

**In the Great River there are large
and small fish..... (BaNgombe)**





Kevin P C J D'Souza
Artisanal Mining & Social Management Specialist
Wardell Armstrong LLP



MINING TOGETHER

WHEN LARGE SCALE MINING MEETS ASM



Key Topics

- Current Relationships
- The Challenge of Co-existing
- Building Meaningful Relationships
- The Interaction Choices
- Relationship Risks & Objectives
- CASM's role



Some of Our ASM-LSM Engagement Clients





Uneasy Relationships

- Range from relative harmony to mutual mistrust, antagonism, resentment, intimidation, and in the worst cases increasingly conflict
- ASM can often include both invaders with criminal intent within the mine 'fence' and more passive trespassers within the wider concession
- The granting of formal concessions can be viewed as depriving artisanal miners of their 'traditional' land and rightful livelihoods – feeling of dispossession
- Issue of land tenure – constitutional vs traditional/customary differences between land and mineral ownership rights often unknown or simply not respected
- Heightened stakeholder expectations (e.g. GRI) mean that companies can no longer function as isolated closed systems



The 'Challenge' for Companies

- Progressive companies recognise the imperative of engaging with the ASM sector
- But at present very few companies have an explicit corporate policy or SOP on ASM
- The management of social issues, and in particular the challenge of coexisting with artisanal mining, is a new and complex area of mine management focus
- The economic, social and environmental costs and potential liabilities of uncontrolled artisanal activity are becoming increasingly unbearable on many minesites
- Need to recognise that there are inequities in strengths and capacities – should try to focus on exploiting synergies
- Despite legal qualification (*ex-parte* and *ex-officio*) and Government policies - legal 'grandstanding' is seldom helpful





Precedence Claims

- *Barefoot geologists* – historic artisanal sites are sometimes targeted by exploration companies
- Artisanal mining has often congregated around virgin exploration sites and newly developed or expanded minesites
- Artisanal miners mostly rework tailings, marginal ground, waste dumps or ‘abandoned’ areas
- Sometimes activities invade operational areas both underground and in open pits or exploit rehabilitated waste dumps or even working TSFs
- Increased competition for mineralised areas – artisanal miners complain they have no access to mineable land – *NGO agenda*
- Conflict between migrant miners, indigenous communities and customary landowners
- Despite most national Constitutions, sovereign rights and legislation the ‘first-come’ argument often proves irrelevant



International Codes & Guidelines



EQUATOR PRINCIPLES





Building Relationships

- Presents a range of corporate/ business risks – safety of employees, destruction of assets, reputational risk, loss of production and potential loss of license to operate
- Heavy-handed security measures often lead to human rights abuse allegations and reputational damage
- Ignoring the ‘problem’ is certainly NOT an option in terms of site safety and reputation
- Building constructive relationships, as a risk management strategy, works better than resorting to force
- In the past a tolerant *laissez-faire* attitude was adopted at some exploration camps and minesites with mixed success
- Paradigm shift towards a more innovative, non-confrontational, non-competitive, consensual and pragmatic strategy for developing relationship between - must be proactively managed





The Role of Companies

- Public view the mining sector as a whole with little differentiation between clandestine artisanal mining and the fledgling regulated large-scale sector
- Incorporating social concerns into corporate policy commitments often presented within the framework of 'sustainable development' or 'corporate social responsibility'
- Differing strategies are required for exploration (OoM, pre-feasibility and BFS stage), development, construction, operation and closure
- Corporate and minesite management attitude to illegal mining and community affairs has to change and become proactive - less paternalistic and patronising
- Companies need to secure a valid, durable AND locally won 'social license' to operate and profit
- But companies should not be seen as the alternative rural social service or a regional charity



The Three Pronged Approach

Knowledge & Communication

Gather accurate local information (social baseline/SIA). Undertake threat assessment, stakeholder mapping & analysis and coping matrix

Foster meaningful and continuous stakeholder engagement and build relationships.

Prioritised at exploration/development phases & again at closure

Report ASM management in accordance with GRI

Regularisation & Economic Diversion

Promote sustainable and culturally appropriate policies and community development programmes to offer alternative sources of income/livelihoods to artisanal miners and communities

Assist with formalisation and organisation, training/TA and possibly sharing of concession, contractor mining or purchasing arrangement

Detection, Prevention & Deterrents

Keeping artisanal miners at a safe distance to operations, discourage trespass, incursions and criminal activity (inc. possible relocation)

Changing practices and development of effective detection and security systems

Change operational plans/procedures (blasting times, stope/bench & stockpile exposure)



Artisanal Miners' Role

- 'Illegal'/informal activity is often driven by poverty - a basic coping strategy to satisfy basic needs and can be a socially and culturally acceptable activity
- Communities can be incited and conflicts inflamed by unscrupulous local landowners and other stakeholders
- Miners are not always the victims and can be militant and troublesome – artisanal mining activity can be lucrative
- Some artisanal miners often reluctant to co-operate and are 'politically' sensitised or have criminal backing – or have the 'get rich quick mentality' with no tangible incentives for formalisation
- Often a lack of 'organisation' and a coherent and single voice to represent the sector and form an 'entity' that has a *judicial personality*
- Do not ignore the issues of debt-bondage, kinship ties, collusion (and possibly organised crime) and the many parochial and vested interests that profit from informal ASM





WARNING

**THE ARTISANAL MINING SECTOR
IS NOT HOMOGENEOUS**

**THE INNATE DIVERSE NATURE OF THE ARTISANAL
MINING SECTOR CAN MAKE EFFECTIVE
ENGAGEMENT AND CO-OPERATION CHALLENGING**



The Role of Government

- Government inaction or ineffectiveness often exacerbates the problem - politically sensitive especially when policy marginalises ASM
- What should be the mandated role of the Government – facilitator vs *ex officio* policing
- How does Government exercise its Sovereign rights?
- Realistically what can Governments do?
 - Adopt ‘good practice’ artisanal mining policy
 - Allocate ASM rights and licenses
 - Demarcate artisanal mining zones
 - Improve sector governance and transparency
 - Enforce the legislation and ratified international conventions
 - Act as a arbitrator in conflict issues
 - Provide training (extension services)
 - Provide external financing through micro-credit
 - Mainstream artisanal mining into national development strategies
 - Involve cogent ministries



MANAGING RELATIONSHIPS BETWEEN WITH LSM AND ASM

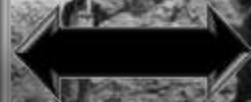


**Remove
Artisanal Miners**



Benefits:

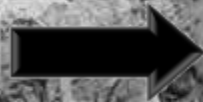
- No unauthorized miners
- No conflicts of interest



Risks:

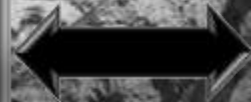
- Backlash/reprisal
- Coercive actions
- Reputational risk
- Livelihood loss

**Co-exist with
Artisanal Miners**



Benefits:

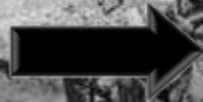
- No removal
- Arms length
- Livelihoods



Risks:

- No control
- Links with poor practices
- Unauthorised

**Incorporate
Artisanal Miners**



Benefits:

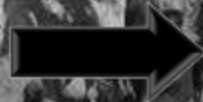
- No removal
- Some control
- Livelihoods/devt



Risks:

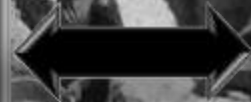
- Mgt/security \$
- Backlash/reprisal
- Still control risks
- Unauthorised

**Transform
Artisanal miners**



Benefits:

- Avoids removal
- Optimizes control
- Legal
- Livelihoods/devt



Risks:

- Too many to transform
- Miners in non-core activities



There is NO Magic Potion

Each exploration camp or minesite will have its own historical, social, cultural and geographical characteristics and peculiarities that precludes the use of a rapid one-size fits all prescription to quickly overcome the 'challenges' of building mutual trust and co-existing with artisanal miners

Continued proactive risk management and developing minesite social competency is key





CASM's Contribution

- CASM has formulated a working group some years ago to try to better understand the issue help promote co-existence
- The last few years we have had LSM-ASM sessions and discussed the issues and challenges and also had numerous companies present case studies – we know the common problems
- The issue remains a major 'challenge' and responses need to be informed and appropriate
- However we need to focus on the opportunities and not just the conflict issues
- Need to avoid diluting progress by reiterating what we have discussed in past conferences
- CASM has now partnered with **CommDev** and the **ICMM** to develop a toolkit

Obrigado - Thank You



Kevin P C J D'Souza – Artisanal Mining & Social Management Specialist
kdsouza@wardell-armstrong.com Tel: +44 (0)845 111 7777