



A comparison of the processes used during the development of the national mineral policies of Tanzania and Namibia

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Synopsis

Mining is important to the economies of both Tanzania and Namibia. Recently, both nations revised their national mineral policies to ensure future economic benefit. The main difference in the mineral policy-formulation processes followed by the two countries is identified as the degree and timing of stakeholder involvement during the articulation process. In the case of Namibia, the stakeholders were involved from the start in identifying issues and in suggesting policy solutions. In contrast, the Tanzanian process involved stakeholders after a framework had been developed by a task team. The Tanzanian emphasis was on attracting foreign investment into a traditionally state enterprise system of mineral investment and development. One can argue that the policies developed met the initial requirements, and both are, therefore successful, despite the different processes of policy formulation that were used. However, several fundamental questions arise as a result of the two approaches. This paper attempts to answer these questions by providing a comparison of the processes used for developing and formulating the mineral policies of Tanzania and Namibia. It concludes that the Namibian consultative process is perhaps more sustainable in the long-term because of its wider public support. Time will tell which of these policy-formulation processes provides a basis for sustainable economic growth for developing mineral economies.

Keywords

National, policy-formulation, stakeholder, investment, mineral development, consultative process.

research in background information that was then made available to selected stakeholders to identify issues and to propose possible solutions for the purpose of developing a draft policy for wider consultation. The purpose of this paper is to explore whether the timing of stakeholder involvement during the policy development process matters. This is done by a systematic assessment of the specific differences as observed in the Tanzanian and Namibian policies. The paper concludes with lessons learned and a subjective assessment of which of the two processes is possibly superior.

The impact of stakeholder involvement on mineral policy process

Building a sound national mineral policy is driven mainly by the underlying aim of maximizing potential through investment in mineral development. A mineral policy incorporates a wide range of aspects that are congruent with and supportive of the broader national policy. Important issues include mining taxation, regulation, attractiveness for foreign direct investment in both mining and exploration, relative ease of doing business and accommodation of small-scale mining. Other aspects include the stability of the macro environment, fiscal policy stability, the policy for mineral beneficiation and minerals marketing, provision for economic linkages, as well as the national commitment to research and development. Although most agree that stakeholder involvement is important, the timing of involvement remains an issue. It is, therefore, beneficial to compare the advantages and disadvantages of such timing during the mineral policy development process.

Introduction

The mineral sector plays an important role in resource-rich developing countries and is considered to be the engine for broader economic growth (MEPC, 2001). The process to be followed during policy formulation and development potentially affects the structure and content of a final national mineral policy. A comparison of the mineral policies of Tanzania and Namibia, bearing in mind the processes followed during their development, is provided. Tanzania developed its mineral policy in 1997 through a process that allowed background research and studies of selected country policies to develop a draft policy for consultation with stakeholders. Namibia developed its policy in 2003 through basic

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Successful policy formulation that excludes early stakeholder input and opinion is possible through incorporating leading policy and law instruments to attract national and foreign investment and to promote environmentally and socially sustainable mining. An example is the strategy of the Mining Policy and Reform Division of the World Bank Group through the analysis and implementation of 'tried and tested' policy instruments to secure investment (Onorato *et al.* 1998). This strategy aims to:

- Maximize the positive impact the minerals sector can have on overall economic growth and poverty reduction
- Establish a framework for favourable legal, fiscal, social and environmental policies to attract private mining investment
- Reform the mining industry through measures, such as privatization of parastatal mining enterprises and closure of unprofitable mines, as well as capacity building through regularization of small-scale and artisanal mining
- Establish a geological database and
- Establish partnerships with important stakeholders.

Policy formulation under this process is achieved by packaging 'off-the-shelf-type' instruments and consists of structuring the policy around aspects that have been shown to induce mineral investment. This approach is attractive because of its speed in arriving at the desired growth of the minerals sector at relatively low cost. It may also be criticized for its myopic short-term growth outcome, which will need adjustment to accommodate long-run public acceptability. For this sustainability reason, it appears that a more acceptable process should start off with incorporation and acknowledgement of the concerns and interests of a wide spectrum of affected stakeholders. The rationale for early consultation of stakeholders was established during the Whitehorse Mining Initiative Leadership Council Accord between industry, labour, aboriginal interest groups, provincial and territorial governments (NRCan, 2008). The intention was to develop a strategy for a socially, economically and environmentally sustainable mining industry in Canada. The rate at which policy formulation has been transformed into mineral planning has been rapid and more so after the 2002 Mining Mineral Sustainable Development initiative that stimulated social awareness and community sensitivities in the extractive industries. In fact, several documents that describe the nature and process for successful stakeholder engagement are now available (URS, 2008; MCMPr, 2005).

Shepard (2008) referred to a so-called 'social license to operate' as an emerging concept among the mining fraternity. In particular, because of the way the concept is derived, it provides the certainty and consistency that McMahon and Vidler (2008) identified as essential for attracting mineral investment. The aim is to produce a project- and location-specific result that quantitatively captures local values and beliefs. The concept of the social license to operate is principally applied to the local community at the industry level, a step or two down from the level at which government policy instruments are designed. Not only have countries embraced the concept of stakeholder involvement at the stage of mineral policy formulation, but communities located adjacent to mineral developments are encouraged to participate in long-term relationships leading to entrepre-

neurial skills development and infrastructural benefits (Fiji, 2008). Involving organizations, groups or individuals that have direct or indirect interests in mineral development in the decision-making process allows for integration of their views in the formulation and implementation of relevant mineral policies. Benefits of early stakeholder¹ involvement include:

- An opportunity to instil better relationships between stakeholders
- A higher level of ownership and support
- A wider field of expertise and creativity
- A wider choice of policy options to arrive at sustainable outcomes
- Reduced risk of failure and
- Cost-effective solutions and predictable outcomes².

It is during policy implementation that the value of stakeholder involvement in policy formulation and design is appreciated. A gap between those formulating policy and those with interests in mineral development and design is likely to cause conflict during the implementation stage.

The processes followed by Tanzania and Namibia

The processes followed by the two countries in developing their mineral policies are summarized in Table I. Both resulted in articulated stand-alone policy documents. Tanzania started the process with a task team that carried out a literature survey and looked at successful mineral policies in other countries. Members of the team visited selected countries to see examples of policies in operation and then drew up a policy framework. The document of the task team was used for consultation with various stakeholders at several levels and was formalized through the national approval system. The process allowed leading practices to be adopted, with issues and positions researched before the consultative process.

Namibia prepared background documents only on key issues in order to facilitate the consultation process. The purpose of these documents was to provide information to a variety of stakeholders who came from different backgrounds. This information was aimed at leveling the playing field so that all stakeholders³ could make informed decisions in identifying issues and policy options. Most important, it allowed stakeholder entry into the process at the earliest opportunity. These documents included the following:

¹Stakeholders may be responsible for gathering, processing or disseminating information and participation in decision-making processes. Stakeholders may include academia, utility associations, unions and national non-governmental organizations (NGOs). Identification of stakeholders and their level of involvement depend on the outcome expected, which needs to be assessed in the stakeholder involvement plan.

²The short-term costs of involvement will be outweighed by the long-term benefits of fair and lasting solutions. The level of relevant and effective stakeholder involvement must be identified together with the costs and benefits.

³The Steering Committee and the MEPC (the consultant) identified the broad stakeholders in mineral development to include affected government departments, legislators, industry, labour, communities, academia, developmental institutions, etc. These stakeholders were, along with the general public, first, informed about the process, second, invited to workshops and third, encouraged to comment on interim reports and the final draft policy.

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- Overview of the Namibian economy, i.e. macro-economic objectives; economic sectors and their relative importance and performance; and implications for or on the mineral sector
- Overview of the international mineral industry, i.e. international trends and issues likely to affect the Namibian economy; social, political and environmental issues; historical and projected future trends in world demand for and supply of minerals; comparative analysis; and benchmarking Namibia and
- Review of the mineral sector in Namibia: including mineral resource potential⁴, structure of the industry⁵, mineral legislation⁶, human resources⁷ and environmental and social considerations⁸.

These documents were then distributed to a cross-section of stakeholders whose knowledge and experience allowed them to identify issues for discussion and proposed possible solutions. The output of the workshop was an issues and policy options document, which was used for countrywide consultations with various stakeholders. This workshop was in addition to the usual request for written responses and submissions. Three consultation workshops were conducted with rural communities in areas where mineral activities take place. Participants included small-scale miners, farmers, local councillors and politicians. These consultations culminated in a second national workshop aimed at obtaining consensus among the various stakeholders. The output of the second national workshop was a draft policy, which was subjected to a peer review before undergoing the national approval process. The Namibian policy formulation process, which took two years to complete, allowed stakeholders to define issues, actions and set priorities for action. It also allowed for the creation of partnerships, networks and relationships among stakeholders within the process of policy formulation.

In summary, the Tanzanian process was akin to a desk study, while the Namibian process engaged several stakeholders who identified issues and the proposed solutions for dealing with them. The resultant products are

symptomatic of these processes, in terms of numbers of policy proposals, variation and emphasis.

National and mineral sector objectives

National objectives must be a primary consideration in the development of national mineral policies to preserve alignment and congruency at the national and sectoral levels. In the case of Tanzania, the overall objective was to end state domination and allow the private sector to take the lead in sector activities. The primary objectives in the mineral sector were to create jobs and ensure good environmental practice and economic growth, as shown in Table II. This approach to policy formulation is a somewhat traditional role for the mineral sector in an economy, where the private sector is expected to generate rents that are then distributed to the general citizenry through the provision of social services by government. In the case of Namibia, the overall objective was to provide guidance to the sector that was already in the private domain. The mineral sector was expected to address the historical marginalization of the mostly black majority and play a broader role in the economy, as reflected in Table II.

⁴Geography and basic geology; past and present exploration activities; mineral inventory; potential for further activities; current and prospective requirements for exploration; minerals under various stages of activities—pre-feasibility/feasibility, development, mining.

⁵Review of the sector including institutional set-up and players; mineral rights, ownership and access issues (with protected areas); production and downstream activities; contribution to the economy—GDP, employment, etc.; potential areas for development and value adding; future development potential.

⁶Review of legislation relevant to the sector and responsibilities, including Mining Act, Diamond Act, Health and Safety, Investment Law, Taxation, etc.

⁷Institutional capacities and human development needs; impact of mining on employment, etc.

⁸Review of environmental regulations related to mining; identification of social issues and social activities related to mining.

Table I
Processes of policy construction in Tanzania and Namibia

Tanzania	Namibia
(Task force) from: <ul style="list-style-type: none"> • Literature review • Review other countries minerals policies • Undertake study visits to other countries Prepare policy framework with instruments	Background documents: <ul style="list-style-type: none"> • Local scan • National economy scan
Discuss policy framework and instruments at different levels involving many stakeholders in order to obtain feedback	Through a national workshop of stake-holders and knowledgeable people, identify issues from the background documents and develop possible policy instruments
	Carry out nationwide consultations through workshops and written responses/comments
	Through a second national workshop of stakeholders, reconcile different views and develop policy instruments; cluster policy instruments into themes
	Review policy through a peer group of stakeholders, to confirm that different interests are taken into consideration and that that national and sector objectives are addressed
Obtain approvals at different levels	Document approvals at different levels.
Implement policy	Implement policy

Sources: Tanzania (2000) and Mtegha (2005)

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Table II

National objectives

Tanzania	Namibia
<ul style="list-style-type: none"> • Raise significantly sector contribution to GDP • Increase country's foreign exchange earnings • Increase government revenues • Create job opportunities • Ensure environmental protection and management. 	<ul style="list-style-type: none"> • Reduce poverty • Create employment • Promote economic empowerment • Stimulate and sustain economic growth • Reduce inequalities in income distribution • Reduce regional development inequalities • Promote gender equality and equity • Increase environmental and ecological sustainability

Sources: Mineral sector policies: Tanzania and Namibia

Table III

Mineral sector objectives

Tanzania	Namibia
Stimulate exploration and mining development	Promote and stimulate investment in exploration and mining
Regularize and improve artisanal mining	Promote a conducive environment that encourages and facilitates active participation of all stakeholders
Ensure mining wealth supports sustainable economic and social development	Promote and encourage local participation in exploration and mining
Minimize or eliminate adverse social and environmental impacts of mining	Promote and encourage maximum local beneficiation to ensure that many economic benefits are retained to benefit Namibians
Promote and facilitate mineral and mineral-based products marketing arrangements	Regularize and improve artisan and small-scale mining so that it becomes part of the formal mining sector
Promote and develop Tanzania as the gemstone centre of Africa	Promote research and development (R&D) for improving technology in exploration, mining and processing operations
Alleviate poverty especially for artisanal and small-scale miners.	Ensure the establishment of appropriate educational and training facilities to meet manpower requirements of the sector
	Promote and facilitate marketing arrangements to increase economic benefits of the sector
	Ensure the adherence to the principle of socio-economic upliftment through appropriate measures
	Ensure compliance with national environmental policy and other relevant policies to develop a sustainable mining industry
	Review on a regular basis the legal, economic, social and political aspects of the minerals policy, to ensure that it remains internationally competitive and serves the common good of Namibians
	Ensure mining operations are conducted with due regard to the safety and health of all concerned

Sources: Mineral policies: Tanzania and Namibia

We begin to see the main thrust of the direction of the mineral policy at the higher level, with Tanzania focusing on traditional economic issues and Namibia focusing on general public concerns. This thrust is further illustrated in the mineral sector objectives in Table III. Tanzania's overriding mineral sector objective is to stimulate private exploration and development, followed by support for the development of the artisanal and small-scale mining sub-sector. Understandably, this objective is based on the large number of artisanal and small-scale miners in that country. Sustainable development and environmental issues are also given prominence. In the case of Namibia, sector objectives attempt to be all embracing in terms of the various aspects of the sector, hence a greater number of objectives. The number of objectives is expected because the stakeholders have

varying interests when they participate or engage in processes of issues' identification and proposals for action to address these objectives. In 2000, an evaluation was carried out on all sector policies and strategies in Tanzania. For the mineral sector, the problems stated were insufficient institutional and financial resources, inadequate participation of key stakeholders and the policy and law framework is too generous to large-scale mining because of excessive security of tenure and fiscal concessions.

Systematic assessment of the mineral policy processes of Tanzania and Namibia

This section uses three carefully phrased questions for the purpose of systematic comparison of the policy-formulation

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processes of Tanzania and Namibia. The answers to the questions form the basis of the conclusion derived in the next section. The purpose is to arrive at an opinion on which of the two processes discussed is perhaps the better one. The questions used in the assessment are as follows:

- Did the national objectives and particular country's issues affect the process?
- Did the process consider sustainable development issues and is the mineral policy itself sustainable?
- Was the process exhaustive and the outcome generally accepted by all stakeholders?

Question 1: Did the national objectives and particular country's issues affect the process?

In an article entitled 'An approach to mineral policy formulation' in which they used the national objectives as a suggested starting point, Buck and Elver (1970) described the conception and implementation of a national mineral policy. They emphasized that mineral exploitation must contribute to the overall national objectives. National mineral resource objectives and mineral policies, in particular, must be closely linked and interrelated to the general national policy objectives; the socio-political, socio-economic and physiographic character of the nation; the resource base; the unique character of mineral resources; and the mineral industry as a whole. Otto (1997) carried these foundational principles further suggesting that policy reform should be conducted 'within a framework of comprehensive, consensually derived and articulated national mineral policy'. He listed the policy issues that should be addressed in mineral policies, without trying to prioritize or recommend any specific policy goal or objective. A most valuable conclusion to the study by Otto is that each mineral policy should be tailored to suit the particular characteristics and nature of the country under consideration.

Tanzania attained independence in 1961, at which time the mineral sector was in the private domain. Following the 1967 Arusha Declaration, all major sectors of the economy, including the mineral sector, were nationalized. As a result, government created state enterprises to undertake mining activities. By the 1970s, the dominantly state-owned mineral sector was used as a political vehicle to secure employment and to provide basic social services to mining communities. These objectives caused the sector to lose its economic competitiveness. Due to undercapitalization, lack of technical capacity and lack of governance, the mineral sector performed poorly. The absence of large, new private sector investments created space for artisanal, small- and medium-scale operations concentrating on gold, diamonds, gemstones and industrial minerals. These artisanal and small-scale operations were mostly uncontrolled and illegal, which situation negatively affected the national economy. In the formal sector, elevated social spending patterns resulted in less capital being available for growing the mining sector, and as a direct consequence of mismanaging mineral revenues, the production of minerals more than halved from 1965 to 1986. Some of the mines started to close as the government could not sustain their socio-economic funding. This lack of funding was also the case in other sectors of the economy and the government responded by restructuring its development policies from the mid 1980s. With the removal

of restrictive ownership and marketing policies, mineral investment and production rose appreciably⁹. In the case of the minerals sector, restructuring was aimed at encouraging and promoting private sector-led mineral development in tandem with the national philosophy. The government viewed the mineral sector as important to economic regeneration and private sector investment was deemed critical if national aspirations were to be met. This gave rise to formulating a comprehensive mineral sector policy strategy framework (MSPF) and plans to implement reforms in legal, regulatory and fiscal regimes with institutional changes¹⁰. The process culminated in a mineral policy being adopted in 1997 and an acknowledgement that foreign direct investment and private ownership of mineral assets remain the single best combination for growth in the mineral sector.

In contrast to Tanzania, the mineral sector in Namibia has always been driven by the private sector. Like Tanzania in the late 1980s, Namibia desired more foreign investment in the early 2000s. The country aimed at creating an environment that would raise foreign interest and investment, and thereby spread the benefits of mining to more Namibians.

The significantly different issues of Tanzania and Namibia possibly explain why different national mineral policy formulation processes had to be adopted. Both policies emphasize private, mainly foreign, sector-led mineral development, recognizing the inadequacies of local private and public capital for mineral sector activities. The visions of both countries, shown below in Table IV, reflect these sentiments. The vision of Tanzania was to rescue an undesirable situation through the use of 'tried and tested' policy instruments¹¹, which provided less space for early and more time-consuming stakeholder consultation. The Namibian vision was to amend the current policy platform to engineer further economic growth and socio-economic development. To conclude, it seems that the national objectives indeed affect the process in both countries.

Question 2: Did the process consider sustainable development issues and is the mineral policy itself sustainable?

This question requires discussion on two different issues, namely the visibility of sustainable development concepts in the policy and a check to establish whether or not the policy will stand the test of time. Issues of sustainable development cause onlookers to raise either positive expectations about a flow of benefits, or negative expectations about environmental and social degradation. A proactive drive by government to meet these diverse expectations will lead to a multitude of policy statements, ranging from 'sticks' for

⁹ Mining contribution to GDP increased at an average rate of 10% year, diamond discoveries (measured in carats) increased at an average rate of 20% per year, gold reserves increased from 232 kg in 1997 to 30 088 kg in 2001 and government taxes increased on average by more than 100% per year (United Nations, 2003).

¹⁰The decrease in mineral production, exacerbated by stagnant prices, resulted in the sector's earnings falling by 60% from 1982 to 1986 (United Nations, 2003).

¹¹Policy aimed to attract private investment as an overriding focus and hence concentrated on elements necessary to achieve this end.

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Table IV

Vision statements of Tanzania and Namibia

Tanzania	Namibia
To have a strong, vibrant, well-organised private sector-led, large- and small-scale mining industry conducted in a safe and environmentally sound manner; contributing in excess of 10 per cent of GDP; a well-developed gemstone cutting and jewellery industry making Tanzania the gemstone centre for Africa; and providing dependable employment to Tanzanians.	To achieve a high level of responsible development of national resources in which Namibia becomes a significant producer of mineral products while ensuring maximum sustainable contribution to the socio-economic development of the country. To further attract investment and enable the private sector to take the lead in exploration, mining, mineral beneficiation and marketing.

Sources: Mineral policies: Tanzania and Namibia

environmental and social control to 'carrots' in the form of incentives. The next challenge will be to implement this range of policy instruments. A minerals policy becomes effective only when there is the political will to make a difference, policy instruments are implemented through law, and the creation of well-resourced institutional structures¹².

The development of minerals policy instruments is a necessary first step towards a profitable and rewarding minerals sector. If a wide range of stakeholders is given the chance to participate from the start of the policy development process, there are more issues raised than those arising from a small group of individuals (as was the case with Tanzania). The Namibian experience showed that if each issue required individual attention and action, the policy would have to include more solutions in the form of policy statements that address the issues. When stakeholders demand greater government involvement in key issues, such as sustainable development, government is forced into wider engagement with not only affected parties but also with interested parties. Such a strategy will involve the wider public who are not directly related to the extractive activities. Most Namibian statements allow government to engage proactively with industry as a direct result of early identification of issues and concerns. This government involvement will influence the behaviour of industry by allowing it more active involvement, particularly in human resources and social issues. In the case of Tanzania, there is more emphasis on the investment economics of the environment and employees. In Namibia the emphasis is to balance responsible investment with sustainable development objectives. The reason for such subtle differences could well be because of the different processes that were followed as influenced by country-specific legacies and motivations for change. The Tanzanian mineral policy has twelve themes, as shown in Annexure 1. Each theme has a policy statement and specifies a number of strategies¹³. A third of the policy statements is dedicated to issues dealing with creating an enabling environment for private sector investment. These include the macro-economic environment, fiscal regime, legal regime and institutional framework. These inclusions are expected because the policy framework had an overall objective of emphasizing private sector development and hence unequivocal provision of an enabling environment. The core of both the Tanzanian and Namibian policies is summarized in three themes dealing with

- Promoting and attracting investment¹⁴
- Sector governance and
- Environmental management.

The above themes emphasize the recognition by both countries of the importance of the economic, governance and environmental dimensions of sustainable development. The human (or social) element of policy is much stronger in the Namibian policy¹⁵. As a consequence, Tanzania recently announced that the country wishes to review its mineral policy in order to secure greater public benefit from their mineral resources. In Namibia's case, the policy is not yet fully implemented, making it too early to pass judgement on the question. To conclude, sustainable development concepts seem more pertinent in the Namibian policy compared to those of Tanzania, and the current commodity boom is exposing Tanzania's policy as inadequate from a public perspective. In the case of Namibia, it is too soon after articulation of the policy to answer the sustainability question.

Question 3: Was the process exhaustive and the outcome generally accepted by all stakeholders?

This question tests the comprehensiveness of the process and its outcome, namely the mineral policy. It is important because it aims to avoid the policy being circumscribed by certain predetermined boundaries. Stakeholders are encouraged to think broadly after communicating concepts to establish scenarios of different eventual impacts and to develop strategies to achieve a desired outcome. At this stage, the timing of stakeholder engagement becomes important. The sooner the stakeholders are involved, the more likely home-grown solutions will be found to solve local problems. It is natural that early involvement will result in many more concerns for policy makers to deal with and hence more policy statements. This is because stakeholders are given the opportunity to apply their minds without constraint to identify issues and to suggest solutions from information drawn from their own knowledge and experience. Since stakeholders normally come from various backgrounds, and past experiences, the issues and solutions cover the broad spectrum of mineral development. Ultimately, a large number of policy statements assure stakeholders that, regardless of their status, their inputs are taken seriously by policy makers.

¹² This includes government departments who have the budget and are staffed with competent technocrats.

¹³ These are not included in this paper, but are available from the policy.

¹⁴ Through macroeconomic, fiscal and legal frameworks.

¹⁵ For example, links with other national policies such as national empowerment, BEE, gender, affirmative action, and HIV/AIDS.

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The structure of the two policy products is quite different. In the case of Tanzania, themes include a description of the desired outcome. The structure then proceeds to articulate a policy statement to achieve the desired situation¹⁶. Each policy statement has a number of strategies designed to achieve the policy objectives. In contrast, the Namibian policy identified issues and concerns in the country through stakeholder consensus. These were then collectively grouped as themes, followed by the formulation of policy instruments or statements. The Namibian mineral policy has a large number of policy instruments in all themes, which call for a multitude of strategies and resultant actions. Such broad coverage allows greater chances of satisfying a wider range of stakeholder interests, which then increases benefits that can accrue to society and the country in general. This broad coverage was to assure stakeholders that the issues had indeed been attended to through the consensus-building processes. It also allowed stakeholders the opportunity to see the reasoning behind a policy instrument. An additional advantage of this process is the ease with which policy review can be undertaken. The Tanzanian process can, therefore, be described as rules based whereas that of Namibia is principles based. A disadvantage of the Namibian approach is that issues and concerns change over time, which changes influence the timing of implementation. In extreme cases, the identified policy instruments may even become redundant. To overcome this disadvantage, Namibia developed an implementation plan¹⁷ after adopting the policy framework. As already established in question 1, the issues unique to each country caused differences in the themes and policy statements for the two countries. The Tanzanian mineral policy does not make provision for the promotion of research and development (RD) and regional integration (RI). This omission is probably because these aspects were never raised by those who gave input to the policy. The stakeholders in the Namibian policy, on the other hand, have identified these as areas of opportunities for the country. RD improves the competitiveness of the sector, whereas RI has the benefits of clustering economic blocks which can take advantage of wider trends. These benefits include sharing facilities and infrastructure, dealing with regional and global issues as a block, and expanding regional mineral trade and investment.

There are fundamental differences in both process and policy between the two countries. First, the Tanzanian outcome started as theme headings with policy objective sub-headings, but in the case of Namibia, themes were developed as a result of clustering policy objectives. The second fundamental difference is the policy content as a result of process followed. A fully inclusive process balances issues and concerns from the start, whereas a partly inclusive process reconciles issues and concerns with already established policy objectives. The third fundamental difference is the level of acceptance by stakeholders. It is expected that a rules-based process will be challenged on changes in politics and economics, resulting in significant shifts, but a principles-based process is likely to be more stable in that the underlying issues and concerns will be less affected, resulting in adjustment only. Early involvement of stakeholders quite possibly results in better and more balanced identification of objectives and, in turn, home-

grown policy instruments. More significantly, early identification and participation leads to better 'buy in' from stakeholders into any policy changes, making implementation easier than otherwise. On the other hand, had Tanzania engaged in such a time-consuming, cumbersome, and costly process of policy development, the country would possibly not have recovered in time to prevent total economic collapse. To conclude, Tanzania predetermined the issues, namely to convert a state-controlled system into a private sector led industry—no other options were considered. Namibia's approach was rather, 'We have a resource. How can we benefit more? Any one is welcome to suggest strategies'. In acceptance of the final policy, the inadequacy of late stakeholder involvement was exposed in Tanzania when the artisanal and small-scale sector contested the policy and reacted violently when military evictions started. In addition, the call for revision is further proof that the benefits are not visible to the public.

Conclusion and lessons learnt

This paper contrasts the Tanzanian and Namibian strategies used during the development of their national strategies for mineral development. The main difference between the two countries was the point of involvement of stakeholders in the process, which led to subsequent policy differences. Tanzania emphasized attracting foreign investment into a traditionally state enterprise system of mineral investment and development. Results show an almost immediate benefit through investment inflow and increased contribution of mining to GDP. Namibia's objectives were to broaden benefits to Namibians, in addition to attracting investment. Further studies like this one are needed to monitor national strategies and evaluate the outcome in order to confirm that benefits indeed are spread to the broader economy as intended. This information is necessary because developing a mineral policy or strategy does not guarantee successful policy implementation. Whereas policy planning and development is an intellectual process, policy implementation is operational in nature. Time will tell which of the two approaches provides for sustained growth. An evaluation of the cases of Tanzania and Namibia in two to three years time should yield further interesting lessons.

The answers to the questions in the previous section appear in Table V. The questions were worded so that the answers had to be affirmative for the better process. The evaluation shows that both countries' processes were linked with and affected by their respective national objectives and particular issues. In the case of Tanzania, the economic impact was almost immediate, and the drastic change rescued the country from certain collapse. Both processes resulted in sustainable development objectives, but the outcome of the

¹⁶There are two exceptions to this approach. These are first, financial assistance for small-scale mining and second, integrating mining into the national economy (by e.g. value-addition). The reasons for these two exceptions are the complexity of small-scale mining issues and reality of reasonable expectations of the mining sectors' contribution to the national economy. In these two cases the current situation or legacy was defined, found unacceptable and required a different approach.

¹⁷The Namibian implementation plan included strategies, activities, resources required and timeframes for implementation. The implementation plan has not been included in this paper.

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Table V
Evaluating the success of the mineral policy processes

Fundamental questions	Tanzania	Namibia
Did the national objectives and particular issues affect the process?	Yes	Yes
Did the process consider sustainable development issues and is the mineral policy itself sustainable?	Yes, but fails the sustainability test	Yes, but too early to judge sustainability
Was the process exhaustive and the outcome generally accepted by all stakeholders?	No, which resulted in conflict	Yes, no objections recorded

inadequate social development component was resistance to the Tanzanian policy when mineral prices started to increase. It is with the third question that the benefit of early stakeholder involvement becomes apparent, making the process more sustainable in the long run because of wider early public ownership. Despite this observation, time will tell which of these policy-formulation processes provides a basis for sustainable economic growth for developing mineral economies. Ultimately, it is difficult to know for sure if one process produces a superior policy product to the other.

The following lessons on the timing of stakeholder involvement can be learnt from the Tanzanian and Namibian experiences:

- There is a relationship between the policy-formulation process and the content of the resultant policies. What is not so clear is the link between the policy changes and economic outcomes.
- Countries in a near state of economic collapse could consider the Tanzanian approach to engineer a fundamental transition away from state control. Stakeholder consensus on policy objectives will probably slow the process to the extent that the economic change will come too late. What must be appreciated is that any economic success is short term and the absence of public support will cause the policy to be unsustainable.
- For countries with reasonably strong economies and public institutions, the Namibian process could be followed. Despite being time-consuming and more expensive, the wider public support will facilitate the implementation process and provide investor assurance.
- Countries, like Tanzania, that have taken the first step in transforming the economy, could follow the Namibian process to avoid making the same mistakes and.
- Circumstances, issues and public perception of the minerals sector change over time, making it necessary to regularly update and fine-tune mineral policy.

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A comparison of the processes used during the development of the national mineral policies

Annexure 1

Tanzania themes and policy statements

Theme	Policy statements
The macro-economic environment	<ul style="list-style-type: none"> Government is committed to pursuing these policies consistently for sustainable sectoral and overall development.
The fiscal regime	<ul style="list-style-type: none"> Government will formulate and implement a mining taxation regime which is conducive to investment in exploration and mining.
The legal and regulatory framework	<ul style="list-style-type: none"> Government is to establish an internationally competitive legal and regulatory framework to attract and sustain foreign and local investment in the mineral sector, and to create a stable and conducive business climate.
The institutional framework	<ul style="list-style-type: none"> Government is committed to: (a) establishing a well organized and efficient institutional framework; (b) ensuring the availability of adequate and competent professional and technical staff; and allocating sufficient resources to effectively and efficiently carry out duties and responsibilities.
Financial services	<ul style="list-style-type: none"> Government will emphasize the improvement of small-scale miners' access to credit on the one hand and the mainstreaming of small-scale mining loans by the formal financial institutions on the other.
Rationalizing artisanal and small-scale mining	<ul style="list-style-type: none"> Government is committed to supporting the small-scale mining sub-sector by facilitating the transformation of the present artisanal mining activities into more organized and modernized small-scale mining units, and by promoting modalities of mineral marketing which encourage transparent business transactions and discourage smuggling.
Mining sector support services and facilities	<ul style="list-style-type: none"> Government is committed to promoting and facilitating the establishment in the country of the mineral sector support services and facilities.
Creating and maintaining a viable infrastructure	<ul style="list-style-type: none"> Policy statement not articulated.
Establishing formal marketing systems	<ul style="list-style-type: none"> Policy statement not articulated.
Integrating mining into the national economy	<ul style="list-style-type: none"> Government will aim to foster economic interdependencies between mining and other sectors and ensure that the benefits of mining development accrue to the rest of the economy especially through value added maximization.
Human resources development	<ul style="list-style-type: none"> Government is committed to promoting the development of the requisite human resources by ensuring that there is adequate and multidisciplinary training, as well as the effective utilization of skills and technological advances in the mineral sector.
The environmental and social sustainability of mining development	<ul style="list-style-type: none"> Government will initiate actions to: (a) reduce or eliminate the adverse environmental effect of mining; (b) improve health and safety conditions in mining areas; and (c) address social issues affecting women, children and the local community.

Source: The Mineral Policy of Tanzania

Annexure 2

Namibia themes and policy statements

Theme	Policy statement
The mining Industry	<ul style="list-style-type: none"> Government will promote and facilitate exploration and mining investment Government will maintain competitiveness and ensure sustainable benefits for all Namibians Government has a role to provide socio-economic infrastructure and will investigate the possibility of supporting mining related infrastructure.
(a) Medium-to large-scale mining	<ul style="list-style-type: none"> Government will investigate the role of incentives for exploration and mining in remote areas Government will promote the exploration and development of Namibian mineral resources Government will ensure security of tenure through effective legislation and will provide an environment conducive to investment Government will provide the Minerals Ancillary Rights Commission (MARC) with clear guidelines on the process for access to land and the provision of compensation Government will ensure that exploration and mining within protected areas complies with the environmental and economic regulatory frameworks Government will investigate the establishment of mandatory mechanisms for the funding of final mine closure plans Government will monitor mine closures to ensure that the mining industry has mechanisms to rehabilitate closed mines for the purpose of sustained land use Government will encourage the mining industry to address social responsibilities through support programmes, training and community participation Government will develop strategies to support Namibian participation in the mining sector to achieve sustainable development and prosperity.
(b) Small-scale mining	<ul style="list-style-type: none"> Government will promote the further development of small-scale mining activities; Government will encourage that small-scale mining operations adhere to good environmental, health and safety standards; Government will investigate the most cost-effective and efficient methods for the claim registration system for small-scale miners Government will continue to provide loans to viable small-scale mining projects through existing and future financial structures Government will ensure compliance by small-scale miners with environmentally acceptable mining practices through regular monitoring

A comparison of the processes used during the development of the national mineral policies

Annexure 2 (continued)

Namibia themes and policy statements

Theme	Policy statement
(b) Small-scale mining (continued)	<ul style="list-style-type: none"> • Government, through relevant organizations and other institutions, will provide technical assistance and information to small-scale miners • Government will encourage the development of appropriate technologies for small-scale mining and provide skills training for small-scale miners
(c) Marine exploration and mining	<ul style="list-style-type: none"> • Government will enact a legal framework to facilitate sound marine exploration and mining activities • Government, in partnership with marine mining companies will ensure that Namibians are developed in marine mining skills • Government will encourage investment in research and development in marine exploration, extraction, processing, and waste disposal technologies • Government, in consultation with stakeholders, will develop a framework for the generation of environmental management programme report guidelines.
Value addition	<ul style="list-style-type: none"> • Government will further explore opportunities for the promotion of value addition • Government will encourage and facilitate local manufacturing under the concept of 'Mined and Manufactured in Namibia' • Government, in conjunction with relevant stakeholders, will identify skills deficiencies for value addition and promote measures to address them • Government, in conjunction with financial institutions, will investigate the financial constraints on the development of value addition industries • Government will implement effective environmental monitoring systems to ensure compliance with environmental management programmes for value addition activities in line with international best practice.
Marketing and Investment promotion	<ul style="list-style-type: none"> • Government will promote and encourage investment in the mineral sector through effective global marketing of this sector • Government will create a capacity that is properly resourced to undertake mineral promotion and marketing activities.
The mining industry and environment	<ul style="list-style-type: none"> • Government will ensure that development of Namibia's mining industry proceeds on an environmentally sustainable basis • Government will enact exploration and mining legislation benchmarked against environmental global best practice • Government will ensure compliance during rehabilitation with national policies and guidelines, and where appropriate and applicable, with global best practice • Government, with relevant stakeholders, will investigate the establishment of financial mechanisms for environmental rehabilitation and aftercare • Government, in consultation with the mining industry, will develop waste management standards and guidelines for Namibia • Government will ensure that the mining industry complies with the Mine, Health and Safety Regulations.
Human resources	<ul style="list-style-type: none"> • Government will encourage and facilitate the development of human resource skills to meet the ultimate requirements and challenges of the mining sector • Government will encourage the mining sector to promote and support training for careers in mining through the provision of bursaries, in-house training and apprenticeships • Government will actively support the implementation of a National HIV/AIDS Policy and encourage companies to adopt the policy • Government recognizes that not all specialist-mining services are available in Namibia and will facilitate short-term employment of such services, where necessary • Government will ensure that the mining industry complies with legislation to ensure equal opportunities for all Namibian citizens • Government will ensure that the mining industry complies with the National Gender Policy
Research, development and technology	<ul style="list-style-type: none"> • Government will encourage, promote and invest in research and development, as well as in new technology in search of innovative solutions to the challenges in the mining sector • Government will promote the establishment of a National System of Innovation • Government will facilitate the generation of both fundamental and applied knowledge through a collaborative system between public and private research institutions • Government will support and encourage the mining industry to undertake research and development of new technologies • Government will support and encourage the mining industry to apply new technologies.
Governance of the sector	<ul style="list-style-type: none"> • The Ministry of Mines and Energy will be responsible for coordinating the effective governance of the mining sector • Government will create a mechanism to ensure co-ordinated land use and development • Government will constantly update the legal framework to be in line with global best practice • Government and the mining industry will actively support compliance with Namibian anti-corruption measures • Government will continuously strive to maintain a stable political environment through a democratic system.
Regional integration	<ul style="list-style-type: none"> • Government is committed to the implementation of the SADC Treaty and the SADC Mining Sector Protocol • Government will, in consultation with stakeholders, take up a proactive role in developing regional policies and its initiating timely implementation • Government will promote a uniform approach to technology and human resource policies so that mining related educational and research institutions can be fully utilized • Government will encourage a co-ordinated SADC approach to the utilization of joint infrastructure that benefits regional mineral activities; • Government will encourage all SADC member states to ratify environmental conventions appropriate to the mining industry in SADC.

Source: Minerals Policy of Namibia