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MADI AFRICAN TIMES



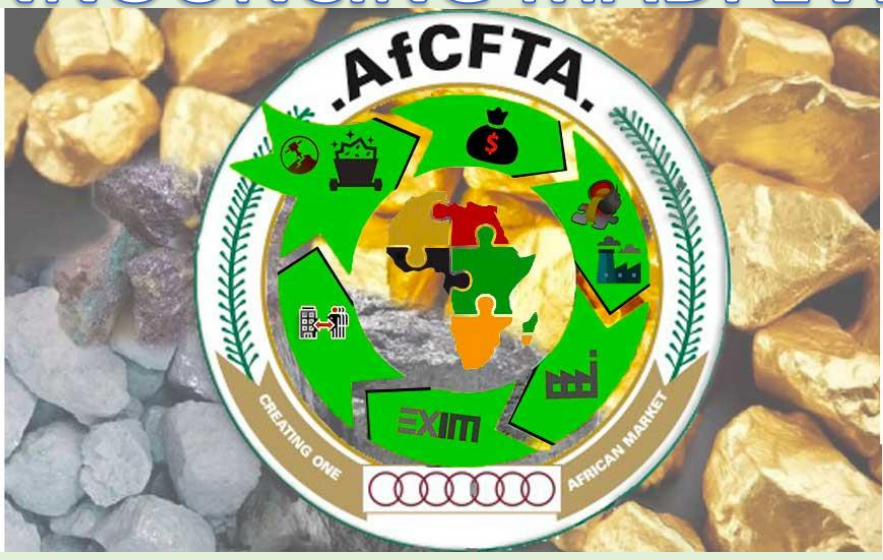
The Minerals Africa Development Institution (MADI) Limited is a social enterprise registered in Uganda as a company limited by guarantee with an aim of supporting African countries in sustainable mineral resources development. MADI de-risks the African minerals sector to ensure there are mutual social and economic benefits accruing equitably to all key stakeholders (public, private and communities) while protecting the environment.
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MAY 2021

ANNOUNCING MADI EVENTS

MADI MADINI™

Signature Event



PROMOTING
MINERALS REGIONAL
VALUE CHAIN
WITHIN
THE AfCFTA CONTEXT:
*FROM RAW COMMODITIES
TO BENEFICIATION*

August 2021

MADMADINI™ SIGNATURE EVENT: AUGUST 19 AND 20, 2021

CONTEXTUALIZING AFRICA'S MINERALS VALUE CHAIN IN THE AFRICA CONTINENTAL FREE TRADE AREA
FROM RAW MATERIALS TO BENEFICIATION - PROMOTING THE MINERAL VALUE CHAIN IN AFRICA IN THE AfCFTA

INVITATION TO EXHIBIT AT THE E-MADINI CONVENTION

MADI AND ALSF ANNOUNCE JOINT WEBINAR SERIES IN MINERALS AND SUSTAINABLE DEVELOPMENT

**IN MEMORIAM
GERHARD GERRY SCHUBERT**



IN MEMORIAM

It is a great sadness for MADI to learn about passing away of Gerhard Gerry Schubert earlier this month. Gerhard has been presenter on two of our recent conferences on the New EU Regulation on Conflict Minerals. Gerry was also a great friend of Africa.

We are missing you Gerry. May you rest in peace!

GERHARD SCHUBERT, CEO - SCHUBERT COMMODITIES CONSULTANCY DMCC



Gerhard Schubert was the founder of Schubert Commodities Consultancy MCC. His advisory services have been and are leading to assignments within the precious metals' community, especially Gold refineries, Gold wholesale companies, Retail corporates as well as Government institutions and Central Banks. Gerhard was very strongly involved in the Gold sales of France and Switzerland and has advised many other Central Banks.

Furthermore, Gerhard held lectures about sustainable sourcing including the relevant OECD guidelines, Frank-Dodd laws, DMCC rules etc. to many gold traders incl. Financial Institutions in the UAE.

Gerhard Schubert was the Head of Gold and Commodities at Arab Banking Corporation (ABC Bank) in Bahrain, before returning in March 2015 to Dubai.

Emirates NBD, in Dubai, was his first posting in the Middle East, where he led the bank's global mandate in this key sector until March 2014.

Prior to this, Schubert was with Fortis Nederland, now ABN AMRO Nederland, as Global Head of Precious Metals. He joined Fortis Nederland following a brief stint at INTL Commodities, where he served as Head of Precious Metals London & New York. Previous to that role, he held the post of Deputy Head of Base and Precious Metals with Fortis Bank Belgium.

Schubert's career in the Precious Metals markets spans exactly forty years and began as a trader at Bremer Landesbank in Bremen. He went then on to work as a precious metals trader for renowned global institutions such as DG-Bank, Shearson Lehman Brothers, DFS-Bullion, Bayerische Vereinsbank and Credit Lyonnais Rouse. Senior management posts followed in Mitsui & Co. and WestLB.

He has served on the Board of ABN AMRO Markets, UK, and was a Member of the Management Committee of the London Bullion Market Association and the London Platinum and Palladium Market. Schubert is a regular speaker on precious metals at industry conferences in the UAE, India, Bloomberg Television, as well as on Dubai TV ONE. Gerhard has served since 2011 on various committees of the DMCC in the DGAG (Dubai Gold Advisory Group), as well as in the Independent Governance Committee of the DMCC. The current clientele of Schubert Commodities Consultancy DMCC is made up of Precious Metals refineries, Trading companies, Financial Institutions and NGO's.

NEWS FROM MADI

INVITATION TO EXHIBIT AT THE E-MADINI CONVENTION - CONTEXTUALIZING AFRICA'S MINERALS VALUE CHAIN IN THE AFRICA CONTINENTAL FREE TRADE AREA **20th -21st AUGUST, 2021**

Minerals Africa Development Institute (MADI) will be holding a two-day E-Convention to discuss critically the establishment of the Africa Continental Free Trade Area (AfCFTA) and its bearing and impact on the continent's mineral value chain.

The event is planned for 20th to 21st August, 2021 under the theme: **FROM RAW MATERIALS TO BENEFICIATION - PROMOTING THE MINERAL VALUE CHAIN IN AFRICA IN THE AfCFTA.**

The objectives of the two-day conference are:

1. Appreciate the potential of the AfCFTA to contribute to social and economic structural transformation of Africa as envisioned by both Global Agenda 2030 (SDGs) and Agenda 2063.
2. Realize AfCFTA as a continent wide and global minerals value and supply chain vehicle.
3. Expedite the contribution and the domestication of Sub-Regional and Continental policy frameworks such as AMV that will enhance AfCFTA.
4. Explore and proffer innovative solutions that will engender superior trade governance among African countries.

In doing this, the E-Convention will answer the following preliminary questions:

1. Are there strategic policies, laws and regulations we need from member countries to make AfCFTA better to support value addition of minerals in Africa?
2. What steps should African countries take collectively to embrace AfCFTA to benefit all?
3. What strategic industrial clusters are possible as consumers of minerals at national and regional level?
4. What policy interventions are needed for both mining and manufacturing sector, and how can the AfCFTA help mineral-industrial clusters succeed?
5. How can coherence be achieved in national, regional and AfCFTA for the realization of minerals value addition in Africa?
6. How can policy coherence be achieved between ministries responsible for

industrialization/manufacturing and ministries responsible for mining?

7. What challenges or impediments are there that AfCFTA need to address for a smooth take off?

In view of the above, MADi invites you to exhibit and show case your products and services during the planned E-convention.

Your participation will enable connection you with potential consumers of your product and services.

In the long run, it will contribute to the development of the minerals sector, industrialization and beneficiation in Africa, which at the moment is minimal.

For details and participation, contact: angelamulenga@ma-di.org

MEMORANDUM OF UNDERSTANDING BETWEEN THE AFRICAN ELECTRONIC TRADE GROUP AND MINERALS AFRICA DEVELOPMENT INSTITUTION (MADI)



As part of their efforts

to promote the collective transformation of the African Economy, AeTrade Group and MADi have agreed to cooperate directly or through their subsidiaries, to provide digital economy products and services in order to improve the competitiveness of African economies, foster their integration into the global economy, and thereby contribute to their socio-economic development.

Under the Memorandum of Understanding, MADi has joined AeTrade as an affiliate to promote African SMEs in the Mineral Sector and other related sectors to join the AfCFTA and trade on "Made In Africa" digital platform Sokokuu Africa.

The African E-Trade Group ([AeTrade](#)) is a multi-stakeholder group of African professionals and business people with a

vision to develop and implement an e-empowerment program that will enhance intra-and inter-African trade. The group brings together public and private sector partners to develop projects that leverage the power of information and communication technologies (ICTs) for the benefit of Africa's present and future entrepreneurs.

[AeTrade Marketplace \(Sokokuu Africa\)](#) is a flagship product of AeTrade Group. This product is a comprehensive continental e-commerce platform provider for African entrepreneurs in partnership with the African Union Commission. E-commerce offers Africa new opportunities for trade and overall economic development, including reduced transaction costs, shorter customs clearance times, better supply chain management, enhanced productivity, increased inclusiveness, and greater consumer choice. These factors provide SMEs, and, to a greater extent, Landlocked Developing Countries (LDCs), with easier access to untapped markets.

Details how to join the Platform as well as on different membership packages, will soon be posted on our website: www.ma-di.org



MADI and ALSF (African Legal Support Facility) are planning the series of two hours webinars in 2021. This activity will continue in 2022 and onwards.

The table below contains indicative webinar subjects and possible dates. This is still subject to change as per agreement between our two organizations. The concept note and registration details are currently being worked out.

For updates on the webinar series, please visit our website www.ma-di.org regularly.

ALSF – MADI WEBINARS

PROPOSED WEBINAR SUBJECTS	PROPOSED DATES
Understanding the Legal and regulatory framework in the minerals resource sector	27 May 2021 (TBC)
Strategies and techniques for drafting and negotiating resource contracts (could include oil and gas etc)	30 June 2021
Balancing interests I: Mineral resources development and the environment in Africa (challenges and best practices)	29 July 2021
Balancing interests II: mineral resources development and social issues and gender in the and gender considerations in Africa (challenges and best practices)	30 September 2021
Upstream beneficiation and Local content in the minerals sector: trends, changes and impact	28 October 2021
Trends in African disputes and resolution in resources contracts	30 November 2021



WHAT IS THE NEW EU LAW AND HOW DOES IT AFFECT THE ASM SECTOR IN AFRICA?
BY LEARNMORE NYAMUDZANGA (Zimbabwe) – MADI Intern, Industry, Value Addition, Beneficiation, ASM, Women and Youth and Blue Economy Department



On the 18th February and 25th of April 2021, Mineral Africa development Institution (MADI) Ltd convened E-conferences on New EU Law Regulation on conflict minerals significance and impact on Africa’s mineral sector, Artisanal and Small-Scale Miners (ASM), and integration processes. This comes after the German Federal Ministry for Economic Cooperation and Development (BMZ) and the Responsible Minerals Initiative

(RMI) convened a multi-stakeholder conference on the 13th & 14th of January 2021, to take stock of the implementation and impact of the EU Conflict Minerals Regulation, in particular through the lens of producer countries. The same regulation was also discussed during the OECD’s 14th forum from 26th to the 30th of April 2020. The new regulation comes into force on January 1, 2021, the same day, we introduced our African continental trade area (AfCFTA). The regulation brought changes to businesses in the EU importers of 3TG (tin, tungsten, tantalum, and gold), and smelt or refine them or those that own a due diligence scheme. This initiative is not new. In fact, there are several responsible sourcing initiatives and even our very own Africa Mining Vision (AMV) Key Tenet II that also speak of a well-governed mining sector that is socially responsible. Aspiration 4 of Agenda 2063 speaks of a peaceful and secure Africa while one of the key targets of Agenda 2063 is “Silencing the Guns in Africa”. All these

show that Africa believes that ending conflict would be the answer to avoid conflict minerals.

The ASM plays a major role in the mining of 3TG minerals in Africa. It is estimated that over 240 million Africans could be directly and indirectly involved in the Artisanal and small-scale mining operations^[1], and this number is projected to grow to 720 million by 2030 (MADI). It is from this background where the article will dwell on the new EU law and its effects on the ASM sector in Africa.

The 2006 film "*Blood Diamond*" used to be one of my favorite thriller movies, that was before I had a better understanding of conflict minerals. In that film, the blood diamonds were illegally mined like what sometimes happened in the artisanal mining sector (ASM). In the same movie, the diamonds were mined in war zones and sold to finance ever-lasting conflicts. It was a profitable business to warlords while those diamonds would find the way to markets across the world. Fast forward, the film ended with a conference on blood diamonds, referring to the historic Kimberly meeting held in South Africa leading to the Kimberly process certification scheme. This scheme like most initiatives, was meant to certify the origin of rough diamonds in order to curb the trade in conflict diamonds. Sadly, to date, Sub-Saharan Africa is still most commonly associated with conflict minerals and blood diamonds^[2].

This is still happening even if there are several responsible sourcing initiatives such as The Conflict-Free Smelter Programme, Conflict-Free Gold Standard, CRAFT CODE (Code of Risk-mitigation for ASM engaging in Formal Trade), The ITRI (International Tin Research Institute) Tin Supply Chain Initiative, International Conference on the Great Lakes Region's (ICGLR's) Regional Certification Mechanism, IMPACT's Just Gold project, The Kimberley Process Certification Scheme, OECD Due Diligence Guidance on Responsible Supply Chains, Regulation (EU) 2017/821 of the European Parliament 'EU Conflict Minerals Regulation, Responsible Jewellery Council Code of Practices and Section 1502 of the US Dodd-Frank Act and rules published by the Securities Exchange Commission.

This article focuses on the new EU regulation.

The new EU regulation

Article 1(1) of the regulation establishes EU system for supply chain due diligence^[3] to curtail opportunities for armed groups and security forces to trade in 3TG minerals. It also promotes transparency and certainty to the supply practices of EU importers, and of smelters and refiners sourcing from conflict-affected and high-risk areas. The EU Regulation has a list of conflict-affected and high-risk areas (CAHRAs) published in December 2020. *Conflict affected-areas* (CAs) are areas characterized by the presence of armed conflict, widespread violence, or other risks of harm to people. Whereas *High-risk areas* (HRAs) are areas with political instability, repression, institutional weakness, insecurity, the collapse of civil

infrastructures, widespread violence, human rights violations, and abuses, violation of national and international law^[4].

The inclusion of an area in the CAHRAs list does not prohibit, imply, or suggest that business activities should not be conducted in these areas. Rather companies must make all reasonable efforts to manage risks and provide evidence that there are virtually no risks of financing conflicts or violating human rights. And as such Civil Society Organisations from producing countries have an important role to play like conducting research and publishing information at regional and mine-site level on (the absence of) risks and the political and security context and documenting impacts. It is important to note that the list is indicative and not exhaustive and as such Importers sourcing from areas which are not mentioned on the list remain responsible for complying with the due diligence obligations (As per Lotte Hoax's Presentation on the MADI conference 2021). The Regulation only applies to EU importers that import above annual thresholds as set out in the EU Regulation: for example, refined gold (CN code 7108) has a 100kg threshold; gold ores (CN code 26169000) this is 4,000,000kg (4 tonnes). These volume thresholds are set at a level that ensures that no less than 95% of the total volumes imported into the EU of each mineral and metal is covered. The thresholds do not guarantee that only lower-risk imports will be exempted from the requirements of the Regulation. And as such there are good reasons to suspect that many of the highest-risk imports from ASM into the EU may fall below the thresholds (Lotte Hoax 2021^[5]).

The EU Regulation exempts companies using 3TG minerals in manufactured products. Those who import these minerals beyond the metal stage fall outside the scope of the EU Regulation. It is estimated that this applies directly to between 600 and 1,000 EU importers, and indirectly to about 500 smelters and refiners of 3TG minerals based inside or outside the EU (Hoax 2021).

There are fears that if companies or individuals continue to source from CAHRAs they will be promoting serious human rights abuses, armed groups, security contracting, bribery & fraud, money laundering, and non-payment of dues. However, through such a regulation there is a risk of stigmatization and consequently, economic disengagement - conflict gold will be smuggled to and exported by neighbouring countries which are not on the list.

Impacts of Responsible Sourcing Initiatives on miners in the ASM sector

The EU Regulation may encourage companies to withdraw from the small-scale sector as they cannot comply with due diligence standards set by the downstream companies. The cost of traceability and certification schemes is often borne by ASM. Industry schemes need to ask their downstream members to divide/spread more the costs, instead of charging artisanal miners. Without the support of the artisanal sector, mining actors may increasingly depend on a reduced number of purchasers

which can negatively impact their trading position in the market. This may lead to the loss of livelihoods, driving underground trading, perpetuating illicit and exploitative practices, and increase the cost of compliance. This may ultimately increase poverty especially among youth and women in Africa.

The Way Forward

To unlock the regulation's potential to contribute to sustainable development especially in the ASM sector, there is a need for:

1. Building knowledge of the Regulation in producing countries, especially beyond the Great Lakes Region.
2. The EU needs to support responsible mineral sourcing in conflict-affected and high-risk areas focusing on the ASM sector, local communities, and local authorities.
3. Finding ways for the Regulation to leverage the action that matters at the local level
4. Ensuring that the process is inclusive, fair and all actors play their part
5. Proactively identifying and tackling illicit trade flows
6. Building capacity of upstream actors and access to finance to reduce dependence on smuggling
7. Need to foster formalization of ASM and strengthening local forums for sustainable development of ASM communities

8. To strengthen the role of civil society to ensure that due diligence can contribute towards good extractive governance

Endnotes

[i] <https://ma-di.org/artisanal-and-small-scale-mining-asm-and-conflict-minerals/>

[ii]

<https://www.extractiveshub.org/topic/view/id/1/chapterId/423>
[iii] “‘Supply chain due diligence’ means the obligations of Union importers of tin, tantalum and tungsten, their ores, and gold in relation to their management systems, risk management, independent third-party audits, and disclosure of information with a view to identifying and addressing actual and potential risks linked to conflict-affected and high-risk areas to prevent or mitigate adverse impacts associated with their sourcing activities.”

[iv] https://ma-di.org/wp-content/uploads/2021/02/Lotte-Hoex-20210216_EU-CMR_MADI-1.pdf

[v] Lotte Hoax - Independent research institute in Antwerp, Belgium.



HOW THE MINERAL VALUE CHAIN IN MALAWI IS AFFECTED BY ACCESS TO ELECTRICITY BY VITUMBIKO MANDA (Malawi) – MADI Intern, Business Development, Programming, PR and Marketing Department

Malawi depends on a-400 megawatts hydroelectricity power generation of which almost 60% is used by the industries, while the national electricity grid is only accessible to less than 15% of the entire population. With that low access percentage level only less than 10% of the rural population has access to electricity from the national grid though they make up over 80% of the total population of the country compared to urban dwellers.

Malawi is endowed with a wide variety of mineral resource as evidenced by mining activities taking place across the country. And most of the minerals are mostly found in rural areas where there maybe or may not be connection to the national grid. Most of the minerals mined in Malawi are gemstones and are usually mined by artisanal miners, who are an estimated population of between 30,000 – 40,000. Other industrial minerals like uranium, limestone and cobalt are mine by large scale companies, but there is the mining of construction minerals like quarry and sand which are also mostly done by artisanal miners.

Though Malawi has mineral deposits in varying quantities most of the mining for gemstones is done on an artisanal basis and the mining sector has not been fully formalized because the country's

economy dwell much on agriculture, consequently the mining sector is regarded as being in the developmental stages. But even though the economy is much dependent on agriculture, the mining sector is presenting itself as another sector that can add substantially to the national GDP lately. Five large scale firms have invested in the mineral sector at the moment. Their concerns are deposit levels which further exploration is expected to provide.

In Malawi accessibility to electricity is a hinderance to the growth of the mineral sector and value chain for most of the large-scale mining firms who need high energy needs for their operations. Most of the firms operate in areas which are not connected to the National Grid, so they use alternative energy sources mostly diesel-powered generators for their energy needs. In a country that already experiences intermittent fuel shortages, the reliance on petroleum fuels as a source of energy by these companies doesn't auger well for their productivity and business models as prices also fluctuate. Furthermore, this low accessibility to electricity in addition to the frequent power cuts keep driving away potential investors.

The accessibility of electricity mostly is of vital importance to large mining firms like cement production companies and the

uranium firms who require large power supply for the processing and production plants. However, for the mineral value chain in the gemstone sector energy needs are minimal. One thing worth noting is that in Malawi gemstone mining is done over 90% by the ASM sector. Most of them are not licensed. Data from the mines department shows that only 102 people are licensed small-scale miners in Malawi.

So, in Malawi though access to electricity is at a low level of less than 15% as of 2020 national census report, it does not have a direct bearing to the progress of the mineral value chain in the ASM and gemstone value chain as such. This is because Malawi has not harnessed the value addition aspect very vigorously in the gem trade as most stones are sold in their rough form direct from the mining sites to gem dealers which are then exported to big international hubs. The government of Malawi needs to promote value addition which can help improve the earning power of local miners and subsequently also bring in much forex. The ASM sector also needs to be formalized and capacity building initiatives can hugely help in improving the value chain. In the northern part of Malawi for example, there is a cooperative

Mzimba Gemstone Cooperative that has a lapidary which is rarely or not used at all because members have no operating skills of the equipment and how to make products.

Above and beyond, Malawian government must double her efforts in promoting and developing the mineral sector via the formalization and development of mineral enterprises such as value addition in the ASM sector across the country.

In conclusion low access percentage to electricity in Malawi does hinder the development of the mineral value chain more especially for large mining firms. Access to electricity has the potential of contributing significantly to the development of the mineral value chain in the ASM sector though as most gemstones are exported in their rough form without any processing or value addition because of lack of capacity and processing enterprises in the country.

FROM OTHER SOURCES

DELVE

A Global Platform
for Artisanal & Small
Scale Mining Data

2020 STATE OF THE ARTISANAL AND SMALL-SCALE MINING SECTOR

The 2020 State of the Artisanal and Small-Scale Mining Sector is a collaboration between the World Bank's Extractives Global Programmatic Support Multi-Donor Trust Fund and Pact.

Download Full Report: <https://stateofthesector.delvedatabase.org/>

In 2016, the World Bank's Extractives Global Programmatic Support (EGPS) Multi-Donor Trust Fund and Pact committed to highlighting ASM's contribution to global development through the establishment of Delve [<https://delvedatabase.org/>]. The initiative emphasizes building an evidence base on a range of topics related to ASM and global development. Beyond the global database [<https://delvedatabase.org/data>], Delve publishes an annual State of the Artisanal and Small-Scale Mining Sector report (referred to as the State of the Sector Report), which uses the United Nations (UN) Sustainable Development Goals (SDGs) as the framework for analyzing ASM's contribution to the SDGs.

EXECUTIVE SUMMARY GLOBAL OUTLOOK

Those working in artisanal and small-scale mining (ASM) make up the world's largest mining workforce. Since the 13 million estimate put forward 20 years ago by the International Labour Organization (ILO), the number of people working in the sector has more than tripled. Today, ASM is the primary source of employment for at least 44.75 million people across 80 countries worldwide, according to this report's latest estimates.

Combining ASM's direct labor figure with its indirect one, the scale and possibility of ASM's contribution to livelihoods and

economic growth assumes greater significance. It is estimated that at least 134 million people work in related industries that support the ASM sector (World Bank 2019, 71). ASM workers supply a wide variety of minerals, in significant proportions, to the world's raw material volumes—minerals that are critical to modern communication technologies, low carbon and clean energy technologies (World Bank 2020), and luxury jewelry goods. Consider that ASM mineral production makes up 25 percent of total global diamond supply, 20 percent of the world's gold supply, and 80 percent of the world's sapphires. ASM also supplies 18-30 percent of the world's cobalt—a key battery metal powering the world's clean energy transition (OECD 2019). Despite these significant contributions to major global mineral

supply chains, artisanal and small-scale miners are some of the world's most marginalized workers, and their contribution to the global economy garners little attention (Hilson and McQuilken 2014). Informality of the sector, an on-going problem, leaves ASM workforces around the globe exposed to dangerous working conditions. From landslides to mercury exposure to intense manual rock crushing, miners enter the work site most days under-protected. These vulnerabilities have only been heightened by the current COVID-19 crisis where ASM typically takes place in rural areas without access to proper health infrastructure and a general lack of government support (Perks and Schneck 2021). With 80-90 percent of ASM activity operating informally, artisanal and small-scale miners join the 1.6 billion informal workers that the International Labour Organization (2020) estimates could lose their jobs because of the pandemic. Whereas legal frameworks, standards, and commitments exist on important initiatives such as "conflict free" minerals and the ethical production and responsible sourcing of materials, there continues to be a total lack of concerted global commitment to address decent work and economic growth in ASM. As the 2020 report intends to show, solutions to improving decent work in ASM can be straightforward, affordable, and highly effective, improving not only the health and safety of miners, their families, and communities but equally the balance sheet of mining entities and mineral sourcing companies.

Reflections on improved decent work and economic growth in ASM This edition of the annual State of the Sector Report uses the Sustainable Development Goal 8 (SDG8): "promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all" as the framework for analyzing ASM's contributions. It analyzes five focus areas of SDG8: (i) improve occupational health and safety (OHS); (ii) stimulate economic growth; (iii) make production sustainable and eliminate mercury; (iv) ensure gender equality; and (v) eradicate child labor and promote youth employment. Through the five themes, the 2020 State of the Sector Report illustrates these possibilities for enabling the achievement of SDG8 in ASM through a variety of practical case studies. The case studies showcase the work of organizations to achieve decent work, even in highly informal and precarious ASM settings, in ways that are cost effective, while working in partnership with governments and other local actors to progressively improve standards. The examples in this report show that decent work in ASM is possible if prioritized and reveal six key findings or reflections on how best to advance decent work principles within ASM in the future. However, more data, attention, and investment in the sector will be needed to achieve SDG8 and springboard for decent work, productive employment, and economic growth. Based on the data and case study examples provided in the focus area sections, six reflections close out the report accompanied by two case studies on collaborating for change. The reflections make a firm call for action to capitalize on existing international regulatory initiatives governing mine site practices to deepen global commitments on the decent work agenda. The reflections furthermore highlight the critical importance of partnerships, notably in-country and regional, in improving labor, social, and environmental standards in mine sites. Given Delve's data focus, the reflections remind readers of the importance of baseline and monitoring best practices to

ensure both quantitative and qualitative data on the sector is recorded, shared widely, and used to improve policy and practice.

REFLECTION 1: INVESTMENTS IN HEALTH AND SAFETY ARE URGENTLY NEEDED FOR ASM, SINCE IMPROVED OCCUPATIONAL HEALTH AND SAFETY (OHS) IS A COLLECTIVE RESPONSIBILITY WHICH IS BOTH FEASIBLE AND BENEFICIAL TO ALL

Decent work leads not only to improved productivity but to better individual and communal wellbeing. Despite the evidence, however, miners and their communities continue to face multiple health and safety risks. Many of these originate from the common informality of ASM operations, including absence of technical and financial support for mine site improvements and OHS training for miners themselves. Common impacts of health and safety risks at sites include injuries, fatalities, and recurring illness in mining areas. Of all the safety issues, only mercury use in gold extraction and processing has received considerable attention over the years. Beyond mercury, the absence of in-depth studies and comprehensive data on OHS has made it impossible to identify the scale of the OHS problem and to therefore track progress. The 2020 State of the Sector Report applies the fatality frequency model—used for industrial mining—to ASM, showing that in 1999, ASM was as unsafe as large-scale coal mining in the USA in the early 1970s, but safer than large-scale gold mining in South Africa in the 1980s. Increased mechanization, investment, and concerted efforts to improve OHS by governments and industrial mining companies has since led to dramatic safety improvements in the industry. This begs the question: if even a small fraction of the total budgets deployed for OHS improvements by the industrial mining sector were invested similarly in ASM operations, could the OHS record of ASM not equally improve? The answer put forth in this report is yes. Market driven approaches to OHS provide win-win opportunities for increased health and safety and financial outcomes. Partnerships, as shown in the case studies of the report, can involve governments, companies, international organizations, and end-user manufacturers. Responsible sourcing 2 initiatives provide an important building block for wider efforts on basic OHS to be made. In the absence of responsible sourcing initiatives, standalone, at scale OHS program can be implemented. Either way with modest investments in OHS, the right technical assistance can: - Improve productivity and reduce operating costs through overburden stripping, provision of geological information, better work-place organization, better access to ore veins, properly locating material waste heaps, and improving transport pathways; - Narrow gender pay gaps by lessening the physical performance requirements of many higher paying mine site jobs which traditionally favor men; - Improve worker health and female well-being with provision of site sanitation (such as clean water and toilets); and - Increase local content opportunities through new business starts ups who can respond to new demand for OHS services and products.

REFLECTION 2: BETTER DATA ON ASM'S ECONOMIC CONTRIBUTIONS THROUGH IMPROVED NATIONAL STATISTICS CAN PROVE THE VALUE OF ASM TO NATIONAL AND GLOBAL GROWTH

Data which underscore the economic importance of ASM are critical to understanding the ways in which finances fuel the sector's production and growth, create linkages to other industries, and crucially, bolster the case for formalization. Moving forward, more disaggregated economic data will be needed to showcase ASM's economic contributions, beginning with its contribution to GDP as well as more accurate figures linked to the value of exports. At present, there is an overreliance on export figures, declared production, and sales as the key sources of data for understanding ASM's contribution. National reporting and accounting systems are critical instruments to capturing these data fields. Yet there are only a few countries to draw on where ASM's contributions to labor, revenues, and exports can be effectively measured (Guyana, Rwanda, Central African Republic, and Tanzania). In the first three cases, ASM is the key scale of mining activity in the country making it easier to attribute ASM production to national statistics. However, in most mining countries where industrial and ASM activities take place, statistics on production, revenue, and exports get comingled at the national level. Tanzania is an outlier where its accounting systems have adapted to reflect small-scale mining production and export statistics separately from industrial statistics. This has helped to demonstrate the critical role of ASM and its related associations in the economy's development. The pilot efforts of the Extractive Industry Transparency Initiative (EITI) to disaggregate reporting by mining type held promise, though also demonstrated the need for new tracking and accounting systems that would allow for easy disaggregation of production statistics in national ledgers. Gender disaggregated data has even more significant gaps. Take for instance data on Delve where 60% of countries with ASM data published on the Delve website do not have data published on basic female participation. Enhancing better data on ASM and economic growth could be done as follows: - Standardize a "mining" field into national household, labor, and poverty survey instruments, and where possible disaggregate between industrial and ASM; - Upgrade databases and cadastres in Ministries responsible for mining to track production statistics by scale of activity and to delineate ASM permits; - Improve information technology in regional field offices of mining Ministries to upload real-time data on ASM permits, production activity, and total number of miners at monitored sites; and - Pilot methodologies for a "multiplier calculator" to capture the reach of development impact ASM has in local communities.

REFLECTION 3: TARGETED INTERVENTIONS IN RELEVANT AREAS CAN HELP TO IMPROVE MINERS' LIVES AND IMPROVE THEIR PAY, HEALTH, AND WELL-BEING

The 2020 State of the Sector Report showcases ASM formalization projects, centered on specific topics such as gender, mercury elimination, due diligence and traceability, or child labor. Observed across the various case studies and projects is the potential for a singular project topic to serve as an entry point to implement broader decent work reforms. Such an approach marks a departure from even a decade ago where niche formalization projects operated in silos and made little impact beyond the topic at hand. Mercury elimination may be the most powerful example of such an approach whereby efforts to eliminate its use are combined with other formalization efforts

meant to improve the lives of miners—securing mine titles and permits, access to financing, and environmental protection. Due diligence and responsible sourcing initiatives, as already highlighted in Reflection 1, offer another platform for reforms of a wide nature to do with decent work. Gender-focused projects, where a gender analysis is performed early on to identify gaps, can act as catalysts for improvements in pay, health, and well-being. Practically, leveraging formalization entry points for improving decent work could: - Employ a holistic formalization model to the decent work agenda which integrates the foundational pillars of formalization models to efforts to improve decent work in mine sites; and - Adopt universally a set of OHS standards for application in any formalization project.

REFLECTION 4: ENGAGING THE SOCIO-ECONOMIC NETWORK OF ACTORS INVOLVED IN ASM CAN HELP OVERCOME ENTRENCHED BEHAVIORS AND CHANGE LABOR PRACTICES WHICH CONTINUE TO UNDERMINE OHS ADVANCEMENT IN THE SECTOR

A recurring theme throughout the 2020 State of the Sector Report is the ability of socio-economic relationships in mining value chains and networks (that is the ecosystem) to influence—positively or negatively—outcomes on the decent work agenda. Take for instance the adoption of mine site standards, the lessening of gender inequality, the elimination of child labor, or the reduction of mercury use. Each rely in equal measure on individual behavior change and leadership influence on decision-making at mine sites. As raised in focus area five, who controls the gates, so to speak, of the mines is the determinant for what jobs women and men will perform at sites and the pay received. Equally in focus area four, it is noted how past failures of mercury elimination projects resulted from little understanding of the influence periphery social actors had on technology uptake (or lack thereof). Lastly, in focus area six, mapping of the social actors unearthed the cultural drivers to child presence and labor in mine sites, thereby enabling more practical solutions to child labor eradication. Decent work outcomes can be amplified if the following is undertaken: - Conduct qualitative mapping exercises during project preparations to identify actors in the local mining ecosystem; and - Design behavior change programs on decent work which engage social actors outside the immediate mineral value chain.

REFLECTION 5: CONCERTED PARTNERSHIPS WITH ASM ASSOCIATIONS ADVANCE THE DECENT WORK AGENDA

Many of the case studies in the 2020 State of the Sector Report highlight the capacity and strength of national and regional ASM associations. This attention is long overdue. Mining associations possess extensive networks from the local to national levels. In some countries, they are already proactively engaged in advocacy with government to reform sector policies, as seen in the case study by the International Institute for Environment and Development (IIED) working directly with associations in Ghana and Tanzania. Mining associations' roles in advancing SDG8 are multiple: from messaging at the mine site level to establishing commitments and policies on decent work across their membership to funding mine site improvement pilots and collecting data. Examples found in this report include: the Association of Women in Mining in Africa (AWIMA) efforts to

survey women engaged in the jewelry value chains; the Pumuan Jaya Panners Collective efforts in Indonesia to secure access to finance and invest in sustainable, safe, and scalable business practices for their female gold miners; the work of the Tanzania Women Miners Association (TAWOMA) to expand female membership and connect members to international jewelry initiative such as Moyo Gems. Further involvement of ASM associations in advancing the decent work agenda could include:

- Develop national and even pan-regional commitments to OHS and gender equality at all member sites;
- Implement Champions of Change programs where member mine sites are selected to demonstrate an integrated model of decent work standards applied;
- Negotiate commitments as well as technical and financial contributions from international mineral buyers to implement national level OHS standard programs in members' mine sites;
- Conduct regular data collection on implementation of the decent work agenda in members' mine sites; and
- Use community of practice platforms like Delve to broaden understandings and knowledge on effective formalization strategies to address decent work.

The 2020 State of the Sector Report shows how women remain largely invisible in the data on ASM. Yet, as powerfully outlined in the case studies, women make up significant portions of the ASM workforce and suffer from specific forms of workplace discrimination. Adverse side effects of mercury use, unequal pay for similar work, sexual harassment, and inability to own land or mining titles without permissions are but some of the ways in which women's decent work outcomes are hampered. Advancing gender equality with respect to SDG8 and ASM is possible through the following measures:

- Complete basic census data on the number of women working in ASM, disaggregated by country;
- Streamline gender disaggregated baseline surveys into all ASM formalization projects to ensure that projects are aware of gender gaps and seek to close them;
- Continue to reform laws which discriminate against women's capacity to be entrepreneurs, access finance, and own assets; and
- Make closing gender gaps a key reporting obligation for all responsible sourcing initiatives and a key standard for any OHS system at mine sites.

END NOTES 1 See <https://delvedatabase.org/> (Accessed 24 March 2021)

REFLECTION 6: FOCUSING ON WOMEN'S WORK IN ASM IS ESSENTIAL TO THE GOAL OF DECENT WORK FOR ALL



TANZANIA STARTS REFINING GOLD TO INTERNATIONAL STANDARDS

Monday May 03 2021

<https://www.thecitizen.co-tz.cdn.ampproject.org/c/s/www.thecitizen.co.tz/tanzania/news/business/tanzania-starts-refining-gold-to-international-standards-3385190?view=htmlamp>

By Rosemary Mirondo

Mwanza. Bank of Tanzania Governor Prof Florens Luoga has commended the State Mining Corporation (Stamico) for enabling Tanzania start refining gold to international standards, urging the refinery to acquire accreditation certificate to enable the Bank to start buying refined gold as part of its foreign reserves.

He said this after visiting the gold refinery, Mwanza Precious Minerals Limited, where he witnessed the developments of the plant including trial production which started on April 21, 2021.

"The envisaged dream for Tanzania to stop exporting raw gold is certainly coming true," Prof Luoga said.

The BoT Governor expressed delight to hear that the refinery is also capable of extracting other valuable minerals from the gold concentrates.

"Given the production capacity of this plant, I believe that it will be able to refine all locally mined gold as well as those from neighbouring countries. The final product will bear the originality mark from Tanzania, and hence promote Tanzania overseas," the Governor said.

Mwanza Precious Minerals Limited is jointly owned by Stamico (25 per cent) and two foreign companies, ROZZELA General LLC of Dubai in the United Arab Emirates (UAE) and ACME Consultant

Engineers PTE Limited from Singapore (RGFACE), which jointly own 75 per cent.

Acting Managing Director of Stamico Dr Venance Mwasse told Governor Luoga that the joint venture and the shares owned by Stamico will continue increasing at the rate of 5 per cent and after 15 years, the state-owned mining company will have 51 per cent shares reducing those of foreign companies to 49 per cent.

Stamico will also be getting 2.5 per cent from total sales as management fee.

The refinery started trial operations on April 21, 2021. It can refine 480 kilograms per day at the 999.9 purity and becomes one of the biggest gold plants in Africa.

Dr Mwasse mentioned the benefits of the refinery as including increased revenue to government through inspection fees, local government levies, generation of employment, technology transfer and reduction of gold smuggling.

Also, other minerals could be extracted and given value and BoT will be able to start keeping gold as one of its reserves as provided for by the laws of the land. Governor Luoga was accompanied by other BoT officials.

The refinery is strategically located in the gold-rich zone as the precious metal is found in Geita, Mara, Shinyanga and Mwanza regions. The plant is expected to refine gold from small scale and corporate gold miners and those from neighbouring countries through gold dealers.

ARTISANAL AND SMALL-SCALE MINING IN AFRICA, THE ENVIRONMENTAL AND HUMAN COSTS OF A VITAL LIVELIHOOD SOURCE

<https://www.lifegate.com/artisanal-small-scale-mining-africa?amp>
by [Flavia Olivieri](#)

The livelihood of millions depends on artisanal and small-scale mining (ASM), especially in Sub-Saharan Africa. Yet this practice comes at a significant environmental and human cost.

Artisanal and Small-scale Mining (ASM) provides jobs to [13 million people](#) in 80 countries worldwide, numbers that resemble those of large-scale mining. Whilst the latter is often undertaken by big companies, requires a substantial labour force and operations continue until sites areas completely excavated, [ASM on the other hand](#) is carried out by small groups who travel around to identify sites where they believe precious minerals or metals can be found. It accounts for 20 per cent of global gold supply, 80 per cent of sapphire, 20 per cent of diamond supply and 25 per cent of overall tin extraction, and provides essential [minerals used in popular electronics such as phones](#) or laptops. In 23 Sub-Saharan African countries, it is an important source of revenue for people living in rural contexts, where it is largely carried out as an informal and often illegal activity (for example, around 40-50 per cent of small-scale miners [work illegally in Ghana](#)). Yet its **benefits** are often outweighed by its **costs**.

The Environmental Impacts of ASM

The relative absence of legislation and government controls in African countries make the environmental impacts of ASM arguably on a par or [worse than those of large-scale mines](#). These include [mining in protected areas](#) or the [dumping of effluents](#) into pristine ecosystems. Furthermore, communities around mining sites don't have the infrastructure to deal with waste, with dire impacts on hygienic and [health conditions](#).

Other important environmental concerns associated with ASM include land degradation, deforestation and loss of biodiversity. [Gold mining](#), widely practiced in Sub-Saharan Africa, presents additional problems. [Mercury](#) is used to separate gold from the soil, it is dissolved to extract the precious metal and thus dispersed into the air, which workers breathe in during operations. The remaining vapour then either settles into the ground, contaminating soil and waterways, or travels long distances in its gaseous form and eventually precipitates as rain. This process creates [mercury "hotspots"](#) in places far away from mining sites, as well as a series of other cascading effects: where mercury deposits into water sediments, bacteria transform it into [methylmercury](#), which is easily absorbed by worms, snails and insects. The **contamination then travels up the food chain**,

eventually returning to humans. For example, consuming contaminated fish generates health risks in people living downstream of mining areas. Mercury's [long-term effects](#) include memory or motor-function loss, kidney malfunction, acute anaemia and respiratory diseases.

Artisanal and Small-scale Mining's Effects on Health

As well as the inhalation of toxic gases such as mercury and the fumes from explosive blasts, which can become lethal when combined with poorly ventilated environments, ASM-related accidents occur due to inadequate working conditions and equipment. A study shows that the Busia mining district in Tanzania experiences [one to five deaths](#) annually, and another looking at [accidents and injuries in Ghana](#) finds that fatality rates are **90 times higher** than in large-scale mines. Collapse of mine pits, explosive blasts and falls respectively account for 13, 10 and 5 per cent of total incidents, with almost 3 per cent of these injuries resulting in death: seeing as the research is focused on individuals in hospitals, the authors acknowledge that most injuries are dealt with in private, meaning that the number of affected people is possibly much higher.

Social Implications

Mining communities form rapidly whenever and wherever minerals are found. These temporary establishments are usually informal, which means that they don't qualify to become the recipients of healthcare services. This is a serious issue for miners given the dangerous nature of their job. In addition, **crime, prostitution and sexually transmitted diseases** are rife in these communities. "Whenever there's mining, there's money," says Doctor [Penda Diallo](#) of the University of Exeter's Camborne School of Mines in southwest England.

Especially in developing countries across Sub-Saharan Africa this "can fuel conflict and disagreement," says the lecturer and researcher specialised in sustainability in the extractive sector and the politics and governance of ASM. This can potentially lead to **crime**, especially among young people, for example in relation to the "high value of gold from **gold mining**". Comparing this to jewellery shops, she explains that "shops don't leave jewellery overnight to avoid attracting criminals because whenever there are high value items, it's likely to find people wanting to steal

them”. Diallo also notes that there’s a high occurrence of **prostitution** around gold mines because “men are away from their families for a long time”. She adds that these illicit activities also depend on area-specific as well as the country-specific dynamics.

ASM also has its Benefits

Most coverage focuses on the ills of small-scale mining, with few attempts to understand why such problems come about. It’s important to consider that for many individuals this activity is the only opportunity for employment, which in turn can bring social and economic development. There are other advantages to small-scale mining: often it is carried out through local enterprises, which means that individuals don’t need to move far from home to work. It can also be integrated with other types of labour such as farming: mining can occur in the dry season, complemented by farming in the rainy season. This gives individuals more flexibility in their jobs, and helps them maintain a relatively stable lifestyle.

In Guinea alone, [artisanal and small-scale mining revenues account for almost 16 per cent](#) of expenditure on health, education, water and infrastructure development, 80 per cent of export revenues and 20 per cent of the national GDP. Despite the massive potential of the industry, ASM remains at the **periphery of poverty alleviation strategies** and development policies.

The Role of the Government and NGOs

According to Diallo, the high prevalence of illegal mining occurs because there are “too many sites that are cumulatively not easy

to control”. This is exacerbated by the nomadic nature of the activity that happens because people “move to new establishments based on where minerals are found”. “Mining **needs to be formalised**”, i.e. regulated through legal and policy frameworks, to deal with this problem, so that the government “knows where and how mining is happening”. Suitable training and education can then be delivered to miners. Following this, “incentives need to be given to workers so that they implement and maintain their training when mining”. An example of this could be tax deductions that motivate individuals to use the knowledge derived from their training in practice. “This needs to be coupled with on-site monitoring,” Diallo adds. However, the “limited capacity of governments” results in an activity that is hard to control and improve.

Regulating ASM would also mean reducing the environmental impacts of the activity. A [research paper](#) focused on this aspect using Ghana as a case study suggests adopting moral suasion (education, publicity and social pressure), legal enforcement and fundraising to provide efficient machinery or more sustainable processing techniques. The researchers also suggest a series of mitigation measures, which include the reclamation of lands by reforesting mined areas. This was done successfully in the Ablorman, [Nueng Forest Reserve](#) and Buadua areas in Ghana. In addition, some NGOs have emerged over time, offering guidance to miners and mining communities. For example, [Conadog](#) in Guinea manages mineral-related conflicts by supporting social cohesion in solving disputes and is based within mining sites, meaning that its action is both preventative and curative. NGOs like this give hope that some action can be taken to improve the impacts of ASM. For **mining will persist as long as there’s demand for minerals**, so it’s time for governments and individuals to take action in protecting the rights of natural environments and the humans residing in them.

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