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## NEWS RELEASE

### Australia, Canada & World Bank to Support Nigeria's Mining Sector Reforms for Greater Contribution to the Economy

**Abuja, July 2, 2013** — Australia, Canada, and the World Bank today launched a 2-year program to support the Ministry of Mines and Steel Development in developing Nigeria's mineral sector in an economically, environmentally, and socially sustainable way.

The Australian Government's support will help identify mineral resource corridors; improve education and training for mining sector employment; update the fiscal regime for mining; formulate an Artisanal and Small-scale Mining strategy; and review the strategy for Mid-Tier Mine Operators. In addition to supporting the mining infrastructure planning, the Canadian Government's support is expected to contribute to strengthen the consolidated strategy for sustained mineral sector development in Nigeria, finalize sector specific environmental and social regulations, upgrade the geosciences research laboratory to serve the industry, and increase the opportunities for gender equality in the mining sector.

*"Contributions from mining as a percentage of GDP in mining rich countries are usually between two and eight percent. In Nigeria, the contributions are still low at 0.15 percent but Nigeria has done well to reinvigorate the sector following the first five years of its SMMRP supported reform" said Marie Françoise Marie-Nelly, World Bank Country for Nigeria. "The mining reform cycle normally has a long timeframe of over ten years to bring its full benefit to the economy and GDP, therefore, the Government should sustain the reforms and continue to place its emphasis on institutional strengthening, transparency, accountability, and governance improvements in the mining sector," she added.*

*"The new project will support Nigeria's efforts to diversify the economy, create employment, generate revenue, and boost the socio-economic development of the country" said His Excellency Jonathan Richardson, Australian High Commissioner to Nigeria. "The aim is to develop a plan consistent with the Africa Union's African Mining Vision 2050 and ECOWAS's mineral development strategy."*

*“The mining sector in Nigeria is just beginning to take shape and we are pleased to work with our partners in the sector to help improve economic development in Nigeria” said **His Excellency Chris Cooter, the Canadian High Commissioner.** “The reform of the mining sector promises to be of enormous benefit to Nigeria in the future,” he added.*

The program is expected to contribute to improved employment, livelihoods, economic diversification, and the development of small to medium scale exploitation of quarry materials, gemstones, gold and industrial minerals in Nigeria. The project, designed and implemented by the World Bank, is financed by the governments of Australia and Canada for \$940,000 and \$950,000, respectively. It will build upon earlier reforms implemented by the Federal Government with the support of the World Bank assisted \$120 million Sustainable Management of Mineral Resources Project (SMMRP) from 2004 till 2012. The assistance responds to a request from, and needs identified by, the Ministry of Mines and Steel Development to sustain the process of mining sector reform into the next phase.

Important achievements registered from the extensive legal, regulatory, and institutional reforms carried out following enactment of the Minerals and Mining Act (2007) and the Minerals Regulations (2011) include: strengthening of the Nigerian Geological Survey Agency to provide reliable geophysical and geological data; establishing the Mining Cadastre Office to regularize the sector’s licensing procedures; and extensive mineral and mining promotions. As a result of the reforms, the estimated production value increased from around US\$35 million in 2005 to around US\$135 million in 2009, formal employment increased from around 100,000 to 250,000, and the number of mineral exploration activities by international mining companies increased from 0 to 50 over the same period.

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