



FEMAPO
P.O Box 16094
Arusha
Tanzania

E-mail: Info@femapo.org
Phone: +255765346970
Web: www.femapo.org

**Report On Research and Monitoring of
The World Bank Sustainable Management of Mineral Resources Project (P151124)**



[Artisanal miners working in in Bahi District at Nholi village]

Prepared with support of the Bank Information Center





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1. Introduction

Tanzania is one of the countries with the largest mining investments in Africa, after South Africa and Ghana. World Bank interest to support the mining sector in Tanzania dates back to 1997 during the Tanzania Structural adjustment program funded by the World Bank and IMF to create a conducive policy environment for private investments to flourish in the country. During this time, the World Bank started to support reforms within the Tanzania mining sector, including financing of the Extractive Industry Transparency Initiative (EITI). In 2009 the World Bank started financing the Tanzania Sustainable Management of Mineral Resources project (50M USD) to strengthen the government's capacity to manage the mineral sector, to improve the socioeconomic impact of large-scale and small-scale mining for Tanzania and Tanzanians, and to enhance private local and foreign investments. In 2015, it provided additional financing of 45M USD to this project, which retained the original project objectives, but put more emphasis on improving the socioeconomic impact of large-scale and small-scale mining for Tanzania and Tanzanians. World Bank involvement in the mining sector of Tanzania has brought significant increase in foreign investments in the sector and growth of minerals exports, particularly of gold. The formalization of Artisanal and small-scale miners/mining (ASM) has also increased government revenues from the mining sector.

However, despite the increase of foreign investments and exports of mineral resources, efforts are still needed for Tanzania to be able to benefit from its natural resources. That is why in 2017 the Government of Tanzania made significant changes to the 2010 Mining Act, and introduced a new Act, which aimed at protecting the mineral rights of Tanzania and making sure Tanzanians benefits from the mineral resources they have. The Government also started re-negotiation of mineral contracts with foreign Investors to increase Tanzania's stake in the benefits from the mining sector. This change has resulted in delay of some of the projects that were to start, for instance the Ngualla rare earth ore mine owned by [Peak Resources](#), an Australian mining company supported by IFC. Other projects also include [oil and gas pipeline](#) which has been stagnant for more than 6 years.

Through this research, the Foundation for Environmental Management and Campaign Against Poverty (FEMAPO), in partnership with Bank Information Center (BIC), aimed to review the impacts of the Tanzania [Sustainable Management of Mineral Resources project](#) (P151124).



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FEMAPO examined 1) its benefits to ASM, 2) to what extent stakeholders were engaged in project implementation, and 3) its environmental and social impacts, particularly in mining communities.

2. Project Overview and Research/Monitoring Objectives

The Sustainable Management of Mineral Resources (SMMR) project (P151124) aimed at building the institutional capacity of Tanzania to manage its mineral resources to increase the socio-economic benefits of those resources. FEMAPO visited ASM sites in Songwe, Chunya and Bahi Districts to establish the project's contribution to growth and management of mining and assess the environmental and social impacts of ASM activities in these areas. FEMAPO specifically looked into the project's impact on children's rights. FEMAPO used the World Bank's policy frameworks to assess the impacts of this project on the communities and especially children. FEMAPO also conducted interviews with key informants at district and national levels to get more information about the contribution of the World Bank project to ASM growth, management, and environmental and social impacts in those areas we visited and in Tanzania nationwide.

3. Key Findings

1) Economic Benefits of mineral resources

One of the objectives of the Sustainable Management of Mineral Resources Project was to increase the socio-economic benefits of mineral resources to the communities in mining areas in Tanzania and for the individuals who employ themselves in the mining sector.

Through our visit to Chunya, Songwe and Bahi districts, we confirmed an increase of ASM activities in these areas, which has increased government revenues both for these districts and for the central government. The number of people who have employed themselves as artisanal miners have increased in these areas. The multiplier effect of ASM activities in other sectors is also very evident as small and medium-sized enterprises have grown in these areas. Because of the Government Initiatives to establish mineral markets in every region where there is mining, this has also increased the growth of other businesses such as hotels, food markets, and other retail businesses.



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2) Increased Institutional capacity to manage the extractive Industry

One of the key objectives of the SMMR project was to build the capacity of Tanzania government to manage its mineral resources sustainably. FEMAPO through interviews with government officials in Bahi, Chunya and Songwe Districts established that there was a significant increase of government recognizing and formalizing ASM in different mining areas. This action has led to a significant increase of local people involved in ASM as miners and as mineral brokers or mineral marketers. According to the Minister of Minerals during the meeting with miners and mineral traders in Chunya District that FEMAPO was privileged to attend, for the last two years, the revenue collection in Chunya District has significantly increased due to the increase of Chunya's gold production from ASM, and this also reflects the government's increased capacity to collect revenues. But despite the success, the Minister said, there are still some unfaithful mining traders who are exporting minerals without paying taxes, and the same day the police arrested several miners and mineral traders for allegedly exporting minerals from Tanzania without paying taxes.

3) Environmental impacts of Artisanal and Small Scale miners (ASM)

FEMAPO also investigated the potential impacts of mining activities supported by the of SMMR project. Through FEMAPO's visits to the mining sites and interviews we conducted with government officials, especially the district environmental officers, it was clear that the mining activities are causing significant damage to the environment as a result of unregulated mining activities.

During FEMAPO's visit to Chunya and Songwe Districts, in one to one interviews with District Environmental officers, they said Artisanal and Small Scale miners are causing environmental degradation in the mining areas as a result of lacking sophisticated equipment for mining, and lack of Capital to rehabilitate the environment after the mining activities have ended. Unlike the large scale miners who have environmental specialists who oversee issues related to environmental management, Artisanal miners have no environmental specialists nor any environmental management plan to protect the environment from the environmental hazards resulting from their activities and the chemicals they use to process the minerals. The Environmental Management of Songwe District said, there is pollution of water sources as mercury and other chemicals are channeled into water sources during rainfall and processing of

gold. This was also true in Bahi and Chunya districts in Dodoma region, as Artisanal miners often did not maintain a waste management pond where chemicals from gold processing should be channeled, hence during the rainy season chemicals are washed into water sources.

Moreover, the holes that are dug during mining of gold are not covered; they are just left open. This has resulted in destruction of the landscape in the mining areas as observed in Chunya, Songwe and Bahi Districts. Artisanal Miners need to be equipped with tools and skills on how they can rehabilitate the environment after mining activities have ended or if moving to another place. Such holes if not covered also can cause serious harm to children and animals, as those areas are also used for cattle grazing, and children are often responsible for grazing cattle in rural areas.



Photo: The environmental situation at the artisanal mining area in Nholi village in Bahi District.

4) The impacts of Mining activities on Child rights

FEMAPO also focused on seeing to what extent children are impacted by the mushrooming of ASM activities in Songwe, Chunya and Bahi districts. FEMAPO interviewed Songwe's Social Development Officer on the impact of ASM activities in Songwe. The Social Development Officer said there is lack of awareness on child rights in the community in general, It is also difficult for them to get information on child abuse; family members do not report to relevant authorities incidents of child abuse as it is termed as a family affair. This hinders their efforts in making meaningful interventions to protect child rights in the ASM areas.

We observed child labor in ASM activities, in Songwe, Bahi and Chunya. Children work as miners or domestic workers, as cheap labor, as they are paid low wages compared to adults. Some children drop out of school as a result of their involvement in mining activities.



Photo: One of the abandoned mining shaft at Bahi Arisanal miners area

Early marriages and pregnancy for girls, though not directly linked to mining activities, was reported as one of the child rights violations, along with other discriminatory acts against girls including being denied their right to education. This was more severe in Bahi district, where pastoralist communities do not give importance to girls' education.

The emergency of fatherless children has been one of the key impacts of ASM activities in the mining communities. ASM activities bring people from different areas to where they have discovered minerals.

Local women build relationships with migrant miners, but when they have finished their business

there, they leave their women with children and they go to another place for mining, hence leaving women as single parents.



5) Inadequate support from the government to implement programs on child rights in mining areas

The Social Development Officers in Songwe District underlined the fact that her department is under-budgeted and therefore they are unable to implement programs on child protection which could cover large areas. According to the Tanzania Plan of Action against Abuse of Children and Women, every district is supposed to have child protection committees from District, Ward and Village levels, but due to limited resources, they have not been able to form these committees and equip them with skills on child rights and child protection.

[Mathias Lyamunda a research in the photo

above entering Songwe Region to visit artisanal miner activities]

6) Prevalence of SEA/H and GBV in the mining communities

The influx of people also has resulted in women's sexual exploitation in ASM areas, including girls being sexually exploited in exchange for transactional goods and services. This has accelerated the rate of infection of HIV/AIDS in these areas. Community awareness programs are required to



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sensitize the community on the negative impacts of sexual exploitation, particularly of underage girls, that may accompany mining activities in their communities.

4. Recommendations

- 1) The government of Tanzania and other key stakeholders of the mining sector, such as the World Bank, should put special emphasis on environmental management in mining areas, especially on Artisanal miners who are currently unregulated and unsophisticated in the means of production, which results in pollution of the environment. This should include a deeper conversation between the Government and the World Bank, Artisanal Miners, and Environmental Justice Organizations, on sustainable means of improving environmental management in mining areas.
- 2) The government of Tanzania, through its National Environmental Management Council (NEMC), should equip Artisanal Miners on how to manage the environment in their mining areas and provide or require environmental management plans, both for individual miners and groups of miners in one place so that they can be in position of managing the environment and rehabilitating it after mining closure.
- 3) There is a need for advocacy and awareness creation on child rights and protection in the areas of Artisanal and Small-Scale mining activities to ensure that children are safe and not harmed in the mining areas. The government of Tanzania should budget for social development activities in mining areas so that more interventions on child protection are implemented.
- 4) The government needs to address and respond to concerns raised in project monitoring about child labor and potential SEA/H of children in artisanal and small-scale mining. In ongoing and future mining sector projects, special attention needs to be made to the effectiveness and accountability of appropriate safeguards. Activities should be planned at both national and community levels to address and respond to these issues. At the same time, the World Bank needs to provide technical assistance for capacity building, safeguarding expertise, and training to address child protection concerns, specifically around child labor and child SEA/H issues in the mining sector.
- 5) The government and other stakeholders should train child protection committees from District to village levels on child rights so that they can monitor and advocate for child rights in the communities.