



POLICY, LEGAL AND REGULATORY REFORMS IN THE MINING SECTOR

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Launch of the Registration for the Online Mining Cadastre, July 2018



Outline

- 1. Uganda's Mineral Potential**
- 2. Mining and Mineral Policy for Uganda**
- 3. Review of the Mining Act, 2003**
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Uganda's mineral potential

Metallic mineral resources: Beryllium, Bismuth, Copper, Cobalt, Columbite -Tantalite (Coltan), Chromium, Gold, Iron, Lead, Lithium, Manganese, Platinum Group of Metals (PGM), Rare Earth Elements (REE), Tin, Uranium, Wolfram and Zinc.

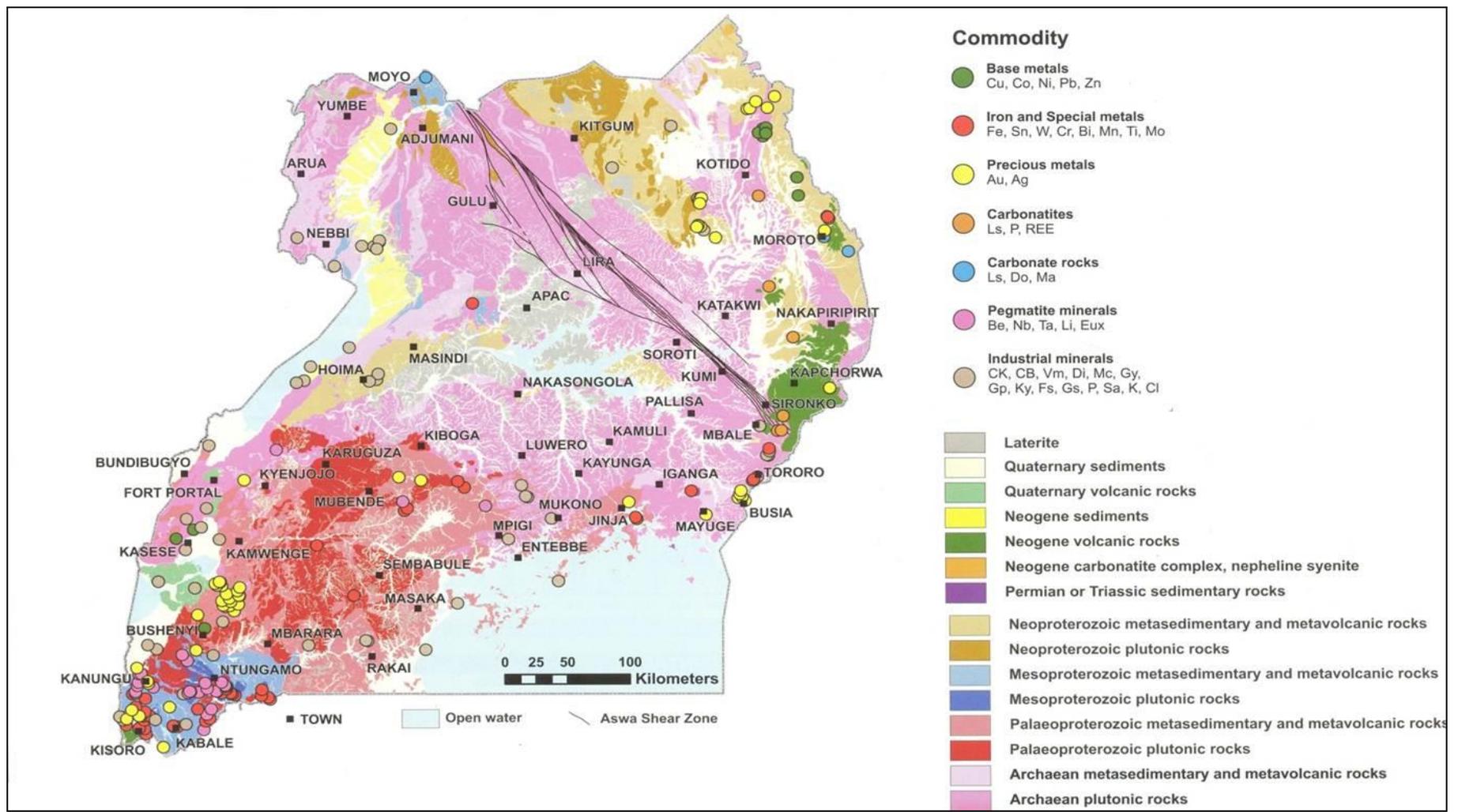
Industrial minerals: Bentonite, Clay, Diatomite, Dimension Stones (Granite), Feldspar, Glass sands, Graphite, Gypsum, Kaolin, Kyanite, Marble/limestone, Mica, Phosphate (Apatite), Pozzolana, Salt (rock salt, halite), Talc and Vermiculite.

Gemstones: Apatite, Beryl – emerald, aquamarine, heliodor, morganite, Corundum (Ruby, blue sapphire), Fluorite, Garnet, Opal, Quartz (amethyst, rose), Topaz, Tourmaline and Zircon



Uganda's mineral potential cont'd

Mineral Occurrence map of Uganda





Mining and Mineral Policy for Uganda 2018

Cabinet Approved the Mining and Mineral Policy for Uganda 2018 on 7th May 2018, replacing the Mineral Policy for Uganda 2001.

Policy Objectives

The Mineral Policy 2018 was put in place to guide the country's Mineral Sector development and its objectives is to:-

1. To strengthen the legal and regulatory framework for the development of the mineral sector;
2. To ensure efficient, equitable, accountable and transparent management of mineral revenues;
3. To establish, manage and promote the country's mineral potential;
4. To enhance and strengthen the institutional capacity for effective governance of the mineral sector;



Mining and Mineral Policy for Uganda 2018 Cont'd

5. To organize and legislate artisanal and small scale mining in Uganda;
6. To promote and protect Health, Safety and Environment in the mineral industry;
7. Provide a framework for gender mainstreaming, equity and human rights and eradication of child labour in the mining industry;
8. To provide a framework for marketing and value addition of minerals;
9. To promote local content and national participation in the mineral industry; and
10. To promote regional and international cooperation.



Current Legal Regime

Mining Act, 2003

The Mining Act, 2003 was enacted to operationalize the Mineral Policy of 2001. It replaced the Mining Act, 1964:-

Key Objectives

- Ownership of minerals: Vested in the Government.
- Mineral licenses/rights include: Prospecting License, Exploration License, Retention license, Mining Lease, Location License, Mineral Dealers & Goldsmith License.
- It provides for Mineral Agreements with investors for large scale projects.
- Entry is on first come first serve basis
- **Note: New and Emerging Issues have rendered the Mining Act 2003 outdated and hence a need for review.**



Justification for Review of the Mining Act, 2003

- ❖ The Mining Act 2003 has been in force for the last fifteen years during which time the Mineral subsector has undergone various transformations and changes.
- ❖ As such the Act is inadequate in dealing with the new developments in the Mineral subsector as well as government strategic directions for example Vision 2040 & NDP.
- ❖ In generating proposals for a new Bill, consultations were made with various stakeholders at national level.



Principles to be Embodied in the new Mining Bill 2018

1. provide robust predictable and transparent legal regime;
2. improve mining and mineral administration and business processes;
3. ensure efficient collection and management of mineral revenues;
4. promote value addition to minerals and increase mineral trade;
5. organize, register, license, regulate and transform artisanal and small scale mining in Uganda;
6. minimize and mitigate the adverse social and environmental impacts of mining activities;



Principles to be Embodied in the new Mining Bill 2018

7. promote local content and national participation in the mineral industry;
8. domesticate regional and international conventions, treaties, agreements, protocols and initiatives;
9. provide for establishment of a Mineral Exploration Unit;
10. provide for establishment of a Mineral Audit Agency;
11. provide for establishment of a Mining Tribunal to arbitrate and resolve disputes in the mineral sector;
12. provide for establishment of a mineral promotion unit to promote and increase investment in the mineral sub-sector;



Principles to be Embodied in the new Mining Bill 2018

13. provide for establishment of an Environmental Restoration Fund;
14. provide for establishment of a Mineral Reserve Fund to store mineral revenues for creation of a permanent source of wealth as a provision for intergenerational equity;
15. provide for establishment of the Mineral Protection Force as an enforcement arm of the mineral subsector;
16. promote and protect human rights in the mining sector including gender, labor and children;
17. provide for ISO certified mineral laboratory services and strengthen the mineral laboratory to support geo-scientific investigations, regulation and monitoring;



Principles to be Embodied in the new Mining Bill 2018

18. provide for the establishment of the Earth Scientists Registration Board to regulate earth scientists and associated professionals;
19. provide guidelines for engineering geology assessments and geotechnical investigations and monitor geohazards and seismic activity;
20. enforce penalties, sanctions and fines on illegal mining and non-performing mineral rights;
21. develop or adapt an appropriate mineral classification and reporting code; and
22. strengthen the institutional framework for the effective governance of the mineral subsector.



Amendment of the Mining Regulations 2004

- ❖ While the Mining Act, 2003 and Regulations, 2004 are still being reviewed, the online mineral licensing system needs to be implemented based on the current Mining Legislation.
- ❖ The Ministry therefore, will need to Gazette amendments to the current Regulations to allow for an effective online implementation.
- ❖ An inter-ministerial committee consisting of the Ministry of Energy and Mineral Development and the Ministry of Justice and Constitutional Affairs came up with draft Amendments to the Mining Regulations 2004.
- ❖ The Regulations are now being drafted by the First Parliamentary Counsel in the Ministry of Justice before being finalized.



Amendment of the Mining Regulations 2004

Key Provisions that need to change in order to implement the online cadaster include:

- ❖ Submissions of applications online, instead of hardcopies at DGSM offices;
- ❖ Applications no longer need to be forwarded by the Chief Administrative Officer (CAO);
- ❖ License boundaries no longer required to be marked out with a beacon - the official coordinates will be those submitted in the application (***location licenses and mining leases shall demarcate after grant***);
- ❖ Applications are no longer permitted to overlap other licenses or applications;
- ❖ Applications are only considered official once the payment has been made, and verified.



Conclusion

- ❑ Online licensing shall usher in a period of transparency and accountability.
- ❑ It will make licensing process easier and mitigate the perceived risks of bureaucracy and delays.
- ❑ Commitment of the private sector is crucial in ensuring the effective implementation of the transition to an online system.
- ❑ Stakeholder engagement, capacity building and registration are necessary prior to the eventual launch of the online mineral licensing system.



Thank you