



THE UNITED REPUBLIC OF TANZANIA

**THE
MINERAL POLICY
OF
TANZANIA**

Ministry of Energy and Minerals

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ABBREVIATIONS

ADPC:	Association of Diamond Producing Countries
AMP:	African Mining Partnership
AU:	African Union
EAC	East African Community
EIA:	Environmental Impact Assessment
EITI:	Extractive Industries Transparency Initiative
EMP:	Environmental Management Plan
FDI	Foreign Direct Investments
GDP:	Gross Domestic Product
GST:	Geological Survey of Tanzania
KPC:	Kimberly Process Certification
MIGA:	Multilateral Investment Guarantee Agency
NSGRP:	National Strategy for Growth and Reduction of Poverty
SADC:	Southern African Development Community
SEAMIC:	Southern and Eastern African Mineral Centre

FOREWORD

Tanzania has been known to have a conducive and prospective geological environment with abundant mineral potential. Following a series of reforms of the macro-economic environment since mid - 1990s, the Mineral Policy was formulated in 1997 followed by amendment of fiscal laws for the mineral sector and enactment of the Mining Act, 1998. The Policy, legal and regulatory framework attracted a number of exploration and mining companies and boosted mineral trading in the country.

During ten years of implementation of the Policy and Law, over US\$ 2.5 billion has been invested in the sector. In the same period, six large scale gold mines, two medium scale mines (one for diamond and one for tanzanite) and a number of small scale mines mainly for gold, diamonds and coloured gemstones, were established. Also, exploration of other minerals including uranium, coal, iron, copper and nickel is ongoing.

For the past 10 years, the average annual growth rate of the mineral sector was 13.74% and value of mineral exports increased from US\$ 26.66 million in 1997 (less than 1% of total exports) to US\$ 1,003.21 million in 2007 (52% of total exports). However, contribution of the mineral sector to the GDP stood at 2.7% in 2007 and thus, there is an imperative need to increase its contribution through enhancing integration of the mineral sector with other sectors of the economy and having a fiscal regime which maximizes benefits to the economy.

The Mineral Policy of 2009 will continue to attract investment in exploration and mining; emphasize integration of the mineral sector with the rest of the economy; establish a fiscal regime which ensures benefits to the country and remain internationally competitive; support mineral beneficiation and marketing; underpin development of small scale miners; and promote public participation in mining activities. This policy provides a clear guidance to investors towards sustainable exploitation of mineral resources of Tanzania in a win – win manner.

It is my hope and expectation that this Mineral Policy will entrench an effective and efficient mineral sector, which will contribute significantly towards acceleration of socio- economic development. With the rich mineral potential, macro-economic stability, political stability and enabling investment climate, Tanzania is poised for successful future for Tanzanians, local and foreign investors, Government and local communities.

William Mganga Ngeleja (MP)
MINISTER FOR ENERGY AND MINERALS

1.0 INTRODUCTION

Since 1980s, Tanzania has undertaken structural economic reforms aimed at promoting socio-economic development. Consistent with the reforms, the role of the Government has shifted from sole owner and operator of mines to remain the regulator, formulator of policy, guidelines and regulations; promoter and facilitator of private investments in the mineral sector. These reforms brought about changes in the mineral sector, which included formulation of the Mineral Policy of 1997, enactment of the Mining Act, 1998 and amendment of financial laws which created conducive environment for private investment.

The implementation of the Mineral Policy of 1997 witnessed a number of achievements from 1997 to 2007, which include:-

- (a) Increased Foreign Direct Investment (FDI) in the mineral sector from US\$ 1.3 billion to US\$ 2.5 billion through exploration and mining projects;
- (b) Commissioning of six large scale gold mines which produce an average of 50 tonnes of gold compared to less than 1 tonne, which was produced by small scale miners. In addition, a medium scale tanzanite mine producing an average of 1.4 million carats per annum was commissioned in 2002;
- (c) Increase in the value of mineral exports from US\$26.66 million to US\$1,003.21 million;
- (d) Growth of the mineral sector from 7.7% to 10.7% (at 2001 prices);
- (e) Increase in employment in large scale mines from 1,700 to 13,000 workers;
- (f) Increase in Government revenue from large scale mining from US\$ 2 million to US\$ 78 million; and
- (g) Increase in the contribution of the mineral sector to the GDP from 1.4% to 2.7% (at 2001 prices).

Despite these achievements, the mineral sector has continued to face challenges, particularly low integration with other sectors of the economy; low contribution to the GDP compared to the sector growth; slow development of small scale mining; low capacity of the Government to administer the sector; low level of value addition of minerals; and environmental degradation.

The Mineral Policy of 2009 is formulated as a result of an evaluation conducted during the ten years of implementation of the Mineral Policy of 1997. The Mineral Policy of 2009 aims at strengthening integration of the mineral sector with other sectors of the economy; improving economic environment for investment; maximising benefits from mining; improving the legal environment;

strengthening capacity for administration of the mineral sector; developing small scale miners; promoting and facilitating value addition to minerals; and strengthening environmental management. Moreover, the Government will remain as the regulator and facilitator of the mineral sector; promoter of private sector investment in the mineral sector; and will participate strategically in mining projects.

In the implementation of the above objectives, the Government will continue to give priority to the mineral sector in the National Strategy for Growth and Reduction of Poverty (NSGRP) and contribute to the achievement of the National Development Vision 2025.

2.0 THE MINERAL ENDOWMENT OF TANZANIA

Tanzania is endowed with variety of high economic potential of mineral deposits in the following geological systems: - Craton, Nyanzian, Proterozoic, Ubendian, Usagaran, Karagwe – Ankolean, Bukoban, Karroo and cenozoic sediments and volcanics (refer to Tanzania Geological Map¹).

The minerals found in Tanzania include **metallic minerals** such as gold, iron, silver, copper, platinum, nickel and tin; **gemstones** such as diamonds, tanzanite, ruby, garnet, emerald, alexandrite and sapphire; **industrial minerals** such as kaolin, phosphate, lime, gypsum, diatomite, bentonite, vermiculite, salt and beach sand; **building materials** such as stone aggregates and sand; and **energy minerals** such as coal and uranium.

These minerals occur in different areas as follows:-

- a) Gold in the greenstone belt south, east and west of Lake Victoria;
- b) Diamonds in kimberlite pipes in central and south of Tanzania and southern part of Lake Victoria Goldfield;
- c) Nickel, cobalt, copper, tin, and tungsten minerals in north-western Tanzania;
- d) Titanium, vanadium and iron in south-west of Tanzania;
- e) Coal in south-west of Tanzania;
- f) Uranium in central and southern Tanzania;
- g) Soda ash, salt, gypsum, travertine and trona (evaporites) in the rift valley and along the coast; and
- h) Kaolin, mica, phosphate, magnesite, beach sand, diatomite, stone aggregates, dimension stone and sand in different parts of Tanzania.

In addition to vast mineral endowment, Tanzania has the following competitive advantages:-

- (i) Considerable unexploited mineral potentials;
- (ii) Accessible geological data and information;
- (iii) Transparent process of granting mineral rights;
- (iv) Attractive fiscal package; and
- (v) Peace and political stability.

¹ Appendix

3.0 VISION AND MISSION

The Mineral Sector Policy of the United Republic of Tanzania provides a written declaration of the framework of policy objectives and statements that will guide the Government and stakeholders in the management of the mineral sector on a sustainable basis. Accordingly, the policy is based on the following Vision and Mission:

3.1 Vision

Effective mineral sector, contributing significantly to the acceleration of socio-economic development through sustainable development and utilisation of mineral resources in Tanzania by 2025.

3.2 Mission

To set policies, strategies and laws; regulate mineral exploration, production, trading, value addition and mineral actors for sustainable development of mineral resources; and integrate with other sectors of the economy.

4.0 MINERAL POLICY OBJECTIVES

The Mineral Policy of 2009 seeks to address the challenges of the mineral sector mentioned in the introduction. The Government will continue to attract and enable the private sector to take the lead in exploration, mining, mineral beneficiation and marketing. Its purpose is to increase the mineral sector's contribution to the GDP and alleviate poverty by integrating the mining industry with the rest of the economy. Other objectives include:-

- (a) To improve the economic environment in order to attract and sustain local and international private investment in the mineral sector;
- (b) To promote economic integration between the mineral sector and other sectors of the economy, so as to maximize the contribution of the mineral sector to the economy;
- (c) To strengthen the legal and regulatory framework for the mineral sector and enhance the capacity for monitoring and enforcement;
- (d) To strengthen the institutional capacity for effective administration and monitoring of the mineral sector;
- (e) To participate strategically in viable mining projects and establish an enabling environment for Tanzanians to participate in ownership of medium and large scale mines;
- (f) To support and promote development of small scale mining so as to increase its contribution to the economy;
- (g) To facilitate, support and promote increased participation of Tanzanians in gemstone mining;
- (h) To establish transparent and adequate land compensation, relocation and re-settlement schemes in mining operations;
- (i) To strengthen involvement and participation of local communities in mining projects and encourage mining companies to increase corporate social responsibilities;
- (j) To promote and develop a marketing system of minerals to ensure that miners get right values of minerals traded in formal markets;
- (k) To promote and facilitate value addition activities within the country to increase income and employment opportunities;
- (l) To promote research development and training required in the mineral sector and encourage its utilization;
- (m) To develop a local base for technical capacity;
- (n) To improve communication on the mineral sector to the public through education and provision of accurate and timely information;

- (o) To strengthen the institutional capacity of the Geological Survey of Tanzania (GST) to effectively and efficiently perform its roles and functions;
- (p) To strengthen cooperation with the regional and international bodies to take advantages of facilities, resources and information provided by the organisations;
- (q) To promote safety and maintain hygiene conditions and protect the environment in mining areas; and
- (r) To encourage and promote women participation in mining activities and strengthen enforcement of laws and regulations against child labour in mining activities.

5.0 POLICY STATEMENTS

5.1 Provision of Conducive Economic Environment

Issue: *Conducive economic environment for private sector investment in the mineral sector.*

A sound, transparent, and stable macroeconomic environment is important for promotion of investment and development of the mineral sector. Macroeconomic environment includes conducive fiscal regime, reliable infrastructure and reliable financial services.

An appropriate fiscal regime for the mineral sector needs to balance the country's interests with those of investors. In principle, it must be capable of generating an assured flow of fiscal receipts and a fair share of fiscal benefits for a country while remaining attractive for investment in exploration and mining on a sustainable basis. The fiscal regime, therefore needs to be fair and equitable, stable and predictable, non distortionary and internationally competitive.

Generally, reliable and quality infrastructure is a prerequisite for supporting and stimulating economic activities and hence promoting the country's development. Efficient and reliable infrastructure facilities such as roads, power supply, ports and railway lines may lower investment costs, and thus accelerate commissioning of new mining projects and increase profits to be taxed by the Government.

Likewise, development of medium and large scale mining requires significant capital investment, which calls for promotion and development of a strong financial sector. Financing of large mining investments relies on risk capital sourced from international markets. However, such financing may not be a viable option for small-scale mining which require relatively small capital outlay. Furthermore, local financial institutions do not fully understand the economic potential of small scale mining and are therefore reluctant to formulate and implement financial schemes to support its development. This situation poses a barrier to investment and development of small-scale mining.

Objective: To improve the economic environment in order to attract and sustain local and international private investment in the mineral sector.

Policy Statement

- (i) The Government will provide a competitive and predictable fiscal regime for the mineral sector;
- (ii) The Government in its own or in collaboration with the private sector will provide reliable infrastructure to service the mining industry where feasible; and
- (iii) The Government will encourage and promote establishment of reliable and capable financial institutions.

5.2 Integration of the Mineral Sector with other Sectors

Issue: *Integration of the mineral sector with other sectors of the economy.*

The mineral sector can stimulate development in other sectors of the economy and further enhance the economic benefits. This can be achieved provided that the Government pursues the right strategies for economic integration between mineral sector and other sectors of the economy.

Medium and large scale mines require various services and supplies for their operations. Participation of Tanzanians in providing these services to mining operations is limited. Provision of the services by Tanzanians will increase local benefits from the mineral sector and its integration with other sectors of the economy. For Tanzanians to be able to participate effectively in providing goods and services required in the mining industry, they need to access enough capital; transparent procurement arrangements; knowledge of mines requirements; and capacity to deliver the required goods and services.

Objective: To promote economic integration between the mineral sector and other sectors of the economy, so as to maximize the contribution of the mineral sector to the economy.

Policy Statement

- (i) The Government will develop and implement coordinated programmes to increase integration of the mineral sector with other sectors of the economy;
- (ii) The Government, whenever feasible, through its relevant institutions and or in collaboration with the private sector will develop essential infrastructure in areas where there is a potential for establishing a new mine;
- (iii) The Government will require mining companies to procure locally goods and services; and
- (iv) The Government will support and promote Tanzanians to supply quality goods and services to the mining industry.

5.3 Strengthening Legal and Regulatory Framework

Issue: *Enforcement of laws governing the mineral sector.*

The legal and regulatory framework of the mineral sector requires transparency, predictability, minimum discretion and security of tenure. The existing legal framework for the mineral sector reflects these features. It also provides for unrestricted assignment of mineral rights, access to foreign exchange, right to freely market and export mineral products, dispute resolution mechanisms and stabilization of fiscal regime through Mining Development Agreements. Recognising that consistency and constancy of mineral policies including the stability of governing institutions over the long-term are critical to attracting and sustaining mining investment in the country, the Government needs to ensure that these features continue to be reflected in the legal and regulatory framework governing the mineral sector.

The effective implementation of the legal and regulatory framework requires adequate capacity by the Government to enforce and monitor compliance of the laws governing the sector.

Objective: To strengthen the legal and regulatory framework for the mineral sector and enhance the capacity for monitoring and enforcement.

Policy Statement

- (i) The Government will review legal and regulatory framework and ensure effective enforcement of laws and regulations; and
- (ii) The Government through its institutions will harmonize the mineral policy and mining legislation with other policies and legislation related to the administration of the mineral sector.

5.4 Strengthening the Institutional Framework

Issue: *Building institutional capacity to manage the mineral sector.*

An effective institutional framework is essential for proper administration of the mineral sector. The existing policy provides clear roles and responsibilities between the private and public sectors. It reflects modern arrangements for the management of the mineral sector under which the Government is primarily the administrator, regulator, facilitator and promoter of the mineral sector development. However, much more needs to be done to strengthen the current institutional capacity to implement these roles.

Objective: To strengthen the institutional capacity for effective administration and monitoring of the mineral sector.

Policy Statement

- (i) The Government will improve the existing institutional framework to effectively administer the mineral sector;
- (ii) The Government will provide incentives to motivate staff responsible for mineral sector management; and
- (iii) The Government will establish minerals audit institution.

5.5 Increase Participation of Government and Tanzanians in Mining Activities

Issue: *Strategic participation of the Government in the mineral sector and creation of conducive environment to increase participation of Tanzanians in medium and large scale mines.*

Experience in some countries has shown that governments can maximize the benefits from the mineral sector through government participation in mineral projects. Government participation is an alternative fiscal instrument for capturing a share of fiscal benefits generated from mining. Although the same amount of fiscal benefit can be captured by other forms of fiscal instruments such as tax on profits, some type of minority participation may be considered by foreign investors as offering further assurance against political risk. The Government also recognises that dividend receipts from its participation are not assured, and there is a risk of financial loss associated with its participation in mining projects which turn to be unprofitable. Moreover, significant costs may arise in future in respect of Government's shares for which it may not be able to fund.

Participation of citizens in large scale mines will also contribute towards maximizing the benefits retained in the country. In this respect, Tanzanians will need access to sufficient capital and be able to acquire shares in mining companies locally and abroad. In addition, the Government will facilitate foreign mining companies to register in the local stock exchange to enable public participation in medium and large scale mines.

Objective: To participate strategically in viable mining projects and establish an enabling environment for Tanzanians to participate in ownership of medium and large scale mines.

Policy Statement

- (i) The Government will empower its institutions to participate strategically as a developer or jointly with private sector in mining projects;
- (ii) The Government will take necessary measures to enable Tanzanians to participate in medium and large scale mining;
- (iii) The Government will collaborate with stakeholders to eliminate obstacles hindering mining companies from registering in the Dar es Salaam Stock Exchange; and Tanzanians from buying shares in mining companies registered abroad; and
- (iv) The Government will take steps to allow Tanzanians to enlist their mineral rights in foreign stock exchange markets to access capital.

5.6 Development of Small Scale Mining

Issue: *Effective Development of Small Scale Mining.*

Since 1997, the Government has taken efforts to formalize artisanal miners into small-scale miners and provide extension services. In spite of these efforts, the contribution of small-scale mining to the economy is insignificant. This is due to the use of inappropriate technology and lack of capital. The Government is still committed to support small scale mining through provision of supportive extension services and establishment of mechanisms for accessing capital.

Objective: To support and promote development of small scale mining so as to increase its contribution to the economy.

Policy Statement

- (i) The Government will develop and implement programmes to transform and upgrade small scale mining into organized and modernized mining;
- (ii) The Government will cooperate with stakeholders to facilitate small-scale miners to access market for minerals, geological information, technical and financial services; and
- (iii) The Government will continue to collaborate with stakeholders to ensure that small scale miners preserve the environment.

5.7 Development of Gemstone Mining Industry

Issue: *Contribution of gemstone mining industry in socio-economic development.*

Tanzania is endowed with varieties of gemstones, which can make significant contribution to socio-economic development of the country. To fully exploit the gemstone resources and maximize their contribution to socio-economic development, increased involvement of Tanzanians in gemstone mining is vital and will be supported. Tanzanian investors will however need access to adequate capital and modern technology to invest in gemstone mining.

Objective: To facilitate, support and promote increased participation of Tanzanians in gemstone mining.

Policy Statement

- (i) The Government will promote and develop Tanzania as a gemstone centre of Africa;
- (ii) The Government will ensure that large scale gemstones mines are owned by Tanzanians to not less than 50 percent shares;
- (iii) The Government will ensure that medium and small scale gemstones mines are entirely owned and operated by Tanzanians;
- (iv) The Government will promote participation of local investors in gemstone mining; and
- (v) The Government will improve its collaboration with the private sector to develop gemstone mining.

5.8 Establishment of Adequate Land Compensation and Relocation Schemes

Issue: *Establishing effective Relocation, compensation and resettlement schemes in mining*

Establishment of medium and large scale mines may cause relocation of communities and disruption of their livelihoods. Where relocation is inevitable, the Government will conduct valuation of land and properties of the affected communities, while the investor will be responsible for payments of compensation, relocation and resettlement. In this regard, the compensation procedures need to ensure transparency and adequate compensation rates, proper valuation and prompt payments of compensation. Furthermore, investors in the mining industry will be required to prepare and implement sound relocation and re-settlement schemes.

Objective: To establish transparent and adequate land compensation, relocation and re-settlement schemes in mining operations.

Policy Statement

- (i) The Government will review and harmonize relevant legislation to accommodate land compensation, relocation and re-settlement schemes in mining operations; and
- (ii) The Government will require investors in the mining industry to prepare and implement sound relocation and re-settlement schemes.

5.9 Promotion of Relationship between Mining Companies and Communities Surrounding Mines

Issue: *Relationship between mining companies and surrounding communities and the public in general; and involvement of local communities in development of mining projects.*

Mining companies may contribute significantly to the development of the local communities through their corporate social responsibility policies. Furthermore, involvement of the local communities in mining operations ensures sustainability of the mining projects. However, poor communication between the mining companies and the surrounding local communities, in some cases, results into implementation of community development projects which are not considered as priorities by the respective communities.

The involvement and participation of local communities has often been done during the Environmental Impact Assessment (EIA) studies by addressing priorities of local communities' development in order to maximize opportunities

for their involvement. EIA helps to plan for viability of economic activities in the local communities after mine closure. The formal communication mechanism between investors and the local communities need to continue in subsequent phases of the mining project development.

Objective: To strengthen involvement and participation of local communities in mining projects and encourage mining companies to increase corporate social responsibilities.

Policy Statement

- (i) The Government will require mining companies to implement credible corporate social responsibility policies; and
- (ii) The Government will encourage mining companies to involve local communities in setting priorities of community development projects and socio-economic aspects during the life span of their projects.

5.10 Improving Mineral Marketing Systems

Issue: *Promote and develop mineral marketing systems.*

Reliable, stable, and efficient marketing system promotes the growth of both local and international markets, and increases foreign earnings and Government revenue. The Government has liberalized mineral marketing arrangements and established formal marketing system. However, export and local mineral markets need to be further developed to facilitate minerals trading.

Objective: To promote and develop a marketing system of minerals to ensure that miners get right values of minerals traded in formal markets.

Policy Statement

- (i) The Government will collaborate with stakeholders to develop local mineral market;
- (ii) The Government will harmonize taxes and tariffs on minerals produced in the country to ensure that they are competitive;
- (iii) The Government will source foreign markets for minerals and strive to accrue information relating to mineral markets in general; and
- (iv) The Government will collaborate with private sector to develop and improve training institutions on mineral marketing, mineral grading and valuation.

5.11 Promoting Mineral Value Addition Activities

Issue: *Promotion of mineral value addition activities.*

Mineral value addition activities that include gemstone cutting, polishing and jewellery as well as metal smelting and refinery enhance the quality and value of minerals. Value addition activities create employment, improve local skills in mining industry and increase income. These benefits can be realised if and only if value addition activities are undertaken within the country. However, to be able to carry out value addition activities locally, it is important to have the necessary technical skills, access to capital and adequate infrastructure and facilities.

Objective: To promote and facilitate value addition activities within the country to increase income and employment opportunities.

Policy Statement

- (i) The Government will promote investment in the fabrication and manufacturing sectors to stimulate minerals beneficiation;
- (ii) The Government will promote investment in lapidary, stone carving and jewellery making; and
- (iii) The Government will collaborate with the private sector, regional and international organisations to strategically invest in smelting and refining industries.

5.12 Provision of Employment and Training

Issue: *Promote research development and training in the mineral sector.*

Development and appropriate utilization of research findings and skilled human resources is vital for sustainable development of the mineral sector. The Government has taken measures to introduce and expand training in relevant fields in the mining industry. In spite of the measures taken by the Government, professional and skilled personnel in the mineral sector are inadequate to provide the required services. Also, research development undertaken by the Geological Survey of Tanzania, universities and other training institutions to support the mining industry is not adequately utilised.

Objective: To promote research development and training required in the mineral sector and encourage its utilization.

Policy Statement

- (i) The Government will continue to collaborate with private sector to promote, support and strengthen establishment of training institutions to offer training in technical skills related to the mining industry;
- (ii) The Government in collaboration with mining companies will continue to support training of Tanzanians in different level of skills required in the mineral sector;
- (iii) The Government will harmonize relevant laws related to skills development and employment to ensure adequate development of local technical capacity to service the mining industry; and require mining companies to employ local experts available and develop succession plans for Tanzanians to take over expatriate positions; and
- (iv) The Government will work with other member states in EAC and SADC regions to assess skill deficiency in mineral industry and develop and maintain an active database on skills required.

5.13 Increase Public Awareness on Mining Activities

Issue: *Information and education to the public on the mineral sector.*

Public awareness is important for supporting implementation of the mineral sector policy. This demands the general public to receive accurate and timely information on all matters of concern to them regarding the mineral sector. Consequently, as the general public becomes aware of the mineral sector, they will be more supportive to the implementation of the mineral policy. In consideration of the fast growth of the mineral sector and its challenges, there is need for the Government to improve communication to the general public for sustainable growth of the sector.

Objective: To improve communication on the mineral sector through education and provision of accurate and timely information to the public.

Policy Statement

- (i) The Government will collaborate with stakeholders to improve communication systems and flow of information to the general public.

5.14 Strengthening the Geological Survey of Tanzania (GST)

Issue: *Improved geologic infrastructure is a pre-requisite for promoting investment in the mineral sector, geo-tourism and effective monitoring and management of geo-hazards.*

Tanzania is endowed with the entire spectrum of all litho- and chrono-stratigraphic units established worldwide. The country is known for its diverse types of mineral occurrences and varieties of geological features suitable for establishing geo-parks. However, some of its geological phenomena (active faults and volcanoes, radioactive minerals) are potential causatives of geo-hazards and environmental pollution. In this regard, thorough geo-scientific studies in the country is a priority for generating the necessary geo-information, maps and data that will boost growth of the mineral sector as well as enhancing better understanding of the mineral resources potential of the country.

The accrued geo-information will also be used for effective management of geo-hazards and the environment. There is a need for the Government to strengthen the capacity of GST in collecting, processing, interpretation, archiving and dissemination quality geo-scientific information, maps and data; in provision of reliable laboratory and geo-technical services; as well as in monitoring geo-hazards and the environment.

Objective: To strengthen the institutional capacity of the Geological Survey of Tanzania (GST) to effectively and efficiently perform its roles and functions.

Policy Statement

- (i) The Government will strengthen the capacity of GST to effectively carry out its mandate and promote its participation on mineral research, geological survey and geological database;
- (ii) The Government will review the mandate of GST to ensure its effective provision of technical and advisory services to the Government, mining industry and the general public; and
- (iii) The Government through GST will continue to collaborate with private sector to scale-up promotion of mineral potential of Tanzania.

5.15 Develop and Sustain Co-operation with Regional and International Organisations

Issue: *Utilization of Cooperation with Regional and International Organisations to contribute to the mineral sector development.*

Cooperation with Regional and International Organisations is important for the development of the mineral sector. Tanzania can realise benefits of being a member of regional and international bodies related to mining industry by fully utilising opportunities provided by these organisations. Tanzania is a member of the African Union - AU, Southern Africa Development Community - SADC, East African Community - EAC, Southern and Eastern African Mineral Centre - SEAMIC, African Mining Partnership - AMP, Multilateral Investment Guarantee Agency – MIGA, Association of Diamond Producing Countries – ADPC, Kimberly Process Certification – KPC and Extractive Industries Transparency Initiative – EITI.

Objective: To strengthen cooperation with the regional and international bodies to take advantages of facilities, resources and information provided by the organisations.

Policy Statement

- (i) The Government will collaborate with regional bodies of which Tanzania is a member to harmonize its mineral policy with other mineral policies; and
- (ii) The Government will continue to work together with regional and international organisations in research, transfer of technology, training and exchange of information.

6.0 CROSS CUTTING ISSUES

6.1 Provision of Environmental Management, Health and Safety Measures

Issue: *Strengthening Management of safety, occupational health and environment in mining activities.*

Mining activities cause adverse effects to safety and occupational health of mineworkers as well as environmental land degradation, pollution, and social disruption to local communities around mine sites. However, improved management systems for health, safety and environment have dramatically increased safety and environmental performance in mining operations over the last decade.

To ensure sustainable mining activities, there is a need for the Government to strengthen monitoring and regulation of the mining industry to reduce or eliminate the adverse effects on health and safety, environment and social issues. It is also important for the Government to make efforts to increase environmental awareness and promote environmentally-friendly practices in the mining industry, particularly among small-scale miners.

In addition, coordination with other institutions mandated to administer these issues needs to be improved for effective monitoring and enforcement.

Objective: To promote best practices for health, safety and environmental management in mining areas.

Policy Statement

- (i) The Government will strengthen the institutional capacity in monitoring and enforcement of laws and regulations on safety and occupational health, environmental protection and management in mining areas;
- (ii) The Government will require mining companies to set aside funds for environmental rehabilitation and mine closure obligations;
- (iii) The Government will continue to harmonize laws and regulations governing safety, occupational health and environmental issues in the mineral sector;
- (iv) The Government will continue to collaborate with stakeholders to ensure that small, medium and large scale miners preserve the environment;
- (v) The Government will continue to provide education on health and safety; HIV/AIDS and environmental management to small, medium and large scale miners and their surrounding communities; and
- (vi) The Government will administer and monitor exploration, mining, handling, transportation, storage, usage and export of radioactive minerals, explosives and toxic materials.

6.2 Promoting Women Participation and Prohibiting Child Labour in Mining

Issue: *Promotion of Women Participation and Prohibition of Child Labour in mining activities.*

Women participation in mining activities is important in the socio-economic development process. The Government has been conducting awareness campaigns for women to participate in mining activities and facilitated establishment of women mining associations. However, women face economic and socio-cultural barriers which restrict their effective involvement in mining activities, as a result they receive minimal benefits.

Engagement of children in mining activities is prohibited by laws. Mining activities, particularly small-scale mining are prone to the use of child labour which causes social problems to children. Children working in the mines are exposed to the harsh mining conditions, which affect their well being and cause them to miss education opportunities. The Government in collaboration with civil societies and other stakeholders needs to improve education and awareness to small scale mining communities on the effect of child labour and enforcing the law against the use of child labour.

Objective: To encourage and promote women participation in mining activities and strengthen enforcement of laws and regulations against child labour in mining activities.

Policy Statement

- (i) The Government will continue to promote participation of women in mining activities;
- (ii) The Government will ensure that all programmes related to mining, including education and training opportunities, are based on gender equality and equity; and
- (iii) The Government will collaborate with stakeholders to strengthen monitoring and enforcement of laws and regulations on child labour in mining activities.

7.0 THE ROLE OF GOVERNMENT

The role of Government is to formulate policy, establish guidelines and regulate the mineral sector; promote and facilitate private investments; and provide essential services needed by the mines. The Government may participate strategically in mining activities such as exploration, mineral exploitation and value addition. This will stimulate other sectors of the economy and increase benefits to the nation.

In pursuit of investment facilitation and sustainable development of the mineral sector, the Government will focus on the following:

7.1 Government as Regulator

- (i) Strengthening economic and financial policies to encourage private sector participation and sustain investments in the mineral sector;
- (ii) Administering the Mining Act and Regulations, including occupational health and safety; environmental protection and management; collection of revenue; monitoring of the sector; and issuing of mineral rights and mineral trading licenses; and
- (iii) Building institutional capacity to effectively administer the mineral sector.

7.2 Government as Promoter and Facilitator

- (i) Creating conducive environment for investment in the mineral sector;
- (ii) Initiating and coordinating consultative mechanism amongst Government, private sector and other institutions for development of the mineral sector;
- (iii) Carrying out basic geological mapping and maintaining updated information of the mineral resources potential for promotion and development of the mineral sector;
- (iv) Providing guidance to investors and facilitating communication with other relevant institutions; and
- (v) Strengthening co-operation amongst higher learning and research institutions and investors to foster development of the mineral sector.

7.3 Government as a Service Provider

- (i) Strengthening and coordinating technical service programmes for small scale miners;
- (ii) Strengthening Government institutions responsible for providing technical and geological services;
- (iii) Strengthening capacity of Government institutions responsible for administration of the mineral sector to offer extension services to small scale miners; and
- (iv) Providing education and information of the mineral sector to the stakeholders and the general public.

7.4 Government as an Investor

- (i) Building capacity of the Government institutions to identify feasible investment portfolios of mining projects; and
- (ii) Supporting the Government institutions to develop mining projects, value addition, smelting and refining activities.

8.0 CONCLUSION

The objective of the Mineral Policy of 1997 was to promote private investment in the mineral sector to increase contribution to the GDP from below two percent to ten percent by 2025.

During the past ten years of its implementation, the mineral sector has achieved growth in investment, increased Government revenue, foreign earnings, mineral exports and employment. Despite the achievements, the main challenge facing the Government is to integrate the mineral sector with other sectors of the economy.

The main focus of Mineral Policy of 2009 is to increase mineral sector integration with other sectors of the economy in order to maximise contribution of the sector to GDP and contribute to poverty alleviation.

The Government will strategically participate in mineral exploration, mining, smelting, refining and value addition activities. It will also create conducive environment for Tanzanians to participate in medium and large scale mining.

The Government shall emphasize development of the value addition industry, continue to attract private sector investments in the mineral sector and develop small scale mining.

Furthermore, the Government shall strengthen institutional capacity to administer and provide services to the mineral sector, review the legal framework and fiscal regime to increase national benefits.

GEOLOGICAL MAP AND MINERAL OCCURENCES IN TANZANIA

