

The Mining Indaba Conference

As we as a nation focus on the mining sector for sustainable development one cannot but be drawn to happenings in the extractive industry in other parts of the continent. From February 8-11th all the mining elite gathered in Cape Town South Africa for the Investing in African Mining Indaba Conference. A conference like no other attracting leading stakeholders, mining CEOs, investors, financiers, mining service providers, insurance brokers, explorers, more than 16 African governments including Nigeria, Botswana, Gabon, Kenya, Namibia, Zambia and Zimbabwe as well as governments from further afield such as Australia, Canada, China, India, Japan and the Netherlands. I had the privilege of attending and must say it was indeed a phenomenal experience. I saw Cape Town at its best and the effect a conference of this magnitude had on its tourism and its people.

The official welcome by Mosebenzi Joseph Zwane, Minister of Mineral Resources Republic of South Africa who himself has been in office for just four months set the tone for the conference. The mining industry like that of oil and gas is also going through a down time and it was interesting to note from his speech his comment that 'I am convinced that during our summer season, as an industry, we have failed ourselves in not preparing better for this winter.' He further added that 'the stability of our democracy is sustained by our commitment to one of the most progressive Constitutions in the world, reinforced by prudence of monetary and fiscal policy, as well as respect for the rule of law, which has assisted us to navigate the changes in the global economy over the years. In terms of the Constitution, our legislation and the regulatory framework provide the highest order of protection of investment. In terms of the latest global competitiveness rankings, South Africa features favourably with regards to inter alia, financial market efficiency, transport infrastructure and property rights. As a government we will continue to create an enabling environment for investment and the ease of doing business in the country.' The keynote speech 'Creating The Financial Structure That Can Support Africa's Infrastructure And Energy Needs was presented by H.H Lamido Sanusi, Emir of Kano and Chairman of Black Rhino Group who stated that 20 new mining projects will be developed in Africa by 2018 and would require \$20billion in capital investment for infrastructure, energy, project development and other expenses associated with new mining projects.

What all these sum up to is that African countries and Nigeria in particular must invest in its infrastructure, create an enabling environment and tackle corruption to a standstill. Only then can would-be investors find a safe haven to operate in and focus on the business of extraction. David Twist a partner in the Africa Mineral and Energy Development Fund, pointed out that if an exploration was in a nation associated with issues such as corruption, political instability and lack of sufficient infrastructure associated with extraction, the appeal substantially decreases. Botswana is said to be his ultimate country for mineral exploration as the country has attempted

to invest in itself by improving its infrastructure. It also had less risk associated with political instability as it was strongly anti-corruption. No doubt that President Buhari's fight against corruption is indeed well placed but will need to be sustained on a fully committed basis as it still does appear to be 'business as usual' further down the ladder.

Nigeria's participation at the Conference was notable as Dr. Kayode Fayemi the Minister of Solid Minerals Development together with Hon. Abubakar Bawa Bwari Minister of State and the ministry's team had a well thought out strategic agenda which was diligently implemented. The aim of the government's participation was to signal to the international community President Buhari's economic policy priorities a major one of which is to focus on the diversification of Nigeria's revenue base by repositioning the mining and agricultural sectors for greater productivity. Another was to showcase to potential investors the investment opportunities in the mining sector in Nigeria. To also use this opportunity to address the misconceptions about Nigeria's mining industry and business environment in general, that accounts for our low ranking on the global mining policy perception and ease-of doing-business indices among a host of other activities to raise our country's profile at a conference dedicated to the capitalisation and development of mining interest in Africa. Dr. Fayemi met with His Excellency Jacob Zuma President of the Republic of South Africa on his desire to embrace South African mining investors under a collaborative initiative leveraging on the Bi-Lateral Agreement between the countries to help develop our solid mineral sector. In a heavy loaded schedule which included meetings with investors from around the world and various side meetings with geophysicists et al, one in particular with Nigerian miners stood out for me as I was amazed at the calibre of Nigerians though on a small/medium scale who are miners. At that meeting Dr. Fayemi mentioned his desire to set up a Chamber of Mines to drive the administration of the industry and how to help miners do their work better. He did mention the Federal Government's resolve to set up a Solid Mineral Development Fund which has already been provided for in the existing legislation as a way to kick start investment. The Fund will provide for equipment leasing, support services and the grants given will be monitored. The Minister in encouraging local miners said that the Ministry will hold quarterly meeting with them. He further mentioned the setting up of mining desks at specific banks, Stanbic IBTC, FCMB and Bank of Industry which had its Group Head on Solid Minerals Ms. Olayinka Mubarak at the conference.

At the Nigeria-Focused Networking event hosted in collaboration with the African Finance Corporation with Andrew Alli the President & CEO present along with a good number of Nigerian and foreign lawyers, Dr. Fayemi in his speech noted that the government has resolved to run an administration with integrity, transparency and open governance as its watch words and that we have a regime of robust mining legislations, pro-growth policies and a supporting regulation framework. The Minister

also observed that our government is carrying out broad ranging reforms aimed at strengthening the robust policy and regulatory framework currently in place and further added that 'we expect that these reforms will once again make Nigeria a destination of choice for investment in mining. Attracting investors to a resurgent Nigerian mining industry is not about simply closing transactions, we are committed to policy predicability, coherence, accountability and transparency in the sector'.

On Friday 12th February the African Business Report programme on BBC World highlighted the Mining Indaba conference and it was pertinent to note that only Dr. Fayemi was interviewed of all the Ministers in attendance.

I attended the key Mining Indaba side event themed 'Increased Access to Africa Mining Legal and Regulatory Tools: the African Mining Legislation Atlas (AMLA) Project.' A panel of speakers including Ms. Nneoma Nwogu a Senior Counsel at the World Bank Legal Vice Presidency and Mr. Stephen Karangizi Director African Legal Facility amongst others. In 2013, the Legal Vice Presidency of the World Bank (WB) initiated the African Mining Legislation Atlas (AMLA) project, an idea conceived by Nneoma Nwogu, WB task team lead for AMLA. The project aims to address the issue of information asymmetry in Africa's mining sector through: providing customised contextual and legal data on Africa's mining laws through the AMLA platform website; building the capacity of Africa's next generation of legal experts in mining law; and producing a guiding template, an annotated document designed to assist countries in the preparation or revision of their mining laws.

A small team from the WB's legal department developed the pilot of the project, with initial funding primarily from the African Legal Support Facility (ALSF) and secondarily from Vale SA and the OPEC Fund for International Development (OFID). To launch the project several African universities were invited to participate in the project implementation partnership, with the University of Cape Town leading the group of academic institutions. The universities with whom the project started (and continues) its collaboration are: University of Cape Town (South Africa), Universidade Eduardo Mondlane (Mozambique), Université Général Lansana Conté (Guinea), Université Cheikh Anta Diop (Senegal), Université de Douala (Cameroon), University of Jos (Nigeria), Facultés Universitaires Privées d'Abidjan (Ivory Coast), University of Dar es Salaam (Tanzania) and University of Zambia (Zambia). AMLA provides a platform for facts about legislation of Africa's mining sector, promoting transparency, accessibility and comparison of Africa's mining laws; facilitating the preparation, revision and implementation of Africa's mining laws and catalysing research and policy debates on legal and regulatory issues.

I cannot conclude on the Mining Indaba Conference without mentioning the Women in Mining South Africa (WIMSA), as Aishah Ahmad Head of Consumer Banking at Diamond Bank PLC and also the Chairperson Women in Management, Business and Public Service (WIMBIZ) who was at the conference and I a for-



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mer Executive Council member of WIMBIZ were indeed impressed by the women involved. I got to meet two phenomenal women Dolly V.G. Nengushe and Jenifer Alma Mize both Managing Directors who co own Gihon Mining Investments in Namibia. They mine gold, lithium dioxide, copper, granite, oil blocks, marble and manganese.

The Mining Indaba Conference was indeed a learning curve for me and I believe, a host of people who attended the conference.

No doubt the plan of the Federal Ministry of Solid Minerals Development to accelerate and scale up the role of solid minerals in Nigeria's economy has indeed started in earnest.

Nigeria has at least 44 known mineral assets that include precious minerals, base metals, bulk minerals and what are known as rare earth minerals. More specifically, our most promising mineral assets include gold, iron ore, baryte, bitumen, lead, zinc, tin kaolin, limestone and coal.

With the reforms started in 1999 and the establishment of the Nigerian Minerals and Mining Act of 2007 a few notable mining companies have emerged. In 2012 I attended the opening of Dangote Cement multi million dollar plant in Ibese, Ogun state and I was particularly taken by the massive amount of limestone deposit all round the site.

Although this is not the easiest of times for investment in the global mining market as prices of mining products have declined, putting pressure on mining companies and related businesses, for those countries like Nigeria who are in solid mineral development for the long haul, worthwhile opportunities exist and must be taken.

Taking cognisance of not only the current investment climate but also of extant opportunities, the Ministry has adjusted its mining strategy to reflect the need to jump start market growth using a mix of domestic mining houses, junior mining companies and large global miners. The good news for Nigeria is that we have tremendous domestic demand for industrial minerals and metals so the Ministry will be focusing on working with other key MDAs to ensure that demand is met by Nigerian miners and processors.

Come March 1, 2016, the Ministry will start enforcing the "use it or lose it" doctrine enshrined in the Nigerian Minerals and Mining Act, 2007. We can clearly see that with the determination and focus so far exhibited by Dr. Fayemi our mining industry will undoubtedly witness the steady growth that it has yearned for and deserves.