



SECTION THREE

NATIONAL POLICY ON SOLID MINERALS

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PART ONE



BACKGROUND

PART ONE

1 DESCRIPTION OF THE SOLID MINERALS SUB-SECTOR

Definitions

1. Solid minerals encompass a wide variety of endowments going from iron ore to coal to sand and gravel; some of them are found on the surface while others can only be won from the earth through underground mining. Briefly, minerals can be defined as naturally occurring substances derived from the earth's crust and upper mantle which are of value to man and include, broadly, minerals in the energy group, the ferrous group, the non-ferrous group and the non-metallic group. By simple elimination, therefore, solid minerals cover all of the above excluding crude oil, gas and water but not coal, lignite, uranium, thorium and tar sands.

Endowments of Solid Mineral Resources

2. Nigeria is endowed with abundant solid mineral resources many of which have not even been mapped fully for the purpose of further exploitation. Nigeria's endowments of solid minerals cover a wide range spanning: mineral fuels - coal, lignite, bitumen, uranium, thorium; iron and ferro alloy metallic minerals - iron, manganese, nickel, chromium etc.; non-ferrous metallic minerals - lead, zinc, tin, aluminium, copper, etc.; minor metallic and related non-metallic minerals - antimony, cadmium, zirconium, etc.; precious metals - gold, silver; structural and building minerals - limestone, stone, gypsum, asbestos, sand, gravel, marble, etc. ceramic minerals - clay, feldspar, dolomite, etc.; Chemical minerals - salt, potash, sulphur, etc.; metallurgical and refractory minerals - fluorspar, graphite, limestone, dolomite, refractory clays, etc.; abrasives - corundum, quartz sand, diatomite etc.; industrial and manufacturing minerals - asbestos, mica, talc, monazite, etc; gemstones - emerald, ruby, sapphire, amethyst, etc.
3. Nigeria's solid minerals subsector forms an important part of the Nigerian economy with a potential of perhaps raising, at its full realisation, as much resources for the public sector as are currently raised by the petroleum sector. It should be expected to contribute to the gross domestic product about as much as is being contributed currently by petroleum resources. It certainly has the potential of providing more employment than the petroleum sector. The state has invested very heavily in this sector directly in the exploitation of iron ore

- and coal resources and downstream in the steel sub-sector of activity. Solid minerals can contribute a large proportion of the input into the industrial sector. However, their full development requires considerable input of men and materials over a long period of time; a good part of this is expected to come from outside the Nigerian economy. The policy, therefore, addresses the possibilities of attracting substantial foreign investment into this sub-sector.
4. A dominant feature of this sub-sector is that the ownership of all minerals is vested in the Federal Government; this is in part legal, i.e., by Decree and by Act of the National Assembly, and in part constitutional. Government is also heavily involved through a number of monopolies e.g., iron ore and coal but outside of these few monopolies there is a long trail of a multitude of very small operators in other solid minerals. The State therefore has to use its power and position in this sector to meet the goals of efficiency, equity and environmental sustainability.

Classification

5. There are alternative ways of classifying solid minerals depending on the purpose of the analysis in hand. They could be classified by reference to commodities, sector of activity, industrial use, mode of occurrence, size and spread of deposits etc. It is evident that the mode of classification follows the scope of the analysis to be undertaken whether, that is, it is from the point of view of the user, or of the supplier or of the controller and regulator.
6. The Department of Geological Survey classifies the solid minerals by reference to their use:
- (a) Mineral fuels: coal, lignite, bitumen, uranium, thorium;
 - (b) metallic minerals; iron, manganese, nickel, tin, lead, zinc aluminium, copper etc.;
 - (c) Structural and building minerals: limestone, stone, gypsum, asbestos, sand, gravel, marble anti ceramic minerals - clay, feldspar, dolomite, fluorspar, asbestos, etc;
 - (d) Industrial minerals :
 - (i) chemical salt, sodium carbonate and sulphate, potash, phosphate, nitrates, sulphur, etc;
 - (ii) metallurgical and refractory : metallic ores, fluorspar, graphite, limestone, dolomite, refractory clays, kyanite, etc;

- (iii) abrasives, corundum, quartz sand, diatomite, monazite etc;
 - (iv) other industrial and manufacturing: asbestos, mica, monazite, etc;
 - (c) Gemstones: aquamarine, emerald, diamond, ruby, garnet, sapphire, amethyst, tourmaline, zircon, topaz, etc;
7. Some minerals are quite often separated from the general classifications for special reasons such as protection of: national interest: e.g. mineral fuels like coal, lignite, etc.; security interest: e.g. uranium and fissionable minerals etc. strategic industrial interest: e.g. iron ore, gypsum barytes, etc.
8. Some minerals are important for local industrialisation, some for foreign exchange revenue, some for protecting national security and national interest, some for enhancing local employment and acquisition of technology etc. The policy is aimed at ensuring that the deposits of solid minerals in the country are identified, mapped, brought up to the surface for optimal use in local industries or for export in processed or semi-processed form or, as in some cases, in crude form. Government has tried to address these different purposes in order to provide unambiguous guidance to the prospective investor.

2 EVOLUTION OF POLICY AND GOVERNANCE OF THE SUB-SECTOR

Historical Background

9. Every society makes up its mind on how it is to order the production and distribution of what its people need. The current thinking is to allow the market to determine what to produce, how to produce it and how to distribute it: often however, since the market cannot be relied upon to achieve these processes efficiently and equitably, some form of governing body is entrusted with the authority to organise the processes subject to some conditions laid out in the laws and regulations. These relationships of laws, regulations, policy and control constitute the governance of the sector.
10. Organised mining in Nigeria began to crystallise between 1902 and 1923 following the commissioning in 1903/04 of mineral surveys of the Southern and Northern Protectorates by the then Secretary of State for the Colonies. Tin deposits had been located in Jos Plateau and organised mining activities were initiated by the Royal Niger Company in 1905. Apart from tin and its associated minerals, columbite and tantalite, mining for gold began in 1914 in what are now Niger/Kogi States. Exploration for coal goes back to 1906 but production

did not commence until 1916 in what is now Enugu State. By 1919, the Geological Survey of Nigeria was established as a Department of Government Ordinance 1946 and continued the work of the survey teams. The Minerals Ordinance 1946 and the Coal Ordinance No. 29 of 1950 provided the legal basis for the development of solid minerals.

11. Prior to 1971, other than coal, which was mined by a government department, mining of solid minerals was entirely by the private sector. British mining companies dominated the scene. They were well equipped, employed qualified staff and paid detailed attention to efficiency considerations; but restoration of the environment suffered because the government could not impose and enforce it since it was not prescribed by the laws of the time.
12. By the Minerals Ordinance (1946), ownership of all minerals was vested in the British Crown. However, for practical purposes, until 1971, the cardinal principle of Government's policy on prospecting and extracting mineral resources of the country on commercial basis has been non-involvement of public funds in the great risks of mining investment. The situation was such that the large scale foreign mining companies and the small scale indigenous miners concentrated their efforts on the production of minerals with export potential, neglecting minerals meant for local industries. Apart from coal, the mining of solid minerals was entirely in the hands of private expatriate and indigenous companies and entrepreneurs.

Mineral Laws and Regulations

13. Historically, the Minerals Ordinance 1946 and Allied Regulations now contained in Cap. 226 LFN 1990 applied globally to the exploration and exploitation of minerals without particular distinction to special sets of minerals singly or in groups. They vested ownership of all minerals in the "Crown" and the Federal Government respectively notwithstanding the owner of the land upon, or within, which the mineral is located. Ownership of the mineral passes to the miner only after it has been won and accordingly the miner is required to pay a royalty to the Federal Government as the original owner of the mineral. Over the years, the development of mining of particular minerals necessitated special regulations leading to the enactment of special Acts to govern the exploitation, marketing and utilisation of specific minerals as follows:

- The Nigerian Coal Corporation Act 1950 Cap 299 LFN 1990
- The Gold Trading Act Cap 163 LFN 1990
- The Diamond Trading Act Cap 98 LFN 1990
- The Explosives Act 1964 and Allied Regulations (1969) Cap 117 LFN 1990
- The Tin Act No.25 of 1967/Miscellaneous Provision Act Cap 429 LFN 1990
- The Quarries Act 1969 and Allied Regulations Cap 385 LFN 1990
- The Nigerian Mining Corporation Act 1972 Cap 317 LFN 1990

14. The only mineral that has not been covered by any of these regulations is BITUMEN. This material is derived from two sources: it occurs as tar sands. It is mined as a primary material like any other solid mineral and processed into bitumen. It could alternatively be obtained as a by-product of the processing of heavy crude oil. In the first case, further refining of bitumen derived as primary material from sand could yield synthetic crude; in the latter case, refining of heavy crude oil could yield bitumen as a by-product. From point of view of the solid materials, the Government is concerned with the first case where it is obtained by processing tar sands or rock into bitumen.
15. Although the Government had refrained from direct participation it had supported and encouraged the mining industry in many ways;
- (a) contribution to tin research through the agency of the International Tin Research Council;
 - (b) maintaining a Mines Reclamation Unit for reclaiming mined out grounds for Agriculture and Forestry;
 - (c) providing an ore dressing plant or the treatment of mineral concentrates produced by operators who have no ore dressing plants of their own;
 - (d) providing geological and geophysical maps as well as publications and reports on geology and investigations of mineral deposits; and
 - (e) identifying and analysing rocks, minerals and stream concentrates,

The 1971 Policy on Solid Minerals Development

16. In 1971, the policy of non-participation by Government in the mining industry was drastically reviewed in the interest of the national economy in order to secure the rapid development, diversification, conservation and utilisation of

the mineral resources of the country in the best possible manner so as to bring about economic benefit for the longest possible period. To achieve this, the government decided to act as catalyst in the mining sector through the establishment of mining corporations, which would use government funds for mining.

17. The policies, prior to 1971, were considered defective mainly in the following respects:

- (a) there was no encouragement to both expatriate and indigenous mining operators to take active interest in all the possible mineral deposits including the low cost industrial minerals which may occur in economic quantities in the country
- (b) there was no effective policy to encourage operators to take out large mining concessions in place of the numerous anti-interwoven leases of the many mining companies and private operators, and, by far the most important;
- (c) Government had surrendered its mineral resources to private investors, mainly expatriate, satisfying itself with rents, fees and royalties.

18. A new policy was therefore promulgated in 1971 with the aim of:

- (a) promoting the diversification of our primary mineral products through extensive geological exploration and mineral beneficiation appraisals to be carried out by the Geological Survey and Mines Division respectively;
- (b) encouraging the development of mineral resources for the national economy; and
- (c) securing the conservation of mineral resources through research into efficient extractive methods and wider application and use of minerals.

Its main thrust was the rejection of the concept of a private sector-led development of the solid mineral sector and it said so categorically:

"In brief: the objectives of Government's mining policy would be to secure the development, conservation and utilisation of the mineral resources of Nigeria in the best possible manner so as to bring about economic benefit for the longest possible period, and there is no reason to suppose that the private investor is the best instrument with which to achieve this."

The policy also divided the country into seven mineral zones for the purpose of

exploration. To encourage intensive explorations over large areas Government offered incentives by way of concessions. To achieve the objectives, the new policy (1971) envisaged:

- (a) intensive geological survey of the country's mineral wealth.
- (b) proper exploitation of the known economically viable minerals.
- (c) expansion of the Geological Survey and the Mines Divisions of the Ministry of Mines and Power to play a more intensive role in the new scheme of things.
- (d) the development and the relating of the country's mineral exploitation to the national economy.

“It is considered that if prospecting and exploitation were to remain solely in the private sector as under the existing policy, the country will not enjoy the best advantage that can be derived from the revised policy. To achieve the objectives the Government intends to participate more directly in the mining industry.”

In furtherance of this policy, the Nigerian Mining Corporation was established by Decree in 1972.

3 CURRENT SITUATION

21. With the exit of the multinationals and their expatriate professionals caused in part by the civil war and in part by the Indigenisation Decree (1972), the bulk of the mining operations by the private sector rested on the shoulders of the small scale indigenous miners. The surface, the near surface and shallow depth deposits seem to have since been totally depleted. This has led to production decline particularly in the metallic minerals. In consequence the tempo of mining activities shifted to industrial, non metallic minerals needed for construction, building and industrial applications for the domestic industries.
22. Furthermore, the down turn in the nation's economy is adversely affecting exploration and exploitation of even the non- metallic minerals. As at now, mining has become very disorderly. A number of factors are responsible for the undesirable trend and they include: badly structured and grossly ill equipped Inspectorate Department of the Ministry; dearth of manpower to carry out surveillance of the minefields with a view to ensuring compliance to safety standards and man the exit points to identify mineral commodities being exported; disorder in the field occasioned by illegal mining, speculative pegging by legal title holders, etc; cumbersome procedure in processing mining

applications leading to long delays and difficulties in obtaining consent to enter land for the purpose of prospecting and mining; delays by State Governments in submitting procedural reports necessary for the approval of applications; mineral smuggling activities involving foreign nationals and their Nigerian collaborators leading to loss of government revenue that could have accrued from payment of fees and royalties;

Multiplicity of Government Structures

23. The bane of our policy so far has been the multiplicity of Authorities that a prospective investor has to deal with before he can make his final investment decision: the Federal Government through the Ministries of Solid Minerals for licences and leases. Finance for taxes. Industries for permission to enter into business. Internal Affairs for expatriate quotas. FEPA for environmental impact analysis. Department of Geological Survey for detailed exploration data. Surveyor General's Office for final cadastral surveys, etc.; the State Governments through their Ministries of Lands, Industries etc.; the Local Governments, and often the local communities for access to the land. Additional problems are created by the conflict in interpretation on the ground of the Land Use Decree and the Minerals Act (1946) which respectively vest the property in the land surface in the State government and the minerals under the land in the Federal government; thus one Authority has the right to the land rents while the other has the right to the royalties and taxes on the minerals produced there under. These positions are further entrenched in the Constitution and cannot therefore be amended by a simple Act of the National Assembly but must go through a formal Constitutional Amendment.
24. Until the creation of States, it was enough for the Federal Minister to delegate some powers to grant mining titles to the Minister or Commissioner of a Region. This procedure worked well but as the number rose from four Regions to twelve States, then to nineteen and then to thirty states, the understanding of, and respect for, the roles of the respective tiers began to wane with the result that often the State Commissioner has delayed the processing of applications put forward by the Federal Inspector of Mines in the State.
25. The applications in question are;
- (i) exclusive prospecting licence (EPL) issued when the applicant has defined where he intends to prospect and for what mineral; under

- existing laws the licence allows up to 8 sq. miles (twenty-one (21) square kilometers) for prospecting for one year, renewable each year thereafter for two years. It does not confer a mining right;
- (ii) special exclusive prospecting licence (SEPL) given to an applicant for prospecting for minerals under special conditions. It is valid for one year and can be renewed but not more than four times. Only large companies are allowed to peg SEPL's;
 - (iii) temporary mining title (lease and right) issued to an applicant at the same time his mining lease is approved except for the fact that the final survey of the area has not yet been completed. On submission of a final survey plan, the mining lease is then made firm.
 - (iv) mining rights (MR) given only for operations along the streambed. They are valid for one year and cannot be renewed for more than five (5) years;
 - (v) quarrying lease granted by the Ministry of Solid Minerals Development for quarriable minerals enumerated in the Act and as added to by Notice in the Gazette.



PART TWO



NEW APPROACHES AND POLICY

4. **OBJECTIVES AND IMPERATIVES OF POLICY**
Orderly Development

26. One of the objectives of national policy is to ensure the orderly development of the mineral resources of the country. There are at least two reasons for this imperative: first, the wide dispersal of the endowment of solid minerals in a country as large as Nigeria requires that policy should not vary capriciously from one area to another with respect to the same mineral and that overlapping jurisdictions do not introduce unusual ambiguities and complexities in the interpretation and execution of policies. Second, it is necessary to have a well thought out and coherent programme of exploitation of the minerals. In this scheme, the different roles for each hierarchy of government and roles for the government and the private sector are harmonised. In this way, the possible conflict between the demands of national interest and state security, economic development and ecological and environmental considerations have been balanced including a balance between the requirement of maximum present income against future conservation needs.
27. A policy of orderly development of solid minerals thus provides clear rules or predictable behaviour of the Authorities, unambiguous regulations for the exploitation of minerals and a clearly prescribed pattern of such development with roles of the different actors clearly defined. For such a policy to be effective, the laws and regulations must be clear, the location of control and regulations must be known and the procedures for the application of the laws and regulations must be clear and known to all such that consent, where required, is not withheld unreasonably. Government will therefore take early steps to review the laws and regulations governing the solid minerals subsector to bring them in line with the aspirations of the country and in particular with respect to the duration of the titles and the conditions to be satisfied by the grantee during the tenor of the title. The Government shall take steps to review the existing prospecting and mining titles to identify those where conditions have not been fulfilled to ensure that the stipulations of the laws and regulations are scrupulously satisfied. The Ministry shall in its Annual Report publish the full list of all title holders.
28. A well articulated mineral policy and the political will to execute it is the only avenue to redress the disorder in order to achieve national goals and aspirations of safe, orderly and economic exploitation of the country's vast solid mineral resources.

National Interest

29. Most often breaches of normal procedures for control and administration of laws and regulations arise from arbitrary behaviour of the regulators attributed to the protection of the national interest. It is therefore necessary to define what this interest covers. This can be defined broadly to cover the socio-political interest of all participants or operators in the development of the solid minerals sub-sector. It encompasses the interest of the government in safeguarding national security and strategic development; optimum use of laws anti mineral raw materials; acquisition of high technology; development of local human resources and personnel; transfer of some of the benefits to local communities; increasing public revenue; control of environmental hazards; optimisation of the well-being of the citizen at large and earning of profit by the operator. The government has a duty to the citizenry to protect him against the rapacity of the private operator but this protection cannot be realised merely by taxing the operator for maximum revenue.
30. Each government carries with it, its own portfolio of what minerals it regards as security sensitive or strategic. This list shall be made public and be revised periodically to ensure fairness in the interpretation and application of the rules and procedures.
31. The following minerals have, at one time or another, been declared to be strategic to the national economy: gold, silver, lead and zinc, diamond, gemstones, till ore, iron ore, uranium, barytes, bentonite, phosphate, bauxite, limestone, gypsum, coal, tar sands, tantalite etc. Even where a mineral or group of minerals is declared to be strategic or of national interest, it does not follow therefrom that government must itself be engaged in the exploitation of such minerals. The government shall lay down procedures for monitoring the development in that sector, have in its hands full information on progress being made, and exercise sufficient regulatory control of the operations so that in effect the private agencies working in that sector see themselves as also working for the government as well as for themselves. It is also of national interest to ensure that in the exploitation of minerals, there should be a balance between foreign and indigenous interest and, in addition, that the foreign interest should not be so concentrated in one group that the country can be held to ransom by a singular multinational operator.
32. The prosecution of these interests can be realised not necessarily through direct

government involvement in the exploitation of minerals as through the enforcement of control measures that provide ample opportunity for government to step in to check abuses at the incipient stage or to encourage developments in the directions that it sees as important for the realisation of national goals.

Imperatives of Policy

33. To determine these new policies, Government must reappraise the financial and other commitments to the solid minerals sub-sector. Such new approaches are
- (i) identify where government must intervene to achieve policy goals; integrate the policy on solid minerals development with national social and economic goals;
 - (ii) define the different roles to be played in the governance of this sub-sector by different tiers of policy makers, and by the State and the private sector
 - (iii) create the capacity not merely in government but more so in the private sector to adequately perform the functions assigned to them in the governance of this sub-sector.
34. It follows from the above that the policy shall take into account the need for laws and regulations that apply globally to all minerals as well as for those that are specifically designed to meet the needs of specific minerals or groups of minerals. The general objectives of policy on solid minerals include the following:
- (i) increasing public awareness of the endowment of mineral resources and their strategic role in the socio-economic and industrial development of the country;
 - (ii) acquisition and dissemination of detailed and reliable information on the geology of the country establishing the quantity and quality of solid mineral endowments;
 - (iii) orderly development of these resources for real economic growth, improvement in the living standards of the people and creation of favourable investment climate;
 - (iv) diversification of the primary mineral products through exploration and establishment of reserves;

- (v) enhancing the utilisation of the mineral resources through research into efficient extraction methods and wider application and use of minerals as raw materials;
- (vi) ensuring adequate supply of mineral resources for development and for maintenance of national security;
- (vii) encouragement of the private sector to take the leadership in the expansion of the sector and being assured of reasonable returns on their investment.
- (viii) encouragement of the acquisition of technology by indigenous operators for the overall development of the country's mineral resources,
- (ix) accelerating the development and utilisation of technical and professional manpower resources.

35 These objectives are very well taken care of in the provisions of the Minerals Act (1946) and Allied Regulations and Decree No. 24 of 1984. Government shall expand the provisions to cover the incentives for investment in the solid minerals sub-sector and to take care of the environmental impact of such developments.

5. ROLE OF THE STATE AND THE PRIVATE SECTOR

36. Previous policy statements have stopped short of clearly defining the roles of the state and the private sector respectively. They have always ended in exhortations that the private sector should be welcome and should lead the development of solid minerals and should be encouraged to utilise mineral raw materials for industries.
- 37 In the present Statement, government has put forward a clear presentation of the respective roles of the public and private sectors in the exploitation of the mineral endowments.

THE STATE

38. The role of the State is clearly indicated in two areas in which the State alone should have exclusive competence:
- (i) Geological Survey - It is an accepted fact that the rate of development of the solid mineral sub-sector depends crucially on the extent to which the Department of Geological Survey carries out its duties to the nation and

to the Ministry in providing ground, aerial and geophysical survey data on the mineral resources of the country. The Department would have to carry out geological mapping at the appropriate scales for identifying the locations of the mineral resources, undertake primary exploration to yield the initial indications of the size, quality and nature of the occurrences in the minerals concerned; and carry out detailed exploration to assist the further and fuller exploration that may have to be undertaken by the prospective investor be it from the private sector or government.

- (ii) Mines Department - The Mines Department of the Ministry is the Government's agency for the execution of policy and the enforcement of the laws and regulations relating to prospecting and mining and for the supervision of mining parastatals.

Location Control

- 39. Under existing laws and regulations only the Federal Government has the power to authorise any form of mining activity. The miner has, however, to process his application through several layers of subordinate authorities: the local landowner or community for access to the mine land, the local government authority or its consent, the State Departments of Agriculture and Forestry for land use evaluations, the State government for authorization under the Land Use Decree and the State Surveyor-General for a final survey plan. These give rise to long delays as the procedural reports must be filed in before final approval is granted. In view of the heavy load on the State Surveyor-General's office, the applicant is encouraged to organise the final survey by a surveyor of his choice, with the approval of the State Surveyor-General to back up his application;
- 40. The current procedure is that applications for quarrying licences are submitted to, and approved by, the resident Federal Mines Officer in the State but quarrying leases are approved and issued by the Minister after receiving favourable procedural reports referred to above.
- 41. Exclusive Prospecting Licences and Mining Leases are approved by the State Governor under delegated powers after due compliance with the procedure provided the area covered is no more than 8 sq miles (21 square kilometres) or 200 acres in respect to prospecting licences or mining leases respectively. For

leases in excess of 200 acres, concurrent approval by the Minister as well as the State Governor is required. Special Exclusive Prospecting Licence is issued only by the Minister without delegation of authority.

42. The primary aim of any rearrangement of the present practice must be to speed up the processing of applications and to provide for efficient and effective control of the operations. What is at issue is whether with the number of states, it is wise and conducive to good governance of the subsector to delegate the control, administration and supervision of the entire range of operations to so many units. It is expected, and indeed desirable, that the state and local governments should incorporate expectations from solid minerals in the states when formulating their development plans. Government has considered how far the regulatory powers and controls now located with the federal government should be decentralized, how far the local governments and communities should be involved by helping to achieve sustainable development of solid minerals and how to clarify the role of the State and local authorities in the control and regulation of mining operations since their income will come partly from the revenues derived from mineral sources.
43. To improve the process of obtaining approvals and to avoid conflict of jurisdiction, and to satisfy both the clamour for decentralisation and the need for some delegation it is now proposed to establish in each State a Mineral Resources Committee to meet regularly, at least once a month, to process mineland applications except for quarrying licences and prospecting rights. Its recommendations will be forwarded to the Minister for consideration and decision for the issuance of a permit, licence lease as the case may be. Government shall set a time limit for the processing of mineland applications. The Committee will comprise the following
- (i) The State Commissioner responsible for mineral related matters
(Chairman)
 - (ii) The resident Federal Mines Officer (Secretary)
 - (iii) The Director -General of the State Ministry of Agricultural Forestry
 - (iv) The State surveyor -General
 - (v) The Appropriate Representative of the Local Government Authority.

At each session of the committee the landowner and the applicant are entitled to be heard when necessary. The establishment of this Committee will go a long way to ensure that the state and local governments; and local communities fully identify

themselves with the development of solid minerals in the States and that they share in the responsibility to facilitate and speed up the process of approvals.

Information and Data Bank

44 It has become embarrassing to find that data emanating from Nigerias apparently impeccable sources are often unreliable and contradictory; this is all the more indefensible with respect to reserves. As this trend is bound to discourage potential investors, the Ministry will establish a data bank on Nigerian solid minerals which would be made available to prospective investors in the form and on terms that would facilitate early exploitation. Such a data bank will also assist the Ministry in its strategic planning, monitoring and control of the developments in this sub-sector.

45 The State has responsibility in the marketing of its potentials in the field of solid minerals. Using the Nigerian Embassies and High Commission abroad as well as the counterpart Foreign Missions in Nigeria, the Ministry shall make available to the potential foreign and domestic investors docket of the basic and salient information on the solid mineral endowment in such a form as to attract the potential investor to make further inquiries. This docket will include information on the incentives granted in this sector.

In addition, the Ministry will, prepare a more fully documented docket of geological and geophysical data on specific minerals including more details of incentives for distribution to targeted potential foreign investors; the Ministry will, as the need arises, utilise the services of outside specialists to assist it in further and fuller documentation for presentation to interested outsiders.

46. The incentives to be made available to private investors, domestic and foreign, shall be brought together in one document and made readily accessible to investors. The incentives required in this sub sector shall be deeper and more far reaching than those available to investors in the manufacturing industries.

Human Resources Development

47. Government has a major role to play in the development of the manpower required for this sector. At the level of artisans and lower level technological manpower, existing institutions for training appear in adequate. But at the professional level of geologists, geophysicists, mining engineers and metallurgists, Government shall provide more support for the existing facilities

for the training and upgrading of the professionals. There are currently eighteen (18) Universities offering courses in the geosciences but only one University and three Polytechnics offer mining engineering. Because of limitation of funds, Government has selected for additional support four Institutions that offer postgraduate courses in geosciences, namely; Federal University of Technology, Akure (FUTA), Ahmadu Bello University (ABU), University of Ibadan (UI), University of Nigeria, Nsukka (UNN) and shall also assist them to develop departments of mining engineering. This selection is justified by the fact that FUTA is the only institution that offers courses in all fields of geosciences including mining engineering and metallurgy as well as postgraduate courses in these fields; the other three institutions currently run postgraduate courses in the geosciences and have established their reputation as centres of excellence in these fields.

National Mining and Geological Institute

48. The National Mining Institute, Jos, was approved in the 1980's to train mining engineers for the solid minerals sub-sector. It is still to be fully established although the need for its services are now even more urgent. The Institute will be developed quickly to fulfill its mission as originally designed. It shall, along with these original functions in mining engineering, carry out the task of co operating and collaborating with the University community in the area of research and training in the geosciences. Because of its special position and superior equipment and contact with the minefield environment, it stands the best chance of helping to upgrade the research of the Universities not merely by the courses it offers on its own but also by drawing on the Universities for short assignments for their teachers and thereby giving them the necessary exposure to practical and laboratory work. It shall also provide for the public and private sector alike laboratory services for rock and mineral identification and for mineral identification. It will thus not only fill the gap in the training of geoscientists through remedial courses and enhanced exposure, but will also further provide a link between the trainers and the user of the graduating students. The institute will thus complement the Research and Development efforts of the private mining companies, the Universities and similar Research Institutes. To reflect the scope of its expanded function, the Institute will be renamed the National Mining and Geological Institute.

49. There has been also a crying need to establish a gemological laboratory and lapidary training facilities originally conceived to be located in the School of Mines, Jos with additional facilities for research. The future of the Nigerian gemstone industry clearly lies in creating saleable products using the medium grade rough that is produced. With the potentials for large revenues from this source through more efficient beneficiation, processing and marketing, the need for organisation and training of specialist workers in this field can not be disputed. The National Institute shall provide these services and offer training in gemology and allied subjects.

Financial Support By The State

50. It is accepted that the Government can, and should offer, financial support to private operators for the rapid development of solid minerals. The debate has often been in relation to the vehicles to be used for such assistance. One clear way is through revenues forgone by the grant of fiscal and other incentives. A more direct contribution could be made, however, either by creating a completely new financial institution for this purpose, or by using existing development financial institutions like the NIDB, NEXIM, NERFUND etc. each in the manner most appropriate to it for rapid and effective disbursement of resources to prospective and actual miners especially small and medium scale operators. It is recognised that, over the years, NIDB has built up an experience in the handling of applications for loans from miners on the higher scale and the small scale operators. This shall be encouraged by injection of funds to enable it open a wider window not only to cover exploration and development costs at affordable interest rates but also to cover the needs of very small scale miners.

Similarly, NEXIM has experience in financing enterprises at lower than current market rates for the importation of equipment. NERFUND was also set up for the same purpose to cover not only import costs but also local working capital requirements. These institutions are designed to assist indigenous small and medium scale businesses. The government shall provide them with the assistance required to optimise the use of these institutions by genuine miners who can satisfy the minimum requirements for borrowing at concessionary rates. In that situation, therefore, strict criteria of eligibility shall be enforced by these institutions to ensure that the recycling of resources would lead to growth.

Solid Minerals Development Bank

51. A scheme has been canvassed for Government to establish a special bank, a Solid Minerals Development Bank, either on its own or in conjunction with private interests, for the purpose of financing various stages of mining operations. Such a scheme leaves open the question of sustainability of funding. A once and for all injection of exchequer funds to establish such a Bank will soon peter out and the Bank will soon find that it cannot maintain its momentum. Sources of replenishment of funds appear, for the moment and for the foreseeable future, very much in doubt in view of the extra long gestation period of investment in this sub-sector. Besides, the individual needs of the miners would often be such that a few loans may very well exhaust the resources of the Bank unless the replenishment can be guaranteed as a matter of routine. It is clear that by the time the requirements of the existing institutions are met, it would not be possible to create sufficient additional resources for funding, *de novo*, a development bank dedicated to this sub-sector. Government shall, therefore, use existing institutions that have already built up some experience and have acquired the technique for handling the financing needs of this sub-sector rather than create an entirely new institution.

The Private Sector

52. Government will give and provide all encouragement necessary for the private sector to play a meaningful and effective role and earn its just rewards on its investment in this subsector. The private sector is expected to take full advantage of the "detailed exploration" undertaken by the Geological Survey Department. It is expected that most of the mining activity would be undertaken by the private sector and for this reason the private sector will be actively encouraged to establish raw material testing centres for the evaluation of mineral resources with a view to continuously improving the technology, product design specification and quality for the industry. Government will make available to private investors the results of its research in the most effective way of mining and extraction of minerals. To encourage private capital inflow from abroad, the Government has already promulgated the Nigerian Investment Promotion Commission Decree No. 16 of 1995 and the Foreign Exchange Monitoring and Miscellaneous Provisions Decree No. 17 of 1995.

53. The government will create an enabling environment for the private investors, both foreign and domestic, by providing roads, power and water to the mines fields and allow concessionary duties on importation of mining equipment, tax holidays for the first few years of operation and such reliefs as may be determined from time to time by government depending on the type and strategic importance of the minerals concerned. Government will also facilitate and expedite the issue of rights, exploration permits, visas, and residence and work permits for foreign Investors.
54. There are some non metallic minerals that are ready for immediate exploitation because the market is already well established and the data on the minerals are fully documented; these are dolomite, marble, kaolinite, baryte, diatomite, feldspar, quartz, etc. There are a few metallic minerals that fit this class: columbite, cassiterite, tantalite, lead and zinc, etc. The Ministry shall undertake more aggressive promotion of these minerals and the incentives for their exploitation, and for the private sector to take advantage of the incentives being offered.
55. Similarly, steps will be taken to create and stimulate the demand for solid mineral products for existing and future industries; the Raw Materials Research and Development Council shall be encouraged, along with the existing Development financial institutions, to focus more attention on the attainment of self sufficiency in the use of industrial mineral raw materials.
56. Government has introduced a package of incentives for the manufacturing industry in the recently promulgated Industrial Policy. These cover pioneer status and accompanying reliefs, fiscal incentives for research and development, enhanced capital allowances, tax-free dividends for a number of years, export promotion schemes and incentives, etc. Further, government is already offering special incentives for the mining industry in the form of enhanced tax holidays for three to five years deferred royalty payments depending on the magnitude of the investment and the strategic nature of the project. Because of the special nature of mining investment, additional provisions are also being considered with respect to capitalisation of expenditure on surveys and prospecting operations. It is expected that these incentives, being additional to those already in place for investment in industrial and manufacturing projects, will lead to a faster rate of investment in major mining ventures.

57. Government will give every encouragement to local processing of minerals prior to export. Government will therefore encourage the establishment and full utilisation of processing facilities not only to enhance the value added to exports but to uplift the acquisition of technology in the processing and handling of solid minerals.

Deregulation of Mineral Exploitation

- 58 Minerals like coal, iron ore and bitumen are at present under the complete control of the government both in exploration and exploitation. For example, Itakpe iron ore deposits are already being exploited for the Ajaokuta Steel Industry. Other deposits abound in different parts of the country which need not be dedicated to the particular steel project of the government. It is known that substantial reserves exist in other parts such as in Udi plateau in the East, Mam and Brinin Gwari in the Northwest, Agbaja plateau and Muro in the central region; however, it is only the Itakpe and Chokochoko reserves in the Okene district with proven reserves of some 300 million tonnes that are now being exploited for the Steel plants. The total installed capacity of the steel plants at Ajaokuta and Aladja can take only a minor proportion of these iron ore reserves. It is necessary therefore for the full exploitation of the iron ore deposits in the country that the private sector be enabled, and indeed encouraged, to intervene in this activity for the benefit of other future steel plants. Similarly, the present mines being controlled by the government for specific industries shall continue but other deposits in the nation shall be free to be exploited by the private sector. With respect to coal mining, Government shall review the current provisions of the law to allow freer flow of private sector investment and easier access to mining titles. Government will set up a machinery to monitor, regulate and control the production of such minerals to the best interest of the nation.

6. SPECIAL PROBLEMS OF THE SOLID MINERALS SUB-SECTOR

Problem of Small Scale Miners

59. Government has long realised that the growth of any industry, be it manufacturing or mining, is best promoted by the efficiency of small scale operators; they provide most of the employment and generate the diffusion of

technology far more effectively than a small cluster of very big operators. For example, in the petroleum industry dominated by a few giant operators, in spite of the enormous contribution of this sector to the public revenues, these giants directly employ no more than 10,000 persons. For this reason, special attention shall be given to the problem of small scale miners to identify their special needs, their requirements and capabilities and the constraints to their rapid development and growth.

60. Not every mineral deposit is of interest to the large scale miner. There are deposits whose reserves or geology would not warrant the investment in capital and equipment that would justify exploitation by a large scale investor for a short period. Such deposits are attractive to small scale miners with very little investment in equipment and overheads.
61. Their problems range from difficulties in obtaining title to the minelands to lack of access to finance for their initial development and working capital, lack of information about markets, lack of access to technology arising either out of ignorance or lack of the basic technical skill to be able to utilise the current technology. The small scale sector is therefore unorganised, haphazard, and often disorderly in its operations. If the needs of this group can be substantially met, they could make a great contribution to the growth of the economy. For this reason, special programmes of assistance will be developed for financial intermediation, technical extension services both for production and for product handling and micro processing and packaging for the market, for assistance in organisation into co-operatives or joint stock ventures, for organisation of the market etc.

Illegal Mining

62. Mining is illegal where it is carried out in land:
 - (i) not under any mining title;
 - (ii) under a title but not for mining;
 - (iii) under a mining title but in some one else's name;
 - (iv) in respect of which application for mining lease has not yet been approved.
63. With the very wide dispersal of mineral deposits all over the country, the contingency of illegal mining is pervasive; it involves traditional miners who have lost their regular jobs as paid miners, people who are trying to eke out a

- living in mining areas, applicants who cannot wait so long for delayed approval for their applications, government officials who get involved for pecuniary motives, merchants who encourage the illegal miners to sell their products to them and thus provide a ready market for the minerals at prices higher than they would have otherwise fetched, non miners who buy minerals from holders of Form K licences issued for specific minerals like tin, columbite, tantalite and gemstone destined only for export and use this vehicle to repatriate their naira holdings at all costs. This last group are mostly foreign speculators who do not want to go through the normal channels of converting their naira holdings into foreign exchange through the Central Bank procedures.
64. Illegal mining gives rise to environmental degradation, utter disregard of safety and health requirements, loss of revenue to government and general lawlessness and disorder in the minefields.

Measures to Curb Illegal Mining

65. The Government shall strengthen the Inspectorate Division of the Department of Mines as well as re-educate the inspectors on their duties.
66. Similarly, the Government shall exercise more stringent control of the issue of Form K licences to ensure that they are not abused. These licences were designed to be issued with respect to controlled minerals: ores of tin, niobium, tantalum, tungsten, zinc, radio active minerals, uncut diamonds or any other minerals that the Minister-in-Council may, by notice in the Gazette, so declare as controlled. Additional minerals have since been added: gemstones, Industrial minerals like barytes, gypsum, limestone, dolomite and kaolin. These licences permit the holder to purchase and possess these minerals. Often, however, the practice has been that the holder makes copies of the licences and uses them to purchase and trade in these minerals. The Ministry will institute procedures to ensure compliance with the provisions of the law not only on the issuance of Form K but also in policing the export of the minerals covered by Form K. The Ministry shall also monitor and regulate the operations and activities of mineral processing facilities.
67. In addition, public enlightenment campaigns will be mounted to get the state and local governments, traditional rulers and communities to understand their interest in the curbing of illegal mining activities. More importantly, as the practice of illegal mining is all pervasive, the miners will be encouraged to

regroup themselves into co-operatives and seek to obtain licences issued to them as a body. Government recognises the assistance that it can obtain from the Miners Association of Nigeria in its effort to curb illegal mining. Government shall reintroduce minefield police in sufficient numbers and trained specially to enforce the regulations under the general direction of Mines Inspectorate Department. Government recognises the need to provide what may be called extension services to small scale miners by bringing to them the elementary techniques, technology, information, organisation both of production and of markets, resources for leasing of equipment and other facilities to enhance the quality of their operations. This task shall be undertaken by the Mines, Engineering and Parastatals Department for the orderly exploitation of those solid minerals that lend themselves to small scale operations.

CROSS-CUTTING THEMES

68. There are three themes that cut across policy considerations and measures; first; environment, health and safety, second; research; development, training and technology; and third; efficiency in supply and use of solid minerals. Environment, Health and Safety.
69. Issues connected with environment, health and safety form an integral part of development policy and even more so in the area of solid minerals development. At the level of the household the use of solid mineral fuels like coal creates environment and health hazards to the consumer and the householder; these can be moderated by technology in the development of low smoke emitting coal briquets and stove design. At the national level, the degradation of the environment and the safety hazards associated with the bundling of metals like lead and zinc, or the management of radio active minerals, the erosion connected with quarrying for sand and laterite and clays are very well established. It follows therefore that the environmental impact and health and safety concerns need to be incorporated from the beginning in any mineral development project. The Ministry will therefore take these considerations into account in the execution of its policy for solid minerals development. It will strictly enforce mining regulations on environmental protection and safe mining and, in co-ordination with the Federal Environmental Protection Agency (FEPA), ensure that the environment is well protected and restored after any mining activity.

Training, Research and Technology

70. The Ministry together with the mining industry itself has a responsibility for identifying, monitoring, evaluating and adapting existing systems and technology and for promoting new technology in the development of solid minerals. More importantly, research results shall be communicated to potential users not only in government but also in the private sector, the universities, polytechnics and research institutes. The Department of Planning, Research and Statistics (DPRS) in the Ministry shall be staffed with qualified professionals who can bring credit to the department. Only such professionals can judiciously assist government to channel resources for outside research in institutions where the rewards would justify the expenditure.
71. In the same vein, the dearth of professional resources constitutes the most effective blockage of development efforts in this subsector. The Department of Geological Survey has only about 170 professional geologists and geophysicists. This is grossly inadequate. A rapid upgrading of the professional strength and quality of the scientists in the Department of Geological Survey is critical for the successful geological mapping of the country, for the exploration and investigations required to facilitate private initiative and for the build up and dissemination of accurate and up to date information and data on the country's solid mineral endowments. The shortage of qualified staff highlighted above about the Geological Survey Department applies even more acutely to the Mines Department. Government will therefore speed up the recruitment and development of manpower in both Departments.

Motivation of Staff

72. To motivate the staff for the effective and efficient implementation of the objectives of policy, Government will revise upwards and ensure prompt payment of the allowances of field staff and provide them with adequate equipment and logistic support.

Efficiency Considerations

73. The undeveloped state of the solid minerals sub-sector is indicative of ineffectiveness in resource use in the country. Not only is the bulk of the solid mineral endowment not yet fully investigated, but even those that have been investigated are not being exploited. The creation of the Ministry for this

purpose shall redeem the country from its singular dependence on oil petroleum and lead to the diversification or the use of its mineral resources. But this shall be conducted efficiently to ensure that public and private resources ploughed into the field are used in an optimal manner for the benefit not only of the operators but of the society at large.

74. For this purpose, the Ministry will undertake to carry out a campaign of enlightenment to create awareness among specific target audiences to prompt them to action. The Ministry would undertake scoping studies in the field of education and training, information and management for specific mineral based industries. It is thus evident that the state has a crucial role to play in introducing solid minerals development into the current psychology of the Nigerian entrepreneur and, by regulatory procedures, establish standards of efficiency in the use and supply of solid minerals.

8. RESTRUCTURING THE MINISTRY OF SOLID MINERALS DEVELOPMENT: THE DEPARTMENTS

75. Following the creation of the Ministry in 1995, the structure approved for it ran along conventional lines of having three core service departments of Finance and Supplies; Planning, Research and Statistics; and Personnel Management and two main branches of Mines and Geological Survey. Each of these is headed by a Director. Three Units serve the office of the Minister: Audit, Legal and Public Relations.
76. With respect to the restructuring of the Ministry proper, several options were considered and it is proposed that in addition to the three core Departments of Finance and Supplies; Planning, Research and Statistics; and Personnel Management, there should be five technical Departments; two of them grouped under Mines: Mines, Engineering and Parastatals and Mines Inspectorate and three under Geological survey: Regional Geology, Mineral Exploration, Applied Geology and Documentation. The Mines Inspectorate will be sufficiently strengthened to cope with the degree of surveillance required to check abuses in the minefields and to curb illegal mining activities as well as ensuring that the revenues due to the Government are properly assessed and collected. It will also maintain strong cadastral survey unit for plotting mineland applications. Similarly, the Department of Mines, Engineering and Parastatals will, in addition to its functions, be responsible for the extension

- services recommended for the small scale miners in training, equipment leasing, organisation for production and marketing. The Department will also be responsible for marketing Nigeria's possibilities in this subsector to interested third parties and for promoting private foreign and domestic investment in solid mineral exploration and development.
77. The 1971 Policy on the Development of Solid Minerals in Nigeria divided the country into seven zones for the purpose of geological and geophysical investigations. Whilst accepting this policy, the Ministry has since gone further to establish an office in each State of the Federation. Twenty-five of these positions have now been filled and the rest will be filled in due course. To further strengthen the Ministry's efforts in this regard, it is propose to establish six zonal offices fully manned and equipped with staff and materials from Geological Survey and Mines Departments of the Ministry. This arrangement will provide closer supervision of the state Offices and will improve the supervision and control of mining activities and the co-ordination of geological and geophysical exploration, zone by zone and mineral by mineral.
78. As is the common practice in most countries, the Geological Survey Department shall be converted into an Extra-Ministerial Agency under the purview of the Ministry which will act on behalf of Government on all geological matters. In this capacity; it will be better placed to serve all interests of Government and the private Sector over and above the particular needs of the solid minerals subsector. The Agency will be called the Geological Survey of Nigeria. Government realises, however that while arrangements are being made to realise this objective. The Department will have to be restructured in the interim into three departments along the lines recommended in paragraph 76 above. Accordingly, the most senior Geologist as the Director of Geological Survey of Nigeria will be placed in charge of regional Geology and will co ordinate the work of the other two Directors. Consequent on the creation of the Agency, the two existing Departments of Mines Inspectorate, and Mines, Engineering and Parastatals will be restructured appropriately by the Ministry.

PARASTATALS

71. There are parastatals under the Ministry: Nigerian Mining Corporation, Nigerian Coal Corporation, Nigerian Uranium Mining Company and an Implementation Committee on the Bitumen project. There are, however, other

parastatals under other Ministries whose functions and duties interface with those under the Ministry of Solid Minerals Development: the Nigerian Iron Ore Mining Company, National Steel Raw Materials Exploration Agency, National Metallurgical Development Centre, Raw Materials Research and Development Council.

The Nigerian Mining Corporation

80. This Corporation was established by Decree No.39 of 1972 to develop solid minerals other than coal and iron. It has entered into ventures for the mining of barytes, kaolin, tin-columbite etc. Its operations are commercialized in line with the recommendations of the Bureau of Public Enterprises (BPE) and it is to hold no more than 40 percent in its subsidiaries. It undertakes full exploration for minerals, taking over the search where the Department of Geological Survey leaves off, namely at the stage of detailed exploration. The Nigerian Mining Corporation is thus expected to undertake fuller exploration and mining development. The funding of this Corporation from public funds should diminish as its investment in joint ventures begins to mature.

Nigerian Coal Corporation

81. Established in 1950 under the Coal Ordinance No. 29, this Corporation operates some underground mines in Enugu and major open cast mines in Okaba and Owukpa. It is being commercialised in accordance with the recommendations of the BPE and has tried to go into joint ventures on equity participation basis for the mining of coal. It is now regarded as a Holding Company and is now considering joint ventures on a product sharing basis so as to attract private investors into the industry.

The Nigerian Uranium Mining Company

82. The Nigerian Uranium Mining Company was incorporated to explore and mine uranium and is currently in the Ministry as a project of the Department of Geology Survey. It should continue to pursue the completion of exploration which it started in the northeastern zone of the country.

The Bitumen Project

83. The Bitumen Project was under the management of an Implementation

Committee set up under the Presidency in 1989 to promote the exploration, exploitation and utilisation of bitumen. The project is now under the Ministry and the entire bitumen belt has been mapped and divided into blocks to be granted as concessions to investors.

Analogous Parastatals

84. Nigerian Iron Ore Mining Company was established to produce iron ore for the Steel plants. It should remain where it is with the Steel sector but the development of other iron ore deposits outside Okene district should not be constrained by the needs only of the Steel plants and should be opened up to private sector investment for the optimum exploitation and use of this raw material.
85. The Nigerian Metallurgical Development Centre is active in research in mineral processing and downstream utilisation studies on minerals. It is currently focussed on the steel sector but should expand its scope to other metallic minerals. The expanded National Mining and Geological Institute should find ways of collaborating with this Centre for the most effective use of the resources of both institutions in materials and manpower.
86. National Steel Raw Materials Exploration Agency was designed to accelerate the realisation of the Steel project by concentrating on the critical areas of exploration. With geologists constituting over 70 percent of the staff of this Agency, the creation of a Ministry of Solid Minerals Development warrants a review of the relationship between the Geological Survey Department and this Agency whose exploration functions are parameter specific for the steel industry. What is important is to avoid undue duplication of effort in the field of mineral investigations and to ensure a very close collaboration with the Geological Survey Department. In any case, since this Agency and the Nigerian Mining Corporation both engage in the search for materials used as fluxes for the steel industry as well as in other industries, frequent co-ordination of their operations would be necessary. The Agency should, like the Nigerian Mining Corporation, apply for exploration and mining titles for its operations.
87. Raw Materials Research and Development Council has functions to integrate the search and use of local raw materials including minerals in the public and private enterprise sectors. It has created an awareness of the available mineral raw materials.

88. It should be evident that in very many areas, the functions of these parastatals overlap with those of the institutions under the Ministry of Solid Minerals Development. Each of them has in its portfolio responsibilities that can be assisted or facilitated by closer interaction with one or more of the agencies of the Ministry. For example, the development of iron ore deposits other than at Itakpe and Chokochoko which are dedicated to the Ajaokuta and Delta steel projects, the extension of the activities of the Metallurgical Development Centre to cover other metallic minerals than iron, the search for other steel related minerals and the need for more intensive exploration for certain mineral raw materials -these requirements warrant, as a matter of urgency, the creation of a forum for joint consultations, planning and co-ordination of the actions and operations of all these agencies. Only by this can the country avoid unnecessary duplication of effort and waste of resources. To this end, it is proposed that the Ministries of Solid Minerals Development, Power and Steel, Industries, Science and Technology, Finance and Planning hold periodic meetings at the appropriate level with the Chief Executives of these parastatals whose roles have been reviewed above, to iron out conflicts of jurisdictions and of interests, harmonise their programmes and mutually assist each other to realise the objectives set for them by the enabling instrument under which each of them was created. At appropriate intervals, the Ministers themselves would meet to give their stamp of approval to the agreements and conclusions reached by the officials.

9. AMENDMENT TO EXISTING LAWS AND REGULATIONS

89. To ensure the proper execution of this policy, the principal legislation; in the Minerals Act shall be amended to incorporate:
- (i) the provisions for quarriable minerals covered in the Quarries Act;
 - (ii) the provisions for coal covered in the Coal Corporation Act suitably amended to remove any provision limiting direct access to mining titles in respect of coal by private investors;
 - (iii) a reduction in the category of mining titles by removal of the category of "Mining Right" in order to simplify the categories of mining titles and permits.
 - (iv) requirement for foreign applicants for mining titles to incorporate in Nigeria for the purpose of acquiring mining title.

- (v) an amended definition of the term "minerals" to include bitumen and tar sands.
90. It is further proposed to amend the Act and accompanying regulations to:
- (i) provide for an obligation on the investor to arrange insurance cover for liability for pollution and the expense of cleaning up;
 - (ii) oblige a miner to prepare and submit an emergency procedure and safety plan before the commencement of operations;
 - (iii) require a miner to furnish the Ministry with reports on safety and environmental protection, and to provide the environmental inspector with all the necessary facilities and assistance;
 - (iv) revise all the fees, rents and royalties payable so as to optimise revenue;
 - (v) limit the maximum duration of mining leases to ten years subject to renewals on meeting laid down criteria provided that the Ministry may require the leasee to relinquish any parts of the leased area not being worked by the leasee up to maximum proportion of the area;
 - (vi) update the minimum work obligations of title holders and make clearer the conditions under which titles can be revoked for non performance;
 - (vii) extend the application of the Act to include the Contiguous Continental Shelf and Exclusive Economic Zone (EEZ);
 - (viii) change the term "the state" to "the Federal Government Nigeria" in the section vesting the ownership rights in all minerals in the Government;
 - (ix) set out the procedure for applying for mining titles as contained in paragraph 43 hereof;
 - (x) extend the Form K licensing and reporting requirements to all those processing or handling controlled minerals and not just purchasers;
 - (xi) revise the sanctions on illegal mining to include stiffer penalties.
91. Other mineral specific or institution specific legislation are to be amended to:
- (i) transfer the authority to issue the licences for possession, buying, selling, importing or exporting diamonds under the Diamond Trading Act from the Ministry of Trade to Ministry of Solid Minerals Development.
 - (ii) vest the authority to issue trading licences under the Gold Trading Act with the Head of Mines Inspectorate rather than the Chief Inspector of Mines;
 - (iii) transfer to the Minister the power of the Corporation to make bye-laws under S. 17 of the Nigerian Mining Corporation Act;

- (iv) provide for the Ministry to be represented on the Council of the National Steel Raw Materials Agency, the Natural Resources Conservation Council, the Raw Materials Research and Development Council by suitable amendment to the enabling Acts creating these bodies;
 - (v) extend to the Federation the application of Part (II) of the Tin (Miscellaneous Provisions) Act currently restricted to the Northern States.
 - (vi) Substitute Director of Mines Inspectorate for Chief Inspector of Mines in all enactments where the latter appears;
 - (vii) Take illegal mining out of the purview of the Miscellaneous Offences Decree 1984 in view of the revision of the sanctions contained in the Minerals Act.
92. The objective of the Ministry is to make the laws governing solid minerals clear and definitive and, as far as is possible, contained in one principal law. It is recognized that overseas investors would wish to study the relevant legislation's governing operations in this sector before making their final investment decision. It is thus easier for them if there is one final and principal legislation embodying the provisions scattered through so many laws and regulations. While efforts are being directed to this end, the Ministry will therefore collect all relevant enactment, in one document, which will be readily available for wide dissemination. This will satisfy one of the most important elements in the success of a system of laws: the second element is to ensure that the mechanism for the administration of the system is effective. This can be achieved by the Ministry being a one-stop agency for applications with respect to mining of solid minerals. Through the Mineral Resources Committees at the State level proposed in the foregoing sections, the Ministry will, in effect, ensure that it assumes fully its responsibility for obtaining all the local approvals and consents necessary for the issuance of a licence or lease. It will additionally save the prospective miner from the burden of having to apply to a multiplicity of authorities at Local, State and Federal government levels as well as to the owners/occupiers of the land and adjacent buildings to gain access to the land. Thirdly, by appointing only technically qualified staff, the Ministry will assure prospective investors that their applications will be evaluated objectively with right of appeal to the political head of the Ministry.