



REPUBLIC OF MALAWI

MINES AND MINERALS POLICY OF MALAWI



Ministry of Mining
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MINES & MINERALS POLICY OF MALAWI

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ABBREVIATIONS

AIDS	Acquired Immune Deficiency Syndrome
ACB	Anti Corruption Bureau
AMP	Africa Mining Partnership
ARV	Anti-retroviral
ASM	Artisanal and Small-scale Mining
COMESA	Common Market for Eastern and Southern Africa
DEVPOL	Statement of Development Policies
DPSM	Department of Public Service Management
DoEA	Department of Energy Affairs
DOM	Department of Mines
DSC	Department of Statutory Corporations
EAD	Environmental Affairs Department
EIA	Environmental Impact Assessment
EITI	Extractive Industries Transparency Initiative
EMP	Environmental Management Plan
EMS	Environmental Management Systems
EPZ	Export Processing Zone
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GSD	Geological Survey Department
HIV	Human Immuno-Deficiency Virus
MACRA	Malawi Communications Regulatory Authority
MBS	Malawi Bureau of Standards
MDC	Malawi Development Corporation
MERA	Malawi Energy Regulatory Authority
MGDS	Malawi Growth and Development Strategy
MIDCOR	Mining Investment and Development Corporation
MIGA	Multilateral Investment Guarantee Agency
MIPA	Malawi Investment Promotion Agency
MITC	Malawi Investment and Trade Centre

MIRTDC	Malawi Industrial Research and Technology Development Centre
MoE	Ministry of Energy
MoEST	Ministry of Education, Science and Technology
MoF	Ministry of Finance
MoGCD CD	Ministry of Gender, Child Development and Community Development
MoH	Ministry of Health
MoICE	Ministry of Information and Civic Education
MoJCA	Ministry of Justice and Constitutional Affairs
MoIT	Ministry of Industry and Trade
MoL	Ministry of Labour
MoLGRD	Ministry of Local Government and Rural Development
MoM	Ministry of Mining
MoTPI	Ministry of Transport and Public Infrastructure
MoTWC	Ministry of Tourism, Wildlife and Culture
MPRSP	Malawi Poverty Reduction Strategy Paper
MRA	Malawi Revenue Authority
NAC	National AIDS Commission
NEPAD	New Partnership for Africa's Development
OPC	Office of President and Cabinet
OVOP	One Village One Product
RBM	Reserve Bank of Malawi
R&D	Research and Development
SADC	Southern African Development Community
SAPP	Southern African Power Pool
SDI	Spatial Development Initiative
TEP	Temporary Employment Permit
VCT	Voluntary Counselling and Testing

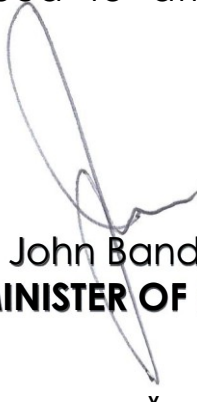
FOREWORD

The Malawi Growth and Development Strategy (2006-2011) (MGDS) identifies mining as one of the sectors that could potentially generate economic growth for the country. The Mines and Minerals Policy is a logical extension of the MGDS. The country has abundant mineral resources that can be sustainably exploited to contribute to the government's vision of transforming the country from a predominantly importing and consuming nation into one that is predominantly producing and exporting.

Mining has been contributing less than 3 percent to the Growth Domestic Product (GDP) and equally low to export earnings. However, the contribution to the GDP has risen to 10 percent following the opening of the Kayelekera Uranium Mine. It is Government's conviction that if the country's mineral resources are fully exploited, the contribution of mining will increase to at least 20 percent within the next 10 years.

Government realizes that the economy has a structural problem that results in perpetual imbalance between supply and demand of foreign exchange. This originates from the fact that the country heavily relies on agriculture in order to generate foreign exchange while at the same time there is dependence on imports.

Through this Policy, Government seeks to guide and direct mineral resource development by stressing private sector initiatives and involvement and the need to attract modern technology and investment capital.



John Bande, MP
MINISTER OF MINING

PREFACE

The Government of Malawi recognizes that the minerals sector has a significant potential to contribute towards the rapid economic growth and development of the country. Currently, the sector is still very small despite its favourable geology and known mineral potential.

In view of this, the Ministry of Mining which is responsible for mining matters has taken steps to revitalize and promote the mining industry through the formulation of Mines and Minerals Policy to enhance Malawi's attractiveness as an investment destination. The Policy was formulated through consultations with all stakeholders ranging from small scale miners, traditional authorities, government departments, parastatals, academic institutions, donors, service providers and private exploration and mining companies. Verbal and written inputs were welcomed from many individuals and organisations, most of which have been accommodated and reflected in this Policy. Therefore, this document represents aspirations of individuals, private entities and the public sector. The private sector is hence invited to be aggressively eager to participate in the development of the minerals sector.

The Policy seeks to stimulate and guide private mining investment by administering, regulating and facilitating the growth of the sector through a well-organized and efficient institutional framework. The Government will also intensify provision of extension services to the artisanal and small-scale miners and women miners.

Malawi also subscribes to and needs to actively participate in and respond to global and regional initiatives such as the Kimberly Process, Multilateral Investment Guarantee Agency (MIGA) and the Extractive Industries Transparency Initiative (EITI) that address mineral sector issues including practice, governance and other emerging realities.

I finally wish to express my gratitude to all those who contributed to the development of this Policy in various ways. It is my hope that the Policy will provide a clear guidance towards sound exploitation of our mineral resources for the mutual benefit of investors and the people of Malawi.



Leonard S. N. Kalindekafa (PhD)
SECRETARY FOR MINING

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background

Malawi has traditionally been considered as an agro-based rather than mineral-based economy because of the policies that Government pursued since attaining independence in 1964. As a result, there was lack of mining culture, little technical capacity and inadequate foreign and local investment which contributed to the slow development of the industry.

Mining is expected to surpass the contribution of agriculture to GDP which is currently at 30 percent. This will be a gradual process considering that the mineral sector contribution to GDP is currently at 10 percent.

Malawi has a variety of known mineral resources that include uranium, heavy mineral sands, strontianite, rare earth minerals, phosphate, bauxite, gypsum, vermiculite, precious and semi-precious stones, limestone, dimension stone, silica sand, sulphides and coal.

There is also potential for discovery of other metallic minerals and high value minerals including gold, platinum group minerals, and diamonds. Therefore, Government will take deliberate steps to invite both local and foreign investors to invest in the sector.

Government recognises the need to establish a conducive environment in order to attract investment in the minerals sector. This gives rise to the need for an appropriate comprehensive policy to guide the development of this sector and meet the challenges presented by the changes in the sector both locally and globally.

1.2 Approach to Mines and Minerals Policy Development

A wide range of stakeholders were consulted prior to the formulation of this Policy. These include the mining industry, government departments, academic institutions, district councils, mining associations, parastatal organizations, traditional leaders, and bilateral and multi lateral development partners such as the World Bank and the European Union. Cabinet and Parliamentary Committees responsible for natural resources were also consulted. The Policy also benefited from consultations of Mining Policies in other SADC countries, notably South Africa, Namibia, Zambia and Tanzania.

The consultations established that the Policy will be the most important step for placing Malawi on a similar footing with countries that have already attracted significant investments in mining.

1.3 Structure of the Document

The Mines and Minerals Policy is presented in six themes: Mineral Development, Investment Climate in the minerals sector, Governance, Environmental Management, Social Issues, and Regional and International Cooperation. Each theme describes the background and emerging policy issues. The corresponding policy strategies and implementation plan are presented separately.

1.4 Justification for a Mines and Minerals Policy

During the implementation of the Malawi Growth and Development Strategy (MGDS), contribution of mining to GDP rose from 3 percent to 10 percent due to the opening of the Kayelekera Uranium Mine in 2009. According to the MGDS II, the contribution of the mining sector is expected to increase to at least 20% of the GDP by the

year 2016. The Government recognises that to achieve this goal, it has to attract both foreign and local investments in the exploration and production of minerals.

There is need therefore to develop a policy framework that should guide the process of achieving this goal. The mining sector is expected not only to contribute to the growth of the economy, but it is also envisaged that its expansion would also result in the diversification and the enhancement of employment opportunities in the country. This policy document includes a discussion of appropriate frameworks for investment in the sector, particularly the nature of investments in mining; the enhancement of institutional, administrative and operational capacity; and governance issues in this field.

1.5 Policy Goal

The goal of the Mines and Minerals Policy is to enhance the contribution of mineral resources to the economy of the country so as to move from being agro-based to mineral based economy.

1.6 Policy Objectives

The main objectives of this Mines and Minerals Policy are:

- (i) To promote the development of the mining sector;
- (ii) To contribute to socio-economic development of the country including poverty reduction and sustainable development;
- (iii) To contribute to the country's foreign exchange base;
- (iv) To optimise mining activities within Malawi so as to enhance "value added" elements of the sector and promote linkages with other sectors of the economy;
- (v) To expand employment opportunities in Malawi;

- (vi) To foster the needed economic diversification;
- (vii) To promote artisanal and small scale mining; and
- (viii) To promote women in mining.

CHAPTER TWO

2.0 MINERAL DEVELOPMENT

2.1 Background

Adequate and up to date geological information is crucial for attracting investment in the sector. From the overall geological framework of the region, and Malawi in particular, there is little doubt that major mineral deposits remain to be discovered. It is also very likely that some existing concentrations of minerals, which may have little economic value today, may in future become valuable with changes in industrial use and technological advancement.

2.2 Exploration and Mining

The full mineral potential of the country is not yet sufficiently known. Therefore, considerable basic geological work including mineral exploration is required to determine and confirm the potential. So far, the available geological data is inadequate. It is therefore intended that modern technological advances in mineral exploration be applied.

Several private companies have been and are actively engaged in various mineral exploration and mining activities in Malawi. Their work ranges from basic reconnaissance surveys to some detailed feasibility studies. A few companies such as Paladin Africa Limited have initiated mining activities and it is expected that more will do so soon. Additionally, artisanal and small-scale miners are also engaged in prospecting, gemstone mining, rock aggregate crushing, lime production, ceramics and pottery and salt processing.

2.2.1 Issues

There is:

- (i) *Inadequate geological data and information about the mineral deposits of Malawi;*
- (ii) Inadequate mineral processing and analytical laboratory technologies and human resource within the country; and
- (iii) Insufficient financial resources for the generation and updating of basic geological data.



Exploratory drilling in progress

Policy Statements:

- (a) Government will provide sufficient financial resources to generate, collect and disseminate basic geological information which could speed up mineral exploration.
- (b) Government will invite cooperating partners to assist in the exploration for mineral resources; and
- (c) In the medium term, Government will invest in Laboratory technologies and build capacity for mineral sample analyses to be done within the country.

2.3 Promotion and Marketing

The minerals sector has not been adequately promoted and marketed; as a result the resources remain unknown and largely unexploited. There is therefore need to aggressively promote the mining sector in order to attract investments in the sector.

2.3.1 Issues

- (i) There is inadequate promotion of the minerals sector;
- (ii) Lack of a body to spearhead investment in the mineral sector;
- (iii) The mining culture that is vibrant in other countries is lacking here;
- (iv) Local companies have insufficient technical and financial capacity to participate in mining; and
- (v) There is inadequate and insufficient local expertise in the geological and mining fields.

Policy Statements:

- (a) Government will vigorously encourage both foreign and local investors to invest in the mining sector;
- (b) Government will provide adequate resources to promote and market the mining sector;
- (c) Government will promote training in geology and mining;
- (d) Government will create a department that will promote investments in mining;
- (e) Government will create an investment vehicle to participate and invest in mining ventures on behalf of Government; and
- (f) Government will encourage lending institutions to provide loans to local companies to invest in mining

2.4 Local Participation

2.4.1 Issues

- (i) Low participation of Malawians in mining projects;
- (ii) Lack of clear policy on Government participation in mining projects; and
- (iii) Inadequate financial and technical capacity and expertise in the mining sector in Malawi.

Policy Statement:

- (a) Government will encourage joint local and foreign ventures in the mining sector that aim at empowering local entrepreneurs; and
- (b) Government will formulate a policy on local participation.

2.5 Support Infrastructure

Support infrastructure is key to the growth of the minerals sector. Government is aware that the sector is unlikely to develop unless improvements are made to the existing infrastructure such as transport networks, telecommunication, water supply and electricity.

2.5.1 Issue

There is inadequate infrastructure in the country to support and sustain the minerals sector.

Policy statement:

Government will continue supporting initiatives to improve support infrastructure and essential services in the minerals sector especially in the critical areas of energy supply, transport and communication.

2.6 Training, Research and Development

The development of the minerals sector requires considerable capacity building, training, and significant scientific research and technological development.

Equally, mining requires highly developed technical skills. Malawi therefore, needs highly qualified people in this area for the mining industry to adequately contribute to the economy.

The adoption of modern mining technologies is also central to the development of the mining sector.

2.6.1 Issues

The country has:

- (i) Inadequate facilities for training, Research and Development
- (ii) Inadequate skilled personnel for development of the minerals sector; and
- (iii) Poor collaboration between the minerals sector and relevant training, research and development institutions.

Policy Statements:

- (a) Government will facilitate the establishment of appropriate training and research institutions in order to secure the necessary skills and modern technologies in this field;
- (b) Government will ensure that the curricula of institutions of high learning in the country include the capacity needs of the minerals sector; and
- (c) Government will encourage training, research and development institutions to collaborate with the mining sector to ensure that their research is relevant to the sector.

2.7 Artisanal and Small-Scale Mining (ASM)

Artisanal and Small-Scale Mining (ASM) activities in Malawi have grown considerably in recent years and are a source of livelihood for many families in some rural areas. ASM has the potential to contribute towards poverty reduction and limiting rural-urban migration by stimulating local processing and manufacturing industries that provide employment opportunities.

This sub-sector has been identified as one of the key sources of economic growth and poverty reduction.



Artisanal miner's gemstone pit (inset: amethyst crystals)

2.7.1 Issues

- (i) ASM operations tend to be informal and unsustainable in nature;

- (ii) Collaboration with medium to large-scale private mining companies is poor;
- (iii) Lack of appropriate technology results in low productivity and environmental degradation;
- (iv) Experience poor occupational health and safety;
- (v) ASMs lack capital;
- (vi) ASMs lack organised, defined and orderly domestic and export markets, especially for gemstones;
- (vii) Smuggling of precious and semi-precious minerals is rife;
- (viii) No attempt to add value to products; and
- (ix) Lack of training.

Policy Statements:

- (a) Government will formalise and regulate the ASM sub sector
- (b) Government will identify and provide training in appropriate technology, environmental management and occupational health and safety standards to the ASM subsector;
- (c) Government will assist those with viable projects to access loans from lending institutions;
- (d) Government will provide extension services and training for value addition in precious and semi precious stones; and
- (e) Government will establish a robust monitoring mechanism to curb smuggling of precious and semi precious stones.

2.8 Mineral Value Addition

Mining in Malawi is primarily concerned with the production of raw minerals that are used elsewhere as raw materials in downstream industries, thus achieving negligible value addition locally and depriving Malawians of the much needed employment.

2.8.1 Issue

There is limited value adding capacity and facilities in the sector.

Policy Statement:

Government will promote investment in downstream value-addition of minerals in the country for instance cutting and polishing of gemstones and production of jewellery.

CHAPTER THREE

3.0 INVESTMENT CLIMATE IN THE MINING SECTOR

3.1 Background

The key to developing and realising sustainable economic benefits from the minerals sector partly depends on creating a favourable investment climate including long-term political and macro-economic stability, with sound and flexible fiscal and taxation regime, and competitive royalty levels.

The Government of Malawi therefore, has to establish an integrated enabling environment, consistent with best practice that is attractive to potential investors. Such an environment includes the need to consolidate investment rules. In this respect, the Government will ensure macro-economic stability and promote a balanced fiscal regime that provides an overall competitive investment climate and confidence to the private sector.

3.2 Macro-economic Environment

Malawi needs to have high economic growth rates. Interest and inflation rates have to be low as well in order to attract more investments.

3.2.1 Issue

There is need to achieve and maintain high macro-economic growth rates.

Policy Statement:

Government will continue to maintain policies conducive to high economic growth in order to attract more investments into the minerals sector.

3.3 Mineral Taxation Regime

The fiscal regime of a country is an important consideration for the investor because of its influence on returns. Host countries can apply a range of fiscal instruments to control the amount and timing of their share of the revenue generated by the mining industry. These fiscal instruments are applied through various definitions of income and on different items of production. Taxes include corporate tax, import or export duties, value added or sales tax, fuel tax, income tax and other levies.

3.3.1 Issue

Discretionary incentives offered to mining investors.

Policy Statement:

Government will develop a viable and transparent fiscal and taxation regime that attracts investors in the minerals sector and ensures a substantial amount of revenue is retained in Malawi.

3.4 Mineral Royalty

The ownership of mineral rights by the state is non-negotiable, as is its right to collect prospecting fees, mineral royalties and ground rent. However, these fees must be competitive and comparable to other countries.

3.4.1 Issue

There is need to maintain competitive fees in Malawi.

Policy Statement:

Government will introduce and maintain competitive fees which will be reviewed regularly to always be comparable to those obtainable internationally.

CHAPTER FOUR

4.0 GOVERNANCE OF THE MINERALS SECTOR

4.1 Background

The practices and institutions by which authority is exercised in the management of the mineral sector are crucial in attracting and retaining private sector investment.

The current role of the Government in the development of the mining industry is to:

- (i) formulate policy and create an enabling environment for investment;
- (ii) provide the necessary background information covering country-wide geological, geochemical and geophysical surveys to enable companies to select target areas for exploration;
- (iii) carry out sufficient preliminary prospecting and assessment work on potential mineral deposits to encourage the potential investors to take over;
- (iv) provide assistance in mineral processing and value addition particularly to artisanal and small scale miners; and
- (v) monitor and regulate the mining industry.

4.2 Institutional Arrangements

For policies to be successful, the Government must have the structures, capacity and resources to implement them. The Ministry responsible for mineral resources is primarily in charge of mineral resources promotion and formulates appropriate policies to facilitate and accelerate sustainable mineral development in the country.

In 1982, the government established a Mineral Licensing Committee as an administrative arrangement composed of professionals in mining, geology, environmental issues, physical planning, police and customs. The licensing committee is responsible for scrutinizing all applications for mineral rights and mining concessions and making recommendations to the Minister responsible for mining. With such composition, approvals for issuing of various licenses for mineral rights and mining concessions are treated objectively and professionally.

4.2.1 Issues

- (i) The country has inadequate institutional structures and capacity for managing and coordinating the mineral sector; and
- (ii) There are delays in issuing licenses

Policy Statement:

Government will strengthen institutions to manage and coordinate the minerals sector

4.3 Legislative Framework

Several Acts regulate the minerals sector in Malawi. Amongst these are the Mines and Minerals Act 1981, the Petroleum (Exploration and Production) Act 1983, and the Explosives Act 1968.

The Mines and Minerals Act defines the rules under which players in the minerals sector conduct business. It outlines the rights, duties and obligations of Government and of the exploration and mining investors as well as the applicable restrictions.

4.3.1 Issues

- (i) Lack of harmonisation of legislations that affect mining activities;
- (ii) Inadequate and outdated legal provisions

Policy Statement:

Government is reviewing the mineral legislation and harmonise with other related legislations.

4.4 Regulatory Framework

The regulatory provisions of the Mines and Minerals Act, 1981 are in general adequate, and the principles underlying mineral rights ownership, security of tenure and the administration of licences are acceptable. However, they need to be modernized to incorporate the introduction of cadastral systems for the award and management of mineral rights. Additionally, the Government of Malawi also needs to consider international experience in regulatory reform.

4.4.1 Issue

The country needs to guarantee security of tenure to investors.

Policy Statement:

Government will put in place a clear, transparent and equitable regulatory framework for the minerals sector.

CHAPTER FIVE

5.0 ENVIRONMENTAL MANAGEMENT

5.1 Background

The National Environmental Policy (1996) provides an overall structure against which relevant sectoral environmental policies can be reviewed to ensure that the policies are consistent with the principles of sustainable development, while the Environment Management Act (1996) and the Mines and Minerals Act (1981) contain sections that specifically deal with the protection and management of the environment. Section 24 of the Environment Management Act outlines the requirements for projects, which an Environmental Impact Assessment (EIA) is needed.

Mining is not a benign activity and it is impossible to extract minerals from the earth and process them without impacting, in various degrees, on the air, land and water, as well as plant and animal life. The closure of a mine can also seriously impact on the local community. In these contexts, it must be recognised that mining must be committed to minimise the disruption of the environment during exploration and exploitation and to maximise the effectiveness of rehabilitation of land and closure measures at the end of the mine's life.

5.1.1 Issues

- (i) Mining activities cause environmental degradation;
- (ii) Sometimes mining companies do not comply with Environmental Management Plan (EMP) during mining and decommissioning; and
- (iii) Sometimes mining companies do not comply with international standards in Occupational Health and Safety.



Abandoned quarry site

Policy Statement:

Government will ensure environmentally sustainable mining practices which will be consistent with international standards.

CHAPTER SIX

6.0 SOCIAL ISSUES

6.1 Background

Mining can be associated with a number of social issues that need to be taken into consideration. Such challenges include child labour, occupational health, HIV and AIDS, gender issues and other social injustices.

6.1.1 Issues

- (i) Inadequate empowerment of local people;
- (ii) Lack of articulated social responsibilities for mining companies;
- (iii) Disruption of families and social structures due to HIV/AIDS and other diseases;
- (iv) Gender inequality at the work place;
- (v) Child labour; and
- (vi) Compensation and resettlement of land owners and communities affected by mining.

Policy Statement:

Government will ensure that mining related social issues are adequately addressed.

CHAPTER SEVEN

7.0 REGIONAL AND INTERNATIONAL COOPERATION

7.1 Background

Throughout the world, countries are clustering into economic blocks. In eastern and southern Africa the main integration groupings to which Malawi is party are the Common Market for Eastern and Southern Africa (COMESA) and the Southern Africa Development Community (SADC). Both groups are integrated economic blocks, with mining expected to play a major role in their projected economic growth.

Opportunities that have availed themselves within SADC are Corridors or Spatial Development Initiatives (SDI) and the Southern African Power Pool (SAPP). The SDI's have spurred the development of clusters in various sectors across national borders while the SAPP provides a mechanism for electricity utilities to trade power through interconnections.

Malawi also needs to be active in participating and responding to other global and regional initiatives such as the Kimberly process, the Multilateral Investment Guarantee Agency (MIGA) and the Extractive Industries Transparency Initiative (EITI) that address mineral sector issues and concerns.

7.1.1 Issue

There is lack of sharing of geological information and mining technologies and skills among member states.

Policy Statement:

Government will promote regional and international cooperation in the mining sector.

CHAPTER EIGHT

8.0 IMPLEMENTATION PLAN

8.1 Implementation Arrangements

While the Ministry of Mining shall retain the main responsibility, other relevant ministries and key sector agencies and institutions will also coordinate and support various aspects in implementing the Policy. An implementation plan based on this policy has been drawn to guide implementation and is attached as Annex I.

8.2 Financing of the Policy

Financial and material resources will be required for implementation of various activities that give effect to the Policy implementation. Some of the activities will be funded from the national budget, as an integral part of the activities of stakeholder Ministries, Departments, agencies and institutions. However, most of the resources for the key activities such as updating of geological information, creation of a geological data centre, establishment of a modern mineral licensing system, and enhancement of the capacity to evaluate and analyse mineral resources among others, will be provided by cooperating partners such as the World Bank and the European Union.

8.3 Monitoring and Evaluation

A comprehensive Monitoring and Evaluation Plan has been developed to ensure that the Policy is being implemented according to the set plan, and effectively to meet the intended goals and objectives. The Monitoring and Evaluation Plan has been attached as Annex II.

8.4 Review of the Policy

It is anticipated that the minerals sector will continue to evolve rapidly locally, regionally and internationally. This will necessitate periodic reviews of the Policy to address where necessary, not only has the changes in the minerals sector, including technological advances, but also other policy developments in Malawi. Such reviews shall be undertaken every five years.

ANNEX I: POLICY IMPLEMENTATION PLAN

A. MINERAL DEVELOPMENT							
POLICY STATEMENT	OBJECTIVE	STRATEGY	ACTIVITIES	TIME FRAME	RESPONSIBILITY	OUTPUTS	BUDGET
Generate, collect and disseminate baseline geological information	To establish the full mineral potential and geo-scientific information in Malawi	Re-map the geology of the country	(i) Review the existing geological information (ii) Re-map areas of insufficient geological information (iii) Re-map in detail areas with known mineral potential (iv) Archive and disseminate geo-scientific information	2013-2017	GSD	Detailed updated Geological maps and reports produced	
		Carry out mineral exploration	(i) Undertake preliminary exploration of high value and industrial minerals (ii) Undertake exploration of energy minerals e.g. coal. (iii) Archive and disseminate geo-scientific information	2013-2017	GSD	High value and industrial minerals exploration conducted. Geoscientific information archived and disseminated	
	Strengthen Geological Survey Department and Mines Department	Build Capacity	(i) Recruit and train human resource (ii) Solicit adequate financial resources (iii) Provide equipment and infrastructure (iv) Invest in Laboratory technologies and build capacity for mineral sample analyses	2013-2017	MoF/ GSD/ MoM/ DPSM/ DOM	Human resources recruited and trained Adequate financial resources solicited Equipment and vehicles provided Two modern multi-purpose Laboratories constructed, equipped and accredited	
		Establish modern mineral database system for all geo-scientific information	Establish Geographical Information Systems (GIS) and remote sensing centre	2013-2017	GSD/ DOM	GIS and remote sensing centre established	
Promote and market the Mineral Sector	Increase investment in the Minerals Sector	Create a department to promote investment in mining	(i) Prepare a framework for the institution (ii) Prepare and submit cabinet paper (iii) Set up the institution	2013	MoM/ MoF/ OPC	Department established	
		Establish an institution to spearhead mineral development	(iv) Prepare a framework for the institution (v) Prepare and submit cabinet paper (vi) Set up the institution	2015-2017	DOM/ MoM/ GSD/ DSC	Institution established	

		Market the mineral potential of Malawi	(i) Prepare promotional brochures (ii) Mount and participate in mineral exhibitions, trade fairs (iii) Participate in international mining conferences (Mining Indaba, Africa Downunder, PDAC), (iv) Circulate promotional materials widely (v) Create and update a website for Minerals Sector	2013-Onwards	DOM/ GSD/ MoM	Mineral potential of Malawi adequately marketed both nationally and internationally	
		Develop and Promote geo-tourism	(i) Identify and document sites (ii) Liaise and coordinate with ministry of Tourism (iii) Prepare promotional brochures (iv) Encourage the construction of support infrastructure including roads, electricity, telecommunications, water	2013-Onwards	GSD/ DOM/ MoTWC/ DEPT. OF ANTIQUITIES	Geo-tourism sites identified, developed and promoted	
		Cultivate a mining culture amongst the general public and local companies	(i) Introduce and/or strengthen geosciences in the curriculum of schools and colleges (ii) Sensitise the general public and local companies on mining issues	2013-Onwards	DOM/ GSD/ MoM/ MoEST	Mining culture promoted	
Encourage joint ventures in mining involving local and foreign companies	Improve climate for mining investment	Encourage financial institutions to finance mining projects	(i) Conduct mineral exhibitions and invite financial institutions (ii) Organise field visits to mining sites and areas of geological interest (iii) Produce feasibility study documents on strategic mineral deposits and use them as a market tool	2013-Onwards	DOM/ MoM/ GSD/ MITC	Mineral exhibitions conducted Field visits to mining sites organised Meetings with relevant institutions held Feasibility study documents produced	
		Support indigenous Malawians to acquire shares in mining projects	(i) Set up an indigenous Malawian economic empowerment fund (ii) Train Malawians on business aspects such as shareholding (i) Work with financial institutions on how they can support indigenous Malawians to buy shares in companies (ii) Conduct mineral exhibitions for both local and foreign companies (iii) Furnish local embassies and foreign missions with information on opportunities for joint ventures /partnerships	2013-Onwards	MoM/ DOM/ GSD/ MITC / FOREIGN AFFAIRS/ MoIT	Indigenous Malawian economic empowerment fund in place Indigenous Malawians trained on business aspects Increased number of Malawians holding shares Mineral exhibitions conducted Local embassies and foreign missions furnished with information	

Ensure that supporting infrastructure and essential services are in place	Improve and develop supporting infrastructure	Upgrade rail and road networks and resume full utilisation of lake transport	(i) Identify areas/sections which need to be upgraded (ii) Identify areas/sections which require new road, rail and lake services (iii) Liaise with relevant responsible institutions	2013-Onwards	MoTPI/ DOM/ MoM	Improved rail and road networks Lake transport resumed	
		Upgrade/expand telecommunication services	(i) Identify areas/sections which require new telecommunication services (ii) Liaise with relevant responsible institutions (iii) Encourage telecommunication service providers to invest and improve in identified areas	2013-Onwards	MoICE/ MoM/ DOM/ MACRA	Improved telecommunication services	
		Encourage provision of adequate and reliable power supply	(i) Assess energy requirements in Minerals Sector (ii) Encourage rehabilitation/upgrading of power generation equipment (iii) Encourage exploration for viable alternative energy sources	Ongoing	MoM/ DEA/ GSD/ DOE/ DOM/ MERA	Increased power supply and distribution. Viable alternative sources of energy identified Decreased power interruptions	
		Encourage interconnection with other grids	(i) Identify viable grids for interconnection (ii) Conclude interconnection agreements	2013-Onwards	DOE/ MoM/ MERA/ MoF/ MoE	Viable grids for Interconnection identified and agreements concluded	
Set up Research and Development institution for high-level skills in mineral development technology	Improve and expand training, research and development facilities	Set up capacity building programmes for research and development	(i) Assess the needs for capacity building (ii) Identify training institutions (iii) Lobby for scholarships (iv) Liaise with relevant training institutions and develop curriculum	2013-Onwards	DOM/ MoM/ GSD/ DPSM / UNIVERSITIES/ MoEST	Capacity building programmes for research and development set up	
		Set up research and development facilities	(i) Assess the needs for research and development facilities (ii) Identify training institutions for R & D (iii) Lobby for funds (iv) Liaise with relevant institutions in R & D (v) Encourage Public-Private Partnership or joint ventures in R & D. (vi) Engage Bi-lateral and Multi-lateral partners in undertaking joint research programmes	2013-2017	DOM/ MoM/ GSD/ DPSM / UNIVERSITIES/ MoEST	Research and development facilities set up	

Provide an enabling environment in order to develop the Artisanal and Small scale Mining (ASM) sub-sector	Promote sustainable development of the ASM sub-sector to realise full potential	Provide adequate support to the sub-sector	Legal tasks (i) Develop the policy and legislations affecting ASMs (ii) Enforce regulations (iii) Formalise and legalise activities of the sub-sector	2013-Onwards	DOM/ GSD/ MoM/ MoJCA/ MITC/ MoLGRD	Mines and Minerals Act reviewed Licensing for ASM devolved to the Assemblies At least 70% of ASMs licensed Number of production and inspection reports	
			Financial tasks (i) Encourage formation of cooperatives and associations (ii) Promote credit facilities through micro-finance institutions (iii) Establish a special revolving mineral fund (iv) Encourage financing institutions to accept mining claim licences and the value of deposits as collateral for the provision of loans (v) Establish sustainable plant hiring scheme		DOM/MITC /MoF/ MoLGRD/MoM	Cooperatives and associations in place Credit facilities available Scheme in place	
			Marketing tasks (i) Encourage various stakeholders to support small-scale miners, through sharing of technology and marketing services. (ii) Establish a marketing agency to assist with the buying of mineral products. (iii) Encourage participation of artisanal and small-scale miners at trade fairs and exhibitions. (iv) Facilitate provision of market information and create linkages with potential markets so that small-scale miners make informed decisions.		DOM/ MITC/ MoF/ MoM	Marketing agency established Training and workshops conducted	

			Technical tasks (i) Carry out an assessment of the ASM sub-sector (ii) Identify appropriate technologies for ASM through research and development programmes (iii) Provide access to appropriate technologies and equipment (iv) Continue to provide technical extension services to the artisanal and small-scale miners through suitable institutions (v) Provide technical training to extension officers (vi) Encourage and facilitate cooperation between and among small-scale miners and large to medium mining companies and other companies and institutions with regard to use of and access to suitable technology. (vii) Provide access to geological and mining information, and assistance in indicating the minerals they can easily look for.		DOM/MoIT/ /GSD	Appropriate technologies identified Technical extension services provided	
Promote downstream value-addition of minerals	To promote value-addition to minerals	Encourage value addition to minerals	Train local Malawians in value addition	2013-Onwards	DOM/GSD/ MoLGRD (OVOP)	Training conducted	
		Provide incentives for promotion of value addition to investors	Develop appropriate incentives	2013-Onwards	DOM/MRA/ MoF/MITC/ MoIT	Incentives provided Levels of value addition increased	
		Develop and enforce the standards and regulations pertaining to mineral processing technologies	Develop and adopt mineral processing standards	2013-Onwards	DOM/ Universities/ MBS/GSD	Standards and regulations developed and enforced	
		Facilitate access to soft loans from cooperating partners for downstream value addition	Collaborate with cooperating partners	2013-Onwards	DOM/MoM/GSD / MoF	Loan schemes available	

B. INVESTMENT CLIMATE IN THE MINING SECTOR							
Continue to maintain policies conducive to high economic growth in order to attract more investments into the minerals sector	To develop an attractive and competitive taxation regime	Review duties and taxes	(i) Establish a working committee to review the taxation regime in the mineral sector. (ii) Review, develop and implement specific fiscal and investment incentives for the minerals sector (iii) Identify and enter into tax-treaty agreements with other appropriate countries.	Ongoing	DOM/MoM/ RBM/MRA/MITC/ MoF	Recommended taxation draft document (ii) Specific fiscal and investment incentives developed	
Introduce and maintain competitive fees which will be reviewed regularly to always be comparable to those obtainable internationally	To ensure realistic rates for mineral royalties	Put in place a competitive mineral royalty regime	(i) Review current mineral royalty rates. (ii) Examine royalty rates in countries in the SADC Region. (iii) Amend the legislations (iv) Implement the reviewed legislations	2013-2013	DOM/MoM/ GSD/MoJCA	Realistic rates for mineral royalties in place	
C. GOVERNANCE OF THE SECTOR							
Strengthen institutions in the minerals sector	To improve institutional capacity and effectiveness of the mineral sector	Restructure institutions in the minerals sector	(i) Assess the existing structures (ii) Carry out a functional review (iii) Implement the functional review	2013 -2017	MoM/DPSM/ MoJCA	Institutions restructured	
		Strengthen institutions in the minerals sector	(i) Recruit and train personnel (ii) Provide equipment and infrastructure in the minerals sector (iii) Establish the Mineral Licensing Body through legislation	2013-2017	MoM/DPSM	Institutions strengthened	
		Rationalise the allocation of responsibilities of the various institutions.	(i) Assess the existing structures (ii) Carry out and implement rationalisation	2013-2017	MoM/DPSM	Adequate, rationalised institutional structures in place	

Review the mineral legislation	To ensure that minerals legislations are updated	Review Mines and Minerals Act	(i) Identify shortfalls and areas of conflict with other sectoral laws (ii) Redraft the Act (iii) Legislate the revised Act	2013-2013	MoM/DOM/ GSD/MoJCA	Mines and Minerals Act revised	
		Review Petroleum (Exploration and Production) Act.	(i) Set up a review team (ii) Identify shortfalls and areas of conflict with other sectoral laws (iii) Redraft the Act (iv) Legislate the revised Act	2013-2017	MoM/DOM/ GSD/MoJCA	Petroleum (exploration and production) Act revised	
		Review Explosives Act	(i) Set up a review team (ii) Identify shortfalls and areas of conflict with other sectoral laws (iii) Redraft the Act (iv) Legislate the revised Act	2013-2017	MoM/DOM/ GSD/MoJCA	Explosives Act revised	
		Strengthen the Mine Safety Enforcement Provisions	(i) Set up a review team (ii) Identify short falls (iii) Incorporate international Safety Standards (iv) Redraft the safety regulations	2013-2017	MoM/DOM /GSD/MoL/ MoJCA	Mine safety regulations revised	
		Develop policy on petroleum exploration and production	(v) Set up a review team (vi) Identify shortfalls and areas of conflict with other sectoral laws (vii) Draft petroleum policy	2013-2017	MoM/DOM /GSD/MoL/ MoJCA	Petroleum policy developed	
		Develop ASM policy	(viii) Set up a review team (ix) Identify shortfalls and areas of conflict with other sectoral laws (x) Draft ASM policy	2013-2017	MoM/DOM /GSD/MoL/ MoJCA	ASM policy developed	
		Develop geothermal policy	(xi) Set up a review team (xii) Identify shortfalls and areas of conflict with other sectoral laws (xiii) Draft the geothermal policy	2013-2017	MoM/DOM /GSD/MoL/ MoJCA	Geothermal policy developed	
Put in place a clear, transparent and equitable regulatory framework.	To ensure an independent transparent and effective regulatory system.	Promote transparency and accountability	(i) Promote transparent licensing (ii) Collaborate with other regulating institutions (iii) Incorporate other regulators in the Licensing Committee/Body. (iv) Promote civic education of stakeholders	2013-Onwards	MoM/DOM/ GSD/ACB	Transparency and accountability promoted	
	To ensure security of tenure	Guarantee security of tenure	Enforce the Mines and Minerals Act.	2013-Onwards	MoM	Security of tenure guaranteed	

D. ENVIRONMENTAL MANAGEMENT

Enforce environmentally sustainable mining practices	To ensure sustainable exploitation of mineral resources	Promote and ensure environmentally friendly mining practices.	(i) Enforce the carrying out of an EIA in accordance with existing guidelines (ii) Facilitate the implementation of Environmental Management Plan (EMP) for each mine project (iii) Provide extension services for best practices in environmental management to Artisanal and Small-Scale Miners. (iv) Enforce compliance on local and international occupational health and safety standards. (v) Monitor adherence to best mining practices. (vi) Develop a process for the issuing of a mine closure certificate that indicates compliance with environmental regulations during and after decommissioning. (vii) Operationalise environmental bond	2013 - Onwards	MoM/DOM/ GSD/DEA/ MoL/ MoLGRD/ MoJCA	Compliance of mining operators to EMP and EMS Environmental bond introduced.	
		Instil co-management practices of mining and the environment	(i) Conduct awareness campaigns on environmental management (ii) Establish and strengthen village environmental monitoring committees for ASM. (iii) Conduct awareness campaign for ASM in environmental management and instil a spirit of co-management.	2013 - Onwards	EAD/MoM/ DOM/GSD/ Local Assemblies	Co-management of mining and the environment enhanced	
E. SOCIAL ISSUES							
Address social issues in the mining and minerals sector.	Ensure optimum and direct benefits of mining activities to the communities	Empower Malawians to embark on mineral resource and other business ventures	(i) Facilitate the empowerment of Malawians on mineral resources and other business ventures (ii) Ensure implementation of developers social responsibilities (iii) Government to institute deliberate mechanisms in infrastructural development within the minerals sector	2013- Onwards	MoM/DOM /GSD/ EAD / Local Assemblies	Social amenities provided	
		Encourage the provision of health and social facilities through corporate social responsibility	(i) Construct clinics and other social facilities (ii) Allow access to the clinic and other social facilities by local communities	2013- Onwards	MoM/DOM /GSD/NAC	Health and social facilities provided	

		Address HIV/AIDS issues.	(i) Conduct awareness campaigns on HIV/AIDS (ii) Implement HIV/AIDS interventions (iii) Provide ARVs.	2013-Onwards	MoM/DOM/GSD/MoH/NAC	Quality of life improved HIV/AIDS prevalence reduced	
	Ensure gender balance in the minerals sector	Promote gender balance in the mining activities	i) Implement Gender Policy ii) Ensure mining companies employ more female workers	2013-Onwards	MoGCDCD/ MoM/MoL/DOM/MoJCA	Gender balance improved	
	Ensure that child labour is not practised in the mining community	Ensure that legislation is in place	Enforce Legislation on Child Labour	2013-Onwards	MoGCDCD/MoL/MoM DOM/MoJCA	Child labour legislation enforced	
F. REGIONAL AND INTERNATIONAL COOPERATION							
Promote regional and international co-operation in the Minerals sector	To ensure that the Mining Industry operates in line with International standards	Harmonize Policies, Standards and Legislations	(i) Identify relevant Policies, Standards and Legislations (ii) Identify short falls (iii) Redraft the Legislation (Act) Legislate the revised Act	2013-Onwards	DOM/ MoM/ MoF/ MoJCA/ MoL	Policies, Standards and Legislations harmonised	
	To ensure international recognition of the Mining sector	Include mining Sector in international Protocols, Agreements and Conventions	(i) Identify protocols that are relevant to the Mining Sector. (ii) Propose for Accession. (iii) Prepare submission to Ministry of Foreign Affairs. (iv) Lobby for development partners to increase allocation of financial resources to institutions managing the minerals sector	2013-Onwards	DOM/MoM/ MoF/GSD/ MoF	Mining sector included in international protocols, agreements and conventions Donor communities/ partners increased assistance to the minerals sector	

ANNEX II: MONITORING AND EVALUATION PLAN

STRATEGIC OBJECTIVES	OUTCOMES	OUTPUTS	OUTPUT INDICATORS	BASELINE (2012)	TARGET (2022)	MEANS OF VERIFICATION	FREQUENCY	RESPONSIBLE OFFICER	REMARKS
To promote the development of the mining sector	Updated geological information of Malawi	Detailed airborne geophysical map produced	Line spacing for a countrywide airborne geophysical survey	1km	250m	Reports	Annually	Director of Geological Survey	
			Number of updated regional geophysical maps of Malawi produced	Outdated maps	Updated maps	Reports	Annually	Director of Geological Survey	
		Updated geological maps produced	Updated regional geological maps produced	42 outdated maps	42 updated maps	Reports	Annually	Director of Geological Survey	
		Detailed mineral resources and occurrence map produced	An updated mineral resources and occurrence map produced	1 outdated map	1 updated map	Reports	Annually	Director of Geological Survey, Director of Mines	
	Enhanced accessibility to geological information	Data centre established and operational	Number of data centres operationalised	0	1	Reports	Annually	Director of Geological Survey	
		Geological information disseminated	Number of local, sub-regional, regional and international mining investment fora participated	6	10	Reports	Annually	Secretary for Mining	
To optimise the mining activities within Malawi	Strengthened institutional capacity of the mining sector	Laboratories modernised	Number of exploration and mining laboratories modernised and operational	2	5	Reports	Annually	Director of Geological Survey, Director of Mines	

		Modern equipment operationalised	Number of modern exploration and mining equipment operational	Outdated equipment	Modern equipment in place	Reports	Annually	Director of Geological Survey, Director of Mines	
		An institution to spearhead mineral development established	Number of investment institutions established	0	1	Reports	Annually	Secretary for Mining	
		Skills in the mining sector developed and expanded	Number of officers trained in mining sector-relevant fields	less than 60	500	Training reports	Annually	Secretary for Mining	
			Number of technical and professional posts filled	98	165	Human resource records	Annually	Secretary for Mining	
			Number of artisanal and small scale miners cooperatives established	3	8	Reports	Annually	Secretary for Mining, Director of Mines	
			Number of small scale miners trained in small scale mineral production	200	1,000	Training reports	Quarterly	Secretary for Mining, Director of Mines	
		Institutional, legal and regulatory frameworks reviewed and	Number of sector wide functional review conducted	0	1	Reports	Annually	Secretary for Mining	

		harmonised	Number of legal and regulatory frameworks reviewed or developed	0	4 (Mines and Minerals Act, Petroleum Act, Artisanal Small Scale Mining Policy and Act)	Reports	Annually	Secretary for Mining	
Extensive value addition by small, medium and large scale miners is improved	Laboratories modernised	Laboratories modernised	Number of modern value addition laboratories operational	2	10	Reports	Annually	Director of Mines	
		Modern equipment operationalised	Percentage of miners utilising quality value-adding facilities	31%	100%	Reports	Annually	Secretary for Mining	
		Skills in value addition developed and expanded	Number of institutions with relevant skills and technologies for value addition	4	8	Reports	Annually	Secretary for Mining	
			Number of small scale miners trained in small scale mineral production	200	2,000	Training reports	Quarterly	Secretary for Mining, Director of Mines	
			Number of cooperatives linked to loan providers	0	8	Reports	Annually	Secretary for Mining	
Development of supporting infrastructure encouraged and supported	Electricity generation capacity increased	Amount of generation capacity from the main grid dedicated to mining sector development	<10 MW	350 MW	Reports	Annually	Secretary for Mining	Sector not directly involved in the provision of infrastructure and will	

			Number of independent power producers engaged in electricity generation	0	2	Reports	Annually	Secretary for Mining	depend on relevant sectors
		Upgrading of transport network supported	Number of transport networks	Only road network is fully functional	3 (road, rail and water networks)	Reports	Annually	Secretary for Mining	
		Upgrading of telecommunication services supported	Coverage	No country-wide coverage	Country-wide	Reports	Annually	Secretary for Mining	
To expand employment opportunities in Malawi	Employment opportunities increased	Investment in the mining sector encouraged	Number of mines newly established	1	5	Inspection of investor inventory	Annually	Secretary for Mining, Director of Mines	
		Skills in the mining sector developed and expanded	Number of mineral related courses offered by local institutions of higher learning	1	5 institutions offering mining related courses	Reports	Annually	Secretary for Mining	
			Number of students trained and qualified in mineral related disciplines	<60	500	Reports	Annually	Secretary for Mining	
To foster the needed economic diversification.	Enhanced economic development	Contribution of the mining sector to the GDP increased	Percentage of annual contribution to GDP	10%	20%	Reports	Annually	Secretary for Mining, MoF	
		Contribution to Government revenue increased	Percentage of targeted revenue collected improved	60%	100%	Reports	Monthly	Secretary for Mining, Director of Mines, Director of Geological Survey	

		Contribution to foreign exchange earnings increased	Percentage of annual contribution to foreign exchange earnings	10%	30%	Reports	Annually	Secretary for Mining, MoF	
	Enhanced sustainable use and management of the environment and natural resources	Environmental, occupational health and safety hazards in the mineral sector are reduced	Number of mining activities inspected	6	17	Reports	Monthly	Director of Mines (DOM), Controller of Policy and Planning	
			Number of inspections conducted	6	24	Reports	Monthly	Director of Mines (DOM), Controller of Policy and Planning	