

NATIONAL COUNCIL ON MINING AND MINERAL RESOURCES DEVELOPMENT

THE MAIDEN EDITION OF THE NATIONAL COUNCIL FOR MINING AND MINERALS RESOURCES DEVELOPMENT HELD BETWEEN TUESDAY, 12TH -14TH SEPTEMBER, 2017 AT THE NIGERIA AIRFORCE (NAF) CONFERENCE CENTRE, KADO DISTRICT, FEDERERAL CAPITAL TERRITORY, ABUJA.

COMMUNIQUE

The maiden edition of the National Council for Mining and Minerals Resources Development with the theme "*Enhancing Mineral Resources Governance Towards Economic Growth and Diversification*" was held at the NAF Conference Centre, Abuja on Thursday, 14th September, 2017.

2. Council expressed its deep gratitude and appreciation to His Excellency the President, Muhammed Buhari, GCFR and the Vice President, Prof. Yemi Osinbanjo GCON for the pioneering support and commitment to the sector, without which this would not have been possible. Credit must also go to the present administration for the demonstrated fulfilment of its agenda to diversify the Nigerian Economy through adequate attention to, among others, the Solid Mineral Sector.

3. The Council Meeting was preceded by a two - day Meeting of the officials from 12th -13th September, 2017. The meeting was declared open by the Honourable Minister of the Federal Capital Territory Administration, Mallam Muhammad Musa Bello. The Honourable Minister of Mines and Steel Development, His Excellency, Kayode Fayemi, presided over the Meeting. Also

present were the Executive Governor of Kebbi State, Sen. Abubakar Atiku Bagudu; Deputy Governor of Ebonyi State, Dr. Eric Kelechi Igwe; Representative of Anambra State Governor, Prof. Charles Ofoegbu; Hon. Minister of State Power, Works and Housing, Mallam Mustapha Baba Shehuri ; Sen. Binta Masi Garba; ; Senate Vice Chairman Committee on Power, Steel and Metallurgical Development, Senator Bukar Mustapha; Committee Chairmen of the National Assembly; Honourable Commissioners and Permanent Secretaries from States as well as senior officials of the relevant State Ministries, Departments and Agencies (MDAs), Royal Fathers, Mining Operators, Organised Private Sectors, Development Partners, Development Finance Institution and other Stakeholders.

4. There were goodwill messages from the Governor of Kebbi State; Senate Vice Chairman Committee on Power, Steel and Metallurgical Development; Hon. Minister of State for Power, Works and Housing; Gbong Gwom Jos, HRH (Dr.) Buba Gyang; Ohinoyi of Ebira land, HRH (Alh.) Ado Ibrahim; Sen. Binta Masi Garba and Representative of United Nation Industrial Development Organisation.

5. Thirty -six (36) Memoranda were considered under five thematic areas which were:

- i. **Minerals Sector Governance** - Challenges of Federal/State Co-Operation and collaboration.
- ii. **Overview and Perspective of Illegal Mining Operations in Nigeria: Overcoming the Menace**
- iii. **Illegal Mining and Export Challenges: Policy Recommendations**
- iv. **Effective Monitoring of Mines Field: Imperatives for Reduction of Security Challenges and Economic Sabotage and;**
- v. **Enhancing Effective Regulatory and Legal Framework for the Mining Sector.**

6. The Council considered the following recommendations arising from the thematic areas and agreed that:

- i. There should be synergy among Federal, State Governments & Local Government Areas through the instrumentality of Minerals Resources and Environmental Management Committee (MIREMCO) as provided for by Section 19 of Nigerian Minerals and Mining

- Act, 2007, the committee should be strengthened where it already exists and those dormant in every State should be reactivated;
- ii. There should be synergy between the Ministry of Mines and Steel Development and the State Governments to improve operational collaboration and enhance communication for effective execution of the Roadmap for the growth and development of the mining industry;
 - iii. The Federal Government of Nigeria should encourage indigenous participation in the mining sector;
 - iv. On the issue of consent, Council took cognisance of the provision of the Constitution of Federal Republic of Nigeria 1999 (as amended). Section 100 of the Nigerian Minerals and Mining Act, 2007, and various stipulations of Minerals and Mining Regulations of 2011, and on that basis, expresses support for the Ministry's stated intentions to explore feasible administrative models to involve States in the process of issuance of consent only for the granting of Minerals titles;
 - v. Collection of levies by State Governments for sand mining, burrowing and related activities should be in line with Extant Laws and Regulations;
 - vi. The MMSD should endeavour to forward the list of Licence holders in every state of the Federation to their respective State Ministries on quarterly basis for documentation purpose;
 - vii. That in view of the need to ensure proper utilization of acquired mineral titles, the Ministry should empower the relevant inspectorate agencies/staff to carry out their duties and enforce necessary sanctions by providing them with adequate mobility, security and other logistical needs;
 - viii. A private sector driven Single Export Window Policy is recommended. Modalities should be put in place at every exit point and Ports in the country for Quantity and Quality analysis. This will monitor and record all mineral exports and ascertain appropriate royalties and certifications, including the installation of weigh bridges, credible international inspection outfits and the likes. This will also promptly address the mineral revenue leakage that occurs through the exit Ports;
 - ix. Stakeholders suggested that the focus of the Federal Government should also be concentrated on revenue collection and plugging loopholes for data and revenue leakages;

- x. In issuance of the certificate of origin, the Federal and State Governments should collaborate through MIREMCO in analysing and tagging of minerals at source with a view of determining appropriate royalties;
- xi. Government should encourage Value Addition Plants from Ores to Concentrates with appropriate and reasonable incentives;
- xii. In view of the critical roles of the Central Bank of Nigeria, Customs and Immigration in Mineral exports, as well as other key linkage ministries and agencies, they should be included in all policy formulation and strategies towards attainment of seamless processing of mineral export;
- xiii. Stakeholders urged that a pilot program incentivising the proposals as above should be tested before public rollout. This is to avoid negative disruptions in the mineral business value chain;
- xiv. Concrete effort should be made by the Ministry of Mines and Steel Development (MMSD), the Federal Ministry of Environment and State Ministries of Environment on issuance of Environmental Impact Assessment (EIA) reports;
- xv. There is need for clear distinction to be made between the different categories of mining operations with respect to their environmental and Corporate Social Responsibilities;
- xvi. Government should provide an enabling environment, strengthen enforcement, and promote security in the mine fields;
- xvii. The on-going formalization of the Artisanal and Small Scale Mining Groups into Cooperatives should be maintained and continuously invigorated;
- xviii. The curbing of illegal mining activities should be pursued continuously and existing framework to curb minerals smuggling should be activated by relevant agencies;
- xix. Existing audit and control mechanisms for monitoring of mineral exports to curb under-declaration of mineral exports should be strengthened;

- xx. The repatriation of proceeds, royalties and taxes accruing from exported minerals through the appropriate government procedures and channels should be vigorously pursued;
- xxi. Adequate capacity building, funding and logistics support should be provided for the appropriate technical departments of the Ministry to ensure effective monitoring and enforcement in the mines fields;
- xxii. Future review of the Mining Acts and Regulations should take cognizance of the following:
 - a. Clarification of roles between the Minister and Mining Cadastre Office (in terms of mineral title administration)
 - b. Clarifying the application of the Fiscal incentives provided for in the Act
 - c. Clarifying the regime for Surface rent
 - d. Clarifying the regime for the assessment and determination of Compensation payable to landowners;
- xxiii. A firm reminder that Mining Implementation Strategy Team (MIST) is not another Agency or Department of the Ministry; rather it is an advisory think-tank and strategy incubator for the Ministry's actualization of the goals of the Mining Sector Roadmap;
- xxiv. Expedited access to institutionalised and active revolving funds should be made available to Artisanal and Small Scale Miners to get them more involved in the sector;
- xxv. Improved data collation and recording of Minerals production should be emphasized. This implies that the target set in the Roadmap for 2025 to contribute 3% to the GDP could be surpassed;
- xxvi. Banks and financial institutions should be properly sensitized to the rudiments of the Mining Sector to enable them provide appropriate financial support;
- xxvii. All mining stakeholders should be prepared to ensure the sustenance of this Roadmap within the context of the African Mining Vision;
- xxviii. National Strategy for Competitiveness in Raw Materials and Products Development Programme which is targeted at evidence based data and information should be pursued in collaboration with other relevant agencies;

- xxix. Collaboration with Tertiary Institutions for Geological Information, Mining and Metallurgical Training and Research should be continuously pursued;
- xxx. A nationwide inventory of miners, active mining sites, processing companies, personnel involved and machinery should be compiled in order to create an all-encompassing data bank, which will be useful in advising potential investors and inform investment planning and decisions before the next Council meeting;
- xxxi. The National Council on Mining and Minerals Resources Development fully support the immediate establishment of an Internationally Certified Analytical Centre for the development of Nigeria's Mineral Resources;
- xxxii. Value addition of minerals for local consumption and export should be prioritised for implementation in the Roadmap;
- xxxiii. States should be encouraged to concentrate on value addition projects such as beneficiation, smelting and mineral processing which will enable States to generate more revenue;
- xxxiv. Effort should be made to acknowledge the issues of Human Rights in the policy framework and protect the Citizens right to clean and sustainable environment;
- xxxv. All mining activities should be operated under the minimum Health and Safety Standards as stipulated by the International Labour Organisation (ILO);
- xxxvi. Current effort at bringing Ajaokuta Steel Company Ltd and Aluminium Smelting Company of Nigeria should be invigorated and every effort should be made by Government to revive Moribund Steel Plants and promote private sector participation in Steel development;
- xxxvii. Arising from the Maiden Edition of the National Council on Mining and Mineral Resources Development, members decided to establish a forum of Commissioners responsible for Mineral Resources Development with a view to constant feedback engagement with the Federal Government and to monitor progress on areas that have been agreed at this inaugural Council.

7. The Council appreciates the roles of the Honourable Minister, the Honourable Minister of State, the Permanent Secretary, Officials and all Stakeholders in convening the maiden edition of the National Council on Mining and Minerals Resources Development.

**14TH DAY OF SEPTEMBER, 2017 AT
ABUJA, FCT.**