

## Commitment Description

### 7. Problem

- Major revenue losses as a result of diminished oversight of extractive activities in the state, especially mining, as extractives industry operations remain under the purview of the Federal Government as its exclusive rights.
- Adverse socio-economic impacts of mining activities on the host communities as mining companies often operate without a Community Development Agreement (CDA) that would ensure the development of infrastructure and enhancement of livelihoods within the host communities, as stipulated by the Minerals and Mining Act 2007.
- Extractive organizations operate without effective Environmental Management Plans (ESMPs) as stipulated by law.
- There is a dearth of sufficient data and information on mining activities in the state, as such the state is unable to truly determine the exact amount of derivation funds that is accrued to it.

### 8. Status quo

- Mining operations currently happen in 12 out of the 17 local government areas of the state, with over 140 wards currently grappling with the environmental effects of these activities.
- The state is not recognized by the federal authorities as a host state for the mining of minerals like granite and tourmaline despite the fact that several tons of these minerals are being extracted daily from the state
- MIREMCO, the committee created by mining laws and regulations to oversee the implementation of the provisions of the Minerals and Mining Act 2007 with respect to community development, is still a federal government structure with little or no allegiance to the State.
- Insufficient data on current operational mining licenses and other activities, which is critical for guaranteeing that the state receives all revenue accruable to it and derived from mining activities in the State.

### 9. Action

The **commitment** is to set up Plateau State Extractive Transparency Forum (PSETF) to ensure transparency in the implementation of Community Development Agreements (CDAs), Environmental Management Plans (ESMPs) and 13% derivation principle within the extractive industry in Plateau State.

**Description of Commitment:** As part of the growing global expectation that the extractive industry should contribute positively to long-term local development, a discourse has grown surrounding a variety of structures and processes aiming to deliver development benefits to communities affected by mineral resource projects. Examples of these strategies include social/community investment programs, development forums, community-controlled trusts, development funds, and foundations. These strategies may be led by government, the companies, the impacted community, or through collaborative bilateral or multi-sector partnerships and agreements. They may be a regulatory requirement or negotiated voluntarily in response to mining companies' commitment to corporate social responsibility (CSR) principles. All these

together are part of the instrument of Community Development Agreement (CDA) that requires effective and transparent implementation in the Plateau State.

The importance of environmentally friendly mining industry in Plateau State cannot be over emphasized. Therefore, to save lives in these impacted mining communities, there is the need for effective and transparent implementation of Environmental Management Plans (ESMPs). The primary pecuniary benefit of the upstream mining activities to the state is the 13% derivation accruing from the Federation Account based on the revenue generated in the state from the extractive industry. Therefore, effective and transparent implementation of the derivation principle as provided in the Nigerian Constitution will enhance the state revenue.

#### **Expected Results**

- Increased transparency in the implementation of CDA, ESMPs and 13% derivation principle, and enhanced benefits to the State, mining operators and the host communities.
- Reduce environmental impact of mining activities in the State
- Improve development in the host communities

#### **Overall Objective**

To improve transparency in the implementation of CDA, EMP and 13% derivation principle that will benefit the State, the mining operators and the host communities.

#### **Planned Activities**

- Develop a Concept Paper on establishment the Plateau State Extractive Transparency Forum (PSETF)
- Issue policy statement or Executive Order on PSETF;
- Constitute PSETF through the policy statement or Executive Order;
- Develop a compendium of CDAs in Plateau State;
- Develop a compendium of ESMPs in Plateau State;
- Develop a record of 13% derivation from extractive sector accruing to Plateau State from 2015 to 2020