



MINERALS AFRICA DEVELOPMENT INSTITUTION E-CONFERENCE:

**ARTISANAL AND SMALL-SCALE MINING (ASM) AND CONFLICT MINERALS IN AFRICA.
MADI ASM 2 E-CONFERENCE ON ARTISANAL AND SMALL-SCALE MINING**

THEME: FORMALIZATION TO PROFESSIONALIZATION OF THE ASM SECTOR IN AFRICA

November 17, 2020 2 – 4:30 PM East African Time

CONCEPT NOTE

MADI is organizing a series of one - day E-Conferences to discuss in detail critical issues that were raised during the MADI Inaugural E-conference that was held on 28 - 29 July 2020 as factors hindering Africa from maximizing benefits or optimizing value from her mineral resources.

Given the importance of the Artisanal and Small-Scale Mining (ASM) in Africa and the critical issues affecting the ASM sub-sector, MADI will be organizing an ASM E-Conference in two parts. ASM I will be held on September 29, 2020 whilst ASM II is scheduled for November 7, 2020.

1. BACKGROUND

An estimated third of the world's known mineral-resource reserves are located in Africa. The mining industry includes both large- and small-scale operations. Artisanal mining refers to mining with minimal technology and generally without formal organization, largely involving women, the vulnerable and the poorest populations, and often in conflict zones in Africa. To get their final mineral of interest, individual artisanal miners perform a range of mining activities such as, digging or excavating, washing, panning and processing the minerals, as well as supporting the labour of others through the provision of goods and services intrinsic to the mining industry.

Artisanal and small-scale mining (ASM) has experienced explosive growth in recent years due to the rising value of mineral prices and the increasing difficulty of earning a living from agriculture and other rural activities. It is estimated that over 240 million Africans could be directly and indirectly involved in the Artisanal and small-scale mining space today, and this number is projected to grow to 720 million by 2030. This presupposes that the ASM sector requires and demands appropriate strategies and policy attention more now than ever.

Artisanal mining on its own is a very important source of livelihood for many people in low-income countries. In Africa it is the dominant indigenous employer, but the lack of government control over the artisanal mining sector and the prominence of informal trade networks translates into severe social, political, and economic consequences. The current lack of state control over the ASM sector throughout Africa allows minerals to be illegally traded with relative ease, and governments lose much needed revenue that could be directed towards social and economic development. In conflict zones, artisanal miners are in danger not simply because they operate amid conflict, but also because of the presence and intent of armed groups wanting to use the minerals as a source of financing for the conflict by trading through informal networks. Due to their roles in prolonging or renewing conflicts by funding terrorist and criminal networks, conflict resources are seen as a domestic and international security threat. According to a UN panel of Experts on the subject, "Without the wealth generated by the illegal exploitation of natural resources, arms cannot be bought, hence the conflict, which almost always involves grave human rights abuses and large-scale population displacement, cannot be perpetuated"



On the other hand, Africa's strong economic growth, infrastructure boom, and rapid urbanization are driving the demand of construction materials, dimension stones, industrial minerals and semi-precious stones. Yet, historically, little attention has been given to the low value or Development Minerals sector and the millions of ASM workers involved in their extraction. As a result, many low-value mineral policies are poorly designed or implemented, while miners lack access to the rights, financial services, market information, and technology they need. Pollution and land degradation resulting from small scale mining have also not been addressed

Trade unions in Africa are calling for artisanal and small-scale mining (ASM) to be formalized as a way of transforming the sector. Many countries are already implementing measures to empower ASM miners. Nonetheless, the overarching question is, "*how do we ensure continent-wide best practice in this direction*"?

The Africa Mining Vision (AMV), for example, was formally endorsed in 2009 by the African Union (AU) Heads of State and Government to promote equitable, broad-based development through the prudent utilization of the continent's natural wealth. Fortunately, the AMV recognizes the contribution of artisanal and small-scale mining (ASM) to local economic development, and it also promotes women's rights and gender justice. However, eleven years after its adoption by AU Heads of State and Governments, implementation has been slow and there is an extremely low level of awareness of the framework among key stakeholders in the mineral sector. Africa's leaders, citizens and the private sector must act now to ensure that the goals of the AMV are realized, because it is a transformative policy that can drive sustainable development on the continent. The AMV also has the propensity to provide value in the ASM supply chain in the long run.

2. CONTEXT

ASM as a perception, is generally pursued as a route out of poverty or as an activity to complement insufficient income, especially in communities where alternative employment is hard to come by. ASM operators face very similar challenges across the continent, but the industry is at the same time a very diverse one with cross border implications for the African continent. However, its main challenges vary from region to region, and often from site to site. While access to finance and access to explored demarcated mineralized zones are the major concerns to the ASM operators, governments and regulatory agencies on the other hand have the inability to formalize them as their primary concern and challenge.

The good news is, globally ASM is an important and a significant source of minerals and metals. It accounts for about 30 percent of the global gold supply, 80 percent of the global sapphire supply and 20 percent of the global diamond supply. ASM is also a major producer of minerals indispensable for manufacturing popular electronic products, such as laptops and phones. For example, 26 per cent of global tantalum production and 25 percent of tin comes from ASM. Consequently, corporate institutions are recognizing the important role ASM in general plays especially in the critical mineral supply chain. Glencore and Tesla for example, have added their support to the Fair Cobalt Alliance to improve artisanal and small-scale mining operations in the Democratic Republic of Congo.

Additionally, millions of ASMs in the Development Minerals sub sector are contributing immensely in the social and economic structural development of African economies. According to Prof Daniel Franks "The total number of gold that has been mined and produced by humans in all of human history would fit into just 3 Olympic size swimming pools. When you contrast that with sand aggregate that is produced annually, this would not fit in 10 million Olympic size swimming pools. In total, metals make up just 2.8% of global commodity production.



Compare this to the Construction industrial materials that make up almost 84% of global commodity production - it is a huge discrepancy there” [Daniel Franks speaking at the MADI Inaugural Conference]

Despite the importance of Artisanal and Small-Scale Mining in the development of Africa, the ASM sub-sector both in High Value as well as in Development Minerals faces a number of challenges which prevent it from reaching its full developmental potential. These include: inadequate policy and regulatory frameworks; the limited technical capacity of miners; lack of access to finance and appropriate technologies; and, regrettably, widespread employment of under-age child workers, incidences of trade in conflict minerals as well as pollution and land degradation that is detrimental to environment and a huge contributor to climate change issues. These challenges generally lock small-scale miners into a cycle of subsistence operations with significant negative consequences for the environment and for human life.

A number of studies and empirical evidence have shown that there is a dire need to create a mineral resource sector that harnesses the potential of a viable and sustainable artisanal and small-scale mining that contributes to inclusive growth and development and sustainable socio-economic development.

In this regards, there is work in progress in developing frameworks and strategies to formalize, regularize and mainstream ASM, across the board, into broad stream socio-economic activities specifically developing policies, laws, regulations, standards and codes to promote a viable and sustainable ASM sector; putting in place programmes to upgrade knowledge, skills and technologies in the ASM sector; including but not limited to: promoting local service providers in the sub-sector; models for partnership with government and large-scale mines to facilitate access to technology, skills, knowledge and markets; financing and marketing programmes appropriate to the ASM sector and improved health, safety, environment and gender in the ASM. However, these need to be domesticated and implemented.

3. OBJECTIVES OF THE ASM 1 E-CONFERENCE

The objective of this one-day conference is to:

- Explore and proffer innovative solutions that will engender superior governance and management of the sector while integrating ASM into Regional and Global minerals value and supply chain including Formalization Strategies that would make the ASM practice a profession, etc.
- Enumerate and appreciate the potential of the ASM sector to contribute to social and economic structural transformation of Africa as envisioned by both Agenda 2063 and Global Agenda 2030 (SDGs)
- Expedite the contribution and the domestication of Sub-Regional and Continental policy frameworks such as AMV with regards to the ASM Sector and situate the role of women in the ASM space in Africa.
- Assess the workload, psychology and the organization process, necessary to progressively formalize the ASM sector in Africa and turn it into a recognizable profession.

In doing this the E-Conference will answer these preliminary questions;

What steps should African countries take collectively to transform the ASM operations as a sustainable development vehicle?

4. EXPECTED OUTCOMES

The conference will come up with key recommendations on the following:



1. **Towards Sustainable ASM:** if projections on direct and indirect ASM involvement and dominance by 2030 are anything to go by, then there must be conscious efforts towards a sustainable ASM sector. What Do We Need to Get There in terms of Policy, Legal and Regulatory Frameworks for the ASM Sector?
2. **Formalization and engineering financing mechanisms for the contemporary ASM operator.**
 - a. What are the common barriers to formalization of the ASM sector?
 - b. What alternative financing instruments exist for the ASM operator?
3. **Addressing the Conflict Minerals issues and alternative Livelihoods for the Small-Scale Mining especially in conflict zones?** how possible is it?
4. **Professionalizing the ASM Practice.** The Role of Governments and sector regulators in transforming the ASM operation into a professional one with continent wide guidelines, e.g. exploration protocols for the ASM Operator.

5. PARTICIPANTS

- Policy makers and practitioners
- Academicians
- Private sector
- Civil Society
- The ASM and SSM Operators
- All stakeholders of the Minerals resource sector

6. SPEAKERS

1. Dr. Frank Mugenyi, Board Chairman- MADI
2. H.E. Majala Mlagui, Deputy Governor – Taita Taveta County, Kenya
3. Dr. Amany Asfour - Board Member of MADI, President –African Alliance for Women Empowerment / BPW International, Egypt
4. Dr. Amina Tahiru – Gold Miner and ASM Team Lead, Women-In-Mining (WIM), Ghana
5. Minsozi Sibeso – Acting Deputy Director, Small Scale Mining Division, Ministry of Mines, Namibia
6. Cristina Maria Villegas – Director of Mines2Markets at PACT WORLD, USA
7. Sherif Hosny - Business Development Manager, MineLab, Dubai, UAE
8. Raymond Kudzawu-D’Pherdd - Industry, Value Addition and Beneficiation Expert, MADI

For more information, please visit our website at: www.ma-di.org/ To pre-register, please visit: <https://ma-di.org/e-conference-registration/>

For details about the E-Conference, please contact Mr. Raymond Kudzawu-D’Pherdd on raymondkd@ma-di.org



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**E-CONFERENCE PROGRAMME
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Time	Topic	Presenter
2.00 – 2.10 PM	Introductory Commentaries	Raymond Kudzawu-D’Pherdd , Head, Industry Value Addition & Beneficiation, ASM, Women & Youth, and Blue Economy - MADI
2.10 – 2.15 PM	Opening Remarks	Ugandan Government Representative (TBA)
2.15 – 2.30 PM	Highlighting the 3 Cs of Value Addition as a panacea for Africa’s contemporaneous industrialization vehicle: a prologue to the Value Addition Agenda	Dr. Frank Mugenyi Founder and Chairman of the Board, MADI
2.30 – 2.45 PM	Unlocking the ASM potential for Africa’s Jewelry Industry	H.E Majala Mlagui Deputy Governor Taita -Taveta County Kenya
2.45 – 3.00 PM	Supporting Small Scale Enterprises in the ASM Sector Building Entrepreneurship of Women and Youth	Dr. Amany Asfour Board Member, MADI & President–African Alliance for Women Empowerment / BPW International, Egypt
3.00 – 3.15 PM	Challenges and Opportunities for the Women in Mining in the ASM Sector.	Dr. Amina Tahiru A Small-Scale Mining Operator and Team Lead, Women in Mining, Ghana
3.15 – 3.30 PM	From Mines 2 Market: expanding the PACT WORLD model to accelerate formalization in the ASM Sector in Africa	Cristina Villegas Director, M2M at PACT WORLD, USA
3.30 – 3.45 PM	Challenges and the Opportunities for formalization of the ASM: Scaling up the Namibian Experience for the Continent.	Minsozi Sibeso Acting Deputy Director, Small Scale Mining Division, Ministry of Mines, Namibia
3.45 – 4.00 PM	Africa can ride on available Technology to make a Business Case for Artisanal Small-Scale Mining and improve the Socio-Economic status of the continent?	Sherif Hosny Business Development Manager, MineLab - Dubai UAE
4.00 – 4.25 PM	Q&A Discussions	Moderator Dr. Frank Mugenyi
4.25 – 4.30 PM	Wrap-up and Closing Remarks	Dr. Frank Mugenyi Founder and Chairman of the Board, MADI