

# Promoting Sustainable Artisanal and Small-Scale Mining in Africa: The Case of Rwanda

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# Artisanal Mining in Africa

- Initially isolated, yet prevalent
  - Lack of legal recognition
  - Little or no regulation and monitoring
- Enormous socio-environmental impacts

# Overview of Mining Development in Rwanda

- Mining began in the early period of the Iron Age
- First official “geological observations” were made in 1909 (MINIRENA, 2009)
- Official mining activities began in the 1920s and 30s by the Belgians (MINIRENA, 2009)
- Up to 1968 (6years after Rwanda’s independence), the contributions of mining to economic development were 42.5% of Rwanda’s foreign exchange earnings (Teeffelen, 2012)

- Plummeted to 10% by 1984 due to lack of investments in the sector
- Formed Société des Mines du Rwanda (SOMIRWA) in 1973 which government held 49% shares
  - Bankrupt in 1985 due to lack of funding et al
- Formation of an artisanal mining cooperative, Coopérative de Promotion de l'Industrie Minière Artisanale au Rwanda (COPIMAR) in 1988
- 1989, founded a new public company, Régie d'Exploitation et de Développement des Mines (REDEMI) to continue the work of SOMIRWA

- A policy shift from state-based to market-based economy occurred in the 1990s
  - Series of privatizations
- Steps to improve the legal and institutional environment for managing the mining sector
  - Establishment of the Rwanda Geology and Mines Authority (2008)
  - Establishment of a Public Sector Capacity Building Secretariat (2009)

- Establishment of the Rwanda Natural Resources Authority (2011)
- Enactment of a mining law in 2008 (to replace the 1971 law)
- Enactment of 2014 Mining and Quarry Law
- Country is best known for the 3T minerals: tin (cassiterite), tungsten (wolframite) and tantalum (coltan)

# Sustainable Development and its Application to ASM

- Sustainable Development – “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” – Brundtland Report, 1987
  - Inter-generational equity – sustainable
  - Intra-generational equity – development
  - Consideration of the environmental, social and economic aspects of business (triple bottom line)

- ASM itself has been described as “inherently unsustainable” (Hayes, 2008:9)
- How to carry out sustainable ASM
  - Formalization
  - Transparency
  - Environmental considerations



# Formalization

- The “process of registering and organizing unregulated mining” (Maconachie & Hilson, 2011:294)
  - Property rights
- Formalization’s link with sustainable development
  - “Improvements in the technical, environmental and socio-economic performance of the ASM sector hinge on the organization, formalization, and legalization of ASM activities” (Hinton, 2005:44
  - Env’tal and social considerations to be integrated into formalization

# Transparency

- “[T]he degree that information is made available about how and why decisions are produced within a certain institution” (Licht et al, 2014:112)
  - Lack of “transparency of the hard ware market” as a “[t]ypical problem of ASM in the technical environment” (IIED, 2002)
  - Where mineral trading is not transparent, smuggling is an easy option for miners.

- Transparency can help build trust among ASM stakeholders
  - Transparency creates equal opportunity for all ASM stakeholders
  - Reduces “uncertainty” in mineral dealings and “suspicion” among ASM actors
  - Reduces “favoritism and corruption” by engendering public monitoring
- Transparency’s links with SD
  - favoritism and corruption, for instance, can destroy the economic benefits of ASM

# ASM under Rwanda's 2014 Mining and Quarry Law

- Formalization of ASM
  - Ownership and control of minerals
  - Types of recognized mineral licences
    - an exploration licence;
    - a small-scale mining licence;
    - a large-scale mining licence;
    - an artisanal mining licence
  - Provisions for acquisition of ASM rights and obligations

- Rights of an artisanal mining licence differ from those of a small scale mining licence
- Artisanal mining rights holder
  - To carry out exploration and mining operations in the licenced area and to sell the minerals obtained
- Small Scale – right to
  - mine and process the minerals relating to the licence;
  - erect equipment and other machinery;
  - dispose of any mineral products and deal with any waste products in an approved manner

- Compared to large-scale mining licence holders
  - All the rights of small-scale miners
  - right to have any newly discovered mineral deposits to which the licence does not relate included in the existing mineral licence
    - Prioritization of large-scale mining
    - Shortage of lands for ASM

- The creation of ASM cooperatives
  - to motivate indigenous participation in the mining sector and enable them acquire relevant knowledge, skills and resources
  - Hampered by “financial constraints and legislative limitations” (Perks, 2012:15)
  - Formation of the Coopérative de Promotion de l’Industrie Minière Artisanale au Rwanda (COPIMAR) in 1988

- Reforms carried out in 2004 led to the formation of Fédération des Coopératives Minières au Rwanda (FECOMIRWA) in 2009 to replace COPIMAR
- ASM carried out through cooperatives was less negatively viewed from ASM carried out in the ordinary way.
- The cooperative model has proved “a sound strategy to combat domestic mineral smuggling” (Perks, 2013:744)
- Bolsters the bargaining power ASM
- Poor capitalization hinders the growth of the cooperative model



# Transparency

- The process of acquisition of ASM rights
- How the produced minerals are traded

- Acquisition of ASM rights
  - Modalities for applying for a mineral licence are not specified in the law
    - Power assigned to the responsible Minister
    - No obligation to subject the licensing process to competitive bidding – at the discretion of the Minister
      - Bad for transparency

- Trade in Minerals

- Rwanda as a transit route for conflict minerals in Central Africa (UN Security Council Reports)
- Rwanda is a member of the International Conference on the Great Lakes Region (ICGLR)
- ICGLR Protocol Against the Illegal Exploitation of Natural Resources
- Regional Initiative against the Illegal Exploitation of Natural Resources (RINR) as a vehicle for implementing the Protocol

- Tools for implementing the initiative
  - the establishment of a regional mineral tracing and certification scheme;
  - the domestication of the Protocol and the harmonization of mining legislation;
  - the creation of a regional database to track the production of and trade in minerals;
  - the formalization of ASM;
  - the promotion of EITI within the region; and
  - the establishment of a mechanism to facilitate and protect whistleblowing

- Ministerial Regulations No 001/MINIFOM/2011 prohibiting the purchase or sale of minerals by any person without commercial registration
  - Permission from the Ministry of Commerce and Industry and the Rwanda Geology and Mines Authority
  - Forbids the importation of minerals without documents certifying the origin of the minerals and their weight at the point of origin

- Minerals to be exported from Rwanda must carry a certificate of origin and traceability documents and must be tagged
- Recognition of 8 mineral trading centres
- Mineral traders to submit monthly reports of their mineral purchases and sales to the Ministry of Commerce and the Rwanda Geology and Mines Authority

- New ministerial regulations in 2012
  - Ministerial Regulations No 002/2012/MINIRENA of 28/3/2012 on the Regional Certification Mechanism for Minerals
    - All mineral exploration and trading to be in compliance with the ICGLR (Regional Certification Mechanism) RCM Certification Manual
    - An RCM certificate must be obtained from the Government of Rwanda for all exports and imports
    - Minerals imported into Rwanda and subsequently exported are to be tagged as “re-exports”

- Status of these Ministerial regulations is unclear unclear under the 2014 mining and quarry law.
  - Repeal of the 2008 mining law



# Environmental Impacts of ASM

- All holders of mining license to comply with Rwanda's environmental laws and regulations
- Organic Law No 04/2005 of 08/04/2005  
Determining the modalities of Protection,  
Conservation and Promotion of Environment  
in Rwanda
- Environmental Impact Assessment
  - Public consultation
  - Public hearing “may” be held.

- “Stakeholders may comment” on the EIA report
- No right of appeal against an EIA decision
  - But a project developer can appeal against an adverse EIA decision