

Zambia

Relevant Laws

1. The Mines and Minerals Development Act, 2015 (2015 MMDA)

Conditions for Competitive Bidding

Zambia uses a policy of discretionary bidding. In general, only mineral areas closed to priority mining can be made subject to competitive bidding in accordance with law (Article 28, 2015 MMDA). In this regard, the Minister may, by statute, close an area described in the relevant statutory order to priority licensing in respect of all minerals or certain specified minerals only. The Minister shall not close an area if such area is already covered by an issued mineral process license, or when the mining rights over the same have lapsed or are otherwise no longer available. The Director of Mining *Cadastre* shall record areas closed to priority licensing in the appropriate register.

Two-Tier Bidding – Pre-Qualification Criteria

Information not available.

Bidding Process

The minister shall issue invitations for bids the award of mining rights over identified areas by notice in a daily newspaper of general circulation in Zambia.

The notice shall include:

1. A description of the subject area, with a map and geographical coordinates, for which the bids are to be solicited;
2. Procedures and rules relating to the submission of the bids; and
3. The period within which the bids shall be submitted.

The Minister shall establish a technical committee to evaluate submitted bids. Within fourteen (14) days from the date of the expiry of the period set by the Minister, the bids shall be referred for evaluation by the technical committee. The technical committee shall then provide a detailed analysis of all the bids, rank the bids in accordance with certain parameters, and on the basis of the foregoing recommend a bidder to the mining licensing committee. Such parameters include: (1) the bidder's investment and financial plan; (2) the bid price; (3) in case the bidder is the holder of pre-existing mining rights, whether such bidder has been compliant with the terms of the same; and (4) other relevant matters. The committee shall, upon receipt of the recommendation by the technical committee, grant the mining rights to the recommended bidder in accordance with applicable law (Article 19, 2015 MMDA).

Biddable Factors/ Evaluation Criteria

The following criteria shall be taken into consideration:

1. The bidder's investment and financial plan;
2. In case the bidder already holds mining rights in a different mineral area, whether the holder has been compliant with the provisions of the MMDA and the terms and conditions of the mining rights;
3. The bid price; and
4. Any other relevant matters for purposes of the MMDA (Article 19, 2015 MMDA).

Bidding Fee – Revenue/Buy-In

Information not available.

Eligibility

1. A mining right over an area between a minimum of 2 *cadastre* units and a maximum of 120 *cadastre* units in extent shall only be granted to the following companies:
 - a. Citizen-influenced company,⁷ which means a company where five to twenty-five percent of its equity is owned by citizens and in which citizens have significant control of the management of the company
 - b. Citizen-empowered company, which means a company where twenty-five to fifty percent of its equity is owned by citizens
 - c. Citizen-owned company a company, where at least (50.1) fifty point one percent of its equity is owned by citizens and in which citizens and in which citizens have significant control of the management of the company. (Article 13, 2015 MMDA)
2. A mining right or non-mining right (*i.e.*, mineral processing license or mineral trading permit) shall not be granted to a company which:
 - a. Is in liquidation, other than liquidation which forms part of a scheme for the reconstruction of the company or for its amalgamation with another company
 - b. Is not incorporated under the Companies Act
 - c. Has not established a registered office in Zambia
 - d. Has among directors >10% shareholders a person who—is bankrupt, and/or has been convicted in the past 5 years of fraud/dishonesty (Article 14, 2015 MMDA)
3. A mining right or non-mining right shall not be granted to an individual who:
 - a. Is under 18 years of age
 - b. Is or becomes an undischarged bankrupt individual
 - c. Has been convicted in the past five (5) years of fraud/dishonesty within or outside Zambia (Article 14, 2015 MMDA).