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MCP, UTW. PLANT CO. P. CORPORATION TO THE CHARGE STATE OF THE CHA

sector

- Promise to prioritize local content policy
- Malawi to have 49% shares in mining ventures

By Wahard Betha

eading opposition parties Malawi Congress Party (MCP) and the United Transformation Movement (UTM) have unveiled their plans to develop the minerals sector if elected in the May 21 Tripartite elections.

The plans contained in the manifestos of the two political parties focus on encouraging participation of Malawians in the lucrative sector to ensure that locals are the key beneficiaries of the country's natural resources.

While MCP is silent on the amount of shares that Malawi will have in mines, the UTM Party wants the country to retain at least 49% shareholding in big mining ventures.

The Revised Mines and Minerals Act, which is in the process of being operationalized after parliament passed the Bill, gives an opportunity to the Malawi Government to decide up to 10% free equity in large-scale mining ventures.

MCP President Lazarous Chakwera, who officially launched the party's manifesto in Lilongwe, says if it takes over power, the party will prioritize the development of the sector's local content policy to ensure that Malawians benefit directly from mining investments.

Chakwera says: "MCP will ensure consistent and factual updates to all stakeholders on progress made in both solid minerals and petroleum sectors as provided in the laws of the country, develop a Comprehensive Mining Strategy (CMS) that provides for domestic and foreign investment in mining and provide guidelines for effective corporate social responsibility (CSR) strategies."

He says the MCP government will revise Malawi's Petroleum (Exploration and Production) Act, 1983 so that the law adheres to international standards and is capable of addressing emerging sectorial issues including technical, fiscal and environmental challenges. ...cont. on page 3

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Lazarous Chakwera: MCP presidential candidate



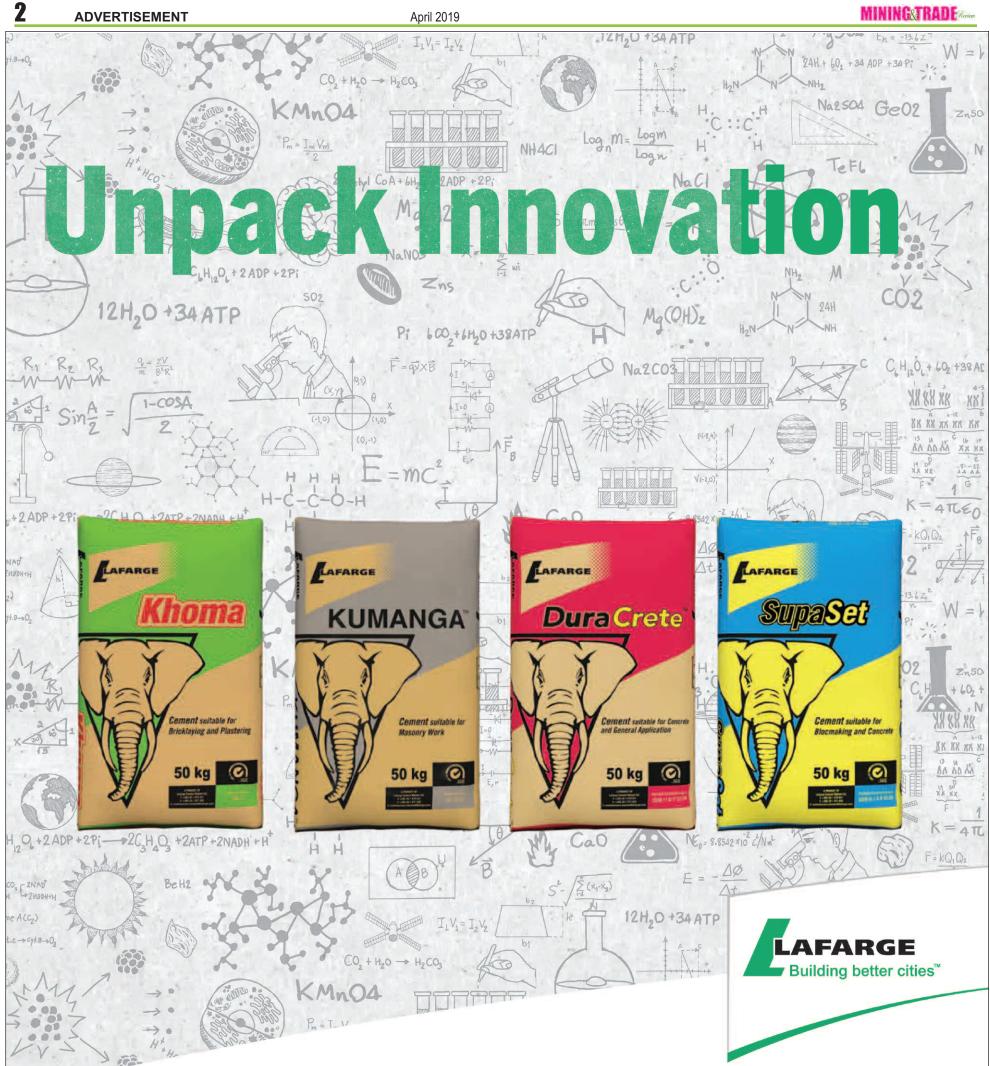
Saulos Chilima: UTM's touch-bearer





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...from front page Chakwera also pledges to domesticate the African Mining Vision (AMV), Africa Resource Utilization Strategy, and Hope Strategy adopted by the African Heads of State in 2009 by coming up with a workable and investment based Country Mining Vision (CMV).

He says: "The MCP believes that the capacity of a country to meaningfully benefit from mining is directly linked to its governance architecture. A well-governed country is more likely to maximize the contribution of mining by negotiating good terms with mining companies; collectively managing and spending revenues wisely; and creating an enabling environment to enhance employment."

"There is currently limited transparency and accountability especially in the issuance of mining licenses and management of proceeds from mining. The MCP government will create a viable and robust mining management regime with an optimal mix of legal, regulatory, fiscal, environmental and social development policy tools and approaches."

Chakwera says the MCP wants Malawi to be an attractive destination for investment to both local and international companies through strict adherence to, and compliance with the laws.

He says the MCP will develop and operationalize laboratory services to ensure that testing of both mineral and petroleum samples is done locally.

Chakwera says it is unfortunate that government reacts very late to issues of illegal mining saying the MCP will ensure an immediate end to the activities across the country so that the country's mineral deposits are exploited for the benefit of the nation.

The MCP also wants to assist ASMs in identifying buyers for their minerals by, among other things, establishing Gemstone Marketing Centers.

Chakwera says the MCP-led government will also finalize geo-mineral resource mapping across the country and develop a comprehensive exploitation plan in line with the country's strategic national development goals.

"The MCP government will facilitate joint venture mining operations involving state, communities and international investors and ensure publication of monthly reports on mining operations and incomes generated," he says.

On its part, the UTM believes Malawi's mineral potential has not been promoted and marketed sufficiently resulting in very low exploitation of the resources.

"There is lack of sufficient geological data and information about Malawi's mineral resources and the allocation of resources for developing the mineral sector is inadequate," says UTM Party President Saulos Klaus Chilima.

Chilima says the mining sector also lacks accountability and transparency which breeds corruption; there is no education in the artisanal mining sector on the benefits and risks of the mining operations; and the State has failed to develop Competence Person's Reports ('CPRs').

"The lack of the CPRs means that, as a country, we do not know the value of our mineral resources, the opportunity costs or the risk (or lack of) to the environment," he says.

Chilima says his party will, therefore, undertake several reforms in the sector including reopening the review of the Mines and Minerals Act; developing Competence Person's Reports (CPRs); ensuring mineral royalties are competitive in the regional and international markets; harmonize the various mining related departments to increase effectiveness in implementation of sectorial policy; respect every person's right to property in land; and strictly ensure that the award of contracts is open, accountable and transparent.

He says the UTM government will also ensure that geological information is compiled and interpreted to



UTM proposes bigger shares in mining projects like Kayelekera

encourage more detailed exploration and investment by private investors.

The UTM also promises to promote value-addition to mining products including precious and semi-precious stones at village level.

Chilima says his government will ensure that Mining Development Agreements ('MDAs') are properly negotiated so that the Government of Malawi gets a fair share of revenue from the mineral resources.

He says the UTM government will also encourage mining companies to provide meaningful employment to Malawians including in senior management positions and that there is an open, merit-based skills development programme for the sector.

The UTM manifesto says the party's government will also ensure strict adherence to community development agreements, which are part of the new mining law.

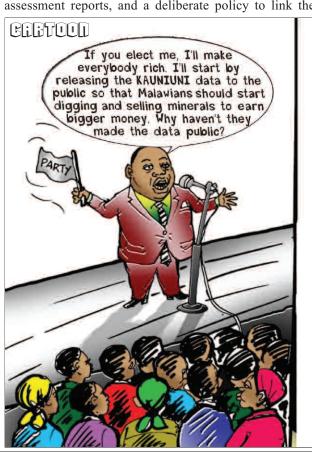
Reads the manifesto: "Malawi shall have at least 49% shareholding in any mining investment; and there will be strict enforcement of environment and social impact assessment reports, and a deliberate policy to link the mining economy to the rest of the national economy by encouraging local sourcing."

The MCP and UTM are also planning to continue with the implementation of the Mines and Minerals Policy in order to ensure that appropriate institutional and legal settings, safeguards and quality control are in place.

In order to promote small-scale mining as a tool for poverty alleviation, the two parties are in support of the formation of cooperatives for artisanal and small-scale miners (ASMs) through implementation of the ASM Policy to enable collective bargaining, access to markets and better recognition of the ASMs by financial institutions.

The parties also pledge to establish a dedicated mineral fund to provide loans for mining equipment to ASMs, and simplify licensing procedures and the issuing of mineral permits.

Mining which contributed 10% to Malawi's Gross Domestic Product (GDP) when Kayelekera Uranium Mine in Karonga was at its production peak currently caters for 2-3% of the country's GDP but the government target is that the sector contributes over 20% of GDP by the year 2020 ■











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EDITORIAL

Politicians must make realistic promises on mining issues t is a welcome development that the mining sector

which has been missing on agendas of most political parties is in the spotlight in party manifestos for this year's tripartite elections.

The Malawi Congress Party (MCP), which was the first major political party to launch its manifesto, has

promised to encourage participation of Malawians in the minerals sector to ensure that locals are the key beneficiaries of the country's natural resources.

MCP President Lazarous Chakwera, who officially launched the party's manifesto in Lilongwe, says if it takes over power, the party will prioritize the development of the sector's local content policy to ensure that Malawians benefit directly from mining investments.

He says the MCP government will revise Malawi's Petroleum (Exploration and Production) Act, 1983 so that the law adheres to international standards and is capable of addressing emerging sectorial issues including technical, fiscal and environmental challenges.

Chakwera says the MCP will develop and operationalize laboratory services to ensure that testing of both mineral and petroleum samples is done locally.

On its part, the UTM Party, led by the State Vice President Saulos Klaus Chilima believes that Malawi's mineral potential has not been promoted and marketed sufficiently resulting in very low exploitation of the resources.

It says in its manifesto that there is lack of sufficient geological data and information about Malawi's mineral resources and the allocation of resources for developing the mineral sector is inadequate

As reported in our lead article, the two parties agree on the need to promote transparency and accountability in the mining sector to root out corruption, which finds its fertile breeding ground in the veil of secrecy shrouding the

While MCP is silent on the amount of shares that Malawi will have in mines, the UTM Party, wants the country to retain at least 49% shareholding in big mining ventures.

The Revised Mines and Minerals Act, which is in the process of being operationalized after parliament passed the Bill, gives an opportunity to the Malawi Government to decide to have up to 10% free equity in large-scale mining ventures.

We agree with a number of issues raised by the two parties notably the issue to revise the Petroleum (Exploration and Production) Act as raised by MCP.

There is indeed need for action and not just rhetoric on the issue of reviewing this Act, which is archaic and does not address emerging issues, as such a review will help generate investor confidence.

The other interesting point to note is the UTM plan to increase allocation of resources for development of the minerals sector.

We feel this is very essential because inadequate funding is one of the major causes of the current problems in the sector including failure by the government to regulate illegal mining activities which have resulted in a number of social and environmental damages.

The World Bank and European Union financed Mining Governance and Growth Support Project (MGGSP) to some extent helped to move things in the sector. It would, therefore, be better if the administration that comes after May 21 pushes for its second phase.

But while we commend the two political parties for the good points raised to develop the mineral sector, we urge them to be realistic on some of their promises.

For example, we find the UTM Party's promise for 49% Malawi government interest in large scale mines not only scaring to investors but also unrealistic for Malawi which is promoting its mineral sector to investors

Understanding the nature of mining which involves a lot of exploration work to discover sizeable mineral deposits of required quality, it would scare away any investor to be forced to give such a percentage of shareholding to a government

It would also be risky for the government to invest in shares in a mining investment which is a risky business that survives at the mercy at global

We, therefore, feel owning more shares in a mine is not the right way for Malawi to benefit from the sector. Developing a fiscal regime that creates a win-win situation with the investor is the way to go **•**

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Malawi on course to hold sixth democratic elections

...MEC advises contestants to conduct issue-based campaign

By Gloria Mbwana

alawi, which is labeled as an investment destination of choice partly due to its peace and stability, is on course to hold sixth democratic elections on May 21 this year.

Chairperson for Malawi Electoral Commission Jane Ansah says in a Press Statement all contestants in the elections have signed a declaration to ensure that the elections are non-violent, free and fair.

"Every party, candidate, representative member or supporter has the right to enjoy unhindered freedom of expression and unhindered freedom of peaceful assembly in campaigning," reads the declaration signed by all parties and independent presidential candidates.

In signing the declaration, the contestants have also committed not to use "any language that is capable of being inflammatory, defamatory or insulting or any language that constitutes incitement to public disorder insurrection."

During the launch of the campaign in Lilongwe, Ansah also advised the stakeholders to desist from violence and conduct an issue based campaign that focuses on selling their manifestos to voters other than castigating opponents.

"The obvious lack of issue based campaigns among our politicians is a source of serious concern. Malawians are looking forward to politics that will transform their lives and livelihoods," she said.

Ansah encouraged all Malawians to get themselves informed of the manifestos of various political parties and candidates observing that a sound manifesto should articulate achievable programmes that will enhance the development of the country and improve people's well-being.

She, therefore, advised the electorate to vote for the party or candidate that has a programme which is best for the nation.

The MEC Chairperson also advised the country's security officers to uphold professionalism in their duties to ensure that the elections are free and fair.

She said: "In determining credibility of elections, observers and experts do not look at the Electoral Commission alone but also the conduct of stakeholders and the Police are just part of that."

"If Police officers do not perform their duties professionally, that can easily erode the efforts of all other stakeholders to have credible elections."

She pointed out that presence of police officers creates an environment of security and elections cannot be touted to be free and fair if they are conducted in an environment full of fear, intimidation and violence since presence of these factors easily puts away some eligible voters from participating in electoral processes like registration and polling.

"If elections are marred by violence, intimidation and fear, chances are high that the losing side will not accept the results. You will agree with me that it is one thing to lose in an



Ansah: Enjoy peaceful assembly.

election and it is another thing to lose an election marred by violence and intimidation. In such situation allegations of rigging are rife."

She also said what losers say after elections is crucial in maintaining peace and order as peace will be sustained if losers lose in a free, fair and credible election.

Ansah said the coming elections offer an opportunity for the Malawi Police Service to clear the wrong perception that other people may have that it favours the incumbency in its actions.

She said: "It is the expectation of all stakeholders that the Police Service will remain professional and neutral and treat all political players equally."

"It is also an honest expectation of every citizen that the Police will ensure that those who commit electoral offences are brought to book, irrespective of whether they are from the ruling party. There should be no one spared. The Police should ensure that all candidates and voters are protected. "

"The public expects the Police to operate above partisan interest and ensure that perpetrators of violence are brought to book. We should not have cases whereby the Police are seen to be moving very fast to effect an arrest and prosecute when the offender is from one political sect while dragging and hesitant to take action when the offender is from the opposite side."

Ansah also highlighted gender issues during the campaign period saying hate speeches targeted at female candidates should not be forgiven as the nation would like to see female candidates been accorded an equal opportunity to campaign freely without fear of intimidation and violence.

"The Commission urges all women who will experience incidents of intimidation and foul language to immediately report to the Police and MEC for the law to take its course," she said.

Ansah advised political parties to also desist from abusing the youth during political campaigns by sponsoring them to indulge in violence, disrupt political rallies and do other unpalatable things describing the practice as unacceptable.

...cont. on page 9



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Oxfam sponsors political

Karonga communities engage aspirants on extractive projects

• Car

By Chiku Jere

ommunities from one of Malawi's major mining districts, Karonga, are demanding that government involves them in decision making on mining projects in their locality in order to do away with infringements on people's rights that have been synonymous with the projects.

This call resonated loud and clear during a political debate on mining held on March 20, 2019 in the district which was organized by Natural Resources Justice Network (NRJN) and Catholic Commission for Justice Peace (CCJP) Karonga Diocese with financial support from Oxfam Malawi.

The debate which was aired live on Tuntufye Community Radio Station saw members of the community engaging aspiring parliamentarians and ward councilors on how they will uphold good mining governance principles which include transparency, accountability and inclusiveness if elected on May 21, 2019 Elections.

Ten parliamentary hopefuls were present at the debate including Frank Mwenefumbo of Alliance for Democracy (Aford), Mary Nthakomwa for UTM Party, Bahat Kishombe from the Democratic Progressive Party and Cornelius Mwalwanda for the Malawi Congress Party (MCP), all vying for Karonga Central constituency seat.

Those present from Karonga North West Constituency were Sam Chisambi for MCP, Fwake Mwakitalu for PP as well as Felix Kayira for UTM while Karonga North had PP's Daniel Mwanyongo, Gerald Mwakaswaya for UDF and MCP's James Mwayisemba.

The debate dwelled much on issues such as mining contracts, community development agreements, community involvement as well as local content, among other important subjects.

One community member, Petros Mfwara from Uwembe Village, said what Karonga communities have been subjected to in relation to mining activities in their respective areas is really painful.

"It really mocks our dignity and pride as Karonga appears on the map as a district endowed with many mineral resources but we do not benefit from this mineral wealth," he said.

Mfwara refused to blame mining companies on the community's misery but took a swipe at government for not engaging the community when negotiating mining deals.

"These investors come here and follow the rules set in place by our government and policy flamers. So it will be unwise to blame the former but government which claims to manage these resources on our behalf," he said.

The consensus reached during the debate is that authorities should engage the communities at each and every stage of the mining project starting from the onset so that the local community is kept ablest of the developments in order to make informed and realistic demands.

"We are always left in the dark which leads to speculation and tension that creates an atmosphere not conducive for an investment which could benefit the area," said another debate attendee Kisha Sichinga, who hails from Mwenechanga Village in the area of Group Village Headman Kayelekera.

Sichinga suggested that when an investor is coming to conduct mining operations in an area, Mines Department officials should first inform the district council which will in turn inform traditional leaders to facilitate engagement with grassroots structures such as Area Development Committees (ADC) and Village Development Committees (VDC) that will inform the community about the pending mining investment.



Aspirants owning their promises by signing up to commitments



Chawinga: Mining should equally benefit communities



Munthali: Debate provided a platform for people's demands

"This should be done before the arrival of an investor at the site. People should be taken through the whole process of what will take place - from awarding of license, exploration, extraction to mine closure," narrated Sichinga in an exclusive interview with *Mining & Trade Review* on the sidelines of the debate.

He said the government and investors also need to inform the communities about the latter's expected benefits from the mining venture to enable them embrace the development and feel part of it.

Mercy Mwenelupembe, who said was representing the interests of women at the debate, raised the issue of local content, saying that mining companies should prioritize local businesses when sourcing locally available supplies.

"Within the contract agreement, there should be a stipulation that the investor should source locally available goods or services within the parameters cont. on page 7...



Aspiring MPs in a solidarity pose with activists

MININGSTRADE ANALYSIS

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NEWS & ANALYSIS

debate on mining issues

didates sign commitments to uphold good mining governance



...from page 6 of the mining operations or district, to allow maximized benefit for the people who will be directly impacted by the mining activities," she said.

In their response, a number of aspirants displayed ignorance on mining issues as they repeatedly talked of the need to initiate revision of the Mines and Minerals Act of 1981 despite that the law has been enacted recently.

However, Mwenefumbo, a parliamentarian for Karonga Central, schooled fellow contestants that there is already a new Act in place which the government is in the process of operationalizing.

The contestants then agreed to ensure enforcement of the new law, which has a provision for mining companies to sign community development agreements, when elected.

There was also a call from the contestants to civic educate communities about the legal framework that governs the extractives sector to allow them ably demand





Chief Kilipula: Hailed the event as very important



Mwenelupembe raised content issue



A Karonga senior citizen posing all difficult question



Karonga woman taking aspirants to task

accountability through noting, exposing and fighting injustices before harm is caused.

In the end, the candidates made binding commitments to promote sustainable large-scale as well as artisanal and small scale mining once ushered into their respective elected positions.

The aspirants also pledged to lobby for decentralization in the sector as one way of enabling local councils and citizens have access to information related to extractive industry in their area.

At the end of the four and half hours debate, all the ten contestants signed up to their commitments as part of social accountability after the elections.

After the deliberations, Chairperson for NRJN Kossam Munthali expressed satisfaction with citizen turnout, participation and the zeal to hold leaders accountable as shown at the event.

"We have seen that people needed such a platform to voice out their demands and what they expect from duty bearers. As we have witnessed, those who will be elected, will have to answer to the electorates," said Munthali.

He also expressed concern over the issue of the knowledge gap that was exposed among the aspirants saying there is need for stakeholders to continue engaging in order to build a coordinated effort to achieve common good for the country through the mining sector.

Chief Kilipula, who represented Paramount Chief Kyungu at the event, hailed the organisers for providing people of Karonga with a podium to voice their concerns, demands and aspirations on mining governance.

"These individuals vying for elected positions are now aware of community expectations on mining issues and they will not have excuses once they fail to fulfill these expectations after assuming office. Our district has suffered a lot of injustices when it comes to mining and we hope that this will mark a new beginning in terms of dealing with these problems once and for all," Chief Kilipula said.

In his remarks Oxfam Malawi Coordinator for Extractives, Elyvin Nkhonjera Chawinga, said the debate was important as it offered the contestants an opportunity to get unfiltered demands from people on mining governance issues

She said Oxfam Malawi has been involved in organizing national level debates and thought it wise to go local and convene a district level debate on extractives, particularly in Karonga, because the district hosts Malawi's biggest mining investment, Paladin Africa's Kayelekera Uranium Mine.

National Statistics Office economic data indicates that when it was in operation, Kayelekera mine raised mining sector's Gross Domestic Product (GDP) contribution to Malawi economy from 0.9% to 10%, but the people in the area have nothing to show in relation to benefits from the extraction of the precious mineral from their ancestral land.

"This contribution that Kayelekera, a single mine, made to the economy of the country reflects the potential that the mining sector has in Malawi. However, the question that remains is unleashing and utilizing that potential for the equal benefit of all," said Chawinga.

According to Malawi's Department of Mines, apart from Kayelekera Uranium Mine, Karonga has several mining licences.

With the support of its partners, Oxfam Malawi plans to convene similar debates in several mining districts and constituencies across the country in the run-up to May 21 elections as one way of facilitating citizens power and voices to shape development issues that affect them

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Mine Closure Strategy, Mine Planning Analysis and Beyond Mine Closure

Mine closure is a permanent cessation of mining operations and all subsequent activities related to decommissioning and site rehabilitation or monitoring.

It refers to the final stages of mining activity, after production and processing have permanently ceased (decommissioning, relinquishment and rehabilitation planning) and any subsequent activities that are directly related to shutdown of the mine (site rehabilitation and ongoing monitoring). A distinction must be made between such permanent cessation of mining and temporary winding down of production, when the site is placed on 'care and maintenance' in expectation that operations will resume. An example where a mine was put under care and maintenance in Malawi is the Kayelekera Uranium Project due to uranium price downturn. Mine closure is thus defined as the process, where mine production operations finally cease and the mine owner commences decommissioning the site infrastructure and relinquishes rights to the mining concession.

Mine closure means that mining concession will not in any way be transferred to another operator, which in practice usually means that the ore deposit has effectively been depleted. If, however, there is a significant amount of ore remaining to be recovered, the responsible Ministry may stipulate that mine infrastructure is not to be dismantled or removed, but should remain in place, and may be used by a future operator or buyer, in case the mine is re-opened.

1. Mine Closure Strategy

The final outcome of the closure process is measured against a range of closure criteria and objectives that provide guidelines for negotiation between the operator and regulatory authorities concerning priority issues and performance indicators. Closure objectives are based foremost on compliance with statutory obligations, although they may also be defined to some extent by assessing the possible range of options available for closure, or by local circumstances and the need to reach agreement on specific issues with the surrounding community. The mine closure process is regulated by mining and environmental legislation as well as other specifications. These provide a detailed guide to required procedures during closure. The planning, implementation and monitoring of closure is increasingly aligned with best practice principles, through a combination of practical experience and industry recognition of the need to include quality assurance and environmental considerations within responsible corporate policy. As a result, the global mining industry has already reached a consensus concerning restoration of mining areas to a stable environmental state, physically, chemically, and ecologically, so as to minimize potential environmental and health risks. Planning of closure strategies should be an integral part of the general mine planning process from its inception, with at the very least, closure assessment criteria being defined before the commencement of mining operations.

However, it is commonly difficult to anticipate and define all required remediation measures in advance, as the nature and scale of operations may in some cases depart from the original mine plan. Modifications to legislation may also take place during the operating life of a mine. Therefore, it is common practice that only qualitative goals are framed at the commencement of mining, and that closure objective and strategies are periodically reviewed and refined during the production phase. Nevertheless, a sufficiently detailed closure plan within the overall mine planning process is needed to ensure that adequate and accountable provision of resources for the closure program is made.

Effective planning and realization of closure objectives and measures need to be determined on the basis of local circumstances at the individual mine site.

Examples of general closure criteria for mining activities are;

- Physical stability
- Biological stability
- · Socio-economic issues
- · Natural resources e.g. hydrology, hydrogeology, soil, vegetative cover etc.
- · Chemical stability
- Geographical and climatic influences
- Land use and aesthetics
- · Financial consideration
- Pollution
- · Offsite Impacts

It must be borne in mind that each criterion is assigned its closure objective to achieve he exercise.

The closure process is essentially aimed at restoring the surrounding environment to a state, resembling as closely as possible to that which existed prior to the commencement of mining, as measured by both chemical and biological parameters. An additional requirement is that the site is secure for any planned future land use. Therefore, it is necessary to ensure that neither discharge from the mine area, nor harmful substances

remaining at the site soil, present any long-term risk to the environment or human health. A further objective is to ensure that environmental restoration is adequate to allow the establishment of a diverse and functional ecosystem in the area. Landscaping should also be carried out in a way that is appropriate for any future land use activities, planned for the area.

However, there may be future risks for operations both during and following closure planning activities. These include; social impact of economic withdrawal, generation of dust particulate, quality of water associated with Tailings Storage Facilities, waste dumps, mine pits, long term stability of Tailings Storage Facilities, waste rock dumps, pits and rehabilitation success among others.

2. Mine Closure Planning

Mine closure planning should be initiated as early as possible during the mining life-cycle.

Before mining can commence, a general operational plan is prepared in conjunction with elevant environmental and other permit applications. The general plan should include technical and economic assessments as well as addressing safety issues. It is also recommended that this general operational plan takes environmental considerations into account and provides a provisional closure plan, ideally including decommissioning and site rehabilitation strategies and recommended post-closure land use options.

Timing of mine closure should also be considered carefully. Under normal circumstances it is recommended that mine closure planning in terms of timing must be carried out under the following conditions:

- The price of the commodity against the dollar equivalent
- Results of ongoing monitoring programs
- · Economic and environmental costs
- Environmental standards and regulations

Under abnormal circumstances, timing of closure planning does not include a force majeure or cas fortuit due to political unrest, accidents, civil unrest. wars etc since these events can occur unexpectedly without notice and no planning.

On commencement of mining operations, the provisional closure plan may require modification, depending on additional regulations. Further revision may be necessary during the course of mining, especially if the nature of mining changes or the extent of operations expands significantly. Closure strategies may also need to be modified in response to periodic mine inspections. By taking closure procedures into consideration during mining, in particular decommissioning and rehabilitation strategies, it may be possible to make considerable savings in closure-related expenditure, as well as averting or minimizing a variety of potential environmental problems.

Towards the end of the production phase, the closure plan is finalized and submitted to the relevant environmental authorities.

3. Beyond Mine Closure

Linkages may be identified between the government, communities/environment and the mining activities. Therefore, in selecting sustainable projects for implementation within the framework of the action plan cognizance must also be taken of linkages for post mining operations. This is likely to include the following aspects but not limited to:

- Land use planning for future economic use of land beyond mine closure to optimize use of local natural resources, existing facilities and infrastructure. This should include post-operative use of remaining mine buildings and rehabilitated areas to contribute to the creation of a substitution economy to ensure community sustainability (e.g. conversion of facilities for other uses such as education and training center, health center, rural development center.
- Identification of measures to ensure establishment of an appropriate institutional and organizational base for pre and post mine activities, including capacity building of local government structures to takeover infrastructure and services. This should also address preparation to eventually transfer mine responsibilities for infrastructure and services to local authorities and communities (e.g. reticulation of water supply systems, power supply, wastewater treatment plant, schools, clinic, etc.).
- Engage and empower communities and other stakeholders at an early stage in decisions on post mining activities that could affect them.
- Measures to improve the skills base of the local community and develop alternate livelihood activities that are sustainable beyond the life of mine.
- Work with communities, governments, international institutions and non-government organizations (NGOs) over the life of mines to enhance prospects for long term sustainability



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MINING&TRADERector **NEWS & ANALYSIS**

Malawi to police radiation activities

By Wahard Betha

overnment has launched the Atomic Energy Regulatory Authority (AERA), which will regulate the country's radioactive industries to ensure that people are protected from the effects of radiation activities.

Speaking at the launching ceremony in Lilongwe, Minister of Natural Resources, Energy and Mining, Aggrey Masi, said though Malawi and the world at large have adopted nuclear science and technology as the contributor the wellbeing of the society and sustainable development, there is need for a legal platform to protect the community from radiation challenges that emanate from

"Mining activities like uranium mining require regulatory measures to protect people and environment from the harmful effects of radiation. In mining, radioactive materials are also used in detection and modifying of deposits. Therefore, AERA will make sure that mining fields are free of risk of accidents resulting from these radiation processes," Masi said.

He encouraged the companies that use nuclear technology to adequately utilise it in a safe and secure way saying though helpful in industry operations; it has dangerous consequences if it is not well managed.

Masi assured the general public that the government through his ministry is ready to utilize AERA to its maximum intended use.

International Atomic Energy Agency (IAEA) Technical Officer for Radiation Safety responsible for Malawi, Ibrahim Shadad, hailed the Government for the formation of AERA saying many accidents caused at the radioactive industries are due to lack of legal framework to control use of radiation sources.

"The adequate regulatory framework now in place will help in authorization of radiation activities and facilities; inspections of facilities and activities to verify compliance with the requirements and; enforcement in case of non-compliances," said Shadad.

He said it is imperative that the regulation of radiation activities is strengthened not only on paper but on the ground to fully prevent nuclear related accidents.

AERA is mandated to exercise regulatory control over the peaceful uses of radiation sources, nuclear and other radioactive materials.

"AERA will be setting out specific conditions for



Delegates who graced the launch

issuing, amending, suspending or revoking licenses for the import, export, possession, use, transportation and decommissioning of radiation sources or facilities in which radioactive material or ore is mined, processed, used or stored, as well as for the safe management of radioactive waste," said Chief Director for the Ministry, Bright Kumwembe.

He advised atomic science and technology users that AERA will be mandated to enter any premises or facility at any time to perform an inspection of radiation activities.

"Workers at the risky company will be given an electronic batch detecting amount of their exposure to radiations. We will be checking the read meters frequently to see how harmful they are at that particular company," said Kumwembe.

He said the regulatory body will be enforcing its laws in the premises to ensure that corrective actions are taken in the event of non-compliance or violation of the Atomic Energy Act.

Kumwembe appealed to all institutions, organizations, companies or any person possessing or using any nuclear or radioactive material to notify AERA for licensing purposes.

AERA will, among other functions, be offering services like Dosimeter Laboratory expected to be fully functional at Kamuzu Central Hospital in Lilongwe to be monitoring the radiation exposure of various occupationally exposed workers in the country in both medical and industrial fields.

The body will also offer training on the requirements of the Atomic Energy Act and its regulations and the responsibilities of licensees.

It will also provide information on the safe use of nuclear technology and the consequences of unsafe use, development of radiation safety and security rules; record keeping and submission of reports to the Authority, development of emergency preparedness and response plan and safety and security culture for facilities.

Apart from mining sector, nuclear science and technology is used in health sector, agriculture and other industrial sectors, research and education and in security checks.

Malawi has been a member state of the International Atomic Energy Agency (IAEA), which is mandated to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world, since 2006.

Each member state of IAEA has a National Liaison Officer (NLO), who is the focal point for IAEA supported technical cooperation projects in the country.

In Malawi, the NLO is the Director of Environmental Affairs ■

...from page 5 "The youths have a noble role to play in the Republic as leaders and must never be abused. They should be given positions and not sent on disruptive errands of meetings for opponents."

Meanwhile, in the course of preparing for tripartite elections to elect President, ,Members of Parliament and Ward Councilors, Malawi has experienced floods which have killed and injured several people and left multitudes homeless mainly in the lower Shire Valley Districts of Chikwawa and Nsanje.

Ansah assured all registered voters who lost their voter certificates due to floods that they will be allowed to vote and all they need to do is to present themselves at the centre where they registered.

Gender equality has emerged as one of the key issues in the run up to Malawi's tripartite elections such that the civil society and women politicians are conducting a 50-50 campaign to ensure that the number of women elected representatives grows.

The lobbyists launched their manifesto on March 28 in Lilongwe which is centred at ensuring that during the

elections women vote for the right candidates who will address the challenges that women and girls face in the country.

The thematic areas in the manifesto include issues of women in leadership, politics and governance, women and education, women and environment, women and health, women and economic empowerment, women and agriculture, women and social issues, women and religious and cultural issues, violence against women and girls, peace and security and access to justice.

The manifesto laments that women continue to be underrepresented in leadership, politics and governance as compared to male counterparts.

In an interview with Mining & Trade Review, Women Rights Advocate Emma Kaliya said that it is important for the leaders to be elected on May 21 to ensure increased participation of women in key economic sectors including mining, agriculture, tourism and manufacturing.

"It is unfortunate that women in mining are abused by foreigners who hire them to do the dirty work such as gold panning for a song while the foreigners make whooping sums of money out of the trade. We want our leaders to introduce measures to empower women miners and put an end to this abuse," said Kaliya.

Campaign period for Malawi's tripartite elections runs from March 19 to May 19, and MEC has contracted United Arab Emirates based Al Ghurair Printing and Publishing LLC to print the ballots for the elections in an exercise expected to run from 1st to 30 April, 2019.

Malawi's President Arthur Peter Mutharika is facing several challengers in the elections including leader of main opposition Malawi Congress Party Lazarus Chakwera, Current Vice President and UTM Party President Saulos Klaus Chilima and United Democratic Front President Atupele Muluzi.

Son to former President Bakili Muluzi, Atupele is the current Minister of Health in Mutharika's government and once served as Minister of Natural Resources, Energy and Mining.

Former President Joyce Banda who lost to Mutharika in 2004 elections recently withdrew his candidature to endorse Chakwera



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TECHNICAL FILI

by Grain Wyson Phillip Malunga FIMMM Minerals, Geology, Environment & Corporate Affairs Consultant

Malawi - A gem to be discovered

LAND AND ITS PEOPLE

Malawi is situated in south-eastern Africa and shares its boundary with Mozambique, Zambia and Tanzania.

The country occupies an area of 118,484 square kilometres and has a population of nearly 18 million. About 20% of the population lives in urban areas.

The main official languages are English and Chichewa. The warmth and hospitality of the Malawi people earned the country a name "The warm heart of Africa".

His Excellency the president, Dr. Arthur Peter Mutharika, acknowledges the need to diversify the economy of this country through the development of the mineral sector. The investor is encouraged to venture into this sector which already consists of a disciplined mining labour force that has wide experience from South Africa, Zimbabwe, Zambia and Tanzania.

ECONOMY

Malawi has an open economy and the government's role is to facilitate and regulate private investment to increase current mining contribution to GDP from 3% to 20%.

Malawi government's pursuance of stable macro-economic policies by exercising fiscal and monetary discipline has encouraged the stabilisation of the Kwacha currency and the decrease in inflation rate from of 21.8 percent in 2016 to a current figure of about 9%. The Kwacha is now one of the most stable currencies in Sub-Sahara Africa. Mining will contribute substantially this year from post Kayelekera Growth Domestic Product of 1% to about 4% due to increased activities in exploration and mining.

Malawi's prudent economic management supported by more transparency in tracking revenue and expenditure has led to reduction in bank interest rates from 25% in 2018 to a current 15%.

EXPLORATION AND MINING OPPORTUNITIES

Exploration work continues to intensity since the 2013 – 2014 national airborne geophysical survey identified potential exploration targets for gold, platinum group metals (PGMs), nickel-copper-chrome, rare earths, bauxite, vermiculite, kimberlites, sulphide-gold-graphite, base metals and coal-uranium-petroleum.

Geological maps, magnetic contour maps, radiometric maps, electromagnetic maps, airborne geophysical interpretation maps are available at Geological Survey in Zomba. These offer excellent support to exploration activities.

Minerals which require feasibility studies include Linthipe kaolinitic clay, Mchinji and Lake Chiuta glass sands, Tengani and Lake Shore heavy mineral (titanium) sands, Kangankhunde rare earths (monazite), Chimutu graphite and Malingunde graphite, Tundulu rock phosphate.

Bankable Feasibility Studies are being done for Mabulabo niobium deposit (Mzimba), Songwe Rare Earths (Phalombe) and Malingunde saprolite graphite (Lilongwe).

Mining activities include coal in Rumphi and Karonga, Limestone for cement production in Kasungu and Mangochi; and semi-precious stones in Ntcheu, Mzimba, Rumphi, Chitipa, Mangochi and Chikwawa (corundum, aquamarine, amethyst and agate).

Kayelekera Uranium Mine is under Care and Maintenance since June 2014. Construction of nuclear energy plants in China, India, United Kingdom and United States of America are giving hope to increased demand for uranium and improvement of prices. This gives hope to reopening of Kayelekera mine in the near future.

ATTRACTIONS

Government no longer neglects exploration and it has increased exploration expenditures.

Malawi has a new Mine and Minerals Act (2018) replacing the 1981 Act. A mining taxation Act was enacted in 2016 and offers a stable regime for 10 years to support the new Lilongwe 3, Malawi. Mines and Minerals Act.

The legal framework now adequately defines the investor's rights and obligations to encourage community benefit sharing within a radius of 20 km.

Security of tenure is guaranteed to give maximum security to the investor e.g. protection against loss of mining rights. The Mining Cadaster sytem has been put in place to firm up accountability and transparency in grant of mineral rights. Malawi is member of Multilateral Investment Guarantee Agency (MIGA) and subscribes to International Centre for Settlement of Disputes..

Access to foreign exchange and repatriation of capital and profits are guaranteed after satisfying tax obligations.

Government continues to provide basic geological, legislative, economic and fiscal data.

Minimum ministerial discretion is practiced thanks to a capable Minerals Licencing Committee under the Comissioner of Mines and Minerals

Malawi continues to improve its road and telecommunication networks

INSTITUTIONAL SET UP

THE MINISTRY OF ENERGY AND MINING:-

This is responsible for broad policy direction on mining and legislation. It coordinates with other ministries on minerals, energy and mining issues.

DEPARTMENT OF MINES:-

It issues licences and administers exploration and mining licences. It compiles production statistics and inspects exploration, mining and environmental work compliances.

GEOLOGICAL SURVEY DEPARTMENT:-

This undertakes reconnaissance geological mapping and mineral exploration. It publishes geological bulletins, maps, and technical reports. It is also responsible for compilation and maintenance of geological data base.

MALAWI INVESTMENT ANDA TRADE CENTRE:-

Other support institutions include Malawi Investment and Trade Centre (MITC) which helps register companies and negotiates investment incentives for the companies thereby streamlining the investment process.

USEFUL ADDRESSES

Ministry of Natural Resources, Energy and Mining (MNREM)

Private Bag 309

Lilongwe 3, Malawi.

Tel: (265) 781 255 Fax: (265) 784 236

Geological Survey Department (GSD)

P.O. Box 27,

Zomba, Malawi

Tel: (265) 522 166 Fax: (265) 522 716

Department of Mines (DoM)

P.O. Box 251,

Lilongwe, Malawi.

Tel: (265) 722 194 Fax: (265) 722 772

Malawi Investment and Trade Centre (MITC),

Private Bag 302,

Tel: (265) 780 800 Fax: (265) 781 781



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ASMs concerned with EDF loan delays

By Gloria Mbwana

rtisanal and Small Scale Miners (ASMs) have expressed concern over the delays by the Export Development Fund (EDF) to start administering its loan facility for ASM operations.

Chairperson for Nyasa Mining Cooperative (NMC) Percy Maleta says in an interview with Mining & Trade Review that after being approached by EDF, many ASMs applied for loans from the facility but they have not received any feedback from the institution despite numerous reminders.

"Now I do not see any light at the end of the tunnel and we have come to forget that we even applied for loans from EDF," he says.

Maleta says it would be better for EDF to at least communicate to the ASMs to advise if they have all failed to meet their expectations rather than to remain quiet which would be concluded as rudeness to ASMs as customers they claim to promote.

He says: "I feel they can do better if they look at the ASMs issues as emergency especially for those of us who have contracts to supply various gemstones to the international market thereby contributing heavily to the country's foreign exchange purse."

"The scheme is so good but implementation is not clear. For example through my company Maleta Gems & Jewels I have orders/contracts to supply various gemstones worth over \$200,000.00, and that is just me, What about the other 10 individuals I know who have submitted applications for the loans?"

He says it is important that EDF focuses on the feasibility of the ASM projects other than collateral which most of the ASMs do not have because a number of brilliant proposals submitted to other prospective financiers have been wasted due to failure of the ASMs to provide collateral.

He says EDF also needs to employ a qualified gemologist to assist them assess the gemstone business proposals other than geologists who have limited knowledge on gemstone business, value and marketing.

Though ASM operations are one of the major sources of employment in the country, the miners experience a number of problems including lack of capital, which has resulted in the use of primitive equipment such as hand-held hoes in their mining activities.

Many of the miners also lack technical, business and marketing skills hence sell their products to foreign buyers at unrealistically low prices.

Maleta says there is a great need for the Malawi Government to come up with more interventions to promote ASM activities besides banking on the EDF loan facility which seems to be embroidered in bureaucracy.

He says: "Generally Government should encourage and promote ASMs who are ready to enter the export market by buying them value adding equipment which in most cases is expensive but the ASMs will then pay the money back to Government over a period of time."

"This is just to make sure all the products have gone through some kind of value addition before being exported to ensure that they are competitive and fetch better prices on the market."

participate in international gemstone or jewelry shows just



Maleta: EDF should focus on feasibility of ASM project not collateral



Young gold miner resting in a pit at Lumwira Village - LL as it is done in neighboring countries.

Maleta explains that participation of Malawi ASMs in He also asks government to sponsor ASMs to these international shows will help in marketing the country's gemstones to the world.

He says licensing is also a challenge for ASMs saying the miners need a license which would last for five years or more unlike the current one which has to be renewed

Maleta says with the emergence of gold panning activities across the country, the ASMs also want the government to consider starting to issue gold mining

"It is unfortunate that hundreds of ASMs applied to prospect gold across Malawi but no one was given a licence to prospect or trade thereby making or continue making gold business illegal. This benefits smugglers mainly foreigners who are happy with the status quo," he says.

Maleta also proposes to the government to fast-track its plans to establish a gemstone marketing centre for locally produced gemstones saying it is more than four years since the government started talking of the initiative but nothing serious has happened so far.

"It is our concern. We ask Government to rethink on this matter seriously and help the local miners who are exploited by middle men who pay them almost nothing for their sweat," he says.

However, EDF Acting Marketing officer Tamenji Banda says in an interview with *Mining & Trade Review* that the institution is currently developing a model for the ASM facility, which is still underway, before starting to disburse the loans



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Deforestation choking power supply - EGENCO

By Wahard Betha

lectricity Generation Company of Malawi (Egenco) has described effects of deforestation as the major hindrance to uninterrupted generation of electricity in hydro-plants on the Shire River where Malawi generates 98% of its power.

Speaking at the Role of Trees, Forests and Resilience Symposium in Lilongwe, CEO for Egenco William Liabunya said effects of deforestation including soil erosion, aquatic weeds and trash disrupt the work of turbines in the reservoirs at the power stations.

"The suspended silt particles lower the volume of the reservoirs and reach the turbines to choke power production operations. They also block the cooling water system machines for the generation units," Liabunya said.

Liabunya also said climate change related problems such as floods are a big threat to power production saying this year floods that hit the lower Shire affected many generating power stations resulting in power outages for almost a week in the month of February.

He said such occurrences are a stumbling block to the Government in the implementation of the Energy Policy which aims to improve efficiency, reliability and affordability of energy supply systems for socio-economic growth.

Liabunya, therefore, urged the Forestry Department to scale up implementation of the National Forest Policy which aims to control deforestation and promote sustainable management of forests in order to enhance socio-economic development.

He explained that if both the Energy Policy and National Forestry Policy are seriously implemented and harmonized with other policies namely Agriculture and Food Security Policy; National Land Policy; Land Resources Management Policy; Water Policy; Climate Change Policy and National Environmental Policy; deforestation can be prevented which would help EGENCO in sustaining uninterrupted power production.

In its reforestation drive, in January this year EGENCO launched a trees planting exercise at Chibwana Village Traditional Authority Sitola in Machinga district.

By the end of this rainy season, EGENCO plans to plant 25-thousand trees along Shire River and tributaries.

Meanwhile, the Department of Energy Affairs says deforestation is a major concern in Malawi because the



EGENCO CEO Liabunya (inset) says deforestation along Shire River is major hindrance to uniterrupted power generation

country lacks affordable and reliable alternatives to biomass, which is a major source of energy in the country catering for over 80% of the requirements.

Biomass energy is mainly used in water heating (cooking), tobacco curing, brick kilning, wastage in terms of charcoal residues, and in extreme cases of lighting.

In a presentation made at the Trees, Forests and Resilience Symposium in Lilongwe, Principal Energy Officer for the Department Cornwell Chisale observed that almost all wood fuel and charcoal used for domestic requirements in Malawi is from natural forests which take long to regenerate and also due to frequent harvesting, regeneration is actually impossible.

Chisale, however, said the Department is promoting alternative sources of energy including electricity (grid electricity and off-grid options including mini-grids), Gas (Liquid Petroleum Gas, natural gas and biogas), Bio-ethanol and Briquettes whose utilization will keep the country free from carbon emissions.

He explained that the drive to promote the alternative energy sources involves sound policy direction; lobbying for tax waivers for clean energy generation equipment, curriculum change to accommodate pro-clean energy

subjects; introducing regulations that support clean energy use; and training communities, extension workers and institutions on alternative fuels.

He said the department is also conducting awareness campaigns on biomass utilization technologies through radio advertisements, cleaner cooking camps, open air functions, symposia and panel discussions.

The Department has, meanwhile, embarked on projects to promote alternative energy sources including Malawi Rural Electrification Program (MAREP) which is extending the national electricity grid to rural areas, National Cook Stove Initiative to disseminate 2-million cook stoves by 2020; and increasing clean and affordable decentralized energy services to selected vulnerable areas of Malawi project which is to promote clean energy mini-grids as a means of electrifying rural areas.

Malawi is, currently, importing 3MW of power from Mozambique through Mandimba to Mangochi and 20MW from Zambia through Chipata and Mchinji.

The country is in discussions with Tanzania to import gas through Karonga to support the development of a 100MW Gas Fired Power Plant either to be operated by EGENCO or an IPP■



O EQUIPMENT

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