

IMPACT ASSESSMENT AND THE MINING INDUSTRY: PERSPECTIVES FROM TANZANIA

IAIA'04

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The logo for IAIA'04 Canada, featuring the text "IAIA'04" in a bold, sans-serif font above the word "Canada" in a smaller, sans-serif font, all contained within a dark purple rectangular background.

INTRODUCTION

- ❖ Mining is one of the main growing sectors in Tanzania
- ❖ Over the past decade, the global mining industry has undergone dramatic changes that may have far-reaching implications for Tanzania
- ❖ The mining sector in Tanzania is expected to contribute over 10% of the GDP
- ❖ In order to take advantage of these opportunities the mining Sector in Tanzania decided to shift towards a modern and viable mining industry

TANZANIAN ECONOMIC REFORMS AND RESTRUCTURING

- ❖ Recently the Government of Tanzania has undertaken major economic reforms and restructuring in favour of private sector development and market-oriented economic management
- ❖ The role of the government has shifted from owning and operating the mines to providing policy guidelines, stimulating private investment and providing support for investment

TANZANIA'S MINING SECTOR POLICY OBJECTIVES

- ❖ To increase national economy, the GDP and foreign exchange earnings
- ❖ To alleviate poverty through gainful and secure employment
- ❖ To provide alternative sources of income for rural population
- ❖ To ensure environmental protection and management

MINERAL SECTOR POLICY IMPLEMENTATION

- ❖ Since 1998 Tanzania has been opening one large-scale gold mine every year
- ❖ Currently the country has mining investment worth over 1 billion US dollars and boasts of 6 modern gold mines producing 1,500,000 ounces of gold worth >400M US\$ annually
- ❖ By early 2005 one more gold mine would be brought into production making a total of 7 modern gold mines in seven years
- ❖ There is also the old Diamond mining in Mwadui (see Map)

LOCATION OF LARGE –SCALE MINING SITES IN TANZANIA



STATUS OF EIA IN TANZANIA

- ❖ Since the first EIA process in Tanzania in 1980, EIA practice has evolved slowly, while adoption of national EIA policy and legislation, has been even slower
- ❖ To-date, about 100 EIA processes may have been undertaken, mostly to fulfill donor requirements
- ❖ In 2000, a study was commissioned to streamline institutional and legal framework for environmental management in the country and a draft bill on the same is soon to be submitted to Cabinet
- ❖ National capacity to manage EA has been limited due to lack of coordination: the institution responsible for managing EIA is purely advisory, without legal enforcement powers, shortage of expertise and its lack of representation at local levels

STATUS OF EIA IN TANZANIA (cont'd)

- ❖ Despite the slow progress at national level, there have been some notable initiatives to incorporate EIA at sub-national level
- ❖ Draft national EIA guidelines exist and are being incorporated in an EIA Law being prepared
- ❖ The draft environmental bill proposes establishment of a national Environmental Regulatory Body (ERB) that will oversee Environmental Units (EUs) at district and sectoral levels

EIA AND LARGE-SCALE MINING IN TANZANIA

- ❖ Relatively comprehensive EISs have been prepared before mining commenced in all mining developments
- ❖ EIAs are usually undertaken using both foreign and local expertise
- ❖ EISs are reviewed by interdisciplinary review panel chaired by NEMC
- ❖ All mining companies are required to furnish GMPs as a compliance requirement

EIA AND LARGE-SCALE MINING IN TANZANIA (cont'd)

- ❖ Since 2001 mining companies compete annually for the “Presidential Environmental Excellence Award”
- ❖ Environmental excellence relates to quality of process management, socio-economic impacts on surrounding communities and environmental management of the mine site
- ❖ Geita Gold Mine has achieved the international certification for Environmental excellence by attaining the ISO14001 international standard for environmental management

ENVIRONMENTAL IMPACTS OF MINING IN TANZANIA

- ❖ Most of the large-scale mining companies comply with national rules and regulations but they are reluctant to go beyond compliance
- ❖ Local economy benefits directly or indirectly through auxiliary activities rather than through the economic mainstream of the national economy
- ❖ For the last six years mining companies have together contributed <15% of the mining investment to the national economy which is insignificant
- ❖ In a number of cases, the poor local communities have been forced off their land without fair compensation due to low empowerment

ENVIRONMENTAL IMPACTS OF MINING IN TANZANIA (cont'd)

- ❖ Expansion of mining in farmland accelerates food insecurity, generates landless classes, increases poverty and environmental degradation
- ❖ Mining projects being relatively short-lived, are associated with "ghost towns" as mining profits are never ploughed into local development but tend to be deployed in opening new prospects
- ❖ Mining employment can be substantial, but fluctuates with production levels and does not necessarily fall within the locality. Rather, it tends to have a national-wide impact
- ❖ Most of the mining employs "open pit" technology, which tends to permanently damage the area; subsequently it cannot be of any economic or social use

ENVIRONMENTAL IMPACTS OF MINING IN TANZANIA (cont'd)

- ❖ Although EISs submitted by mining proponents indicates commitment towards socio-economic development for surrounding communities, there is limited follow-up of the fulfilment of these commitments
- ❖ Over 50% of the mining employees are originally farmers or civil servants, suggesting that mining relocates people rather than benefiting the unemployed
- ❖ Mining projects are associated with social problems such as prostitution, and sexually transmitted diseases have tended to increase following the intensification of mining activities

POLICY IMPLICATIONS

- ❖ The Mineral Sector Policy is an important tool for alleviating poverty in the country. Since mining companies do not go beyond compliance requirements, there is need to review the mining laws including EIA
- ❖ Although mining projects are located in specific localities, there are regional issues that cannot be addressed by project EIAs. Thus, SEA would more appropriate to deal with such issues