

The Realities of Solid Mineral Mining in Ekiti State

(Issues, challenges and way forward)



**AFRICAN CENTRE FOR LEADERSHIP,
STRATEGY & DEVELOPMENT**
(Centre LSD)



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About Centre LSD

The African Centre for Leadership, Strategy & Development (Centre LSD) is a leading national non-governmental organization (NGO) and think tank in Nigeria registered to build strategic leadership for sustainable development in Africa. (See www.centrelsd.org). The Centre's mission is to work with forces of positive change to empower citizens to transform society. The Centre carries out its programmes through research, capacity building, advocacy and campaigns built on the principles of catalytic partnership and rights based approach. Youth and Women's rights issues are mainstreamed in their programming. The Centre is guided by the values transparency and accountability; integrity; feminism; diversity; dignity of the human person and Pan-Africanism.

there is equity in the distribution of benefits.

10. The government should ensure the enforcement of health, safety and environmental standards.
11. The government should ensure that the mining policies have focus on development and discourages transfer pricing.
12. The government should ensure proper geological and mining information system with focus on using the information for development.

Mining Companies

13. The mining companies should practice decent mining and ensure adherence to international standards, protection of the environment and Corporate Social Responsibility (CSR).
14. The mining companies should ensure citizen participation and abide by the local content law.
15. The mining companies should enter into Memorandum of Understanding (MoU) with mining communities and respect the spirit and letter of the MoUs.
16. The mining companies should ensure that policies and conditions are created for the health, safety, compensation and good working condition for mining workers.

Civil Society Organizations

17. Civil Society Organizations (CSOs) should support mining communities to improve their capacity to organize and negotiate with government and mining companies.
18. Civil Society Organizations should advocate and campaign for #DoMiningRight.

Mining Communities

19. The Mining Communities should organize themselves and participate in decision making concerning the mining sector including participation in ownership of assets.
20. The mining Communities should build their capacity to engage government and mining companies and advocate and campaign for decent mining (#DoMiningRight).

The Intervention

The problem of poor natural resource management manifests in various ways. There is no independent, objective and fair oversight of the sector. There are controversies over what appropriate fiscal regime is fair, equitable and will allow for growth of investment. In the solid minerals sector, there is lack of implementation of regulatory framework, inadequate supervision and failure of mining companies to fulfil statutory requirements.

The Nigerian Minerals and Mining Act, 2007 is not implemented. There are issues with infrastructure and geological data. There are concerns with artisanal mining, environmental degradation and community challenges. Huge revenues are lost in the process of mining because our people lack the skill to know what the minerals are used for.

The roll out of a road map at the level of the Ministry for the growth and development of the Nigerian mining industry – on the road to shared mining prosperity, has unequivocally raised the hope of Nigerians that something good will begin to happen in the sector. But despite these commitment and hope, the need for citizens to interrogate and engage government on its actions is critical to forestall relapse. This necessitated the project “strengthening civic engagement and advocacy for effective natural resource governance in Nigeria implemented in Ebonyi, Ekiti and Taraba States.

The State's Mining Realities

Ekiti State is situated in the South West zone of the country and it lies south of Kwara and Kogi State, East of Osun State and bounded by Ondo State in the East and in the south. It has a total land area of 5887.890sq km. The 2006 population census by the National Population Commission put the population of Ekiti State at 2,384,212 people. <http://ekitistate.gov.ng/about-ekiti/overview/>. Agriculture is the main occupation of the people of the state as they farm crops such as cocoa, oil palm, kola-nut, plantain, bananas, cashew, citrus and timber; arable /food crops such as rice, yam, cassava, maize and cowpea. The state has the following mineral resources clay, chamokite, quartz, lignite, limestone, granite, gemstone, bauxite, cassiterite, columbite, tantalite, feldspar, kaolin etc.

Participation of Children Miners	The Labour Act places restrictions on employment of persons under the age of 16 with respect to working underground in a mine although the Mineral Act is salient on participation of children	Children participate in mines work during holiday or after school periods. They are paid low wages and operate under similar conditions as women.	The Mineral Act should be reviewed to provide for the guaranteeing and protection of women and children from exploitation of all categories of miners.
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20 PRINCIPLES OF #DoMningRight

Government

1. The government should ensure decent mining that will be beneficial to citizens (including future generations) and not destroy the environment.
2. The mining process should ensure local processing and value addition.
3. The resources from mining should be used for social and economic development
4. The government should support and harness the potential of small scale miners and improve the livelihood of mining communities.
5. The government should build the capacity of Nigerians to engage in innovation, research and development of the mining sector.
6. The government should build the capacity of institutions responsible for mining activities to perform optimally from exploration to fabrication, marketing and mine closure.
7. The government should ensure transparent and accountable governance of the sector with principles of open government.
8. The government should ensure that the mining companies operate in accordance with international standard and best practices with the protection of the environment, community participation and corporate social responsibility.
9. The government should ensure that communities participate in decision making with respect to the mineral sector and that

Tracking Revenue Streams of Informal Mining Sector.	Non-formal organization of artisanal miners has made it difficult for government to effectively regulate and control them.	<p>Procedural difficulties in formalizing operations especially possession of licenses.</p> <p>High rates of registration and possession of licenses</p> <p>Poor commitment of regulatory agencies in monitoring operations in mining fields.</p> <p>Non-disclosure and non-declaration of additional minerals discovered during exploration and exploitation.</p> <p>The over protective nature of sites by miners.</p>	<p>Encourage the formation and sustainability of mining cooperatives and associations in collaboration with local community, local government and state for ease of control of the minefields and for enhancement of mineral production by artisanal and small-scale miners.</p> <p>Control and strengthen the artisanal and small-scale mining operations through:</p> <ul style="list-style-type: none"> - Establish license buying centres which would be an interface between mining cooperatives/licensed miners, local users and export markets. - Provide extension services to artisanal and small-scale miners in form of technical assistance and support services. - Provide micro credit to artisanal and small-scale miners.
Participation of Women Miners	The Labour Act places restrictions on employment of women with respect to working underground in a mine.	Women working as mine labourers operate under indecent conditions: lack of organizing, poor wages, lack of protection, poor safety environment etc.	<p>The Mineral Act should be reviewed to provide for the guaranteeing and protection of women and children from exploitation of all categories of miners.</p> <p>The state government and the State house of Assembly should continue to create periodic dialogue sessions with civil society in the state on issues relating to solid mineral development</p>

Issues	Reality	Challenges	Recommendations
Interaction of Governments with Solid Mineral Sector.	The relationship between the government and mining actors and communities in the state is guided by section 19 (3) of the 2007 Act which provides for the existence of the State Mineral Resources and Environmental Management Committee (MIREMCO)	What is missing from the composition is the participation of the miners and civil society.	The composition of all regulatory agencies; Mineral Resources and Environmental Management Committee and the management of the Board of Solid Minerals Development Fund should be altered to include representatives of civil society in each of the States.
Revenue beneficiation mechanisms	(a) Royalty payments are collectable by Mines Inspectorate Department on behalf of the Federal Government. (b) Ground Rents/Annual Surface Rents are paid by the lessee of a mining lease in advance while ground rents are paid annually by holders of State Government Certificate of Occupancy on occupied Government land. These rents are collectable on behalf of the Government by the Board of Internal Revenue	State and local governments benefit from surface rent, Pay as You Earn (PAYE) and property taxes.	The Federal Government should consider giving incentives and assist the states in co-investing in mining where they can become equity investors by applying to the MCO for licenses alone, or in partnership with private companies.
Community Development Agreements (CDAs)	Mineral Act provides for CDA to ensure the transfer of social and economic benefits to the community.	Artisanal miners don't have written CDAs with communities.	<ul style="list-style-type: none"> • The agreement should be negotiated by people chosen by the communities to make the process transparent and inclusive. • The agreement should be tied to the development objectives of the community.

Effectiveness of Community Development Agreement	The Act states that the agreement be reviewed after 5 years.		The state government and the State House of Assembly should create periodic dialogue sessions with civil society and stakeholders in the mining sector in the state on issues relating to solid mineral development.
Environmental Policies	Section 116 insist that every holder of a mineral title shall as far as it practicable: (i) minimize, manage and mitigate any environmental impact resulting from activities carried out under this Act; and (ii) rehabilitate and reclaim, where applicable, the land disturbed, excavated, explored, mined or covered with tailings arising from mining operations to its natural or predetermined state.	There are many excavated lands that are littered around the communities, some are no longer in use by title holders and they will not be returned to	The Mines Environmental Compliance Department should be strengthened and should have presence in States to monitor and enforce compliance with environmental requirements and obligations by holders of mineral titles.

Administration of Environmental Protection policies	section 13 of the Act states that (i) the Mines Environmental Compliance Department should monitor and enforce compliance of environmental requirements and obligations; (ii) periodically audit the environmental requirements and obligations and ensure they are complied with and (iii) liaise with relevant agencies of Government with respect to the social and environment issues involved in mining operations, Mine closure and reclamation of land.	Mining by artisanal miners is done under hazardous conditions and no steps are being taken to teach these miners and their communities safer and less hazardous ways of mining. Artisanal miners keep poisonous minerals in their homes irrespective of the health implication to the family	The regulatory bodies should periodically audit the environmental requirements and obligations and ensure social and environmental issues involved in mining operations, mine closure -and reclamation of land are adhered to. Strengthen the capacity of the Mines Inspectorate Department to ensure general supervision and adherence to health and safety regulations as prescribed by Regulations
Revenue Leakages	Various grades of minerals are purchased by middlemen and women who buy from mine workers who are involved in excavations. These economic transactions are held outside the purview of the government officials at the Federal, State and local levels. i.e. the Mines Inspectorate Department, Mines Cadastre Office, Artisanal and Small Scale Mining Department and Nigeria Geological Survey Agency, the State Board of Internal Revenue etc.	There is no synergy between the various Government Agencies. There is lack of capacity or deliberate refusal to track the operations of the sellers and buyers and this provides the avenue for revenue lose.	Issues of separation of powers between the State and the Federal Government should be clarified.

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