



By

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Minister of Mines and Energy

MINING AND PROSPECTING INFORMATION SHARING

WORKSHOP

17 March 2016

WINDHOEK



Ministry of Mines & Energy

"promoting Namibia's mineral, geological and energy resources"

Director of Ceremonies

Distinguished Captains of Industry

Distinguished Stakeholders

Distinguished Senior Government Officials

Distinguished Ladies and Gentlemen

Friends from the Media Present here

All Protocols Observed

Today, I am the most delighted and profoundly honoured to welcome you all here at the Mining and Prospectors Public Information Sharing Workshop.

Your willingness to devote time beyond your fulltime duties and all other obligations just to be here is truly commendable. The current turnout is testimony of your commitment and great value you attach to this workshop. Over the last couple of years the Ministry of Mines and Energy has initiated similar efforts with the view to raise public awareness with regards to its mandate pertaining more specially to mineral exploration and mining licenses.

This is for a variety of reasons amongst which the following are some of the key compelling reasons as to why the Ministry has back then, decided to organize such public engagements as a

standing arrangement and one that is here to stay and an engagement that will be spread to all regions of the country:

- (a) EPLs/MLs are much much talked about and have become strongly synonymous with economic empowerment of our citizens and in so doing have undoubtedly attained such levels of notoriety/popularity that their administration and handling is a source of great concern and one which undoubtedly calls for open, transparent and accountable administration based on robust governance**
- (b) Provide the public with the opportunity/platform to directly engage the Ministry on this rather topical matter and via public engagements such as this one perhaps will help to clear some of the misunderstandings/misconceptions surrounding EPLs and MLs.**
- (c) All sorts of corruption/nepotism allegations have been and continue to be leveled against the Ministry thereby clouding the Ministry's image and standing pertaining to fair and equitable EPL and ML dispensation, a matter that is of serious concern to all of us at the Ministry and the country at large**
- (d) The Ministry hopes to not just provide information to the public and the opportunity to create a dialogue on this rather important national activity, but also take valuable lessons and take aways in the form of critique and suggestions with the objective to route out corruption/nepotism practices where such may be existing in the Ministry**

- (e) During the 2015 consultative town hall meetings of HE the President of the Republic of Namibia, and indeed during my own visits to almost all the mines, regional meetings held at the level of Regional Councils, Local Authorities and many other public engagements, a high number of public concerns were raised pertaining to why EPL and ML information is not available publicly, why such information is not available either much along the lines of currency exchange information through LED screens at display windows in banks, and why the Ministry is not striving to institute a public tracking process of an EPL or ML application from the moment such an application is launched to final award.
- (f) Finally, depending on the lessons learnt and noting the fact that the Ministry's presence country wide is severely limited to a handful of towns, Ministry has embarked upon a country wide public engagement strategy by way of this workshop with the view to engage the citizenry in providing service and information dissemination with respect to EPLs and MLs and indeed all other array of services the Ministry provides.

The acronyms "EPL which stands for Exploration Prospecting License" and "ML which stands Mining License" are both very popular acronyms and just their very mention alone create or represent a perception or notion that is associated with "immediate wealth acquisition or financial incentive gains" which we all are familiar with whether for the right reasons or not. On the

flip side of that coin there is also a totally different meaning and purpose of what an exploration or mining license is actually intended to achieve and that is more often than not the surprise to an aspirant or would be exploration and mining entrepreneur.

Let me also, acknowledge that the Private Sector is our core partner in exploration and mining investment in the country which is why to a large extent this workshop presents an opportunity for us to discuss opportunities and challenges of mutual interest.

I am the first to acknowledge the importance of this workshop and the unquestionable value this initiative definitely offers the public in our obligation to provide service and information to the public just in case you are questioning why the Ministry embarks on this exercise. The ministry issues six types of licences namely:

- Non-Exclusive Prospecting Licence (NEPL),**
- Reconnaissance Licence (RL),**
- Exclusive Prospecting Licence (EPL),**
- Mineral Deposit Retention Licence (MDRL),**
- Mining Licence(ML) and**
- Mining Claim (MC).**

During the course of 2015 the Minister and officials of the Ministry of Mines and Energy have conducted extensive familiarization visits to almost all of our country's mines. During those visits a number of important and rather fundamental issues were discussed and shared with the various mining companies executives.

Distinguished Guests, Ladies and Gentleman,

Among the many concerns raised include the following important issues:

- **The fact that Namibians especially previously disadvantaged Namibians in most or all categories are notably under represented at the executive management levels**
- **The fact that women are particularly the most under represented if not completely absent from the executive management levels and perhaps more-so absent from the ownership structures**
- **The fact that in most cases such executive management structures are without exception almost always dominantly composed of white male, expatriate and Afrikaner dominated**
- **The fact that In other cases frustrating tactics are being deployed to conjecture previously disadvantaged professionals into resignation from their jobs thereby creating the avenue from mine bosses to breed a case for expatriate replacement in their applications for work permits based on scarcity of available skills.**

- **The fact that 25 years after independence Namibia seemingly is unable to produce qualified previously disadvantaged professionals capable of running our mining companies**
- **The fact that having noted the status of all of the above the apparent lack of good will to meet Government expectations, I remarked that perhaps it is now time that such enterprises be Namibianised today and be run 100% by Namibians. I think it's time that this status quo come to an end.**
- **The fact that procurement in the mining industry leaves especially the previously disadvantaged Namibians seriously out of opportunity to the extent that even routine activities such as catering and cleaning services are being awarded to foreign service providers.**
- **The fact that mining houses employ centralized procurement tactics back to their countries of origin or countries in which businesses are headquartered expatriating jobs and opportunities out of reach of Namibians**
- **The fact that it was perhaps time for the industry to be regulated in these sectors to the extent that Government**

objectives are met and that such objectives are enforced through legislative quotas.

Most of the above subject matters and especially those covering:

- the empowerment of previously disadvantaged Namibians, the inclusion of women in the executive decision making bodies of the mining entities,**
- issues concerning the Namibianisation of these entities,**
- the provision of ownership opportunities to the poor of the poor, empowerment of women and the youth and first time shareholders,**
- that 30% mineral beneficiation and local value addition where so identified and agreed be adhered to,**
- opening up of procurement practices and the prevention of centralized procurement practices,**
- That a minimum of 5% shareholding to be reserved for NAMIBIANS as well as the State Owned Mining co,**
- that a minimum of 20% of the management structure be reserved for historically disadvantaged NAMIBIANS,**
- that all such proposals should address the Government's objectives of poverty eradication**

- **That applicant companies shall keep keep a production inventory and an updated resource statement at all times and shall it available to the Minister or his/her representative upon request.**

The notices to grant such EPLs and MLs have already been issued with the new terms and conditions attached following finalization and legal scrutiny of same.

In recent few weeks the Mining Industry and the Minister held one-on-one consultation meetings in both Whk and Swakopmund as a measure of exchanging notes on matters of common interest and decided to schedule such engagements on a quarterly basis. The same will be extended in the near future to the Energy sector of the Ministry's mandate. It is most satisfying that companies have shown tremendous amount of good will during these consultations and out of this initiative we are hoping to provide an update to Cabinet on the State of Mining and Energy in the country. The Chamber of Mines has played a pivotal support role in making this happen and must be commended for a job well done.

While three new mines have been developed, it is also worthwhile to mention that, recently the Ministry has been experiencing problems with non-compliance pertaining to certain provisions of the Minerals (Prospecting and Mining) Act No.33 of 1992. I believe that if these issues are left unresolved it could hamper the performance of our sector, which sector is an important backbone of our economy..

Sadly though the industry has had two unfortunate fatalities in the last ten months, which events have refocused attention on improving health and safety aspects of the sector.

The key focus areas for discussion today will be mineral rights and permits application procedures, compliance monitoring, health and safety, revenue collection and the assistance Small Scale Mining Associations.

The Ministry is continuously working to implement measures that will greatly improve transparency and accountability in the industry. The implementation of FlexiCadastre's e-Government Portal, online system to record, validate, manage and report on all information relevant to exploration and mining operations in the country, is one such initiative.

I urge you all to have constructive, open and transparent discussions and now declare this workshop officially open! LET us rise above the bar of transparency and ensure public confidence both as investors and regulators of the Mineral Industry in Namibia.

I thank you all kindly for according me your attention.