

CHAMBER OF MINES



OF ZIMBABWE

UPDATE ON THE ZIMBABWE MINING POLICIES AND LEGISLATION

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Structure of Presentation

- Background and introduction
- Current status of specific policies and legislation affecting the Industry
- Chamber's Position on the specific policies highlighted above
- Conclusion

Background and introduction

- In its endeavour to advocate and promote the growth and development of the mining industry the Chamber is currently engaging the Government on a number of outstanding policies and legislation.
- These include:
 - ▣ Mineral Development Policy
 - ▣ Amendments to the Mines and Mineral Act Bill
 - ▣ Minerals Exploration and Marketing Corporation Bill
 - ▣ Amendments to the Indigenization and Economic Empowerment Act
 - ▣ New Fiscal Framework for the Mining Industry
 - ▣ The Gold Trade Act
 - ▣ Precious stone Trade Act

Mineral Development Policy

- Currently Zimbabwe does not have a formal Mineral Development Policy
- The latest attempt to develop a comprehensive mineral development document was in 2013 by the Government Consultant *Dr Paulo Jourdan*
- The policy as drafted was intended to guide strategies, legislation, programmes and decision making across government, and was framed in the context of the African Mining Vision adopted by the Heads of State in 2009...
“... Mineral resources to underpin broad-based sustainable growth and socio-economic development”

Current status on the mineral development policy

- No material movement has been realised in advancing the development of the policy since 2014, where the Ministry engaged key stakeholders, including a special workshop for the Chamber

Chamber Position on the Status of the Development Policy

- The Chamber has successfully engaged the MOMMD to see the need of prioritizing the development of the Mineral Development Policy.
- The Chamber has been given a greenlight to review and improve on the existing draft that was development by the Government Consultant in 2013.
- We urge those with expertise that can be deployed to COMZ towards the development of the policy to approach the secretariat

Mines and Minerals Act

- The government is the process of amending the Mines and Minerals Act with objectives among others to:
 - ▣ To simplify the Mines and Minerals Act and make it easy to administer
 - ▣ To modify and simplify the mining titles system.
 - ▣ To provide for a computerised administration of the mining titles (Mining Cadastre)
 - ▣ To provide for stronger environmental provisions for mining within the Mine and Minerals Act.

Current status of the Amendment Bill

- This Amendment Bill has been Gazetted, and was through the first reading in Parliament.
- The MOMMD is now incorporating comments and recommendations ahead its second reading

Chamber's Position

- The Chamber submitted a detailed proposal to both the Ministry of Mines and Parliament, and currently engaging to ensure they are incorporated ahead of the second reading.

Indigenization and Economic Empowerment Act

- The President of the country, R G Mugabe, issued a statement on 13 April 2016 clarifying government's new position on indigenisation and economic empowerment.
- According to the statement the new policy of government on the mining industry reflect that:

“for existing business where government does not have 51% ownership, compliance with the Indigenization and Economic Policy should be through ensuring that the local content retained in Zimbabwe by such business is not less than 75% of gross value of the exploited resources. Local content here refers to the value retained in Zimbabwe in the form of wages, salaries, taxation, community ownership schemes, and other things such as procurement and linkages programmes.....”

‘Statement by President RG Mugabe, 13 April 2016’

Chamber's position on new Indigenization policy

- Following the Presidential Statement, The Chamber developed a position paper which predominantly subscribes (agrees) to the government's new position on Indigenization Policy.
- An Industry Implementation Framework which outlines the process and mechanism to comply with the new policy using a “score card approach” was developed and shared with the parent ministry.
- The Chamber is now engaging on the amendment of the law in line with the New Government Policy.

New Fiscal Framework for the Mineral Sector

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- The development of the new Fiscal framework for the Mining Industry is underway.
- The Review is intended to streamline fiscal charges and achieve a transparent and competitive fiscal regime for equitable sharing of mining benefits.
- The government has engaged the consultants that include World to assists with the development of the model.
- The Ministry of Finance is targeting the finalisation of the framework before end of 2017.

Chambers Position on the Fiscal Framework

- The Chamber subscribes to the review of the framework, and is actively participating through the provision of information and validation of the model results .

Mineral Exploration and Marketing Corporation Bill

- The Bill was gazetted in November 2015.
- The bill repeals the MMCZ Act [Chapter 21:04], and expands the mandate of MMCZ to include mineral exploration and prospecting.
- The Bill was gazetted, and went through the first reading in Parliament in 2016.
- There have been no further developments in parliament on this bill (as it still awaits second reading).
- Parliament has raised some reservations on the bill, specifically on combining the exploration and marketing functions.

Chamber Position on the Mineral Exploration and Marketing Corporation Bill

- The Chamber submitted a detailed proposal to both the Ministry of Mines and Parliament, and currently engaging to ensure they are incorporated ahead of the second reading.

Gold Trade Act and Precious Stone Trade Acts

- Gold Trade Act and Precious Stones Trade Acts to be amended to strengthen provisions around lawful possession in efforts to curb leakages
- Efforts are underway to achieve agreement on the need for best practices on mine closure rehabilitation provisions that support sustainability in its broad sense.

Ease of Doing Business Reforms for the Mining Industry

- The government launched the Ease of Doing Reforms for the Mining Industry through the Rapid Results Initiative on 26 July 2017, with objectives of removing the impediments and costs that undermine viability in the Industry.
- The technical working committee to spearhead the process was constituted and the Chamber is part of the committee.

To sum up,

- The Chamber of Mines appreciates the opportunity at hand to engage for a competitive legal and regulatory framework that creates a prospective geological environment and attracts investment into mining .
- We will keep you abreast on the developments!
- Thank you