

REPUBLIQUE DU CAMEROUN

Paix – Travail – Patrie

COOPERATION CAMEROUN – BANQUE MONDIALE

MINISTERE DES MINES, DE L'INDUSTRIE ET DU
DEVELOPPEMENT TECHNOLOGIQUE

PROJET DE RENFORCEMENT DES CAPACITES
DANS LE SECTEUR MINIER



REPUBLIC OF CAMEROON

Peace – Work - Fatherland

CAMEROON – WORLD BANK COOPERATION

MINISTRY OF MINES, INDUSTRY AND
TECHNOLOGICAL DEVELOPMENT

MINING SECTOR CAPACITY
BUILDING PROJECT

PREFACE: The Mining Registry, Cornerstone of the Management of the Mining Sector

The "Vision 2035" as well as the “Growth and Employment Strategy Paper” (GESp) both confirm the mining sector as a pillar of the economy and a national priority. As a matter of fact, Cameroon is endowed with a huge geological and mineral potential (nickel and limestone, bauxite, iron ore, inter alia), which can generate and trigger economic growth.

Notwithstanding this very promising geological and mining context, apart from quarries for building materials, most of the solid mining activity is confined essentially in the more or less informal sector of the non-industrial mining of precious substances. Major projects have been announced recently in this sector, which has been experiencing crisis for some time now at the international level due to slowdown in industrial activity in China, the top global outlet for mining products. Within this context marked by surplus mineral production and low metal prices, difficulty in raising funds on the international markets which is the main source of financing mining activities, is affecting the dynamism of the sector. This difficult economic situation is reflected in the recent restructuring of the Mbalam iron ore mining project which prompted the decision by SUNDANCE RESOURCES not to finance transport infrastructure and in the distant past, the decision by Rio Tinto to shelve and quit the Simandou iron ore project in Guinea. Although it is now established that the sector is manifestly cyclical, there are no signs of recovery in the near future concerning certain substances such as iron or aluminum which abound in the Cameroonian subsoil (Mbalam, Mamelles, Nkout, Minim Martap, etc.).

To maintain the national objective aimed at positioning the industrial mining sector as a pillar of the economy based on private investment, it is appropriate, within this low phase of the metals cycle, to anticipate on the next cycle by facilitating exploration, establishing a conducive climate for investments in relation to the valorization of best practices and strengthening effective and transparent governance in the sector.

As a matter of fact, before operating in a country, private investors wish to find in place a coherent transparency and tax stability policy, compatible with environmental preservation, as well as the existence of modern, effective, efficient and transparent institutions intended to regulate the sector. The Mining Registry is one of such institutions.

The existence of a good Mining Registry enables to provide suitable, reliable and transparent technical and administrative services, which constitute the cornerstone for establishing a conducive climate for investments in the mining sector. An efficient Mining Registry and transparent and impartial procedures are essential to guarantee the legal and technical security of mining titles. The Mining Registry must therefore provide reliable information on the precise site of permits on the national territory and the cadastral procedures must be transparent, public and applicable in general. Moreover, the Mining Registry must contain all information concerning valid mining titles, applications and mining rights granted accordingly as well as background information on mining titles which have been cancelled or transferred to State property by their holders. In view of the foregoing, the Mining Registry serves as a basic tool which enables the administration to manage the mining property, stimulate exploration and mining activities, and avoid speculation.

Associated computerization of the Mining Register enables to use effective and rapid registry procedures and facilitates information storage and the positioning of mining titles.

Finally, the new computerized Mining Registry:

- serves as interlocutor and one-stop-shop between the applicant or permit holder and the mining administration;
- keeps and updates daily the Mining Registry and files of valid licences (including renewals, modifications of perimeters, changes, expiries and cancellations). In practical terms this requires the Mining Registry (inter alia) to:
 - change and update the titles whenever a new title is granted or a title changes hands;
 - order and check the conformity of the payment of rights due and/or other conditions relating to the validity period of a mining permit;
 - examine or detect possible overlapping between valid mining titles and submitted applications;
 - provide to the authority responsible for granting the title, information necessary to assess if an application is technically acceptable or not;
 - provide to the authority in charge of granting the licence, information relating to the expiry date of the title;
 - control the payment of area royalties;
- ensures conciliation or arbitration of litigations and disputes concerning the geographical limits of the licences.

The Mining Registry computerized on the basis of the Mining Titles Register went operational a few days ago. This booklet in your hands aims to promote the Register as well as popularize the procedures for applying for the grant, renewal, change, transfer of titles and other mining authorizations.

Gabriel DODO NDOKE

INTRODUCTION TO THE MINING REGISTRY

Mining Registry refers to an exhaustive register of the landed properties or pieces of land in a country. This register generally includes details relating to the ownership of the property, its tenure, its precise location, its dimensions and the value of these individual areas. This leads to the concept of private property which requires that a list of properties should be recorded and kept. The intention is to establish a reference taxation index, ensure the security of the property for the title holder, as well as avoid the possibility of conflicting ownership or overlapping rights.

In the mining sector, although the term register is sometimes limited to the list of mining properties (the register) or to graphic representations of mining rights (parcel maps), in general, it is currently used to refer to public institutions in charge of cadastral activities.

The Mining Registry is therefore the administrative agency exclusively responsible for reviewing applications for mining rights and managing conferred mining rights, as well as for preserving mining registers and controlling the temporal coordination and validity of the permits granted.

MISSIONS OF THE MINING REGISTRY

The Mining Registry is therefore a public utility. In Cameroon, it is under the supervisory authority of the Minister of Mines and is in charge of registering:

- applications for mining and/or quarry rights;
- mining and/or quarry rights granted as well as decisions of refusal;
- cases of withdrawal, cancellation and forfeiture of mining and/or quarry rights;
- transfers of and farming out mining rights;

It has a conservation role. To that end, it:

- preserves mining and quarry titles;

- regularly keeps its registers and maps of mining sites following a specific national register opened for public consultation;
- establishes records for renewals of mining and/or quarry rights;
- serves notices of mining instructions to interested applicants and prepares draft deeds on issuing mining titles and those of quarries under the terms of rights conferred by the competent authority;
- strikes off the registration of the mining perimeter or quarry on the parcel map.

REFERENCE LEGAL AND STATUTORY INSTRUMENTS

Law No. 2016/017 of 14 December 2016 to establish the Mining Code

Implementing Decree (currently pending signature)

OPERATION OF THE MINING REGISTRY

1. Types and characteristics of the various mining and quarry rights managed by the Mining Registry

Type of Right	Eligibility	Maximum surface area	Validity	Renewal	Competent Authority
Reconnaissance Permit (Non-exclusive and non-transferable)	Legal entity governed by Cameroonian law	1000 km ² or equivalent in number of cadastral units	1 year	yes	Minister in charge of Mines
Exploration Permit (Exclusive)	Legal entity governed by Cameroonian right	500 km ² or equivalent in terms of number of cadastral units	3 years	3 times at more for 2 years <i>Renunciation of 50% of the perimeter held for the previous period, up to 62 km² minimum</i>	Order of the Minister of Mines
Industrial Mining Permit (Exclusive)	Legal entity governed by Cameroonian right	To be determined by the owner in the feasibility study; entirely contained inside the/within the PR	20 years	Many times 10 years	President of the Republic
Small Scale Mining Permit (Exclusive)	Legal entity governed by Cameroonian right	To be determined by the owner in the feasibility study;	5 years	Many times 3 years	Minister in charge of Mines

Semi-mechanized non industrial mining licence (Exclusive)	Legal entity governed by Cameroonian right	21 ha maximum polygonal blocks contained in one or more cadastral units	2 years	Many times 2 years	Minister in charge of Mines
Non industrial Mining Licence (Exclusive)	Individual	1 ha 100x100 m, 4 blocks maximum contained in the cadastral unit; Maximum depth 30 m	2 years	Many times 2 years	Regional delegate
Industrial Quarry Mining Permit (Exclusive)	Person or legal entity	Specified in the granting instrument	5 years	Many times 3 years	Minister in charge of Mines
Public Interest Quarry Mining Permit (Exclusive)	Legal entity	Depending on the size of the project	Duration of the realization of work	Duration of the realization of work	Minister in charge of Mines
Non-industrial semi-Mechanized Quarry Mining Licence	Individual	1 ha maximum	2 years	Many times 2 years	Minister in charge of Mines
Authorization of Exploitation of Artisanal Career	Individual				
Geothermal Deposits, Spring waters, Mineral and Thermo-mineral Water Mining Permit (Exclusive)	Person or entity	To be determined by the owner in the feasibility study;	5 years	Many times 3 years	Minister in charge of Mines

2. Mining Registry, One-stop-shop for operations related to mining rights

Reminder

- Mining Titles Register

Law No.2016/017 of 14 December 2016 to establish the Mining Code

Section 16. - (1) The Mining Registry shall receive and examine all mining title or reconnaissance permit applications and forward to the Minister in charge of the mines, within fifteen (15) working day, its reasoned technical opinion and a draft instrument granting the mining title, the reconnaissance permit or the transaction agreement.

(3) In case the competing applications with equal proposals regarding works to be carried out, and technical and financial capacity, priority shall be given to the first applicant, the date and the hour of submission serving as evidence.

(4) Once signed, mining titles, reconnaissance permits and other documents authorizing transactions shall be collected from the Mining Registry on presentation of a receipt confirming payment into the Treasury of fixed charges and annual royalties per basic cadastral unit for the first year.

(5) Mining Titles shall be recorded in registers designed for that purpose and kept at the Mining Registry.

3. Demarcation of the Perimeter: Positioning of Mining Titles and the Use of GPS

Section 14. - Topographical survey and mining titles demarcation shall be attached to the national geodetic network under conditions laid down by regulation.

Section 73. - The holder of a quarry permit or licence shall mark out the boundary and carry out a topographical surveys of the perimeter described in the permit or licence, by laying boundary markers, in accordance with the laws and regulations in force.

In addition to the attributions mentioned above, one of the essential activities of the Mining Registry is to set and mark out the position of mining rights, which do not have visible physical delimitations.

Mining titles are currently conferred, by a survey of geographical co-ordinates on topographic maps at 1/200.000th. The layout on the field of landmarks materializing the tops of the perimeter thus delimited is done using GPS. This operation enables to note at the end a drift of the points instead of their superposition. The drift can reach five hundred (500) meters.

This point was solved by calculating a transformation algorithm between GPS co-ordinates (GPS system based on WSG 84 ellipsoid) and map co-ordinates (old system based on the Clarke's 1880 ellipsoid) and conversely. This algorithm was designed based on geodetic work consisting of a series of high geodesic precision measurements carried out by INC with PRECASEM financing. **This tool enables to improve precision in the positioning of mining titles. It is distributed free of charge upon request by the MINMIDT.**

4. Determining the Perimeter: Shape of Mining Titles

Section 19. - The national territory shall be divided into basic cadastral units forming a grid system whose features and connection to the existing coordinate system shall be determined by regulation.

The perimeters should not be of unspecified shape such observed it today, but rather made up of contiguous squares so as to respect the grid envisaged by the instruments in force.

This grid is found on topographic maps, in particular:

- the map at 1/200.000th which covers each a surface area of 1° * 1° with a grid every 10 km;
- the map at 1/50.000th which covers a surface area of 15' * 15' each with a geographical squaring each minute.

These various types of grids can be used as bases for layout of a cadastral grid as recommended by the above-mentioned instrument. These various types of grids or cadastral units are thus reference quadrangular polygons of constant dimensions having a fixed position in a coordinate system.

The Concept of Cadastral Unit

The minimal size of an area of mining rights must be equal to that of a cadastral unit. For example, if the cadastral unit is 500 metres over 500 metres, this represents the minimal area authorized for a mining permits. A mining permit must always relate to a certain number of cadastral units hence, the measurement on each side of any polygon corresponding to a mining permit and mining rights will always be a multiple of that on a side of the cadastral unit (i.e. 500 metres, 1000 metres, 1500 metres, 2000 metres, etc.).

Section 33.- The total surface of the land for which a reconnaissance permit may be granted shall not exceed 1000 km² (one thousand square kilometres) or its equivalent in cadastral units and shall be a single polygonal-shaped block.

Section 38.- The area of land over which an exploration Permit may be issued shall not exceed 500 km² (five hundred square kilometres) or its equivalent in number of cadastral units. The exploration perimeter shall comprise of a single block, marked under the terms and conditions laid down by regulation.

The cadastral unit selected is 15' *15 ' i.e. 463 meters * 463 metres. It is therefore required to establish the conformity of the mining titles and other authorizations. To simplify the task, establishing conformity shall apply only to new permits or during renewals.

MODERNIZATION OF THE MINING REGISTRY

Since 2001, Cameroon undertook to modernize its Mining Registry based on the Register of Mining Titles. This was intended to guarantee the proper management of mining data and make sure that the procedures for granting titles are transparent and reliable, while avoiding any overlapping between holders of mining permits and areas excluded from mining (protected areas and others).

This activity now includes the development of a computerized system aiming at systematizing the procedures for recording, transferring and terminating mining titles.

1. Benefits of a Computerized Mining Registry

The operational functionalities of the computerized cadastral system are as follows:

- ✚ The storage, access and processing of data necessary for cadastral procedures, in a fast, simple and easy manner to use. The system includes a data base and a GIS, in order to process graphic and alphanumeric data simultaneously. In addition, the system facilitates the integration of layers of graphic information necessary for the proper management of mining property (administrative limits, areas excluded from mining activity, possibly satellite images, etc.).
- ✚ The management of the titles is made easy by automatic monitoring and alerts on the validity period of the titles and the expiry for each stage in the various cadastral procedures, such as for example delay in the payment of area-based royalties, the maximum time for submitting documents or any other requirement by regulation. An email address of the holders could therefore be necessary for various reminders.
- ✚ The system blocks and prevents operations which may imply cadastral errors (for example, the renewal of already expired titles) and ensures the respect of the principle of priority ("first come, first served"). It enables to avoid violating sequential order evaluating applications (as well as the order of submission).
- ✚ The system enables to publish and print registry documents, including official forms, maps, letters, notifications and any other document necessary to manage mining titles and implement registry procedures.
- ✚ The security of information (confidentiality, stability and integrity) is ensured by codifying data, implementing suitable security controls and implementing routine procedures for creating backup copies. These controls include establishing various levels of users with adequate user protected corresponding key words. Moreover, the system enables to ensure the traceability of all actions and modifications, as well as access to information (for both internal and external users), so that any user can be controlled and identified in the event of violation of user rules and management of cadastral information.
- ✚ The analysis of registry information is facilitated by the automatic and interactive production of statistical reports (the criteria for selecting information to be processed are multiple, flexible and modifiable by the user), of lists and graphs, including payments of area royalties and areas occupied by the titles.
- ✚ The system enables to automatically generate record files and continuously update the data base after any modification of the situation of any title or application (grant, renewal, expiry, renunciation, transfer, cancellation, etc.).

- ✚ An official receipt for an application is generated directly by the SICM and needs to be counter signed by the applicant indicating that all the information contained in the system is correct.

2. Management of Obligations

The new system will also be useful in managing obligations related to the titles within the framework of the respect of the legislative and statutory provisions in force.

Submitting Reports

The Reports are submitted every six months to the Department of Geology, which summarizes them on behalf of the Sub-Department of Mining Registry (SDCM). SDCM does not therefore receive these reports directly and within the framework of the One-stop-shop, these documents are submitted to SDCM to be recorded in the system, and then forwarded to the Department of Geology for evaluation and feedback to SDCM.

Payments

Payments concern:

- Fixed fees;
- Area-based royalties;
- Ad valorem tax (water);
- Possible processing fees;
- Quarry extraction tax

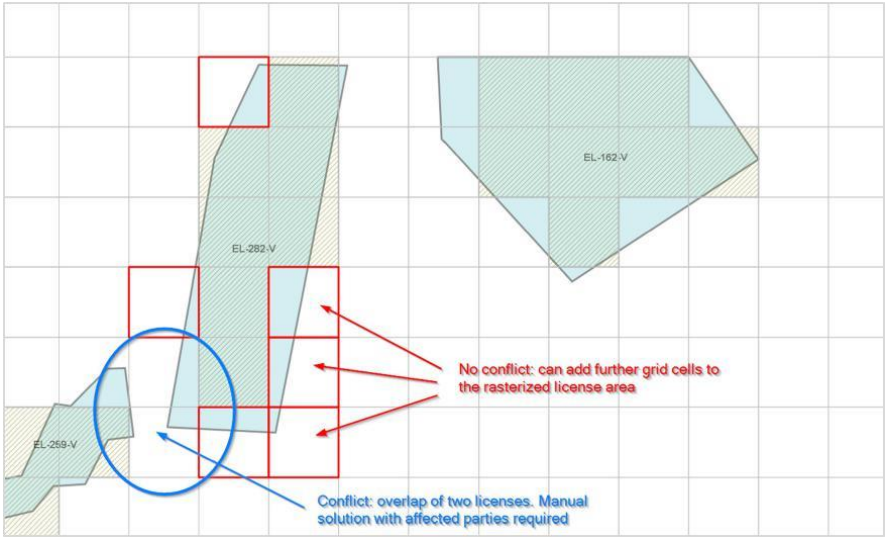
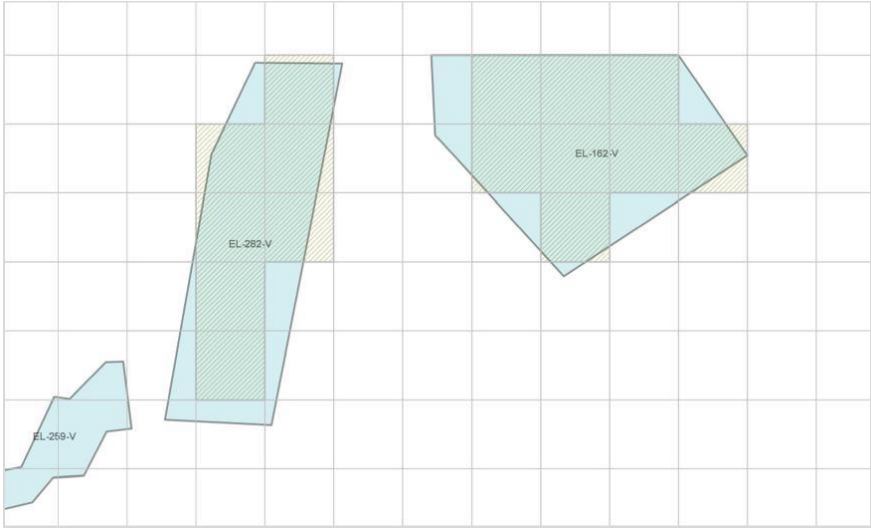
As for now, all payments are made to the Ministry of Finance, and SDCM is not informed whether the necessary payments have been made, until the holder of the permit applies for possible renewal. This means that the SDCM is unable to say whether the holders of the mining titles are respecting their obligations or not.

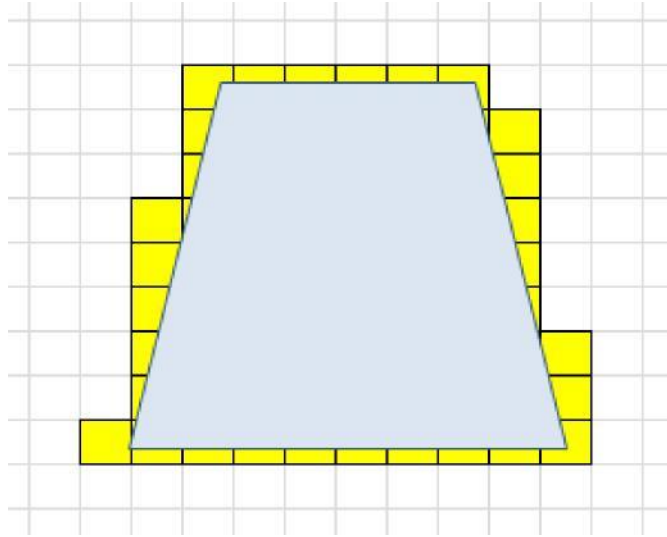
Within seven (7) days following the deadline for payment, holders of mining titles are therefore expected to present receipts for payment to SDCM or else they will they would be considered as having failed to respect their engagements.

3. Compliance of Titles and Authorizations

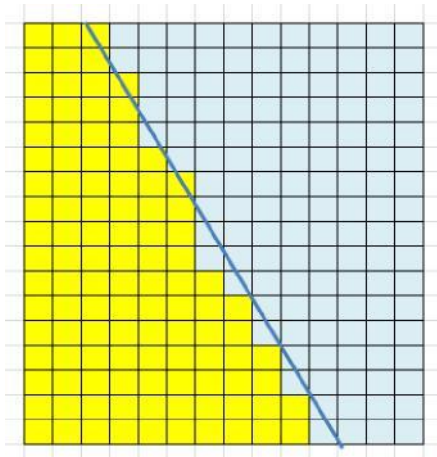
In compliance with the provisions of Article 10 of Decree No. 2002/548/PM of 26 mars 2016 to lay down modalities for implementing Law No. 1 of 16 April 2001 to establish the Mining Code, the various authorizations and mining titles must comply with standard practice. Conformity means the geometrical transformation of existing titles in polygonal shape into a series of squares i.e. new cadastral units when applying for renewal.

Some examples of the transformation of a title of an unspecified polygonal shape into a quadrangular polygonal surface made up of indivisible mining squares.





Simple case where the geometry of the existing polygon is simply registered in a certain number of cadastral units.



In this case, it is compulsory to invite the two, or more holders to come at the same time to the Mining Registry and define by mutual agreement which squares will be assigned to each title. This will probably often involve reaching either compromises or making compensations.