Handbook:
Developing National ASGM Formalization Strategies within National Action Plans

Thursday 18 October, AGM 2018, Geneva
Artisanal and small scale gold mining (ASGM)

- Occurs in more than 70 countries
- Main source of mercury emissions to the atmosphere
- Up to 20% of world’s gold
- 15 million people involved

Up to 20% of world’s gold
Minamata Convention on Mercury

Objective: Protect human health and the environment from anthropogenic emissions and releases of mercury
National Action Plan
to reduce and, where feasible, eliminate, the use of mercury in artisanal and small scale gold mining.
National Action Plan

Strategic content

ARTISANAL AND SMALL-SCALE GOLD MINING

Strategies for **market-based mechanisms** or marketing tools

Strategies to **eliminate worst practices** and promote mercury-free methods

Steps to facilitate the **formalization**

Baseline estimates of the quantities of mercury used and the practices employed

Strategies for providing **information** to ASGM affected communities

Strategies for managing **trade** and preventing the diversion of mercury

A public health strategy on the exposure of miners and their communities to mercury

Strategies to prevent the exposure of **vulnerable populations**, particularly children and women of child-bearing age
National Action Plan Strategic content

ARTISANAL AND SMALL-SCALE GOLD MINING

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- Strategies to **eliminate worst practices** and promote mercury-free methods
- Strategies to prevent the exposure of **vulnerable populations**, particularly children and women of child-bearing age
- Steps to facilitate the **formalization**
- A **public health** strategy on the exposure of miners and their communities to mercury
- Baseline estimates of the quantities of mercury used and the practices employed
- Strategies for **providing information** to ASGM affected communities
- Strategies for managing **trade** and preventing the diversion of mercury
National Action Plan projects
Aim:
- to support countries in their efforts to develop artisanal and small-scale gold mining (ASGM) formalization strategies as part of their National Action Plans (NAPs) under the Minamata Convention on Mercury and beyond

Target audience
- NAP-executing countries and agencies
- Private sector stakeholders (including financial institutions and LSM companies)
- NGOs
- Other stakeholders involved in ASGM-related work.
The process of developing a formalization strategy

Engage local stakeholders throughout the process

Consider key concepts
- Geoprospecting and allocating land for ASGM
- Facilitating the organization of miners
- Licensing and regulating ASGM
- Organizing the supply chain
- Facilitating access to finance, assistance, and markets
- Monitoring and enforcing ASGM regulations

Create an enabling environment
- Empowering and protecting women
- Protecting children in ASGM
- Managing ASGM-LSM conflict and engaging enterprises
- ASGM formalization in CAHRAs
- ASGM formalization and protected areas

Ensure coordination

Develop a national overview

Develop a national vision

Select a formalization approach

Develop a formalization strategy

Develop an M&E process

Process for developing a NAP

Establish Coordinating Body

Develop a National ASGM Overview

Set Goals and Objectives

Develop Implementation Strategies

Formulate Evaluation Strategy

Endorse and Submit
Definition of ASGM formalization

At it simplest form:

“A process that seeks to integrate the ASGM sector into the formal economy, society, and regulatory system” (UN Environment, 2012)

→ It goes beyond legislation

What does this mean practically?

“A process that ensures that ASGM actors possess licenses and permits; that they are organized in legitimate entities which represent their needs; policies are implemented, monitored, and enforced; and, ASGM actors receive technical, administrative, and financial support that enables them to adhere to standards prescribed by regulations”

→ Multidimensional: legal, institutional, socio-economic, geo-environmental and financial dimensions
A) Key concepts

Adapted from McQuilken & Hilson, 2016

ASGM formality spectrum

Licensed and formalized ASGM using better practices

Unlicensed and informal ASGM

Organizational, technical and institutional advance

Legal and regulatory advance

Adapted from McQuilken & Hilson, 2016
A) Key concepts

1) Background and context

Human rights-based approach

- Government
- ASGM Actors

FORMALIZATION PROCESS

- Rights
- Duties

Consultation
- Policies & regulations
- Monitoring & enforcement
- Training & education
- Participation
- Local economy
- Local social order
- Local actors
- Marginalized
A) Key concepts

Key components of the formalization process

Engage local stakeholders throughout the formalization process

- Geoprospect and allocate land for ASGM
- Facilitate miners’ organization
- License and regulate ASGM
- Organize the supply chain
- Facilitate access to finance, markets, and services
- Monitor and enforce ASGM regulations

Provide continuous support to ASGM actors
Cross-cutting issues in ASGM formalization

- Protecting Children
- ASGM Formalization in CAHRAs
- Empowering and protecting Women
- Managing ASGM-LSM Co-existence
- ASGM Formalization in Protected Areas
1) Establishing coordination mechanisms and organizing the consultation process;

2) Developing an overview of the ASGM sector;

3) Developing a national vision for responsible ASGM that contributes to sustainable development
B) Practical steps

5) Developing the strategy

Selecting approaches towards formalization

- Can the government successfully implement and administer licensing and regulation systems and monitoring and enforcement programmes for all actors of the ASGM supply chain, and provide assistance? Moreover, is this feasible in the national ASGM sector?
  - No
  - Can the government set up ASM zones where licensing and regulation systems and monitoring and enforcement programmes can be implemented and administered and where assistance can be provided? Moreover, is this feasible in the national ASGM sector?
    - Yes: Formalize in ASM zones
    - No
      - Can the government run a system of licensing and regulation supported by a state gold buying programme, or can third parties be engaged to implement voluntary supply chain initiatives? Moreover, is this feasible in the national ASGM sector?
        - Yes: Formalize with supply chain initiatives
        - No: Formalize the entire sector
  - Yes: Formalize the entire sector

Promote good practices
B) Practical steps

Selecting steps for selected approaches

Figure 13: Key steps for formalizing the entire ASGM sector or sub-sector (Approach 1) or formalizing in ASM zones (Approach 2)

Figure 14: Possible steps for formalizing the entire ASGM sector or sub-sector (Approach 1) or formalizing in ASM zones (Approach 2)

Possible steps and additional capacity building efforts (Sections 2 and 3)

Add other cross-cutting steps and capacity building efforts, as appropriate (Sections 2 and 3)
### B) Practical steps

#### 5) Developing the strategy

**Example: developing a country-specific strategy for Zlotostan**

<table>
<thead>
<tr>
<th>Step</th>
<th>Task</th>
</tr>
</thead>
</table>
| **Geoprospect and allocate land for ASGM** | - Conduct land use mapping  
- Conduct geoprospecting  
- Reserve and allocate land suitable for ASGM activity  
- Appoint a neutral third party to mediate  
- Establish an engagement mechanism between ASGM and LSM  
- Negotiate limited access in protected areas |
| **Facilitate miners’ organization** | - Conduct a socio-economic study  
- Provide information and facilitate inclusive dialogue  
- Amend the legal framework to accommodate different forms of entities  
- Facilitate the establishment of entities and provide ongoing assistance |
| **License and regulate ASGM** | - Legally recognize the various types of ASGM  
- Design and award licenses  
- Adopt pollution control, restrictions, and safety measures  
- Design and disseminate regulatory guidelines for land rehabilitation and mine closure  
- Establish a system of taxation and fees  
- Educate ASGM actors about the regulatory framework  
- Harmonize regional fees, tax, and royalty rates |
| **Organize the supply chain** | - Investigate the supply chain  
- License traders, goldsmiths, and exporters  
- Facilitate the organization of traders, goldsmiths, and exporters  
- Trace gold trade and export  
- Engage supply chain actors and provide assistance  
- Engage stakeholders for mapping gold trade  
- Establish voluntary supply chain initiatives |
| **Facilitate access to finance** | - Conduct a financial needs assessment  
- Engage stakeholders involved in financial inclusion  
- Identify interested financial institutions  
- Address financial literacy  
- Reserve a dedicated budget to assist ASGM actors  
- Build capacity among development and corporate banks and other relevant institutions about ASGM activity  
- Facilitate and promote women’s access to finance  
- Build gender competence in public institutions |
| **Facilitate access to assistance** | - Simplify trade requirements  
- Develop value-adding activities  
- Introduce supply chain initiatives  
- Designate responsibility and resources to monitor ASGM activity  
- Educate ASGM actors about the regulatory framework  
- Enforce soft coercive measures  
- Train and deploy law enforcement agents in selected areas  
- Build capacity among relevant monitoring and enforcement institutions |
| **Facilitate access to markets** | - Simplify trade requirements  
- Develop value-adding activities  
- Introduce supply chain initiatives  
- Designate responsibility and resources to monitor ASGM activity  
- Educate ASGM actors about the regulatory framework  
- Enforce soft coercive measures  
- Train and deploy law enforcement agents in selected areas  
- Build capacity among relevant monitoring and enforcement institutions |
| **Monitor and enforce regulations** | - Facilitate access to finance  
- Build gender competence in public institutions |
| **Empower and protect women** | - Facilitate and promote women’s access to finance  
- Build gender competence in public institutions |
### B) Practical steps

#### 5) Developing the strategy

**Planning the details**

<table>
<thead>
<tr>
<th>Key component</th>
<th>Steps and activities</th>
<th>Priority (high, medium, low)</th>
<th>Lead agency</th>
<th>Supporting agencies</th>
<th>Timeline</th>
<th>Budget</th>
<th>Funding sources</th>
<th>Expected results</th>
<th>Indicators</th>
</tr>
</thead>
</table>
| Geoprospect and allocate land for ASGM | Conduct land use mapping | Medium | Min. of Land | - Min. of Agriculture  
- Min. of Environment | X | $200,000 | National budget | Land use has been mapped by the Ministry of Land in gold-producing provinces X, Y, and Z by December 2020 | Hectares of land mapped |
| | Conduct geoprospecting | High | Geological Survey Dept. | - Min. of Mines  
- University X  
- ASGM association Y  
- LSM company Z | X | $500,000 | LSM companies  
Donor X | The Geological Survey Department has conducted geological prospecting in the country's greenstone belts in regions X and Y and has made the information publicly available by December 2021 | Hectares of land geoprospected |
| | Reserve and allocate land suitable for ASGM activity | High | Min. of Land | - Min. of Mines  
- Min. of Environment | X | $200,000 | Mining taxes, fees, and royalties | 15 gold-rich ASM concessions have been allocated and approved by the Ministry of Lands by December 2022 | No. of ASM concessions allocated |
| | Build capacity among responsible Institutions | Medium | Min. of Mines | - University X  
- Geological Survey Department  
- NGO Y | X | $300,000 | National budget | Each regional office of the EPA and Ministry of Mines has two vehicles and staff has been trained on ASGM and mineral geology by June 2020 | No. of vehicles in regional EPA and MoM offices  
No. of staff trained in EPA and MoM |
| Facilitate miners’ organization | | | | | | | | |
| License and regulate ASGM | | | | | | | | |
| Organize the supply chain | | | | | | | | |
| Facilitate access to finance, assistance, and markets | | | | | | | | |
| Monitor and enforce ASGM regulations | | | | | | | | |
Cross-cutting issues in ASGM formalization

A) Key concepts

Protecting Children

ASGM Formalization in CAHRAs

Empowering and protecting Women

Managing ASGM-LSM Co-existence

ASGM Formalization

ASGM Formalization in Protected Areas
GENDER EQUALITY: WHY IT MATTERS

What’s the goal here?
To achieve gender equality and empower all women and girls.

Why?
Women and girls represent half of the world’s population and therefore also half of its potential. But, today gender inequality persists everywhere and stagnates social progress.
Gender Inequalities and vulnerable populations

How does gender inequality affect women?

Disadvantages in education translate into lack of access to skills and limited opportunities in the labour market. Women’s and girls’ empowerment is essential to expand economic growth and promote social development. The full participation of women in labor forces would add percentage points to most national growth rates—double digits in many cases.
Dimensions of Formalization: Empowering Women as a cross-cutting issue

Key Determinants of Women’s Realities in ASGM

- **Socio-Economic Context**
  - Cultural, racial and ethnic identity
  - Beliefs and traditions
  - Social capital and agency
  - Access to education
  - Level of achievement
  - Access to land
  - Access to formal markets

- **Legal and Institutional Context**
  - Degree of formalization and regulation
  - Gender competency of institutions
  - Legality of operations (informal, legal, extra-legal)
  - Security of tenure and allocation of right
  - Access to justice
  - Enforcement of fundamental human/women’s rights

- **Financial Context**
  - Traditional and non-mining activities
  - Income distribution
  - Flow of resources/capital
  - Monetary value of gold
  - Supply chain complexity
  - Access to finance

- **Geo-Environmental Context**
  - Rural, urban, or peri-urban
  - Scale of operation (g/t of Au)
  - Stage of operation
  - Geology and mineralogy
  - Technical practices
  - Presence of armed actors (active vs. post-conflict)
  - Landscape sensitivity

Key determinants of Women’s realities in the Artisanal and Small-Scale Gold Mining (ASGM) sector. Adapted from Hinton et al (2003), prepared by Dales and Brambilla (2018) from the Canadian International Resources and Development Institute (CIRDI).
Addressing Gender Equality as a cross-cutting issue

Engage local stakeholders throughout the formalization process

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Provide continuous support to ASGM actors

5 GENDER EQUALITY

What happens if gender equality is not ensured?

Investigating identity factors among ASGM actors can help to understand gender-based risks, develop mitigation measures, and identify opportunities for promoting gender equality and women’s empowerment.
Multiple Identity Factors: Gender, Sex, Ethnicity, Age, Geography...ect.

Impact the effectiveness and outcomes of ASGM Formalization Policy

Sources:
Possible steps to protect and empower women:

• Investigate gender roles in the ASGM sector
• Address the root causes of women’s vulnerability
• Facilitate women’s leadership and participation in decision-making
• Facilitate women’s rights and eliminate legal barriers
• Facilitate and promote women’s access to finance
• Streamline ASGM regulations with CEDAW
• Build gender competence in public institutions