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**REVIEW THE MINERAL RESOURCES DEVELOPMENT POLICY OF 2013**

The Mineral Resources Development Policy (MRDP) of 2013 came into effect in July 2013. It replaced the 1995 mining policy which aimed at encouraging private investment in the exploration and development of new large and small-scale mines to exploit base metals, gemstones, energy and industrial minerals. The policy also aimed at encouraging downstream processing.

Although the 1995 mining policy saw an increase in Foreign Direct Investment (FDI), it, however, did not see a surge in tax revenue generation that was accruing into government coffers. This was mainly attributed to the signed Development Agreements that were lopsided in favor of mining companies. This meant that during high mineral prices, mining companies reaped financial gains to the detriment of the citizenry. This being so, the 2013 MRDP aimed at addressing this. However, it is disappointing that the policy does not lay out the guiding principles for a desirable fiscal regime for Zambia, instead opting for a broad strategy statement about maintaining a stable and internationally competitive fiscal regime that accounts for the industry's volatility and benefits Zambians. Even with this, the policy document does not explicitly state how this is going to be attained in the short, medium to long term. This being so, one can safely conclude that the mineral policy has failed to attain the objective of maintaining stability in the fiscal regime as evidenced by frequent changes.

Since its implementation, the MRDP of 2013 has not taken into account recent and past developments and targets in the mining sector including:

1. The recent gold rushes and discoveries across the country.
2. A new target to ramp up copper production to 3 million metric tonnes in 10 years: and
3. Repeal and replacement of the Mines and Minerals Development (MMD) Act No.7 of 2008 with the Mines and Minerals Development Act No. 11 of 2015.

Additionally, the policy document lacks in other areas such as the economic diversification of the mining sector from copper and issues around mineral benefit-sharing between the national government and mining host communities. Focusing on the former, the country must embark on a robust diversification process to limit the financial risk emanating from production and price volatility. It is also important to also stress that although the 2013 MRDP is based on the 2008 Act it has failed to clearly outline the mineral benefit-sharing element. In addition to these gaps, the policy framework does not foster intergeneration equity through the provision of a stabilization fund.

The Centre for Trade Policy and Development (CTPD) would like to make a clarion call to the government to undertake the structural review and possible reformation of the MRDP of 2013 in light of the recent developments in the sector. It is also important that the review aligns with the SADC protocol on mining and the Africa Mining Vision. Lastly, as the government makes reforms to the MMD Act no.11 of 2015, it must align the mineral policy framework to the new provisions of the proposed Act which is undergoing drafting.

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Editor’s Note

The Centre for Trade Policy and Development (CTPD) is a not- for –profit, membership based trade policy and development think tank. The organization was established in 1999 and existed as the civil society trade network (CSTNZ), until 2009 when it was rebranded as the Centre for Trade Policy and Development (CTPD).

The mandate of CTPD is to influence pro-poor trade and investment reforms at national, regional and multilateral levels as well as facilitate the participation of various stakeholders including member organizations in ensuring that trade is used as a tool for poverty eradication.

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