

FlexiCadastre Implementation in the Federal Government of Ethiopia

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OUTLINE

- Introduction
- Legal Regimes
- Objective and Implementation of CMS
- Advantages of FlexiCadastre
- Mineral Operation Licenses
- Challenges
- Conclusion



INTRODUCTION

Area: 1.14 Million SQ KM

Location: Horn of Africa, between
3° - 15°N and 33°E- 48°E

Climate: Two seasons:

Dry season Oct – May

Wet season June – Sept.

Population: 73,000,000

Time: GMT + 3, Julian Calendar

Administration: Federal System
(9 National Regional States &
2 City Administrations)

Altitude: from 4,620 m asl to 130 m bsl



Legal Framework

- The Mining Proclamation No. 678/2010, Mining Regulations No. 182/1994
- Income Tax Proclamations No. 53/1993
- The Mineral Sector Policy

Main issues addressed in the mining law

- Guarantees the licensee's right to **sell** the minerals locally or abroad.
- Provides **exemption** from customs duties and taxes on equipment, machinery and vehicles necessary for the mineral operations.
- Guarantees the opening and operation of a **foreign currency** account in bank in Ethiopia; retention of portion of foreign currency earning and remittance of profits, dividends, principal and interest on a foreign loan etc. out of Ethiopia.

Main issues addressed in the mining law

- Settlement of **dispute** through negotiation & international arbitration.
- Permits **loss carry forward** is permitted
- Requires **royalties** of 2 to 8% advalorem on production site
- Requires **environmental impact assessment**

License Types

- **Reconnaissance**-18 months, non-exclusive
- **Exploration**- 3 years exclusive, with 7 renewals of one year each
- **Retention**- exclusive for 3 years and once renewal for 3 years
- **Large scale**- exclusive for 20 years & renewals of 10 years each
- **Small scale**- exclusive for 10 years & renewals of 5 years each

Objective and Implementation (CMS)

- To stimulate private investment and mining sector performance by:
 - Creating an enabling **investment** environment
 - Enhancing government **capacity** to administer the sector
- **World Bank** financed
- **Implementation** of CMS was **completed** and operational at the Ministry & the 11 Regional Mines Bureaus since May 2010.

Main advantages of FlexiCadastre

- Efficient data management/record keeping
- Reduced application processing time and no backlog of applications
- Cut/avoid the waiting time required to check for overlap with licenses issued by regions or vice versa. Now done on the system in real time for all federal and central administration.
- Fast and accurate validations of license area -- FCFS

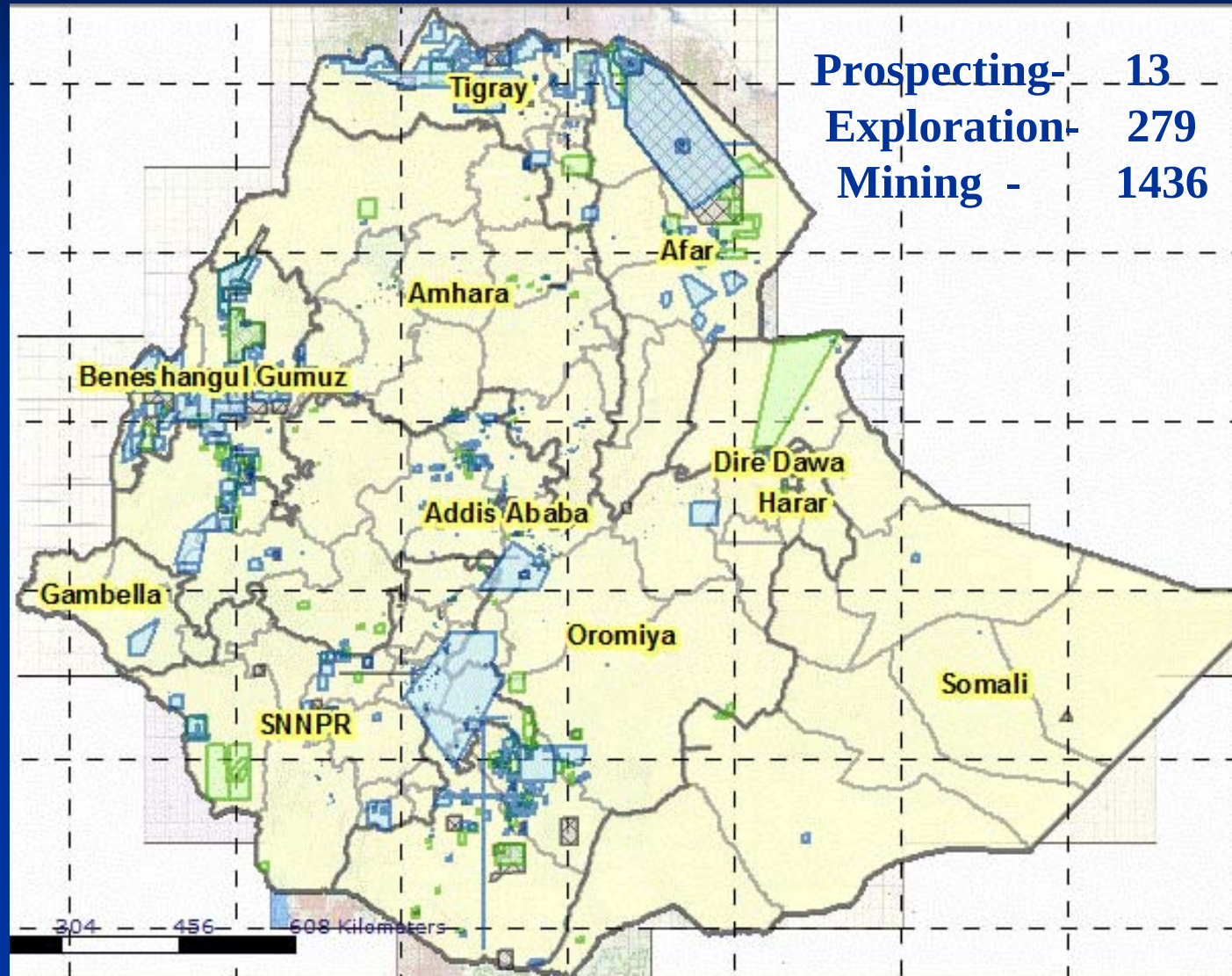
Main advantages of FlexiCadastre

- Workflows based - Creates and schedules actions according to system rules based on the Mining legislation
- Ensure that Mining law and regulation are implemented
- Easier for the government to follow up on the performance (query and report generation)
- Strengthening good governance by employing transparency and accountability

Main advantages of FlexiCadastre

- **Security** level and **authorization** are based on responsible office and region as well as individual user rights
- **Templates**
 - News paper notifications
 - Application and license fee calculations and documents
 - License agreement documents
 - Renewal documents
- **Alerts** on the application, report, renewal, payments, work commitments and obligations

Mineral Operation Licenses



Challenges

- Mandates of Ministry of Mines and Regional States for mineral licensing
- Internet connection
- Fast change of staffs/high staff turn over

Conclusion

The advantages of FlexiCadstre system will **increase** on the **investors confidence** towards investing in Ethiopia.

Thank you!