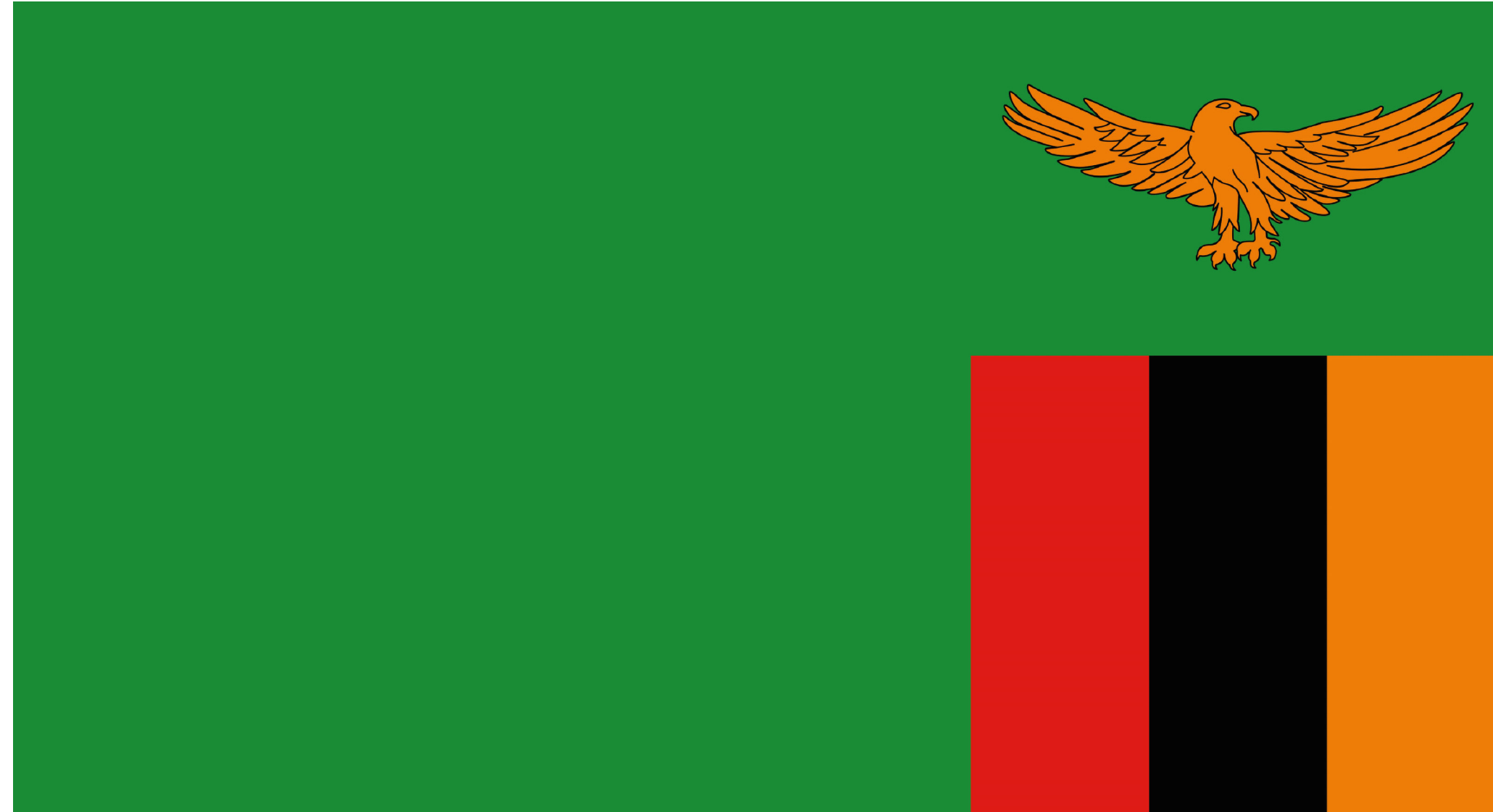


ZAMBIA



Initiative to Enhance Formalization of ASM in Zambia

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**INTERNATIONAL TRAINING
PROGRAMME 308**
Mine Water & Mine Waste Management

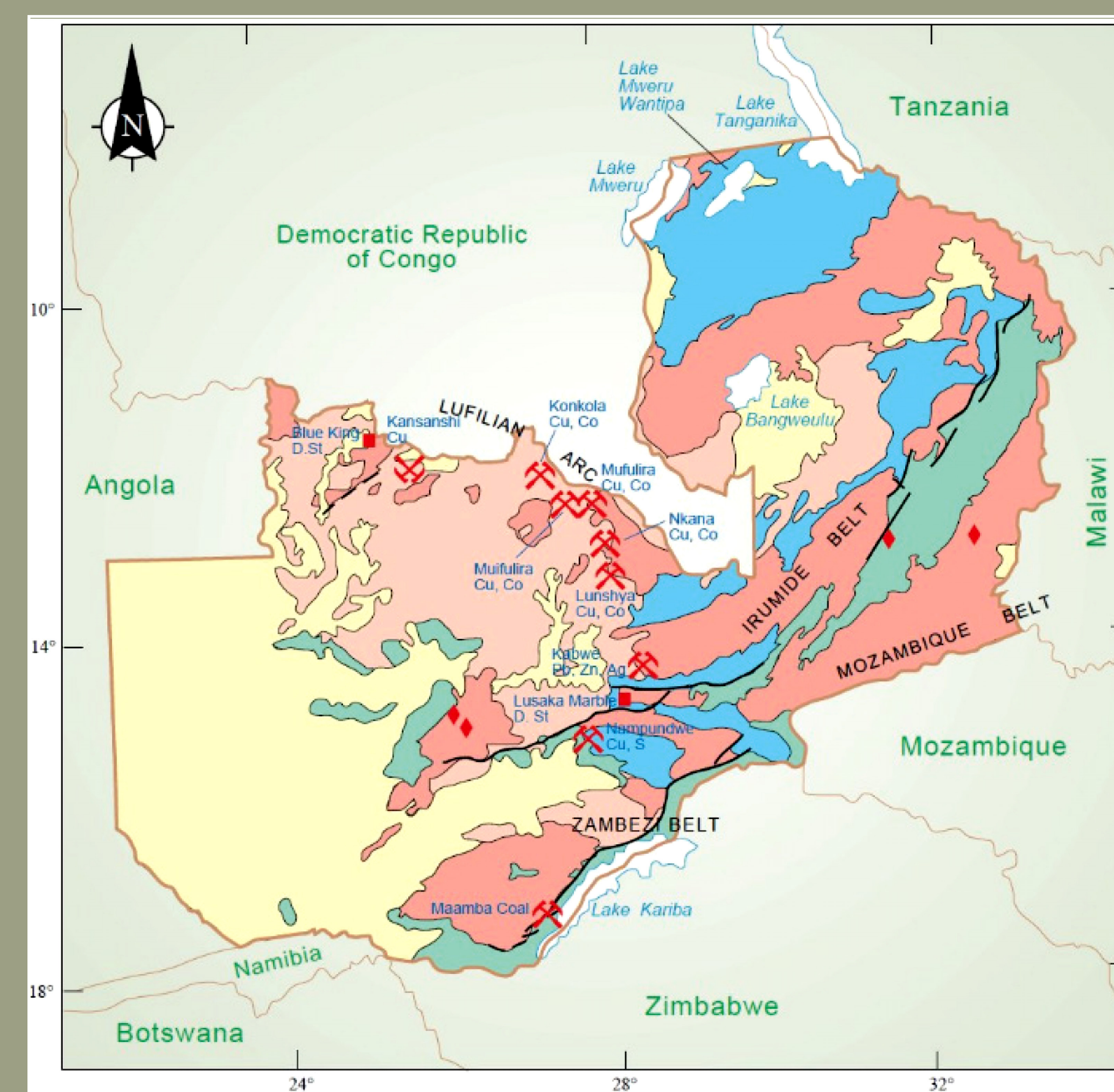


THE CHANGE PROJECT

Zambia is one of the largest producers of copper in the world and has a mining history dating back more than 100 years. Still today, the sector remains essential to the expansion of the country's economy. Even though large-scale mining firms have historically dominated the mining industry, artisanal and small-scale mining (ASM), both formal and informal, have entered the sector and become significant contributors to the production.

ASM activities encompass a wide range of mining practices. In certain areas, mining has been a traditional activity for generations, and may be a seasonal enterprise to supplement agriculture-based livelihoods. In some cases, significant commodity price fluctuations, mining closures or new commodity discoveries may lead to large numbers of ASM workers moving rapidly into an area, often with associated stresses to the environment and local communities.

The report "Initiative to Enhance Formalization of ASM in Zambia" aims to shed light on the current situation of the ASM field and what can be done to enhance the ongoing formalization of the sector. The project highlights the creation of regulations, policies, and programs that support the legal framework and operation of ASM, while also promoting sustainable mining practices and protecting the rights and livelihoods of local communities.



Geological map of Zambia with selected deposits

SIGNIFICANCE FOR THE PEOPLE AND THE ENVIRONMENT

An enhanced formalization process is thought to be beneficial on different levels in Zambia and in for its people. In the report, several benefits are emphasized. For example:

- For Zambia as a country**, an enhanced and adjusted formalization process would increase government revenue through the collection of taxes and statutory fees from formally registered ASM businesses. It would also promote sustainable mining practices, which would help to preserve natural resources and protect the environment. The formalization of ASM would also help to increase transparency and accountability in the sector, which would reduce the potential for corruption and other illicit activities.
- For the ASM workers**, a well-designed formalization process would be beneficial by providing them with the opportunity to legally register their businesses and operate in a regulated environment. This would provide them with greater security and stability as well as help to improve their working conditions and livelihoods. In addition, formalization would, in this proposal, provide them with access to training and technical assistance, which would, in turn, help to improve their skills and knowledge, and to operate their businesses more efficiently.
- The initiative to improve formalization would benefit **the Ministry of Mines and Minerals Development** by providing it with a framework to effectively regulate and monitor ASM. This would help to increase transparency and accountability as well as to ensure that mining practices are safe and environmentally sustainable. The initiative would also help the Ministry to effectively collect statutory fees from registered ASM businesses, which would increase government revenue.



THE WAY FORWARD

In Zambia, there is an ongoing effort to formalize the ASM sector through existing legislation and other auxiliary laws. Despite this, ASM operators are still reluctant to legalize their operations due to challenges such as a generic and bureaucratic system of licensing and challenges in preparation of Environmental Impact Assessments (EIA). To enhance the formalization of the ASM sector in Zambia, the following recommendations should be considered:

- Categorization of the licenses should be primarily determined by the nature of operations and not by area size of the license.
- Decentralizing the licensing system to the Regional Mining Bureaus with key stakeholders in the licensing, management of ASM sector and environmental protection.
- Simplifying the process of conducting EIA for ASM projects



- Amending section 89(2) of the Environmental Management Act, 2011, in order not only to assign one institution an advisory role but to give them (Regional Mining Bureaus) the full responsibility in the assessment and decision making of the EIA of ASM operations.
- Reducing the amount to be paid for an EIA for ASM projects. ASM projects have constrained cashflows compared to large scale mining companies.
- Domesticating some regulations to suit the ASM sector. By implementing these forward-looking perspectives, the government of Zambia can create a conducive environment for the formalization of the ASM, and thus, improve the economic, social, and environmental outcomes. This would benefit the small-scale miners, local communities, and the country of Zambia.