

# **The Role of The State in The Promotion of Mining Activities in Cameroon: Legal Perspective**

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**Abstract:** This principle examines the role played by the State in mining activities. This paper argues that not only does the State play a regulatory role its presence in the mining sector is of prime significance. It equally acknowledges some of the constraints faced by the State in guaranteeing the promotion of mining activities, especially with the fact that the main text governing the sector still awaits another decree for its application. However, it is the opinion that the role of the State central for the promotion of mining activities. Hence, the focus of this paper shows the diverse role the State plays in the promotion of mining activities from a legal perspective in Cameroon.

## **Introduction**

Mining activities have been the focus of State's interventionism over the years. Mining may be considered as the second humankind's earliest endeavour after agriculture<sup>1</sup>. Mining activities is governed by Law No 2016/017 of 14 December 2016 instituting the Mining Code. This code defines mining as all preparatory works, extraction, transportation and analysis on a given deposit to obtain marketable or useful products<sup>2</sup>. This same code defines mining activities as reconnaissance, exploration, development, mining processing, enrichment transportation, storage, loading, marketing and mining site restoration and closure<sup>3</sup>. Worth noting is the fact that the Cameroonian legislator distinguishes between mines and quarries and this paper is principally concerned with mines. Examples of mineral substances include amorphous or crystalline solid, gaseous natural substances as well as geothermal deposits. Quarries on the other hand are building materials or extracted via excavation or other method in view of supplying Mining is very important as it contributes to the economic and social development of the country. Cameroon practices three types of mining namely non-industrial mining, semi-mechanised non-industrial mining and industrial mining.

This paper seeks to analyse the role of the State in mining from a legal perspective. The state in herein refers to government organs and institutional units, which could be that of the central government or deconcentrated and decentralised entities. The primary objective of this paper is to appreciate the role played by the state in the promotion of mining activities.

## **Theoretical basis on the role of the State in mining**

The role of the state in mining gained its roots from the early policies of States interventionism in economic activities. State interventionism or government intervention refers to those policies designed by government institutions or organs to guarantee welfare. In other words, it is a policy aimed at the promotion of general welfare<sup>4</sup>. Interventionism equally transcends beyond basic regulation and the provision of public goods but also include the promotion of economic development, increased employment and the promotion of income equality<sup>5</sup>. A review of the historic perspective of government interventionism portrays that the role of the State in economic development remains central<sup>6</sup>. The argument for state interventionism has been

<sup>1</sup> [www.cienciaviva.pt/img/upload/introduction](http://www.cienciaviva.pt/img/upload/introduction) %20to%20mining.pdf. Accessed December 2019.

<sup>2</sup> Section 4 Law No.2016/017 of 14 Dec 2016 instituting the Mining Code (herein after refers to as the Mining Code).

<sup>3</sup> *ibid*

<sup>4</sup> F. Ellen, "Laissez faire in the Nineteenth Century Britain: Fact or Myth, Literature of Liberty", *Institute for Humane Studies*, vol.3, 1980

<sup>5</sup> N. Karagiannis "Key Economic and Politico- institutional elements of Modern interventionism" *Socio and Economic Studies* Vol. 50, No.3/4, 17-47, p.19

<sup>6</sup> P.Pundy *The Role of the State in Economic Development in Southern Africa*, (Lusaka: Research Triangle Institute, 2002)

hugely criticised mostly by liberalist who postulates that government intervention in economic policies is not only harmful and ineffective due to bureaucratic blockages, but it is responsible for the distortion of market prices and the misallocation of scarce resources<sup>7</sup>. To these thinkers the government should play only a minimal role as a facilitator in economic development such as the provision of a business friendly environment and an enabling development for private sector. In fact while the private sector is responsible for economic development, the State is expected to intervene not only when the free market fails to ensure the provision of public services and the setting up of the required legal and institutional framework<sup>8</sup>. This paper acknowledges that both the free market economy and state intervention are flawed but complement each other as the operation of one is influenced by the other. Thus the role of the State in mining activities in particular is very pertinent to growth though it suffers some imperfections.

### **Legal basis for the role of the State in mining activities**

Under Cameroon mineral tenure, the State has the property rights to all minerals in the country. The legal basis for this is enshrined in section 5 of the Mining code which provides that all mineral substances of the natural territory be it in the territorial waters and its continental shelf shall be the property of the state to exercise sovereign rights over them. This section therefore grants the state sovereign rights over its mineral resources. This sovereign right of ownership has bearings in international legal instruments such as principle 12 of the Stockholm Declaration and principle 2 of the Rio Declaration which guarantees States right over its mineral resources. The United Nations General Assembly Resolution 1803 affirmed that “the rights of people and nations to permanent sovereignty over their natural resources must be exercised in the interest of their natural development and wellbeing of the people concerned ...” this assertion implies that the sovereign rights of the state over its natural resources should aim at the wellbeing of its citizens. No doubt the preamble of the 1996 Constitution of Cameroon posits that “...resolved to harness our natural resources in order to ensure the wellbeing of every citizen without discrimination...” From the legal basis it is without doubt that the State has direct relationship with mining activities and its role therefore cannot be overemphasised.

### **The State’s role in the promotion of mining activities**

The government plays a preponderant role as far as mining activities are concerned. These roles shall be examined looking at the ratification of international treaties, adherence to international initiatives, domestication of laws, national policies designs, financial incentives, the determination for the conditions of mining and State supervisory, monitoring and enforcement measures.

### **Ratification of international treaties to regulate mining activities**

To regulate mining activities the government adopted relevant policy designed from both the international and the national perspectives with the aim to attract investors which serves as a stimulant to economic growth. At the international level Cameroon has adhered to both legal instruments of soft laws and hard laws. Some of which include the Stockholm declaration, the Rio Declaration, Agenda 21, United Nations World Summit of Sustainable Development, UNESCO Convention for the Protection of the World Cultural and National Heritage, United Nations Convention on the Laws of the Seas, Convention on Biological Diversity, United Nations Declaration on the Right to Development, United Nations Declaration on the Right of Indigenous People, and the International Labour Organisation Conventions. To promote investments, Cameroon has ratified policies such the OHADA Laws as well as legal frameworks for the settlement of investment disputes. Worth noting is that these ratified laws are applicable in Cameroon by virtue of the 1996 constitution of Cameroon.

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<sup>7</sup> J. Sentsho *The Role of the State in Botswana Economic Development*, (Gaborone, Bay Publishing, 2001)

<sup>8</sup> *ibid*

### **Adoption of international initiatives for promotion of mining activities**

Apart from the adoption of international legal frameworks, there are several international initiatives which promote mining activities in particular which the Cameroonian legislator has adhered to. There is the Extractive Industries Transparency Initiative, Kimberly Process Certification Scheme, International Council for Mining and Metal and sustainable Development. The African Mining Vision, and Sustainable development goals. These initiatives though not binding helps to regulate the mining sector. For instance, Cameroon joined EITI in 2005<sup>9</sup> but became an EITI compliant on 17<sup>th</sup> October 2013. EITI Reconciliation Report for Cameroon published in 2013, showed a total of 5 mining industrial permits awarded to 4 companies, 176 exploration licenses issued to 71 companies, and 51 quarry licenses have been accorded to 38 companies.<sup>10</sup> Tremendous progress has been made since then as the current 2018 EITI Report published in June 2021 reveals that by 31<sup>st</sup> December 2018, Cameroon had issued about 276 mining permits<sup>11</sup>. The report showed that the contributions of mines and quarries to the state budget in the year 2017 amounted to about 3.69 billion FCFA consisting of about 0.83% of the revenues gotten from extractive industries<sup>12</sup>. Unfortunately, this statistic dropped drastically in 2018 where it contributed just 1.24 billion FCFA to the state budget and a percentage of 0.22%<sup>13</sup>. However hopes are high that reports will witness and improvement. On the part of production and export, the mines and quarries contributed 12.455 billion from production and 0.95 billion as revenue for exports<sup>14</sup>. All these revenues add to the GDP of the country thereby contributing to economic growth and development.

### **Domestic laws governing mining activities**

Domestically, plethora of domestic legislations exists in Cameroon for the promotion of mining activities in Cameroon. The main legislation governing mining activities in Cameroon is the Mining Code.<sup>15</sup> There is also the 2002 decree of application<sup>16</sup> of the former repealed Mining Code<sup>17</sup> still applicable in particular provisions which are not contrary to the current mining code. There is also the ministerial order on the composition of the approval file for applications for incentives.<sup>18</sup> Other laws regulate the mining sector due to their inter relationships such the Environmental Code<sup>19</sup>, the Environmental Impact Assessment law,<sup>20</sup> the law on radiation protection,<sup>21</sup> the Labour Code,<sup>22</sup> law on toxic and hazardous waste,<sup>23</sup> the law on Water regime,<sup>24</sup> the law on the safety regime for modern biotechnology,<sup>25</sup> the Penal Code and the Criminal

<sup>9</sup> Decree № 2005/2176/PM of 16 June 2005.

<sup>10</sup> M. Bissou, and J. Bamenjo, *EITI and Mining Governance in Cameroon: Between Rhetoric and Reality* (Yaounde: RELUFA and Centre for Environment and Development, 2014) pp.1-76, p.13

<sup>11</sup> EITI Cameroon, EITI Report 2018, (Tunisia: BDO Tunisie Consulting, 2021), p.10

<sup>12</sup> ibid

<sup>13</sup> ibid

<sup>14</sup> ibid

<sup>15</sup> Law No.2016/017 of 14 December 2016 instituting the Mining Code

<sup>16</sup> Decree No 2002/648/PM of 26<sup>th</sup> March 2002

<sup>17</sup> Law No. 001 of 16 April 2001 on the mining code, which has been repealed by the 2016 Mining code

<sup>18</sup> Order 004263/CAB/MINMIDT of 3<sup>rd</sup> July 2014

<sup>19</sup> Law No.96/12 of 5<sup>th</sup> August 1996 establishing the Environmental Code

<sup>20</sup> Decree No. 2005/0577PM of 23<sup>rd</sup> Feb 2005 on Environmental Impact Assessment

<sup>21</sup> Law No. 95/08 of 30<sup>th</sup> January 1995 on Radiation Protection

<sup>22</sup> Law No. 92/007 of 14 August 1992 establishing the Labour Code in Cameroon

<sup>23</sup> Law No. 89/27 of 29 December on 1989 on toxic and Hazardous

<sup>24</sup> Law No. 98/005 of 14 April 1998 instituting the water regime

<sup>25</sup> Law No 2003/006 of 21<sup>st</sup> April 2003 on the Safety Regime for modern Biotechnology

Procedure Code. The mining sector is further regulated by some financial laws of the state such as the General Tax Code and the Investment Code.

### **Creation of institutional Frameworks for mining**

Under the institutional framework, several mining institutions have been set up. At the apex of these institutions is the Ministry of Mines, Industry and Technological development According to the decree organising this ministry<sup>26</sup>, it is made up of the service in charge of Mines and Geology and the service in charge of Industry and Technological Development. The service in charge of mines is a technical service endowed with responsibilities such as:<sup>27</sup>elaboration, formulation, promotion in matters of mines coordination and follow up of mining, the participation for the control of mineral exploitation and participation in fixing fiscal mining matters. It equally follows up the State's participation in the exploitation of mineral substances and supervises the local transformation of mineral substances and the management of national mining land. It further participates, collects, analyses, publication and conservation of statistics on mining activities.

To ensure the effectiveness of the mining sector the government through the Ministry of Mines created the National Brigade for the Control of Mining Activities (NBCMA2012<sup>28</sup>. It is a structure attached to the cabinet of the Minister of MINMIDT and comprises a Chief of Brigade, and 5 national mining controllers. At the Regional level, it is represented by the Regional Brigades for the control of Mining Activities, headed by a Regional Chief who is assisted by two regional controllers. The purpose of the creation of National Brigade is to ensure compliance with mining regulations, thereby implementing the government strategy in the control of mining activities.

The most recent institution is the National Mining Corporation known by its French acronym SONAMINES<sup>29</sup>, created by a presidential decree<sup>30</sup> with the objective of developing and promoting the mining sector of Cameroon. According to the decree for its creation, SONAMINES shall be a public corporation with the State as the sole shareholder<sup>31</sup> though the shareholding of SONAMINES may be opened to other private or public entities. With its head office in Yaounde, SONAMINES has a legal personality and financial autonomy. The duties of SONAMINES have been well defined in article 4 of the decree setting up its creation<sup>32</sup>

SONAMINES has the duty to contribute to the promotion of transparency in the mining sector and also to the promotion of geological and mining information in conjunction with other government service. It shall also carry out all commercial, industrial, capital, real estate and financial transaction linked to its corporate purpose or that can foster its development.<sup>33</sup> Furthermore, all operations relating to the purchasing and marketing of gold and diamond throughout the national territory shall be within the exclusive competence of SONAMINES<sup>34</sup>.

Courts as judicial institutions have competence to hear and try all matters related to mining. The mining code defines offences related to mining activities and makes provision for penal sanctions to be

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<sup>26</sup> Decree № 2012/432 of 11 October 2012 organising the functioning of the Ministry of Mines Industries and Technological Development.

<sup>27</sup> Article 24 Ibid.

<sup>28</sup> Decree № 2012/432/PR of 1 October 2012 Creating the National Brigade for the Control of Mining Activities.

<sup>29</sup> Société Nationale de Mines

<sup>30</sup> Decree No. 2020/749 of 14 December 2020 to Set up the National Mining Corporation

<sup>31</sup> Article 2 of SONAMINES decree

<sup>32</sup> It is responsible for carrying out mining inventories, mineral substance purchase and marketing on behalf of the State and conduct studies on the exploration and exploitation of mineral substances. It shall also promote the processing and packaging of mineral substances, and ensure the implementation of measures relating to restoration, rehabilitation and closure of mining sites in collaboration with other government services. The collection and preservation of documents on mineral substances and mining activities is part of its function in collaboration with the ministry of mines

<sup>33</sup> ibid

<sup>34</sup> Article 4(2) ibid

imposed by the competent court<sup>35</sup>. Courts have a great role to play as far as prosecution of mining offences are concerned. Criminal offences related to mining can only be by tried a judicial court. In the case *Ministere Public et Samba Sah v. La Société Metallicon Cameroon S.A et Vulgaris Athanasios*<sup>36</sup> the Court of First Instance Batouri had jurisdiction to try a mining related offence.

### **State's Policies for the promotion of mining activities**

As far as policies are concerned, the State has adopted several policies in the mining sector such as the Growth and Employment Strategy Paper which recognises mining activities as on of the strategies for the attainment of economic growth and emergence. It further created the *Projet de Renforcement de Capacité dans le Secteur Minier (PRECASEM)* translated in English as “The Mining Sector Capacity Building Project” is a project sponsored by the World Bank with the objective of development to ameliorate the effectiveness and Transparency of the mining sector and the different framework of sustainable development. The project was set up in line with the government’s vision 2035 wherein the Growth and Employment Strategy (GESP) 2010-2020 intends to integrate the mining sector as an economic pillar and as a national priority. To this effect, the government solicited to the World Bank a loan of 50million USD for putting in place the mining project which is necessary for economic growth and the creation of employment for the country.

The *Cadre d’Appui et de Promotion de l’Artisanat Minier (CAPAM)* translated as Artisanal Mining Support and Promotion Framework was created by a Prime Ministerial order in 2003<sup>37</sup>, with the mission to promote the development of industrial mining and to ensure a positive synergy between small mining schemes, industrial mining and improve on the conditions and living environment of immediate localities. CAPAM built its first program running from 2005-2009 with the aim of providing support to artisanal mining<sup>38</sup>. In 2007, it formed a joint venture with a Korean Company known as Cameroon and Korean Mining Company (C&K) with the goal of industrialising small gold mining with the State through CAPAM owning 20%. In 2009, C & K announced it had discovered the world’s largest diamond deposit estimated at 736 million Carat and the Korean operator promised to invest one billion dollars over the 25 years life of the project which they claimed would create over 4000 jobs<sup>39</sup>.

It ran a second program from 2011 to 2016 which had several objectives.<sup>40</sup> The first objective was to boost mining production through the promotion of artisanal mining, scaling up of artisanal mining with the mechanisation and industrialisation of mining. It also targeted the local transformation of mining production and worked towards increasing the geological and mining information from 40%-60% and above. It relied on improving socio-economic conditions of the population living in mining areas and the enhancement of capacity building within the mining sector.

In a general framework, the artisanal miners benefit from socio-economic infrastructures realised by CAPAM in certain localities such as schools, water points, mining tracks and sanitary infrastructures. Some of the achievements of CAPAM projects realised in 2014 include the construction of forages at Kambele and Meiganga/FEL, the construction of the mining Brigade headquarters at Akom II, Sangmelima and Pouma, and the transformation of local products at Pouma<sup>41</sup>. CAPAM also constructed and equipped 3 primary

<sup>35</sup> Sections 216-230 of the Mining Code defines mining related offences and their sanctions

<sup>36</sup> Jugement No.268/COR du 25 Aout 2020

<sup>37</sup> Order N° 064/PM of 25<sup>th</sup> July 2003creating *Cadre d’Appui et de Promotion de l’Artisanat Minier*.

<sup>38</sup> Cameroon Doing Business Guide pt3.Pdf.

<sup>39</sup>Gueye,H.(2009)," Cameroun Mystérieux gisement de diamant ".Yaoundé <http://www.investiraucameroun.com/mines-et-hydrocarbure-actu/cameroun-mysterieux-gisement-de-diamant>.Accessed January 2015.

<sup>40</sup> Brian, O. (2012),“Your Prosperity Our Concern”, British High Commission, Avenue Winston Churchill, [http://www.gov.uk/government/uploads/system/attachment\\_data/file/237132/Cameroon\\_Doing\\_Business\\_Guide](http://www.gov.uk/government/uploads/system/attachment_data/file/237132/Cameroon_Doing_Business_Guide). Accessed January 2015.

<sup>41</sup> *Ibid*.

schools in Colmine/Ngoura, Beke/Kette, and Marma/Tibati, constructed a health centre in Marma/Tibati and installed 1 VSAT antenna at Marma/Tibati<sup>42</sup>. Through CAPAM, 20 small mining cooperatives (GICAMINES) were created and registered, 5 in Bindiba, 9 in Betare Oya and 6 in Beke, altogether sustainably employing 1000miners<sup>43</sup>.

The creation of the National Mining Policy Implementation Fund is among the many reforms of the mining code. It is aimed at spearheading mining policies and local development. The NMPIF were set up for the implementation of the national mining policy and they include: a Mining Sector Development Fund, Mining Site and Quarry Restoration, Rehabilitation and Closure Fund and a Special Local Capacity Building Account<sup>44</sup>. Each of these funds serves different purposes. The Mining Sector Development Fund (MSDF) is intended to finance mining inventory activities so as to detect any anomalies and traces of minerals and also finance geological and mining infrastructural developments.

The objective of the Mining Site and Quarry Restoration, Rehabilitation and Closure Fund is to finance the implementation of programs for the conservation and rehabilitation of the environmental damage resulting from mining projects. The resources of the fund shall equally be derived from the mining/quarry permit holders depending on the estimated cost of implementing the environmental conservation and rehabilitation program as established in the ESIA<sup>45</sup>. This particular fund is very important as its implementation will go a long way to restore and rehabilitate the mining environment. This way post mining accidents resulting from non rehabilitated mining sites will be mitigated.

The Special Local Capacity Building Account has as objective to finance Cameroon's economic, social, cultural, industrial, and technological development of human resources and local enterprises and industries<sup>46</sup>. The amount to be contributed shall range from 0.5 percent to 1 percent of the total profit of the mining company<sup>47</sup>. The exact rate shall be agreed and fixed during the negotiation for the mining agreement or as the parties may decide. The collection and management of these contributions shall be by mutual agreement between the State, the contributing mining companies and representatives of the population. The above mentioned NMPIF is very important for a sustainable mining sector. This initiative shall without doubt benefit both the mining operators as well as the local communities in which they operate. This according to this paper is a sustainable mining practice. It is quite unfortunate that these funds have not yet become effective because the decree for the modalities of its operation has not yet been enforced.

### **State's financial Incentives for the Promotion of Mining activities**

Financial incentives are some of those policies that motivate national and foreign companies to effectively engage in mining activities. One of such incentive is the exemption from fiscal and custom duties. Mining operations are subject to fiscal obligations under the mining code in pursuance of the general economic policy in Cameroon. However to promote the mining sector, the legislator grants some fiscal incentives in the form of tax exemption and exemption from custom duties during the mining exploration and exploitation phases.<sup>48</sup>

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<sup>42</sup> P.N Ngweth et al *Programme "Appui Au Developpement Des Activite Minieres(CAPAM) 2011-2016* (Yaounde, Imprimerie Saint John Industries, 2011) pp1-637, p.68

<sup>43</sup> International Monetary Fund, "Cameroon: Poverty Reduction Strategy Paper-Progress Report", *IMF Country Report* No. 08 vo.1, 2008: p.24

<sup>44</sup> Section 233 of the Mining Code

<sup>45</sup> Section 235 *ibid*

<sup>46</sup> Section 236 of the Mining Code

<sup>47</sup> *ibid*

<sup>48</sup> Sections 177-183 of the Mining Code

Again, to promote mining activities, the State ensures that land owners, occupants, beneficiaries and usufructuaries who are victims of expropriation for public purposes be compensated after showing material, direct or actual proof of damages<sup>49</sup> according to the law governing compensation procedures<sup>50</sup>.

### **The determination for the conditions for mining by the State**

The State plays another vital role in the determination for the conditions of mining activities. It prescribes the requirement related to capacity in positing that only natural persons or corporate bodies have capacity to conduct mining<sup>51</sup>. This law makes no discrimination on the bases of nationality but for the fact that in cases of moral persons, such a person must be governed by Cameroonian law. The only exception is in the case of non-industrial mining where the person must be a natural person of Cameroonian nationality<sup>52</sup>. Apart from capacity, the State further defines the procedures for the acquisition of mining titles and such title depends on the type of mining activity carried out. There are five types of mining permits and they consist of non-industrial mining licence, semi-mechanical licence, exploration permit, small scale mining permit and industrial mining permit. It is the acquisition of any of these titles that confers on the holder the exclusive right to conduct mining operations within the perimeter of the permit.

### **State's supervisory, monitoring and enforcement role in mining activities**

The state monitors mining activities through administrative supervision, technical control and the imposition of penalties in cases of non compliance. Administrative supervision deals with the verification of authenticity of relevant documents and reports by mining inspectors to ensure regularities in the mining sector. Technical control is concerned with issues of technicalities such as hygiene and safety at the mining site, the use of mining equipments and conformity with labour laws at the workplace. To ensure compliance, the mining code prescribes for the establishment of violations, offences and penalties, conferring powers to judicial police officers with special jurisdictions<sup>53</sup>. The code goes further in distinguishing between administrative penalties and criminal penalties, to show how serious it is with compliance.

### **State's Constraints in the mining sector**

#### **Lack of infrastructures**

The lack of infrastructural development is another major challenge facing the mining sector. Road which accounts for about 70% of the country's transport network is currently constrained by the poor nature of the road<sup>54</sup>. Cameroon is an important transit country among the land locked countries in central Africa, but the dire state of its infrastructures, leads to an increase in transport cost and an unusual delay<sup>55</sup>. Due to the remote location of the majority country's project, the lack of water, energy, transport and telecommunication infrastructure is generally seen as a major hurdle for mining investors. However, the development of infrastructures to boost the mining sector has now become one of the priorities of the government, as the country strives to reach key economic growth by 2035. According to the GESp, the government plans to improve on transportation facilities through the constructions of the deep sea ports in Kribi and Limbe, oil yard in Limbe and new railways.

#### **Financial constraints and poor accountability**

Constraints in financial funding are another setback in mining activities. The financial incentives granted are inadequate to make up for the alarming tax rates. The standard taxes and royalties remain quite

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<sup>49</sup> Section 116 of the Mining Code

<sup>50</sup> Section 4 of Law No.80/21 of 14 July 1980 to Amend provisions of Ordinance No.74-1 of 14<sup>th</sup> July 1974 to establish Rules governing Land Tenure in Cameroon.

<sup>51</sup> Article 15 Mining Code.

<sup>52</sup> Section 15 Mining Code

<sup>53</sup> Sections 202- 230 of Mining Code

<sup>54</sup> KPMG Global Mining Guide. [Kpmg.com/mining](http://Kpmg.com/mining).

<sup>55</sup> African Development Bank, (2010), *The AFDB and Cameroon 40years of partnership*.

high compared to other West African countries<sup>56</sup>. Mining operators find the imposition of corporate income tax, VAT and the payment of royalties as constraint to their activities. The lack of coordination in the collection of various taxes from the operators by different ministries such as MINMIDT, Ministry of environment and Ministry of Finance, makes the financial burden heavy on the mining operators.

In December 2007, Cameroon signed the Economic Partnership Agreement (EPA) with the European Union, with the aim of creating a free trade area which paved the way for competition between home produce market and foreign produce market<sup>57</sup>. Given that mining in Cameroon is still at its infancy stage, inadequate finances to compete with foreign mining companies may pose a serious problem.

#### **Negative impacts of Mining on the Environment**

Mining activities have led to many hazards to man and his surroundings. Mining is not friendly to the environment. It has caused so many environmental hazards like land, soil and forest degradation. Mining is also a threat to biodiversity. Each stage of mining, from exploration, development, construction, transportation and mine closure has impacts on biodiversity. For example, mine footprints, infrastructures like pipelines; roads may contribute to biodiversity problems<sup>58</sup>. Mining has adverse effect on water given that mining activities at all stages depend on water<sup>59</sup>. Water pollution is a common effect of mining to communities as the activities may lead to water scarcity. Solid, liquid waste disposal discharged to surface and underground water may contaminate water sources. In *Camerounaise des Eaux (CDE) v Chinese Company*<sup>60</sup>, the complaint brought to MIMMIDT was against the Company's activities for polluting the river Ndongo which is the source of Tiko portable water. Though the government has adopted measures to mitigate environmental hazards, more has to be done to enforce compliance.

#### **Absence of decree of application of the Mining Code**

The absence of the decree of application of the mining code is a major impediment to the implementation of the mining Code. This limitation frustrates the State's effort in realising its goals in the mining sector.

#### **Conclusion**

Despite the many challenges plaguing the mining sector, it is worth acknowledging that the setting up of legal, institutional and policy framework regulating the mining sector is a great step towards a progressive mining sector. Policy makers should strive more for implementation mechanisms to make the sector effective. More so, there should be a speed up in the adoption of the decree of application of the mining code, since for the time being, the absence of that decree of application has slowed down the enforcement of the mining laws. State's intervention plays a central role in mining activities for the enhancement of sustainable economic growth. The incentives at the international and national levels, the definition of mining policies and reforms for the determination of the conditions for mining activities, the supervisory mechanisms and the various measures for dispute settlement if well implemented and strategized with required transparency involving local participation in the process of decision making, will enhance economic growth in the mining sector.

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<sup>56</sup> Nodem, V. Bamenjo, N. and Brendan, S. *Sub-National Natural Resource Revenue Management in Cameroon : Forest and mining Royalties in Yokadouma, East Cameroon (RELUFA, Yaounde, 2012)*

<sup>57</sup> Cameroon Growth and Employment Strategy Paper. Vision 2035.

<sup>58</sup> International Finance Corporation, *Sustainable and Responsible Mining in Africa-A Getting Started Guide*. (Nairobi: International Finance Corporation 2014)

<sup>59</sup> *Ibid.*

<sup>60</sup> *Camerounaise des Eaux (CDE) v Chinese Company (2015) Ref.№057L/SWR/SMGS/.*



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