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Project Health Control (PHC)

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4th October 2024

Honourable Commissioner,
[The Appropriate Ministry]
The Secretariat,
[The Appropriate State address]

Dear Sir/Ma'am,

Request for Project:

A National Mining License Monitoring System (NMLMS)

Project Background:

Nigeria's mining sector has significant potential for economic growth and diversification. However, inefficiencies in monitoring the activities of license holders have led to issues such as underutilization of resources, non-compliance with environmental standards, and loss of revenue. This project aims to develop and implement a comprehensive monitoring system to track the activities of exploration and mining license holders across Nigeria. This system will enhance transparency, ensure compliance with regulations, and optimize revenue generation.

Project Objectives:

- 1. Development of a Centralized Monitoring System:** Create a digital platform to track and monitor the activities of exploration and mining license holders in real-time.
- 2. Data Collection and Analysis:** Gather data on mining activities, including operational status, production levels, and environmental impact, and analyze this data to ensure compliance.
- 3. Enhancement of Regulatory Compliance:** Ensure that all license holders comply with the Nigerian Minerals and Mining Act and environmental regulations.
- 4. Optimization of Revenue Generation:** Increase government revenue through better tracking of production and royalties.
- 5. Capacity Building:** Train relevant stakeholders, including government officials, on the use and maintenance of the monitoring system.

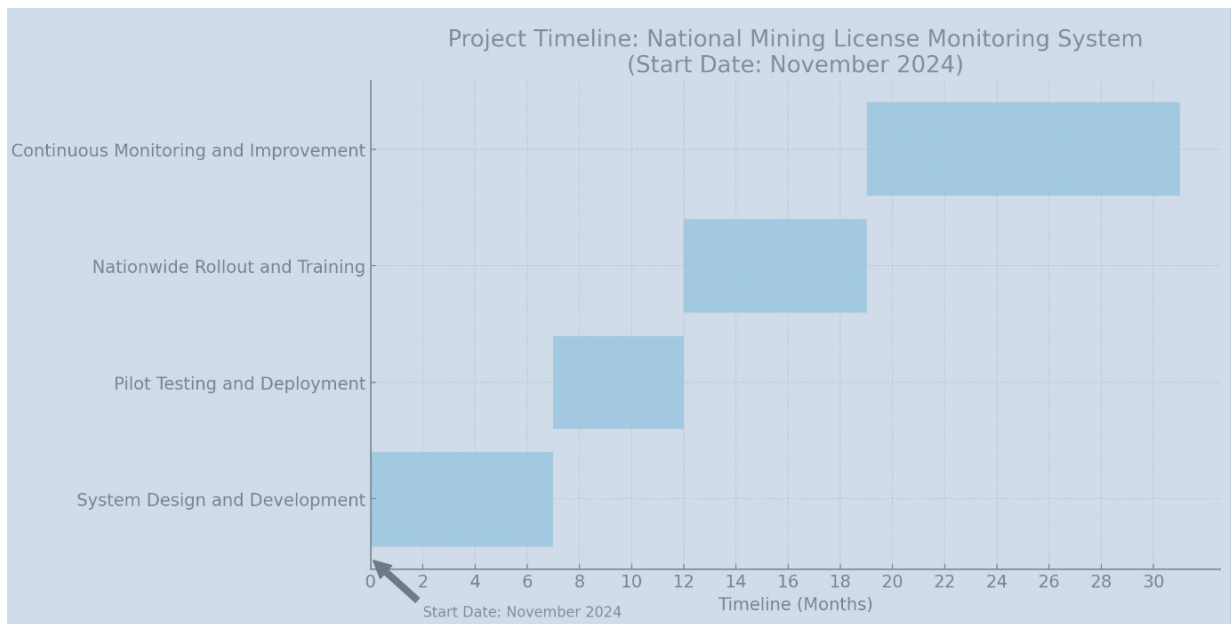
Project Scope:

- **Phase 1: System Design and Development (6-8 months)**
 - Requirement gathering and system specification.
 - Development of the monitoring platform (web and mobile applications).

- Integration with existing databases and systems.
- **Phase 2: Pilot Testing and Deployment (4-6 months)**
 - Selection of pilot sites in key mining regions.
 - Testing the system with a subset of license holders.
 - Iterative improvements based on feedback.
- **Phase 3: Nationwide Rollout and Training (6-8 months)**
 - Full deployment across all mining regions.
 - Training programs for government officials and stakeholders.
- **Phase 4: Continuous Monitoring and Improvement (Ongoing)**
 - Regular updates and maintenance of the system.
 - Continuous data collection and analysis to improve system efficiency.

Timescale:

- **Total Duration:** 18-24 months



Estimated Cost:

- **System Development and Deployment:** \$3-5 million
- **Training and Capacity Building:** \$500,000
- **Ongoing Maintenance and Support:** \$1-2 million per year
- **Total Estimated Cost:** \$5-7 million (excluding ongoing operational costs)

Possible Sources of Funding:

- **Government Budget Allocation**
- **Development Finance Institutions (DFIs)**
- **World Bank or African Development Bank (AfDB)**
- **International Finance Corporation (IFC)**
- **Foreign Investment and Aid**
- **European Union or USAID**
- **Public-Private Partnerships (PPPs)**
- **Private mining companies operating in Nigeria**
- **Corporate Social Responsibility (CSR) programs of mining corporations**
- **Multilateral Initiatives:**
 - (1) Extractive Industries Transparency Initiative (EITI): Nigeria is a member of the EITI, which promotes transparent management of natural resources. Funding or support from EITI could help with system development, as the project aligns with their objectives.
 - (2) Natural Resource Governance Institute (NRGI): They often fund projects that focus on improving governance in resource-rich countries.
 - (3) Nigeria's Sovereign Wealth Fund (NSWF): The Nigeria Sovereign Investment Authority (NSIA), which manages Nigeria's sovereign wealth, could be a key source of funding if the project aligns with broader investment goals for national infrastructure and development.
- **Debt Holders and Lobbying:**
 - (1) Lobbying Debt Holders: Approaching institutions or countries that hold Nigeria's national debt could lead to favorable restructuring or specific investment projects tied to revenue-generating initiatives, like the NMLMS. By demonstrating how the system will increase mining revenues, it could be positioned as a way for debt holders to ensure debt service payments are improved.
 - (2) International Environmental Funds: Global Environment Facility (GEF) or the Green Climate Fund (GCF) may provide funding if the project's environmental monitoring component is emphasized. These funds are geared towards projects that contribute to environmental protection and sustainable development.

Expected Benefits:

- **Increased Government Revenue:** Enhanced monitoring will lead to more accurate reporting of production, resulting in higher royalty collections.
- **Improved Regulatory Compliance:** A robust system will ensure license holders comply with legal and environmental standards.
- **Transparency and Accountability:** The system will increase transparency in the sector, making it easier to track the activities of license holders.
- **Environmental Protection:** Better monitoring will help mitigate the environmental impact of mining activities through stricter enforcement of regulations.
- **Data-Driven Decision Making:** Government and industry stakeholders will have access to accurate data, enabling more informed decision-making.

Conclusion:

The proposed National Mining License Monitoring System will revolutionize how Nigeria oversees its mining sector, ensuring that the country maximizes the economic and environmental benefits from its mineral resources. By investing in this project, the Nigerian government can strengthen its oversight capabilities, enhance revenue, and promote sustainable mining practices.

Links to PHC Scalped Lists:

01 - Schedule Items	P003 License Monitoring Schedule Activities.pdf
02 - Concerns	P003 License Monitoring Concerns.pdf
03 - Actions	P003 License Monitoring Actions.pdf
04 - Locations	P003 License Monitoring Locations.pdf
05 - People	P003 License Monitoring People.pdf
06 - Events	P003 License Monitoring Events.pdf
07 - Deliverables	P003 License Monitoring Deliverables.pdf

Sincerely,

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