, particularly when the funds in question were not even grants but were merely loans. Yotam Ndovi, President of M&N Gemstones and project interviewee, provides a good example of this viewpoint: “donors give money, but with difficult conditions attached. Malawi should have a long-term vision as a country regarding donors, i.e. asking for cash for investments in infrastructure and education/training that will pay dividends in the long term, rather than simply for recurrent, day-to-day items (aid to trade)“.

22
Discussions with mining investors (no petroleum investors were approached) back in the UK indicated an overall cautious approach to investment in Malawi; given that such a large proportion of Foreign Direct Investment (FDI) into the mining sector is from Australia, canvassing of views amongst Australian investors represents an avenue for further research. Walker notes that Rift Valley Mining Ltd (represented by interviewee Thornicroft), is the exception rather than the rule with respect to its record of business development being not, to his knowledge, reliant on FDI.

v) Donors’ perspectives

Of all the groups of stakeholders engaged with, the donors (international development partners) were the most cautious even, and uniquely, with respect to the desirability of mining sector development in Malawi. Only half of the donors stated that they were fully engaged on EI issues; the remaining donors were focussed on helping Malawi reach sets of goals that did not include a specific mining or petroleum content, but which, nonetheless, were linked to Malawian EI development, e.g. the economic and social development of the country, or support for the country to take a more sustainable development path.

One donor interviewee who, in contrast to the above, is very close indeed to the Malawian EI sector is Greshom Sichinga, Energy Specialist at the WB and with responsibility for the MGGS. He confirmed that the primary focus of the aerial, geophysical survey was mining; petroleum was the secondary focus. Sichinga was both forthright and realistic in his assessment regarding the Malawian experiences of EI, both mining and petroleum, to date, and for the future:

- “Petroleum could be a useful sector for Malawi, and I would personally support it as an additional means of lifting people out of poverty, however it would need to be done in an environmentally sustainable way”; and
- “Mining is crucial for Malawi’s economy; not exactly in a mining boom, currently. We suffer from a number of comparative disadvantages, which help to explain why that is: poor infrastructure, transport, electricity supply and as a land-locked nation; so, we need to overcome those disadvantages by working extra hard and diligently.”

With respect to petroleum, one anonymous donor was clear in the need for balancing different concerns and issues pertinent to the EIs in Malawi, e.g. his/her reluctant acceptance, given the obvious and acknowledged environmental repercussions, of the need for more coal mining and power generation in Malawi given the electricity capacity shortage in the country, the prevalence of (even more environmentally unsustainable) energy generation from charcoal burning, and Malawi’s need for economic development. S/he was just as bold with respect to petroleum, stating: “Malawi will need to balance its economic benefits from petroleum extraction with those of fishing and tourism on the Lake (both of which are far more labour intensive, and hence better at distributing generated wealth within Malawi), than oil - is the latter likely to be in conflict with the former, established, industries?” Lastly, the pros and cons of a Malawian petroleum fund were considered.

However, these views were not representative of development partners/ donors’ comments as a whole, which tended, when attributable, to be far more cautious on these points. That does not imply caution across the board, though, since development partners focussed on a particular aspect of the Malawian EIs naturally gave more in-depth and stronger statements regarding their ‘own’
focal area, e.g. Viwemi Chavula, EI Programme Officer at UN Women, brings proper attention to gender issues as they relate to both the overall EI value chain and EI governance:

- EI governance and gender: “the issue is that accountability and transparency discussions overwhelmingly take place at a national level, in Lilongwe, leaving people outwith that orbit out of the discussions, especially women, e.g. artisanal miners in Ntcheu”; and
- EI Value chain: “EI sector legislative reform needs to look at the role of women across the value chain, e.g. relocation of women further to loss of land for EIs, particularly in light of the household impacts of a woman acting as a fulcrum for the whole family.”

2.2 Positive Malawian EI perspectives

Different positive Malawian EI perspectives were recorded through this SMP listening exercise depending upon the part of the EI considered, namely: petroleum; ASM; and LSM. Each are considered in turn below.

In sum, there is no consensus regarding the desirability of petroleum sector development, a situation that is in stark contrast with mining. In normative terms, there was no significant level of opposition recorded amongst interviewees to Malawi developing its mining sector, but rather support in favour of its properly managed (an important caveat) development. This report focuses far more on mining than petroleum, reflecting the balance of interview comments in quantitative terms (the subject of mining, not petroleum, dominated the interviews) and also given the generally far more positive responses collated through these discussions.

i. Petroleum

The arguments in favor of petroleum sector development are overwhelmingly made by the EI producers themselves, with some support from other groups of interviewees, for example Alice Shackelford, Representative, UN Women, noted below in section 2.3 for also putting forward the case against such development. Providing a balanced overall commentary, in common with many of the other NGO interviewees, Shackelford emphasised the:

- Potential economic benefits for the country that such development could lead to if it was managed properly;
- That a petroleum resource curse (analysed in section 3.2 below, Box 4) was a potential threat for Malawi rather than an inevitability; and
- That oil was still a critically important resource internationally, not least for transport.

In section (2.3) below it is noted how cautious and balanced the petroleum comments of GoM interviewees were, the most frequently recorded view of GoM interviewees was that further evidence needed to be gathered and analysed regarding this issue before an informed, final, viewpoint could be reached.

Uniquely, therefore, amongst all the groups of interviewees, it is only the EI interviewees that collectively came down very strongly in favor of petroleum sector development. Of these seven interviews, only one (Kasasmbara, quoted in section (2.3) below) was negative on this issue, a
further interviewee offered a balanced viewpoint, and five further interviews recorded positive views on the subject.

An example of one such positive view was that of Datla Kumar, Director, Aspire Mining Company stated: “Petroleum exploration and production is important for the economy for the same reasons as mining - employment, forex and revenue. It should be pursued. As a landlocked country we are currently exposed in terms of our oil imports; it would be far better if we had an oil industry of our own.” This view is echoed in the group interview with the Tithikoze Lime Cooperative Society, who simply stated that “we need to extract oil, as we are so dependent on, and vulnerable to, foreign petroleum imports”; a picture of the interview, conducted in Chichewa via an interpreter, is shown below.

![Tithikoze Lime Cooperative Society, represented by the four people on the left, interview; Lilangwe.](image)

However, the strongest proponent of petroleum sector development was the only interviewee that focussed on that sector as opposed to mining or the EIs as a whole: Thomas Kebbie, a Saturation Diver at Technip. He states his conviction that Malawi has large petroleum resources that can be viably (economically and technically) accessed and argues that Malawi can develop its petroleum sector, learning from both:

- The positive experience of other countries regarding petroleum, including Ghana, Brazil and Norway, including with respect to both safety issues and how the industry is organised; and
- Seasoned oil professionals, offering experience not just qualifications, in order to ensure that its national interests, the interest of the people and of the workforce, are all protected.

ii. LSM

The GoM is very optimistic about the future of LSM in Malawi, and this is amply reflected in its policies which strongly emphasise mining as a key driver for economic diversification; this optimism

---

9 Two of which countries, Ghana and Norway, are identified in Box 4 (Malawi and the ‘Resource Curse’) below as good examples of resource-rich countries that have had positive overall EI experiences to date.
and pro-development stance was widely reflected amongst the interviewees, with the important

caveat that LSM development needed to be done properly and responsibly.

John Bande interviewee and former Minister of Mining, provides the general case (Republic of
Malawi, 2013), in favour of mining-driven economic diversification in the foreword of the 2013
Minerals and Mining Policy of Malawi. He notes (2013, p.v) that:

- “Malawi’s Growth and Development Strategy II identifies mining as one of the sectors that
could potentially generate economic growth for the country”, noting that Malawi “has
abundant mineral resources”; and

- the extraction of Malawi’s minerals could “transform the country from a predominantly
importing and consuming nation into one that is predominantly producing and exporting”
overcoming Malawi’s “perpetual imbalance between supply and demand of foreign
exchange... originat(ing) from the fact that the country heavily relies on agriculture in order
to generate foreign exchange.”

In line with this policy objective, this Policy sets a 20% GDP target for the sector, a precipitous
increase from the ex ante status quo level of just 3% prior to the commencement of production
(subsequently suspended) by the LSM Kayelekera uranium mine in Malawi’s north.

This pro-LSM approach is fully reflected in the stakeholder interviews.

Malawian interviewees were very willing to look beyond their country’s borders to, in particular, the
LSM sector experience of its near-neighbors across southern Africa, and in support of Malawian LSM
sector development. Of these nations, Botswana, South Africa and Zambia were most frequently
mentioned, but references were also made to Mozambique, Namibia and even Zimbabwe. This
open approach to the experience of other countries regionally implies a willingness to honestly
benchmark Malawi’s LSM sector as part of a long term drive to grow and improve the sector.

Uniquely amongst all subject areas covered by the listening exercise, there was a 100% response
rate for the question of whether LSM was to be encouraged in Malawi or not. Overall the response
was a resoundingly positive but not unanimously so, with notable differences apparent between
sectors:

- GoM responses: all responses were uniformly positive, and reflective of the current/ former
Ministries of the respondents; all of the Ministry of Mining (and successor Ministry of
Natural Resources, Energy and Mining) respondents, constituting all bar one of these
interviewees, focussed on the successes of mining in Malawi, including LSM but not
restricted to it, whereas the one respondent, Charlie Msusa, Director of Project
Development at the Public Private Partnership (PPP) Commission, focussed on the potential
of coal to be designated a strategic national resource and hence a potential subject of a PPP;

- EI Sector responses: these were uniformly positive about the need for Malawi to develop its
LSM, but included a number of criticisms of the actual approach taken to LSM in Malawi, see
section 2.1;
NGOs: interviewees provided commentaries that were overall very positive (in fully ten of twelve cases), e.g. Laurence Mpekansambo, Lecturer, Chancellor College, University of Malawi stated: “Yes, mining sector should be developed; how this is done is the question. Focus required on right policies and implementation throughout the EI value chain;” positive and supportive comments were also made with respect to opposition to Kayelekera. The (minority) negative comments from this group regarding the advisability of minerals expansion are discussed below, in section (f) of this report, and include specific criticism of Kayelekera, a mine that divides the opinion of these interviewees, prompting widespread criticism and supportive comments alike (including statements that acknowledge both positive and negative aspects of the mine); and

Development partners: interviewees responded in a nuanced manner, typically, and in contrast to other sectors were typically more guarded in their support for Malawian LSM development. For example, one donor commented anonymously that LSM “has the potential to be a good thing for Malawi, but there are issues of two-way communications and governance of the sector, and of accountability and transparency, that must be resolved if it is to be beneficial for Malawi - these are the substantial challenges, less so the geology.”

iii. ASM
As noted above in the introduction to this report, there is no universally agreed definition of ASM, let alone its two constituent parts. Many authors chose, instead, to describe ASM rather than formally define it, e.g. “broadly speaking, ASM operations exploit marginal or small deposits, lack capital, are labour intensive, have poor access to markets and support services, low standards of health and safety and have a significant impact on the environment” (Buxton, 2013, p.1).

Whilst the above description clearly implies negative considerations, discussed in section (2.3) of this report, the point that ASM is labour intensive is important in the context of high unemployment in Malawi. The implication is that ASM has the potential to provide for numerically higher levels of inclusive development for a given level of exploited natural resource, as measured by the number of direct beneficiaries, than LSM, which is typically more capital intensive and less labour intensive. As noted in section 1.1, the number of ASM miners in Malawi is estimated in the range of 22,000 to 40,000, which is very high in comparison to LSM, and implying a very substantial livelihood salience for this subsector.

The overall level of response from the SMP interviewees was very high on this topic: 34 interviewee responses out of a total of 40 interviewees. Whilst differences are identifiable in the responses between these different sets of interviews, common themes are clearly present too, not least the acknowledged role of ASM within the Malawian extractive industries now, and in the future. This fact is reflected by the GoM’s publication (Republic of Malawi, 2014) of the draft NASM policy. Both the significant opportunities for ASM development, and the importance of getting better information on the sub-sector, including through the national ASM symposium run in mid-November 2014 by the GoM, are clearly recognised by, inter alia, the TF (see section 3.3 below).

There were twelve interviewee comments strongly in support of ASM, all bar one of which focussed on ASM’s economic impacts. Even interviewees who were critical of ASM overwhelmingly tempered that criticism with recognition of its positive impacts, not least economic impacts. Amongst all
interviewee groups, the GoM one was the most positive about ASM. The two former Ministers of Mining quoted below are representative of this supportive outlook:

- Malunga: “ASM dominates in Malawian mining... ASM supports lots of people economically, albeit often on a subsistence basis, and ASM miners tend to be local”; and
- Bande: “ASM is very good for Malawi. We have an 80% rural population, and it’s mainly to that population that ASM incomes accrue, helping people out of poverty. ASM has to be encouraged. There are synergies with LSM too: LSM may explore a site and decide that the minerals identified are not commercially viable for it to extract, but they could easily be suitable for ASM extraction, duly notified (e.g. via government) of this opportunity.”

Overall, interviewee views regarding ASM were realistic in terms of the challenges and issues that the subsector generates. Interviewees referred to environmental degradation and the exploitation of ASM miners by traders who often buy ASM gemstones very cheaply, exploiting asymmetries of information and knowledge, but were also realistic about the livelihood importance of the subsector to so many Malawians. As such, the progressive and supportive policy approach of the GoM regarding ASM was very broadly welcomed as a route to ASM amelioration and enhanced beneficiation for Malawi.

In particular, how ASM policy is implemented is another matter to its formulation. For example, Adam in her interview, strongly advocated for great ASM self-help and support, with the implication being that a key element of GoM ASM policy should be to fund associations such as MAWIMA to delivery ASM objectives, rather than the GoM seeking to do it itself:

“we are an ASM association, providing practical support, with 75 members, 72 women and 3 men, and is weighted in membership towards the southern region. Our members are both miners and/or traders ... GoM civil servants go into the field to teach health and safety issues to ASM miners willing to listen, and also environmental issues. If MAWIMA and other associations had the funds then we could do this teaching ourselves, as we know where the ASM miners are. There is a basic lack of facial protection, ear muffs, and respirators in use, with devastating health implications. There is also the danger of encountering radioactive yellowcake - re. which there is a clear training and capacity building need.”

2.3 Negative Malawian EI perspectives

Different negative Malawian EI perspectives were recorded through this SMP listening exercise depending upon the part of the EI considered, namely: petroleum; ASM; and LSM. Each are considered in turn below.

i. Petroleum

Petroleum development attracted widespread opposition amongst the interviewees; however, this was by no means the only prevalent viewpoint – many other interviewees also offered balanced cases both for and against such development, and EI sector interviewees were overwhelmingly pro-development (see section 2.2 above). Overall, the cautious or negative arguments put forward by different interviewees, which together formed the large majority of all interviewee responses, reflect a range of livelihood, environmental, governance and resource curse-related concerns.
Only half of the development partners (donors) interviewed offered substantive comments on petroleum sector development, a very low proportion. An example of one that did was Alice Shackelford, Representative, UN Women, putting forward the following arguments against such development (alongside, it is important to note, countervailing arguments in favor of development too):

- The danger of Malawi entering a resource curse scenario via petroleum development, i.e. the “paradox of plenty” whereby economic revenues fail to translate into inclusive economic and social development; and
- That Lake Malawi’s fish stocks were already highly vulnerable to external shocks (e.g. pollution) as a result of considerable over-fishing.

**Box 4: Malawi and the ‘Resource Curse’**

The seminal work on the resource curse was by Gelb (1988), who looked at oil profits, and suggests that nations endowed with natural resources may, counter-intuitively, suffer from a “curse” of inhibited economic growth. The concept was then developed by Auty (1990) who argued that states with a resource “bonus” were more likely to run top-down and more closed than open to international trade, economies that tend to hamper growth rather than competitive ones that spur it. Sachs & Warner (1995) later popularised the theory, which has since been complemented by socio-political analysis, e.g. by Ross (2001).

Shackelford, amongst others in this SMP listening exercise, argues that it is far from inevitable that Malawi would suffer from the resource curse, stating “let’s learn the lessons of Mozambique and Sierra Leone and try to get the best, not the worst, from extractive industries development in Malawi.” Other interviewees reference a troika of resource rich countries commonly held to be successful in avoiding the resource curse: Ghana, Botswana and Norway. Malawi’s neighbor Zambia is also acknowledged in this regard, although it is a contested case given the painful adjustments it has had to face during periods when mineral prices have fallen.

In line with the above non-fatalistic view, Collier and Goderis (2007) examined the ‘curse’ and found that it was not an inevitability. This is a view consistent with that of Paul Stevens (2005) in his paper “The ‘Resource Curse’ and How To Avoid it”, who concludes (2005 p.2) that “some countries did indeed benefit and that the secret to success lies in” having a state that is “‘developmental’ or ‘predatory’,”. Case studies provided of developmental states as follows: Botswana, Chile, Indonesia and Malaysia. Stevens (2005 p.2) notes that whilst “none of these ‘usual suspects’ got it right all of the time... there was a (common) willingness to learn from mistakes and adopt policies to rectify error”, including by extensive government intervention, where required.

In contrast, all seven GoM interviewees offered substantive comments on this issue but, and in contrast to what might be expected from this group, there was no uniformity of view with respect to the desirability of upstream petroleum development. Clearly implying that there are serious arguments against upstream petroleum development that need to be addressed, the most frequently reported view (three respondents) noted the need for more information-gathering before any strategic decision is made on petroleum issues, a view eloquently put by Leonard Kalindekafe, ex-Principal Secretary, Ministry of Mining, see **Box 5** below.
Box 5: Lake Malawi - Caution Required, comments of Leonard Kalindekafe

“Lake Malawi a very special and a unique natural resource, and part of our nation’s endowment. Petroleum exploration and production needs to respect that fact. We need to know how much exploitable resource there is, to be informed properly about our choices. Every country especially Malawi must work towards having a full understanding of their natural resource endowment including oil and gas. Malawi at this stage is in exploration stage and not production. So it is very important that Malawi encourages oil and gas exploration country-wide so that we have up to date geological data in this area.”

NGOs were more negative still, with arguments against upstream petroleum development outnumbering arguments in favor by three to one, with further interviewees undecided. Only the EI producers group of interviewees recorded a majority view in favor of development, but even in this case there were dissenting voices against such development, e.g. Kasasmbara who argued clearly against oil exploration under Lake Malawi, citing the: “lack of expected benefits to shore-side locals, based on previous experience of lack of trickle down from other capital-intensive, large industrial developments” and concluded “let’s continue to eat the fish from the Lake, and keep it in good condition for everyone’s use, and not risk petroleum development.”

ii. LSM

All of the responses from both the EI sector interviewees and the GoM interviewees were in favour of Malawian mining sector development, given the important caveat that this was conducted responsibly and in the right way. However there was no such universal backing from either the donor interviewees, nor from the NGO interviewees; and there were important differences in prevailing perspective between the GoM and EI interviewees.

For example, a cautious response from the donor group, representative of the overall highly nuanced responses received from this group of interviewees, is given by Mpinganjira, who states that, rather than directly focus on the desirability or otherwise of LSM, Irish Aid focuses on “what concerns communities, namely jobs / other forms of local benefit, and the environment”, and that LSM needs to be considered in that context, not in isolation.

Whilst this donor group of interviewees did not present outright objections to the development of the mining sector in Malawi, they are the only group of interviewees that can be accurately characterised as being cautious in their overall approach. Hence, whereas the remaining group of interviewees, the NGOs, were the only group to hold views antipathetic to, at least, the actual practice of LSM in Malawi and, by extension, its further development, this was actually very much a minority view, even amongst the NGOs. Even the NGO comments made against mining tended to be limited in their range and extent, e.g. that of Taylor, who noted his very clear opposition to "coal mining as the answer to Malawi energy needs - instead, I have a strong preference for renewables", hence his objection noted therein is specific to coal mining rather than other types of mining. Once again, the question of Kayelekera is prominent in those NGOs who were sceptical to one degree or another regarding the desirability Malawian LSM development, not least in terms of local benefit and environmental performance.
However, overall the evidence for such opposition to LSM development is very sparse. Rather, there is a broadly-held recognition of the need to generate jobs, revenue and infrastructure by means of LSM expansion in Malawi and in the context of the poverty that so many Malawians subsist under.

iii. ASM
The description of ASM provided in Chapter 1 of this report implies a range of concerns that seem consistent with arguments against the development of Malawian ASM, rather than in favour of it – and such concerns are indeed reflected in some of the stakeholder interviews.

Real issues are evident with respect to ASM, both from published literature and from the project interviews. Section 3.3 provides analysis of the above, which, given the nature of the subject matter, is best considered as an integrated piece of analysis rather than in isolation.

In summary, however, it is the case that the listening exercise identified a wide range of views regarding the ASM subsector, ranging from outright hostility to strong support. None of the interviewees sought to deny the serious Malawian ASM issues, including serious environmental and health/safety concerns, however their responses to these issues varied considerably, an illustrative example being contending viewpoints as to whether ASM and poverty are mutually reinforcing, or whether it should be considered more as a route out of poverty, and hence worthy of GoM and donor support. Lastly, GoM attitudes to the sector were noticeably supportive and fiscally selfless: the subsector was seen as important in itself, not as a source of tax revenue, a prospect that was not so much discounted by GoM interviewees but rejected outright as fundamentally unrealistic.

3: Analysis

3.1 The Case For and Against Petroleum Sector Development
The summative case against petroleum sector development is, in this author’s opinion, increasingly compelling and coherent. It is a case that is grounded in environmental and livelihood concerns linked to the likely location of the oil under Lake Malawi, and, subsequent to the period of the listening exercise. It is also a case that has been greatly strengthened by the oil price drop of over 60% since the June 2014 peak of c.$116 per barrel, putting in serious doubt the economic viability of many proven oil fields outside of Malawi previously considered to be profitable.

Dr Duncan Clarke’s negative prognosis (Clarke, 2010), on the Malawian petroleum sector is quoted in Chapter 1 of this report. However, and seemingly defying Clarke’s skepticism, in the following year the Malawian Government issued exploration licenses for all six of its onshore and offshore (that is, under Lake Malawi) licenses, as follows:

- Block 1: SacOil;
- Blocks 2 and 3: originally to Surestream Petroleum, which later famed out a 51% share of each block to Hamra Oil;
- Blocks 4 and 5: to RAKGAS; and
- Block 6: Pacific Oil and Gas.

Blocks 1, 2 and 3 are shown at Figure 3 in Chapter 1.

This optimism proved short-lived. There remains no extraction of petroleum in Malawi, despite the above licenses being issued. As of late 2014, it was still being reported that “no one knows for sure if..."
Malawi has oil” (news 24, 2014); despite reports that 2014 “saw oil exploration gathering momentum in all the six blocks awarded in the country’s chunk of the African Rift System” (Mining in Malawi, 2014b), including an “environmental risk screening study... airborne gravity, magnetic and tensor gravity survey ... (and further) preliminary aerial surveys” by the different companies concerned.

A further blow to petroleum sector confidence, as noted in section 1.1, took place on the 18th November 2014 when the GoM announced that it was reviewing all of the above petroleum contracts. It did this by taking out advertising space in Malawian newspapers (e.g., The Nation, 20th November, see Mining in Malawi, 2014a), and issuing a simultaneous press release, stating that it “is reviewing all the Licenses granted to companies to explore for oil and gas and any Agreements that were entered into with the companies” and “giving notice to all companies that are involved in oil and gas exploration in Malawi to immediately cease production” pending completion of the review “regarding the manner and the procedures that were followed.” (2014a).

The press release noted the government’s concerns are focussed on two sets of issues, viz. whether “the Agreements that were signed are for the benefit of the people of Malawi and were done in accordance with all the relevant laws of the country”, or not, that is the investigation will focus on matters of both form and substance.

One, further, dispute that dates to the close of Africa’s colonial era also contributes yet further uncertainty. Malawi’s neighbor Tanzania has an unresolved territorial claim on half of the northern part of Lake Malawi, albeit one argued elsewhere (Gilbert, 2013b), and which is weak in law.

The above serious concerns of uncertain legal title and increasingly forlorn economics are discouraging for petroleum companies considering investment. Indeed, one company (Rift Petroleum) approached by the author for an interview, prior to the oil price fall, simply replied that an interview would not be possible in-country any more as they had now decided, for economic reasons, not to pursue any further interest in the country.

For Malawians, the number one source of objection to upstream petroleum development results from the location of that resource underneath Lake Malawi, part of the southern shore of which is a UNESCO World Heritage Site: Lake Malawi National Park. More than 1.5million Malawians are resident on its lakeshore, many of whose livelihoods are dependent upon fishing: “‘Without fishing, we could not even send our children to school’ says Symon, head of a local fishermen’s association. ‘Our fish are sold all over the country. If there was an oil spill, the fish would die and the fishermen would starve. The oil money would not benefit our village. Only politicians would get rich’” (news 24, 2014). This is a commonly declared sentiment and worry. The importance of Lake Malawi as a vital source of potable water, and its vital role in attracting paying tourists to the country too is also a key factor in reinforcing opposition to petroleum exploration under its waters.

Sentiments such as these militate against support for petroleum development, and are well represented in the interview responses below, and a source of support for two online petitions launched by (see www.lakegate.com and www.twitter.com/lakegate) against oil drilling in Malawi.

The Malawian quandary regarding petroleum exploration under Lake Malawi is reflected to a large degree by the situation with regards to Lake Edward, which lies entirely within the UNESCO World Heritage Site: Virunga National Park, in the Democratic Republic of Congo, and the Queen Elizabeth
National Park in Uganda. In June 2014, after concerted international pressure, UK oil company Soco, agreed to end its exploration programme in Virunga and under Lake Edward (Guardian, 2014).

Legislative reform is an important topic for petroleum, alike with mining, not least as the relevant legislation is only two years more recent than that for mining. Hilton Banda makes the point clearly in his interview: “it’s a very important issue: updating the 1983 Petroleum Act to avoid future conflict by giving greater certainty, and more up-to-date and comprehensive legal framework. Petroleum is a very visible issue and we need to get it right.”

Lastly, NOCMA’s performance in ensuring fuel security to the population in times of shortage, in particular during the foreign exchange crisis of 2012, failed to inspire confidence amongst some stakeholder interviewees in future upstream petroleum development. More than one interviewee commented that NOCMA managed to keep a supply of petrol available to the government, but not to the people. However, the need for fuel security (the original purpose of NOCMA, if not the current reality) was also cited by other interviewees as a reason why upstream petroleum development should go ahead. Reasons given in favour of such development included: to help generate the foreign exchange to pay *inter alia* for refined fuel; and/or (in a comment made by Kebbie) to provide the crude oil for such refining either in country (ideally) or at a foreign refinery (more realistically, at least in the medium term).

3.2 The Case for and Against LSM sub-Sector Development

In contrast to the position regarding ASM, the interview responses regarding LSM largely make the case that its development should be supported, given that it is pursued in a responsible manner. Challenges most frequently mentioned were: the need to ensure environmentally responsible extraction; ensuring local benefit from LSM, e.g. local jobs for local people; and whether new mining licenses should be issued prior to legal reform, in particular the replacement of the Malawi Mines and Minerals Act (Republic of Malawi, 1981), which was generally identified as outdated in its provisions by the interviewees. The below text seeks to analyse this set of related arguments; Box 6, immediately below, refers to the latest information in this legislative review and reform process.

**Box 6: Amended, draft 2015 Mines and Minerals Bill**

Subsequent to the completion of this in-country interviews-led research/listening exercise, Professor James Otto submitted, in January 205, his draft amended bill to the Ministry of Natural Resources, Energy and Mining for their consideration. The Centre for Environmental Policy and Advocacy. (whose Director was interviewed as part of this research listening exercise) is currently running a procurement exercise to select a consultancy to undertake an audit of this amended, proposed bill “to ensure the bill promotes inclusiveness and accountability in the mining sector and upholds principles of human rights and sustainable development” (Mining in Malawi, 2015), work funded by the Tilitonse Fund through that Centre’s Strengthening Mining Governance in Malawi two year project.

The NGO sector of interviewees were most vocal on these subjects, their consensual case being that mining development should go ahead, but certain conditions needed to be met. The question, which remains open, as to whether these conditions will be met, by extrapolation (only) comes closest to implying a broad array of voices *against* mining sector development should that not actually happen.
Firstly, the proper regulation and management of environmentally sustainable LSM is a specific focus of section 3.1, above. LSM, typically by its nature, is both formal rather than informal and concentrates greater levels of production achieved by fewer mines. A priori the achievement of environmental compliance should be simpler to achieve for LSM than ASM.

However, that does not imply that LSM does consistently perform well in terms of environmental sustainability. NGO views on this topic are illustrative of the widespread, and justified, societal concern in Malawi on this important topic. A key question here is the licensing regime itself and the capacity of the GoM to properly enforce it. The author heard anecdotal evidence when in Malawi alleging that environmental monitoring reports submitted by LSM miners were, in some cases, never acknowledge or responded to in anyway (or even read?) by the regulators. As acknowledged by all sectors of interviewees: good policy is one thing, its implementation another.

Legislative reform is key to the issue of the desirability of LSM development in Malawi since, as Masangano states, “the archaic 1981 and 1983 acts can be taken advantage by natural resources companies, and we want to avoid the types of problems that Nigeria is known for”, in reference to the vexed question of the resource curse analysed in Box 4, above. The two Acts that Masangano refers to are the Malawi Mines and Minerals Act (Republic of Malawi, 1981) and the Malawi Petroleum (Exploration and Production) Act (Republic of Malawi, 1983). Interviewees from all sectors were keen to see the replacement of both of the above, which the GoM interviewees confirmed was underway, with replacement legislation that takes into account their significant need for updating. Masangano’s reference to the 1983 Act indicates that this issue is also pertinent to petroleum development.

Bacon is clear that there is a broad need for LSM, and other EI, related legislative reform in Malawi, and that LSM needs to demonstrate greater local benefit impacts for Malawi’s citizens. He argues that:

- Both the 1981 and 1983 Acts need updating;
- Reform is needed herein for proper regulatory control and sound and informed government negotiating positions to be in place, leading to a better deal for the government from its extractives;
- There needs to be a more consistent approach taken to such negotiations and far less room for top-of-government discretion, e.g. on licensing; and
- Civil society needs to check for any loopholes included in draft legislation, which is both a skill and a dedication to the minutiae of that task.

A minority of interviewees called for a halt on new LSM pending such reform. This was the view of twelve interviewees, with eighteen interviewees calling for reform and new licensing to occur in tandem, and one undecided on this topic. Two example viewpoints are given below of this sizeable minority viewpoint:
• Tinyade Kachika, representing UN Women, stated that the need for legislative reform for both sides of the EIs in Malawi was reason enough for the GoM to introduce a “two or three year moratorium” on new licensing; and
• Masangano likewise argued that “instead of accepting legal framework reform and additional licensing as taking place in tandem, it would be better to speed up the former and keep the two activities consecutive.”

Local benefit, as applied to LSM, is both an important part of how such firms operate and in support (or not) of their social acceptability amongst local communities to mine, and also, in the form of ‘national content’, a possible legal avenue for reform, i.e. the setting of minimum legal targets for LSM companies to meet in terms of national Malawian procurement (i.e. supply chains) and labour (i.e. employees).

It is noted that national content is typically a more realistic and enforceable policy than genuinely local content.

Overall, there was a majority (twelve to nine) of comments received in favour of such legal targets, for labour, but no majority either way (seven views for and against) in terms of procurement.

Of course, it is possible to achieve local benefit from LSM in other ways. Cynthia Simkonda, Director of the Centre for Energy, Policy and Advocacy, provides evidence of systematic thinking within civil society as how this could be best achieved, both detailing how she would like to see the mining legislative reform to take place and confirming her support for LSM’s development on that basis. Hence:

• The Bill replacing the Malawi Mines and Minerals Act (Republic of Malawi, 1981) should be called the Mines and Minerals Development Bill emphasising the need for the sector’s development, including both ASM and LSM; and
• A new Mines Development Commission should be created “responsible for negotiating mining development agreements and stipulate conditions that ensure that Malawi not only attracts foreign investment in mining but that she fully benefits from these.”

Simkonda makes clear that the above should cover “land acquisition procedures and compensation; corporate social responsibilities through community agreements and social contracts; integrating mining into the local economy; citizen empowerment and government equity or public private partnerships.”
The above is not to put in doubt the overall consensus amongst interviewees in favour of LSM development, but simply to qualify it where justified. LSM-specific, *inter alia*, recommendations are made in Section D of this report, below, and relate to these aforementioned LSM challenges.

As noted above in Box 6, these interviews were conducted prior to the revised, amended Mines and Minerals Bill 2015 being provided to the GoM by Professor James Otto in January 2015.

3.3 The Case for and Against ASM sub-Sector Development

ASM is an important subsector within Malawi’s economy, and one that “has the potential to grow by increasing output and providing higher value products, especially cut and polished gemstones” (TF, 2013, p6.). However, and as noted in section 2.3, there are real issues with ASM in Malawi, as elsewhere, and these are issues that are recognised even by the subsector’s proponents. For example, whilst lauding ASM on the one hand, Kamlongera identifies (2011, p1132) that Malawian ASM is beset by inhibiting factors, not least those linked to perceived failings in government support, hence: “benefits currently accrued do not match the value of the minerals being produced. The exploitation of miners by buyers, the inadequate support from the Department of Mines—the government arm responsible for regulating and managing the sector—and a lack of established formal markets for minerals are crippling ASM in Malawi.”

It should be noted that this gap between positive rhetoric and perceived lack of action is not necessarily a contradiction: firstly because Kamlongera’s comments predate (2011) the above interviews and GoM-run symposium run in partnership with NGOs such as PACT (GOXI, 2014) and its publication of a draft NASM policy which specifically states ASM added-value enhancement policies and implementing measures (Kamlongera, 2011, pp. 12-13). Secondly, because genuine positive intentions do not imply actual delivery – the critical importance of implementation of GoM policy, rather than simply its existence as reference material, is a frequently noted point across all interviewees, not least GoM ones.

Four interviewee responses, two from NGOs, and one each from a development partner and a GoM respondent, attest to the substantial improvements that are required in terms of delivery capability by the GoM on ASM issues, rather than just a focus on ASM legal and policy frameworks amelioration. Sikwese is representative of this viewpoint when he emphasised “the imperative of reforming the respective legal frameworks and capacity building of the ministries concerned, including Natural Resources and the Environmental ministry. The pace we move forward on new extraction needs to be matched by such capacity building work.”

Taking a broader perspective than Kamlongera (2011), Buxton (2013, pp7-10) lists a range of “problems and challenges of ASM”, including:

1. Disproportionate negative impacts on women;
2. Poor prices paid to ASM miners relative to internationally traded prices;
3. ASM activities are rarely taxed, meaning huge revenue losses to the government and country from key natural resources;
4. Child labour prevalent;
5. Conflicts between ASM and LSM;
6. Occupational and community health and safety tends to be very poor in ASM;
7. Mine sites with poor security resulting in problems of, e.g., prostitution;
8. Issues relating to minerals smuggling and other illicit activities; and
9. Conflict minerals dynamics, e.g. as per eastern Democratic Republic of Congo.

Contextualising the above to Malawi, from the interviews, points (1), (2), (3), (5), (6) and (8) are confirmed. With respect to (3) and (6) in conjunction, numerous interviewees’ reported that the government was receiving no ASM royalties at all; royalties that would be due on export. Additionally, and from observation (recorded on film), child labour is indeed prevalent amongst Malawian ASM mine sites, as per point (4) above. In contrast, Malawi has no significant history of political violence, obviating the conflict minerals potential issue (9). Lastly, no interview evidence collected supports (7) with respect to Malawian ASM, although prostitution around formal LSM sites was reported, in contrast to the implied presumption of the above. A tabulation (Figure 5), in ranked by frequency, of the issues, twenty-seven in total and mapping broadly to the listing of Buxton (2013) above, identified through the interviews is provided below:

**Figure 5: ASM Issues**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Type of ASM Issue Identified</th>
<th>Number of Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Economic</td>
<td>6</td>
</tr>
<tr>
<td>=2</td>
<td>Environmental</td>
<td>5</td>
</tr>
<tr>
<td>=2</td>
<td>Health &amp; Safety</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>Resource Perspective</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>Smuggling</td>
<td>3</td>
</tr>
<tr>
<td>6</td>
<td>Public Order</td>
<td>2</td>
</tr>
<tr>
<td>=7</td>
<td>Fiscal</td>
<td>1</td>
</tr>
<tr>
<td>=7</td>
<td>Accountability &amp; Transparency</td>
<td>1</td>
</tr>
</tbody>
</table>

As can be seen from Figure 5, economic issues were the most frequently category of ASM issues mentioned through the interviews. There is a strong gender dimension to ASM entrepreneurshp: the draft NASM clearly indicates strong female ASM participation, notably in contrast to LSM and petroleum, but as noted by Kachika (Kachika, 2014, p.31) “Malawi has no concrete baseline statistics on this.” In her report (ibid., p.39) Kachika asks “are women profiting from ASM?” As she notes, the evidence is mixes, however “what women were able to agree on is that on when they access fair buyers, mining has good returns. However, these become short-lived because supply is not consistent due to the long time it takes to get sufficient production due lack of appropriate machinery; or when fair buyers are erratic. Thus good income is usually by chance, and not normative.” The limiting factor of appropriate technology reflects the interviews with the (majority female ASM) Tithikoze Lime Cooperative Society, however their positive viewpoint on GoM support is at odds with Kachika’s conclusion that such support “has mainly been rhetoric” (ibid., p39). More positively, Kachika reports that Malawian ASM women “are inspired by the successes of women in countries like Zambia, South Africa and Tanzania—who provide them the hope that the ASM sector in Malawi will one day make a breakthrough and enjoy similar accomplishments.”
3.4 Analysis of stakeholder relationships

Overall, relations between the different sectors can be characterised as displaying aspects of both partnership and constructive opposition/criticism. As can be seen by the paragraph directly above, even precisely the same set of stakeholder relationships – in this case, between female ASM miners and the GoM – can be viewed in either positive or negative terms. Such analysis will therefore be subject to the limitations of objective analysis in regards to what are ultimately human relations between very many different people, and hence both heterogenous and subjective, fundamentally, rather than homogenous and objective.

The above caveat aside, interviewees from both the NGO and GoM sector pointed to the development of a MoU between some mining-specific NGOs and the GoM to constructively work together on the sector’s issues.

The fact that well over 90% of interview comments, including very critical ones of the GoM, were made explicitly on the record, demonstrates the open nature of Malawian society and the respect for freedom of speech and democratic norms in that country. This author found that all of the interviewees took a constructive approach to the interviews, to the project as a whole and considered the views of others to be made in good faith, at least. This does not imply that they cannot make reasoned criticism too, alongside this recognition, for example the range of critical comments quoted above clearly have the benefit of an evidence base to support them.

As was noted by interviewees from each of the sectors engaged with, it is not the fault of any one sector that the EIs in Malawi, in particular the mining sector, has not achieved significant lift-off, but rather that a combination of malign circumstances has resulted in the mining sector’s comparatively slow development to date, viz. the:

- Exogenous fact of the Fukushima disaster in Japan kicking into touch the nation’s largest and international-beacon uranium mining operation; and
- Endogenous and hard-to-dispute of widespread unrealistic expectations about what the mining sector could reasonably achieve quickly for the nation.

There was contention between the sectors, including a vibrant debate regarding who in Malawi were making uniformed and unhelpful comments about LSM development. Section 1.3 notes the view that more established NGOs are better placed to constructively inform the debate on Malawian mining. This GoM view is supported by NGO interviewee Hilton Banda, who is also a civil servant, viz.:

- “Some uninformed people excessively criticise” Malawian extractive industries, delaying projects and endangering job creation; and
- The media ought to, but does not consistently, seek the views of informed observers, e.g. members of GAM, to balance the critical viewpoints that they commonly reflect.

In the author’s view, there is merit to Hilton Banda’s comments with respect to the reporting of mining issues in Malawi, at least with respect to industry finances. For example, the fairly common journalistic equation in Malawi that the 15% government stake in Kayelekera implies that GoM only
receives 15% of the mine’s profits takes no account of the fact that, *inter alia*: taxes are applicable, swelling the GoM’s overall accrued revenues; and the stake is “carried”, i.e. the GoM takes a share of the up-side (profits) of Kayelekera whilst not needing to invest in the mine itself.

UI Haque also notes that Kayelekera’s suspension of production seemed to come as a big surprise to many in Malawian society, despite the big fall in the price of uranium oxide. Indeed, the fact that the mine continued operating as long as it did after this price fall led to reported suspicions that its owners were making their money through unreported diamond mining. Two interviewees (one GoM, and one EI) specifically stated that the then-President, Bingu wa Mutharika, ordered a site inspection to see if this was true (the conclusion being that it was not).

In turn, some NGOs in turn criticised the GoM for the staff changes that could, in the view of these NGOs, set the clock back on effective NGO-GoM constructive engagement on mining issues. For example, the NGO view that the new GoM appointments were sometimes uninformed about the sector. NGOs could be as critical about GoM and the EI sector as the latter could be about them.

One NGO interviewee, Etter, spells out an example of an initiative that she warns is, on the one hand, under-funded but, on the other, has the potential to greatly enhance Malawian stakeholder relationships: “*Malawi has signed up to Open Government Partnership (OGP) which has huge potential in improving accountability, transparency, citizen participation and innovation and tech, not just in EI but in many other sectors. It is led by government (with many ministries involved) in tandem with private sector and civil society.. I am a big proponent for these large initiatives that draw together stakeholders to create tangible, measurable goals – I hope they will help change the way the stakeholders work together – it is common to see fragmentation and competition between diverse stakeholders and within the same groups.*”

The above interview evidence all indicates that there is a knowledge gap in Malawian society regarding LSM, in particular amongst the EIs, and that this can have a detrimental effect on relations between the different sectors of stakeholder. The TF (TF, 2013, p.25), as indicated in section 1.3 above, has taken upon itself the task of funding NGOs/ CSOs in “evidence based” advocacy that boosts “productive interaction (by this sector) with both mining companies and the Government”, and is focussed on a mutually collaborative approach “despite their different understandings of context and priorities.” Inevitably, perhaps, the interview evidence presented at section 1.3 and above in this section indicates that it has only been partly successful thus far in achieving this.

### 3.5 The role of Scotland

There is an opportunity for Scotland to build on its positive image amongst Malawian stakeholders to undertake focussed, high value added support with respect to the EIs.

In answer to the MoU question, “*in the author’s opinion, and informed by the above, what potential value could Scotland (civil society and government) add to work in Malawi in the extractive industries*”, this author recommends serious consideration for the proposal that Scotland support the creation and operation in-country of a Scientific Testing Laboratory for mineral samples.
Context and rationale: a frequent comment from interviewees was that Malawian mining is unduly limited to exploration, extraction of non-refined/processed product, and export of the same without any significant added value. Added value services, e.g. both the polishing of gemstones and their setting in finished jewelry products and the testing of mineral samples, happen elsewhere.

One place to start tackling this issue, and thereby ensuring more local benefit from mining, would be to establish a scientific testing laboratory in Malawi, available to all companies/individual ASM miners operating in the country.

Aside from enhancing local benefit, this would also cut costs and delays in sending mineral samples for analysis, and increase confidence amongst miners about the physical security of their samples, since they need not leave the country. This option would build on the international support received by the GoM relating to mining cadastre development and geological mapping.

This option is proposed amongst a selection of alternatives suggested through the project interviews and listed at section 1.3. An alternative or additional funding suggestion to the above is that of Makala for more funding for NGO engagement on EI governance issues. This is entirely feasible, but would not necessarily provide Scotland with a commonly-recognised niche area of intervention, since the TF already supports such engagement. However, and given that TF funding itself is due to end during 2015, this report also recommends (see section D below) that TF’s existing donors continue to support its activities.

Other suggestions made seem, to this author, harder to recommend for Scottish government support, including the purchase of capital equipment for supply to ASM cooperatives, and the purchase of equity stakes in mining ventures. One further suggestion, namely funding for environmental monitoring, is clearly important but presents, in the author’s opinion, logistical issues with respect to whether the funding would be to GoM to develop this service, which funding would inevitably be fungible, or whether it would fund an additional service outwith GoM, which “solution” would present its own complications and difficulties.

As such, the single funding suggestion recommended by the author below is to support the creation and operation of an in-country scientific laboratory/ies for the testing of mineral sample, provided as a public service. However, the pressing need for enhanced environmental monitoring is raised therein as an “other recommendation”.

D. CONCLUSION AND RECOMMENDATIONS

Analysis of these findings suggest that there are significant risks associated with developing EI in Malawi, in particular environmental and social risks. At the moment these risks are assessed by stakeholders to be too great for the petroleum sector. While investment, regulation and capacity building would be required, there is evidence that, in their different ways, both Large-Scale Mining (LSM) and Artisanal and Small-scale Mining (ASM) could provide a much needed source of sustainable economic development for Malawi.

The report’s recommendations are as follows:
1. **SMP Funding recommendation**: As per section 3.5 of this report, this author recommends that Scotland give serious consideration to the support the creation and operation in-country of a Scientific Testing Laboratory for mineral samples.

2. **Other recommendations:**

   i. Further research regarding the mining of bauxite in Malawi would be beneficial. This is an important topic that, for whatever reason, did not arise in any of the listening exercise interviews. Bauxite mining issues are particularly sensitive in the southeastern Mulanje area of the country, part of which is a UNESCO World Heritage Site, and in the environs of Lake Chilwa, which has Ramsar recognition as a wetland of international importance. No project interviews were conducted in either location, however, and these issues are not explored by this study;

   ii. GoM needs to ensure that more local benefit (as opposed to just national benefit) accrues from revenue raised from LSM, so that local people can see the benefit directly of LSM, which implies establishing structures within government to ensure that this consistently happens. This could imply that accrued GoM revenues from the EI sector is held in a different, discrete, account and not consolidated as simply part of Malawi’s “Account 1” general budgetary account;

   iii. Existing donor funding for the TF should be maintained;

   iv. Ensuring environmental sustainability regarding the EIs is critical, and far more needs to be done in this regard. Strategic Environmental Assessments should be undertaken on a strategic, thorough and consistent basis to ensure that environmental degradation is avoided altogether, not merely mitigated;

   v. There is a strong consensus in favour of thorough legislative reform with respect to both mining and petroleum. The current work on this by GoM needs to be concluded effectively and efficiently;

   vi. Delays in LSM licensing can be lengthy and this can discourage investment. Licensing of LSM should therefore proceed in a timely, efficient and efficacious manner;

   vii. GoM environmental monitoring needs strengthening to reassure stakeholders about LSM’s performance therein. This is not just about accurately collecting data but GoM action further to its analysis; and

   viii. Action needs to be taken to reduce energy costs for LSM, thus enhancing its economic viability, through the provision by ESCOM of affordable and reliable power to LSM sites.

E. **BIBLIOGRAPHY**

**Secondary Sources – Books**


**Secondary Sources – Other**


Kachika, T., 2014. Gender assessment of the extractive industries in Malawi. Lilongwe: UN Women


### Annex 2 - Tabulation of Interviews

<table>
<thead>
<tr>
<th>No.</th>
<th>Date</th>
<th>Location</th>
<th>Sector</th>
<th>Name(s)</th>
<th>Organisation (current/ past/ represented)</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>24/9</td>
<td>Lilongwe</td>
<td>NGO</td>
<td>Clive Bacon</td>
<td>PACT</td>
<td>Country Manager</td>
</tr>
<tr>
<td>2</td>
<td>25/9</td>
<td>Lilongwe</td>
<td>NGO</td>
<td>Elyvin Nkhonjera</td>
<td>ActionAid Malawi</td>
<td>Mining Project Coordinator</td>
</tr>
<tr>
<td>3</td>
<td>26/9</td>
<td>Lilongwe</td>
<td>GoM</td>
<td>Charles E. Kaphwiyo</td>
<td>Department of Mines</td>
<td>Director of Mines</td>
</tr>
<tr>
<td>4</td>
<td>26/9</td>
<td>Lilongwe</td>
<td>NGO</td>
<td>Success Sikwese</td>
<td>Catholic Commission for Justice &amp; Peace</td>
<td>Project Officer</td>
</tr>
<tr>
<td>5</td>
<td>27/9</td>
<td>Lilongwe</td>
<td>GoM</td>
<td>Boyd Hamella</td>
<td>Department of Mines</td>
<td>Principal Economist-Policy and Planning</td>
</tr>
<tr>
<td>6</td>
<td>29/9</td>
<td>Lilongwe</td>
<td>EI</td>
<td>Greg Hamella</td>
<td>Paladin Africa Limited</td>
<td>General Manager-International Affairs</td>
</tr>
<tr>
<td>7</td>
<td>29/9</td>
<td>Lilongwe</td>
<td>GoM</td>
<td>Wasim Ul Haque</td>
<td>Royal Norwegian Embassy</td>
<td>Country Economist</td>
</tr>
<tr>
<td>8</td>
<td>1/10</td>
<td>Zomba</td>
<td>NGO</td>
<td>Cynthia Simkonda</td>
<td>Centre for Environmental Policy and Advocacy</td>
<td>Director</td>
</tr>
<tr>
<td>9</td>
<td>1/10</td>
<td>Blantyre</td>
<td>NGO</td>
<td>Laurence Mpekansambo</td>
<td>Chancellor College, University of Malawi</td>
<td>Lecturer</td>
</tr>
<tr>
<td>10</td>
<td>1/10</td>
<td>Zomba</td>
<td>NGO</td>
<td>Clifford Mkanthama</td>
<td>LEAD Malawi</td>
<td>Programme Officer</td>
</tr>
<tr>
<td>11</td>
<td>2/10</td>
<td>Zomba</td>
<td>NGO</td>
<td>Hilton Banda</td>
<td>Geoscientist Association of Malawi</td>
<td>President</td>
</tr>
<tr>
<td>12</td>
<td>2/10</td>
<td>Blantyre</td>
<td>GoM</td>
<td>Charlie Msusa</td>
<td>Public Private Partnership Commission</td>
<td>Director, Project Development</td>
</tr>
<tr>
<td>13</td>
<td>2/10</td>
<td>Blantyre</td>
<td>NGO</td>
<td>Emma Adam</td>
<td>Malawi Women in Mining Association</td>
<td>President</td>
</tr>
<tr>
<td>14</td>
<td>2/10</td>
<td>Blantyre</td>
<td>EI</td>
<td>Paul Pakaine</td>
<td>Chichiri Mining Cooperative</td>
<td>Deputy Director</td>
</tr>
<tr>
<td>15</td>
<td>3/10</td>
<td>Machinga</td>
<td>GoM</td>
<td>Leonard Kalindekafe</td>
<td>Ministry of Mining</td>
<td>ex-Principal Secretary, Ministry of Mining</td>
</tr>
<tr>
<td>16</td>
<td>4/10</td>
<td>Mangochi</td>
<td>EI</td>
<td>Maggie Kasasmbara</td>
<td>Razomaka Mining Ltd</td>
<td>Managing Director</td>
</tr>
<tr>
<td>17</td>
<td>8/10</td>
<td>Kanyika</td>
<td>EI</td>
<td>Neville Huxham</td>
<td>Globe Metals and Mining</td>
<td>Executive Manager: Africa</td>
</tr>
<tr>
<td>18</td>
<td>10/10</td>
<td>Lilongwe</td>
<td>Donor</td>
<td>Greshom Sichinga</td>
<td>World Bank</td>
<td>Energy Specialist</td>
</tr>
<tr>
<td>19</td>
<td>10/10</td>
<td>Lilongwe</td>
<td>NGO</td>
<td>(a) Happy Makala (b) Clement Masangano</td>
<td>MaSP</td>
<td>National Coordinator</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Progamme Officer</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>10/10</td>
<td>Lilongwe</td>
<td>GoM</td>
<td>Grain Malunga</td>
<td>Ministry of Mining</td>
<td>ex-Minister of Mining</td>
</tr>
<tr>
<td>21</td>
<td>10/10</td>
<td>Lilongwe</td>
<td>NGO</td>
<td>Rachel Etter</td>
<td>Revenue Development Foundation</td>
<td>Mining Project Coordinator</td>
</tr>
<tr>
<td>22</td>
<td>13/10</td>
<td>Nsanje</td>
<td>EI</td>
<td>Russell Thorncroft</td>
<td>RVM</td>
<td>Director</td>
</tr>
<tr>
<td>23</td>
<td>14/10</td>
<td>Blantyre</td>
<td>EI</td>
<td>Datla Kumar</td>
<td>Aspire Mining Company</td>
<td>Director</td>
</tr>
<tr>
<td>24</td>
<td>14/10</td>
<td>Blantyre</td>
<td>NGO</td>
<td>Paul Taylor</td>
<td>Wildlife &amp; Environmental Society of Malawi</td>
<td>Blantyre Branch Chairman</td>
</tr>
<tr>
<td>No</td>
<td>Date</td>
<td>Location</td>
<td>Type</td>
<td>Name 1</td>
<td>Name 2</td>
<td>Organization or Role</td>
</tr>
<tr>
<td>---</td>
<td>-------</td>
<td>----------</td>
<td>------</td>
<td>-------------------------------</td>
<td>----------------------</td>
<td>---------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>25</td>
<td>14/10</td>
<td>Blantyre</td>
<td>GoM</td>
<td>John Bande</td>
<td>Ministry of Mining</td>
<td>ex-Minister of Mining</td>
</tr>
<tr>
<td>26</td>
<td>14/10</td>
<td>Blantyre</td>
<td>EI</td>
<td>Yotam Ndovi</td>
<td>M&amp;N Gemstones</td>
<td>President</td>
</tr>
<tr>
<td>27</td>
<td>15/10</td>
<td>Lilangwe</td>
<td>EI</td>
<td></td>
<td></td>
<td>2 males &amp; 3 females</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Tithikoze Lime Cooperative Society</td>
<td></td>
<td>Artisanal &amp; Small-scale Miners</td>
</tr>
<tr>
<td>28</td>
<td>17/10</td>
<td>Lilongwe</td>
<td>Donor</td>
<td>(a) Finn Peteren</td>
<td>Irish Aid</td>
<td>Progamme Manager</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(b) Joseph Mpinganjira</td>
<td></td>
<td>Governance Advisor</td>
</tr>
<tr>
<td>29</td>
<td>17/10</td>
<td>Lilongwe</td>
<td>Donor</td>
<td>(a) Alice Shackelford</td>
<td>UN Women</td>
<td>Representative</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(b) Viwemi Chavula</td>
<td></td>
<td>Extractive Industries Progamme Officer</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(c) Tinyade Kachika</td>
<td></td>
<td>Governance Advisor</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Outside Consultant (Law Plus)</td>
</tr>
<tr>
<td>30</td>
<td>17/10</td>
<td>By email</td>
<td>GoM</td>
<td>David Kienzler</td>
<td>Ministry of Mining</td>
<td>ex-Fulbright-Clinton Scholarship</td>
</tr>
<tr>
<td>31</td>
<td>20/ 10</td>
<td>Lilongwe</td>
<td>Donor</td>
<td>Heather Dresser</td>
<td>US Embassy – Economic Section</td>
<td>Economic Officer</td>
</tr>
<tr>
<td>32</td>
<td>23/10</td>
<td>Lilongwe</td>
<td>EI</td>
<td>Thomas Kebbie</td>
<td>Technip</td>
<td>Saturation Diver</td>
</tr>
</tbody>
</table>

Copyright © 2015 SMP and Daniel Gilbert