

## **Transforming the artisanal and small scale mining**

### **- Setting the Scene -**

Artisanal mining of all type of minerals and metals has been in existence for many decades. It is important to recognize it for what it is – a poverty driven activity with inherent ills, but with potential to be viable economic activity when proper investments are made.

As shown today artisanal mining is often the activity that is most readily available for livelihood purposes. It is often undertaken when there is lack of other employment opportunities or in the presence of alternative activities in their communities that are not sufficiently developed or supported. It is a highly unregulated sector and subject to harsh working and living conditions. And because artisanal miners are not trained, they often do not realize that the methods they use to mine are damaging their environment and their health.

It is also observed that artisanal diamond mining is a casino type activity attracting fortune seekers and while that is true, the reality is that these fortune seekers are very poor to begin with and their fortune seeking is not in addition to some stable stream of revenues, but rather the only activity undertaken in desperation.

However, there is no doubt that ASM has a legitimate and significant role to play in the social and economic development of many countries. It is able to undergo a transformation into a positive global sector that can be a major contributor to economic growth around the world. At this conference we are trying to exemplify how such change is possible and to motivate the various actors to undertake the necessary steps.

Who are then the actors to make such a transformation?

1. Governments – the national and local governments of the countries with artisanal diamond mining which stand to benefit in terms of greater control, greater security and greater revenues from a formalized and regulated artisanal sector
2. The Development community which includes, donor agencies and development organizations whose mandate is development, and where development efforts by them in the artisanal mining communities would represent enormous – exponentially big developmental impacts with economic spin-offs to the benefit of the entire nations where the work is undertaken.
3. The diamond and jewelry industry which stands to benefit from a professionalized and more productive and efficient artisanal sector.
4. The financial institutions which as a sector have not yet tapped into this segment of the industry that despite its risks undertakes lucrative multi-million transactions in any given year. No doubt that to minimize the risk in this sector, innovative solutions will need to be sought as it has been for other rural and poor populations.
5. Industries other than diamond and jewellery: construction industry for instance that can thrive as living conditions of miners improve with development.

So, having identified the actors that can and indeed must be involved in improving the artisanal mining sector for a long-term, sustainable future, I would like to take a closer look at least at two of them.

## **Governments**

The point has been made during this KP that governments require resources to improve the artisanal sector. Such resources need to be planned and incorporated in national budgets to undertake the formalization and professionalization process of artisanal mining sector. There has to exist a political will which is translated into actions. These include:

- Regularizing informal ASM – registration of miners
- Simplifying and decentralizing procedures for acquiring ASM rights –registration project example
- Creating awareness about and educating miners on national laws and in fact maintaining dialogues with miners to minimize violations and avert repressive actions
- Assisting miners to graduate from subsistence to sustainable businesses – poverty alleviation
- Identifying and developing sustainable alternative livelihoods;
- Assuring a legal regime that gives ASM right-holders enough land, duration of rights and security of tenure - PRADD
- Providing accessible institutional, technical and financial support.
- Encouraging support for ASM from the more established private sector (including LSM).
- Expanding exploration work to help designate and allocate areas for ASM.
- Educating miners on environmental mitigation and remediation. The Communities and Small-scale Mining (CASM) has developed strategies to mitigate the environmental impacts of artisanal and small-scale mining, these resources are available for governments
- Establishing tracking and certification schemes

## **Development Community**

The activities that government need to undertake are also the ones that the development community can participate in either in partnership with governments or in supplement of direct support to mining communities.

## **The industry**

Successful partnerships between ASM and LSM are possible and necessary. Large mining companies can contribute to safer and more productive ASM by assisting ASM miners to form cooperatives that can access land legally, by sharing health and safety expertise and introducing new technologies. Mining corporations benefit in turn through the minimization of security risks, managing reputational risks and contributing to a 'social license to mine' by maximizing community development opportunities.

Also, the collaboration between LSM and ASM operators can assist ASM operators to become properly run businesses. And it is only in this way that ASM can begin to access finance and become sustainable. In example of a mentoring program in South Africa, an LSM company would, for example, adopt several small companies and provide technical and financial support over an agreed period.