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# CASM 3.0 Future Options

Options for Program, Governance, Structure  
and Housing

**RESOLVE**

## Background

RESOLVE was asked by the World Bank, on behalf of stakeholders,<sup>1</sup> to prepare this analysis of options for a revitalized Communities and Artisanal and Small-scale Mining (CASM) program, governance system, and structure (including housing). It follows the recent completion of a lessons learned paper (to be posted on the [CASM site](#)) and will be followed by a business plan that addresses preferred options, necessary steps, a timeline, and a resource strategy.

## Approach

RESOLVE drafted this paper to present stakeholders with options to inform decision-making on a revitalized CASM program, governance, and structure. This paper is designed as a tool to catalyze dialogue and work towards consensus building on governance, program, and structural design elements. It is based on stakeholder input gathered through previous evaluations,<sup>2</sup> the outcomes of the CASM stakeholder meeting held on 28-29 June 2010 (documents available [here](#)), and RESOLVE's recent lessons learned paper (to be posted on the [CASM site](#)).

We first present options for mission, goals, strategies, programs and related issues, followed by options on governance and structure. This sequencing is based upon the premise that governance and structural arrangements should be responsive to the nature of CASM's future program. Again, these options and initial recommendations are designed to encourage further discussion rather than serve as final recommendations. RESOLVE will seek stakeholder input and feedback in the coming weeks to build agreement on a preferred set of design elements. In the preface, we recommend a process for making decisions during this transition period.

Stakeholders are encouraged to share comments on the options presented in this paper with Stephen D'Esposito and Jennifer Peyser ([sdesposito@resolv.org](mailto:sdesposito@resolv.org); [jpeyser@resolv.org](mailto:jpeyser@resolv.org)). We kindly request feedback by **10 December 2010**. (Please contact us if additional time is needed.) We ask that respondents provide specific feedback on preferred program, governance, delivery, and housing options and explain the rationale for these preferences. Please also identify whether any options are unclear, or share ideas for new/additional options.

## RESOLVE

RESOLVE is an independent, non-profit organization based in Washington D.C. ([www.resolv.org](http://www.resolv.org)).

<sup>1</sup> Stakeholders include all participants and interested parties in CASM including small-scale miners, donors, corporations, NGOs, technical experts and others.

<sup>2</sup> *CASM Business Report, FY09/10 (July 1, 2008 – March 1, 2010)*. CASM Secretariat, The World Bank. 29 April 2010. *Progress report: Artisanal and Small-scale Mining over the last 10 years*. Assheton Carter, Pact. 2010. *Evaluation of the Communities and Small-scale Mining (CASM) Program*. Harold Wackman and Jim Thompson. 2009.

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## Section 1—Planning and Interim Decision-making

RESOLVE recommends that CASM stakeholders establish an interim decision-making structure that grows out of the current Strategic Management Advisory Group (SMAG). This approach uses, but revitalizes and clarifies, the current governance structure and will enable decision-making during the current transition period. This recommendation incorporates governance elements that emerged as suggestions at the 28-29 June stakeholder meeting.

The Interim Steering Committee will draw on some members of the current SMAG and include additional members. After surveying current SMAG members to determine interest in continued service, RESOLVE will work with the SMAG and World Bank staff to add members in an effort to ensure representation from the following sectors<sup>3</sup>: i) governments from ASM countries, ii) corporations, iii) civil society, iv) small scale miners and/or representatives, and v) other governments. The Steering Committee will total between seven and nine members. The staff of CASM and the regional CASM representatives will participate in and support the interim steering committee.

To build an Interim Steering Committee with operational efficiency, we recommend the following steps:

- To take advantage of SMAG expertise and institutional knowledge, determine which SMAG members will continue to participate.
- Work with remaining SMAG members and World Bank to establish composition of Interim Steering Committee.
- Notify stakeholders and seek endorsement of the slate via email.
- RESOLVE will draft basic procedural guidance (i.e., general expectations or ground rules) to support effective and efficient process management and decision-making. Given the interim nature of the group and the short planning time, this will be a concise guidance covering issues such as the decision-making process and other roles and responsibilities.

Please see Figure 1 for a graphic of the proposed interim governance structure.

### ASM Issue Analysis

During the June stakeholder session, participants identified a set of potential programmatic responses appropriate to the ASM challenge. While these responses represent a solid basis for planning, it would be useful to test and advance analysis of the current ASM context during this planning process, so options for CASM structure, focus, and governance can match with emerging needs of the sector. The World Bank has commissioned PACT to prepare an analysis of

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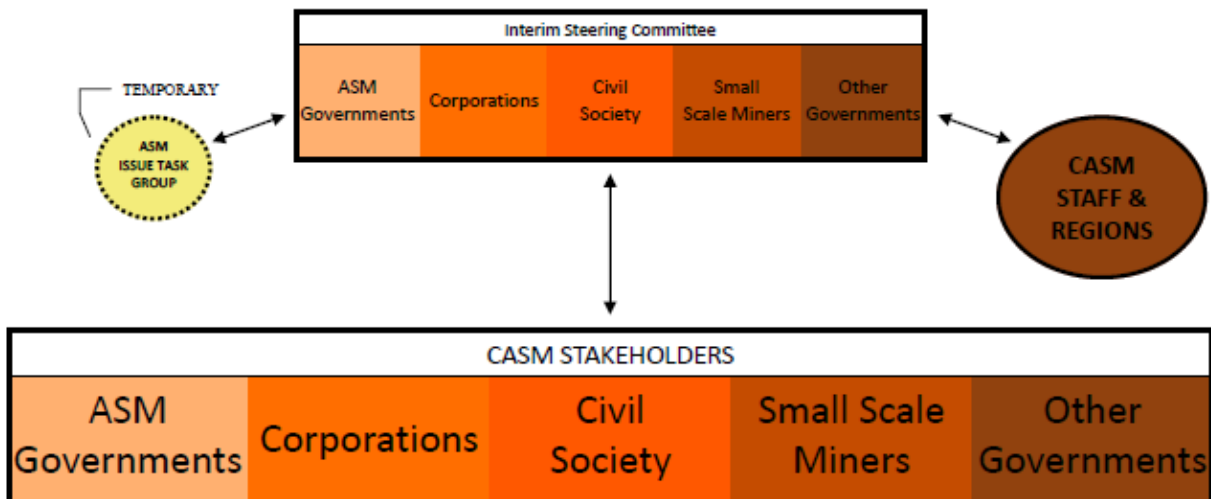
<sup>3</sup> Potential donors and funders could be found in most or all of these sectors.

the state of the ASM sector, including current trends, issues and challenges. We recommend establishing a small task group to discuss and consider this PACT research and clarify key guidance for CASM. Consider the following next steps:

- PACT completes its research and circulated findings to the World Bank. These findings are then circulated to the CASM Network.
- The Interim Steering Committee appoints a small task group to discuss and consider the PACT analysis and clarify guidance for future CASM planning.
- The conclusions of this task group are circulated to the Network and any feedback is provided to the working group and the Interim Steering Committee.

As the Interim Steering Committee undertakes its work, it can reconvene the task group as it sees fit for guidance.

Figure 1: Proposed CASM Interim Governance Structure



## Section 2—Mission, Goals, Strategies and Related Issues

As stated in the introduction, RESOLVE has drafted this options paper based on reviews of the current CASM mission, documents, and website, and considering recent input from stakeholders.

We propose the following mission, goals, strategies, and objectives as a starting point for review, discussion, and refinement by the Interim Steering Committee and broader community of CASM stakeholders.

### Draft CASM Mission & Key Attributes

A clear mission is an essential prerequisite to program design and structure.

- **Mission:** CASM is a multi-stakeholder organization that aims to reduce poverty and promote sustainable development, human rights, and the use of safe, responsible practices in countries where artisanal and small-scale mining is an important economic activity. The current CASM mission can be found [here](#).
- **Mutual Accountability:** Government, corporate, and civil society stakeholders in CASM hold each other mutually accountable for meeting objectives set on a global, regional, and in-country basis and for successful implementation of CASM programs and activities.
- **Members:** CASM's base is a global network of responsible small-scale miners linked to global stakeholders and experts (Figure 2). Representatives of the ASM communities participate in annual CASM conferences and other stakeholder meeting and offer input and guidance on key CASM issues and decisions.<sup>4</sup> The current description of the role of participants in CASM can be found [here](#).
- **Methods:** CASM encourages collaboration and learning; develops actionable policies, tools and products; convenes project and issue teams in response to ASM challenges; creates space for cross-sector dialogue including a periodic meeting of global stakeholders; initiates pilot programs to test solutions; and provides hands-on services, tools and guidance for its members

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<sup>4</sup> Stakeholders will be asked for input on the appropriate type of involvement of small-scale miners at different levels of governance and participation.

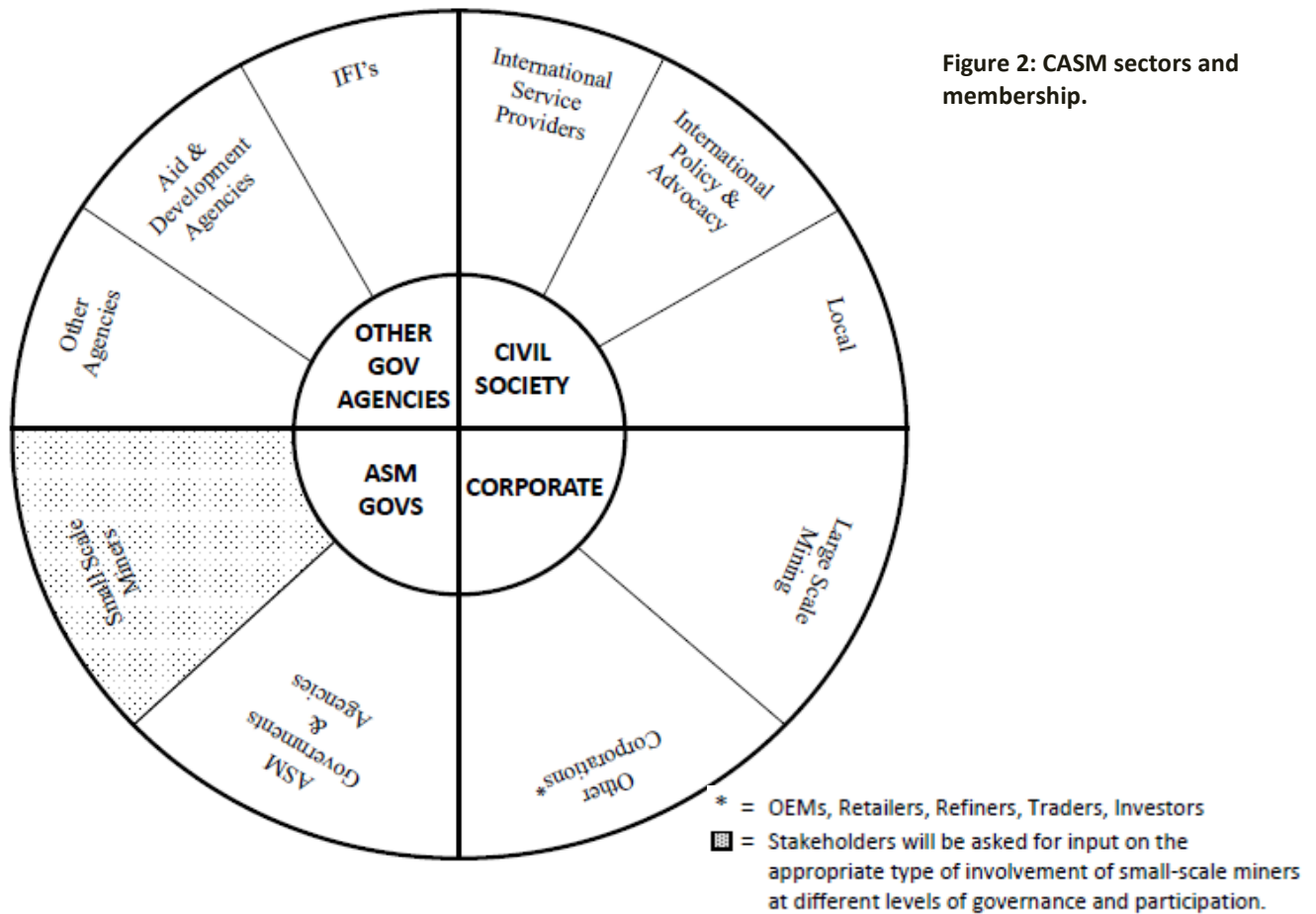


Figure 2: CASM sectors and membership.

**CASM Philosophy**

- CASM encourages approaches that are built from an understanding of social, cultural, political, environmental, and economic context of ASM activities, with recognition that solutions must address the lack of formalization and protect human rights.
- Given the complexity of the ASM sector and its challenges, CASM promotes cross-sector solutions that draw on interdisciplinary learning.
- Going forward, CASM will build on its success at raising awareness and sharing information, while playing a more active role in catalyzing and supporting field-based, in country, program delivery and solutions.

**CASM Goals<sup>5</sup>**

Where CASM is active, it seeks the following results:

<sup>5</sup> The goals, strategies and methods are drawn from existing CASM documents and supplement with any outcomes from the June stakeholder meeting.

- Improved livelihoods for miners touched by CASM programs
- More formalization of the ASM sector where appropriate and less illegal ASM
- Responsible ASM as a demonstrated pathway to sustainable development and support of other development options where ASM is not an effective or appropriate strategy
- Prevention or mitigation of the negative environmental, social and cultural effects of ASM
- Reduction of the occupational health and safety risks to miners, their families and communities
- A decrease in conflicts around ASM and improved relations between ASM and LSM
- Greater transparency and documentation with regard to mining, trading and financial arrangements in the sector

### CASM Strategies <sup>6</sup>

CASM utilizes the following as primary strategies to achieve its goals:

- **Networks**—Utilize, expand and strengthen the responsible ASM network (of miners, governments, experts, industry, civil society and others) to share information and knowledge, build expertise and catalyze partnerships. Promote training and opportunities for cross fertilization.
- **Policy Development and Best Practices**—Develop and disseminate model policies and best practices including voluntary standards and performance criteria—with CASM as a “go-to” resource for best practice and new learning. Develop and support implementation of policies, regulatory frameworks and licensing schemes that help protect the rights of mining communities and miners. Develop and promote tools that advance alternative development and livelihoods; for example, strategies that utilize natural resource capital including conservation of biodiversity.
- **In-Country Solutions**—Design in-country and site based programs and tools to address specific ASM challenges and programs and tools that can be replicated in other projects. Organize multi-stakeholder, in-country capacity building and monitoring programs to improve rights, social and environmental performance.
- **Market Systems & Incentives**—Build policy, regulatory, market, and voluntary systems and tools that differentiate and reward responsible ASM. Design and support market based entrepreneurial activities, programs, and pilots.
- **Capacity Building**—Strengthen government, institutional, and voluntary capacity in ASM regions. Develop programs and tools to support co-existence of ASM and LSM sectors.
- **Program Response**—Coordinate and respond to urgent ASM issues on both a policy and site level.

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<sup>6</sup> These may be adjusted depending upon programmatic choices and resources.



- **Cross Agency/Donor Coordination**—Coordinate across agencies, aid and development programs and sectors to provide direct in-country assistance, training and tools. Coordinate between bilateral and multilateral programs addressing similar issues; act as a mechanism to facilitate project funding from multiple sources; mobilize and leverage donor resources and facilitate fund matching. Support development of strategic partnerships across donor agencies and with other types of donors.
- **Evaluation & Monitoring**—Monitor results and ensure cross-sector accountability so that in-country programs can track progress and share learning.

### **CASM Five-year Objectives/Defining Success**

The following objectives describe what will be different if CASM is successful over the next five years:

- Growing membership of miners in CASM
- Active participation of governments with ASM challenges
- Strong and growing participation of LSM companies, NGOs and donor governments
- Successful outcomes in [#] participating ASM countries (those utilizing in-country programs and tools); in-country program viewed as a relative success by stakeholders and donors
- CASM programs contribute to solutions on LSM-ASM, mercury and cyanide use, ASM transparency, and “conflict metals”
- Evidence of shared learning, across regions, from unsuccessful in-country interventions
- CASM platform utilized to develop and advance [#] partnership projects
- Documentation of decreases in conflict/tension for target sites/regions
- Growing uptake of responsibly sourced ASM minerals into ethical supply chain and market initiatives
- More investor confidence in regions where CASM is active
- Identifiable and quantifiable CASM constituency
- A strong web presence that is actively used for information, tools, etc.

### **CASM Constituency & Stakeholders**

ASM issues have intensified and evolved in many regions since CASM’s founding, with changing economics, new issues, new conflicts, and expanded ASM activities in some regions. As a result it is likely that additional actors are interested in finding solutions to ASM challenges. Therefore, we recommend that as part of this process CASM should review and update its stakeholder mapping. The following is an initial list—the list needs to be expanded and specific organizations and companies added to the map. As part of the process RESOLVE proposes to work with the Interim Steering Committee and other CASM participants to complete this map.

- Small-scale miners with a commitment to responsible practice
- Countries with small-scale mining (e.g. mining and environmental ministries)
- Developed country aid, development, technology, environmental, foreign affairs and trade agencies and ministries
- Large-scale mining companies and associations
- Original equipment manufacturers (OEMs), retailers, traders other supply chain actors (e.g. tech/IT manufacturers, jewelry retailers and manufacturers, automotive and aerospace manufacturers, refiners and others)
- Development, human rights, aid, environmental, and other policy/advocacy NGOs
- Service NGOs and consultants
- Investors in small-mechanized mining operations (i.e. project finance)

### **Other Key Linkages**

CASM should map and assess other initiatives to prevent duplication and build partnerships. We are aware of a number of related initiatives. An initial list includes the following:

#### International Initiatives on Extractive Industries

- World Economic Forum—Fair Mines Initiative
- Various initiatives targeting conflict in DRC and region ([link](#))
- Extractives Industry Transparency Initiative
- Publish What You Pay
- Model Mining Development Agreement

#### International Initiatives on ASM or Precious Minerals

- ARM
- Artisanal Gold Mining Council
- Kimberley Process
- Diamond Development Initiative International
- Conflict minerals initiatives (e.g., ITSCI)
- UNEP partnership on ASGM
- Examples of WB Technical Assistance Projects with Significant ASM Components: DRC, Tanzania, Uganda, Nigeria, Madagascar, Mongolia,
- Other WB supported projects with ASM components: Ethiopia

We will work with the Interim Steering Committee and other participants to complete this list and understand each of these programs to prevent overlaps and foster appropriate partnerships.

### Section 3—Options for Strengthening the Current CASM Program

The core elements of the current CASM program are the Network, annual international and regional meetings which include training and skill sharing, and the development and transfer of new policies, tools and practices. The Network provides CASM with legitimacy and is seen by all as a resource. Many stakeholders hold a view that the CASM network and secretariat have not fully achieved their objectives (link to lessons-learned paper).

In any future scenario, stakeholders support strengthening the Network and the Secretariat. For example current donors and some stakeholders have emphasized the importance of ensuring that the secretariat fulfills its current work program. Some have said that program expansion should only occur after current core program obligations are fulfilled. Others are only interested in supporting CASM if the current programs such as the Network are linked to a capacity deliver benefits on-the-ground, in-country resource in ASM countries.

While this discrepancy presents a potential planning conundrum there is a unifying theme—in either scenario strengthening the current CASM program base is essential. The two options presented below have the potential to bolster CASM’s current programs and capacity.

#### Program Option A: Strengthen the Status-Quo (the Current CASM Network)

The first option builds on the strengths of the current network and seeks to bolster it with new capacity and tools.

- Strengthen Network administration, management, and capacity by securing and appointing a dedicated staff person, with overall program authority (i.e. a program director) to ensure program direction, coherence and accountability.
- Many CASM stakeholders feel disconnected from CASM activities—those carried out by the secretariat as well as the work of Network members. Many expressed a desire for more communication and access to CASM resources. CASM can significantly modernize its web-based collaborative capacity and enhance its communications tools. Collaborative web-based tools have advanced significantly and CASM is not yet taking advantage of potential benefits and cost savings. For example, RESOLVE has researched and implemented a “Collaborative Tech Tool Kit” available to all RESOLVE partners and clients which integrates tested collaborative technology tools in an efficient, cost-effective manner—this could be accessed by CASM. Other, similar programs exist as well. While such tools will not replace direct, personal communication they will increase communication and collaboration among key stakeholders. CASM can also implement a proactive communication plan to increase information sharing and cohesion between in

person meetings. This will require dedicated staff time, in addition to any investment in collaborative technology.

- CASM has a rich resource library. It should continue to be a resource for policy and best practice documents (see [Knowledge Center](#) on CASM website). Current web capacity can be supplemented by informational webinars, virtual bulletin boards, podcasts of relevant speeches and workshops and similar tools. Updated collaborative technology tools and dedicated staff time (or efficient outsourcing) will ensure that the Knowledge Center is up to date and well organized and begins to utilize new tools.
- Global and regional CASM meetings appear to be the essential glue that holds CASM together. These should continue and their impact maximized. At the same time these meetings are resource and cost intensive. It may be worth considering spacing out these meetings to ensure adequate planning and follow-through—thereby maximizing return on this investment. For example, the global meeting and regional meetings could occur on alternating years or the global meeting could occur every eighteen months. This may provide financial benefits, and improved quality, without losing a sense of momentum and progress.
- Within its current structure CASM could re-establish and/or strengthen its capacity for influence on key issues by forming issue sub-groups/teams. This could give CASM a presence on issues ranging from mercury, to supply chain and certification, to conflict issues without spreading resources too thin. It would probably be necessary for CASM staff to provide support to these working groups.
- While CASM participants currently join the Network, admission is loosely handled. There has been some discussion of the pros and cons of a more specific affirmation of membership—with both miners and global stakeholders required to affirm their participation and commitment. This could be based upon a fee structure but this is likely to be difficult to administer if applied to all members. However CASM could have a non-fee membership structure or perhaps a split fee structure based upon some form of means testing. The benefits of either scenario are that CASM can begin to understand the nature and commitment of participants and start to set specific goals for targets.

### **Program Option B: Option A + Experts Roster**

The second option adds a dimension which is the organization of ASM experts, from various fields, into a roster so that they can be accessed and utilized on both a project and consulting basis. This roster creates efficiency for experts and for those stakeholders who wish to utilize the roster. While experts are currently part of the Network they are not organized as part of a roster with searchable skill and experience profiles. Such an approach would allow those constructing project teams or those need expert support on a project basis to seek out a potential fit. Next steps include:

- Organize and gather profiles of current experts
- CASM sets criteria for joining roster by area and experience—e.g. environmental, development, conflict resolution, trainers, regional etc.
- Outreach to other experts not currently in Network
- Organize roster by region and area of expertise
- Experts network utilized for general feedback (over list-serve and bulletin board), to circulate project notices, to support projects and to specific site based and regional needs—CASM utilizes roster to fill needs for funded projects
- Roster members participate in training/skill-sharing to promote skills development in ASM regions
- Governments, LSM companies, supply chain companies can also tap into roster

This option has the benefit of organizing and potentially strengthening a key CASM resource and building it to become a core program and benefit of membership.

## Section 4—New Program Options

Our consultations and the recent CASM stakeholder meeting led to an expression of strong support for the development and deployment of an in-country program to bring tools and programs directly to affected ASM communities. We have described three additional programs that could support the ASM community, ASM countries, and stakeholders.

### Program Option C: In-Country ASM Services and Tools

Many stakeholders support the development of program and service delivery tool that can respond to a range of on-the-ground ASM issues and challenges including environmental issues, community conflicts, relationships with larger-scale mining projects, legality, post-conflict capacity building such as in DRC and surrounding countries, conflict resolution, alternative economic development, mercury, and other issues. For CASM stakeholders an essential component of such a tool would be a capacity for mutual accountability. For each program or intervention a set of objectives would be established by the mutual agreement of key stakeholders. Then, after the program is completed, stakeholders will review progress, measured against objectives.

CASM policy and best practice recommendations would inform the in-country program, forming a basis for guiding development of in-country roadmaps and action plans. CASM would also use in-country interventions, and learning from these programs, to inform the future development of policies and practices.

Interested ASM countries would join or subscribe to the CASM program. Donors and other stakeholders would work together to design tailored in-country programs and structure incentives creating a multi-year roadmap. The roadmap would serve as a basis for mutual accountability, allowing the country and all stakeholders to assess and document progress. CASM would organize and lead service delivery. The World Bank is well positioned to play a lead role in this program, with regard to legitimacy, ability to secure and pool funds, and expertise—particularly if the Bank can draw on resources across departments and functions. Cross-sector, multi-disciplinary project teams would be drawn from the new experts' roster as needed and appropriate. Some functions such as conflict resolution could be outsourced.

Where current tools and programs do not meet in-country needs, CASM would develop and test pilot programs.

Stakeholders hold a strong view that the success of a program like this will require a capacity for mutual, multi-stakeholder accountability mechanisms. The program is only likely to succeed if the structure and program ensures this.

#### **Program Option D: CASM Innovation and Technical Assistance Fund**

Stakeholders have expressed interest in CASM being in a position to provide seed funds for new, innovative projects that bring new solutions to the ASM sector. Stakeholders have sometimes had difficulty securing start-up resources for new programs. Examples of programs like this include the Association for Responsible Mining fair trade certification program, the Diamond Development Initiative, the recent efforts of ITRI and TIC to develop and test an in-region pilot to source tin and tantalum from artisanal sites in and near DRC.

An innovation and technical assistance fund could help incubate innovative programs like this, ensuring access to experts as well as resources, and then help them become self-sustaining. CASM would identify only a limited number of projects at any time to ensure necessary support and convey a sense of value through selection.

CASM would work to pool funds from interested donors and perform an evaluation role. CASM would also leverage participation from different sectors and interests.

The program would have legitimacy due to the likely multi-sector governance of CASM. Program governance would need to ensure accountability to both the CASM governing body and specific project donors.

#### **Program Option E: Community Benefit Services**

As ethical considerations become more important to consumers and businesses there is growing interest in and resources available to support community benefit programs. At the same time artisanal miners and operators of small, mechanized operations sometimes lack the capacity and resources to implement effective community benefit programs. They have the intent but lack the expertise. For example operators are likely to possess geological, engineering, and technical capacity rather than expertise in social development programs. In circumstances where LSM is nearby, these operators may have an interest in supporting community benefit programs as well as programs that help organize and regularize the ASM community. However, while LSM companies will seek concrete outcomes, they may not want to literally run the program. CASM could create a community development service to help fill this gap. Such a program could be beneficial to:

- LSM companies seeking to improve conditions of nearby ASM—where resources may be available but they do not want direct responsibility for implementation, or cannot assume responsibility due to the lack of legal sanction for some ASM sites.
- Small operators, who might lack the expertise to design, organize and implement successful community benefit programs or who may not have access to the latest learning regarding effective structures, strategies and programs.
- Donors with a particular interest in community benefit programs in a target region.

A CASM organized program can ensure pooling of expertise, use and sharing of best practices, and create administrative and programmatic efficiency. CASM could pool funds from multiple sources with an interest in a specific community benefit program. Governments would benefit due to the additional resources and access to expertise—and the specific programs that are implemented.

Companies that participate in a CASM program could gain reputational benefit.

#### **Program Option F: ASM Supply Chain Transparency Platform**

The ASM sector suffers from lack of transparency, data gathering, and information sharing systems. This gap challenges those seeking to make social, environmental and economic improvements in the sector. Efforts to build mining sector supply chain transparency initiatives are currently focused in two areas: LSM sources and ASM programs such as those focused on producing a fair trade consumer product.

A number of initiatives are now underway, particularly related to conflict metals, to respond to supply chain transparency challenges in the ASM sector.<sup>7</sup> There is growing participation on the part of LSM companies as well as smelters and refiners. However, there is a significant gap with regard to systems and capacity for the ASM sector.

CASM could begin to address this gap by developing and then building a registration and reporting platform which serves the multiple purposes including regularizing ASM generally, creating incentive for good practices and creating infrastructure that has the potential to benefit responsible miners in the ASM sector, manufactures and consumers.

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<sup>7</sup> For example, the Intergovernmental Conference for the Great Lakes Region (ICGLR) Regional Certification Mechanism (RCM); BGR's Certified Trading Chains (CTC) Program; ITRI's Tin Supply Chain Initiative (iTSCi); OECD's Due Diligence Guidance for Responsible Supply Chain Management of Minerals from Conflict-Affected and High-Risk Areas (OECD); the GeSI-EICC In-region Sourcing Stakeholder Panel; and U.S. legislation and developing regulations requiring disclosures regarding due diligence measures to identify conflict minerals in products manufactured by US public companies.



CASM could design a model that works for miners and other stakeholders and that could be adapted by each country participating in CASM. The system would ensure confidentiality of proprietary information and would be transparent with regard essential chain-of-custody and social, human rights, and environmental issues.

The multi-sector nature of CASM offers legitimacy and supports development of a system that is replicable. Such a program would require significant research and study before launching—with a focus on both the logistical and systems challenges as well as an analysis of whether the economics work and if so for which minerals.

### **Additional Program Development Considerations**

Each of these program ideas, and potentially others, requires additional development. We recommend that the Interim Steering Committee determine which of these are essential or have the most immediate promise, test funding potential and begin to draw up more detailed plans.

## Section 5—Governance Options

To date, stakeholders have expressed a clear interest in multi-sector governance and multi-sector participation in CASM.<sup>8</sup> While CASM already has a form of multi-sector governance, stakeholders are looking for something more defined with significant and clear mutual accountability. This could take a number of forms, including reform of the current model, a self-perpetuating multi-sector governing body, an elected or selected multi-sector governing body, or assignment of the program, and governance, to another institution with a multi-sector structure.

Figure 3 outlines examples of various existing initiatives that may be informative and useful as reference points, but do not correspond directly to the options described below. We encourage stakeholders to think about which of these initiatives they think are well constructed and effective that can inform decision-making on the options.

### **Governance Option 1: Donor/Stakeholder Governed, Volunteer Emphasis**

This option would be similar to the current governance model with reformulation of the governance structures to clarify the role of the donors and other stakeholders who would govern CASM. Currently, authority does not rest in one place; it is shared. This creates a strong sense of joint ownership but can lead to frustrations with regard to decision-making, implementation, and efficiency. This model is often utilized by volunteer groups and those in the early stages of an initiative.

CASM currently has three centers of authority—the host organization, donors, and the SMAG. Although the SMAG may make a decision, members do not currently have the capacity to apply resources and cannot ensure implementation.

While there are sometimes frustrations with this type of model, these can be addressed, to a degree, by improving operations and resource issues and clarifying some aspects of governance. However, a system like this does fundamentally lack a clear decision-making authority and accountability. Therefore, some problems are likely to remain even with improved operations.

Utilization of this model would require clarification as to selection to the advisory group and an improved ability to enable implementation.

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<sup>8</sup> We define governance as the way in which decisions are made, who is responsible for making these decisions, as well as who is accountable for their implementation.

Specifically, utilizing this model CASM would still continue to operate through working groups and as a relatively loose Network. Authority would be shared between the broader Network, the host organization and a Steering Committee. However, clear authority for some decisions (e.g. oversight of staff and budget) would be given to the Steering Committee and some decisions would still be assigned to the broader Network—such as approval of the Steering Committee members. An increased investment in staff, with clarification of staff roles would increase capacity for delivery.

### **Governance Option 2—Multi-Sector, Self Perpetuation**

Many NGO boards use the model of a self-perpetuating board (i.e. board members select and elect new board members) as an efficient way to ensure effective governance a long-term orientation. This approach relies on the wisdom and good judgment of current members to self-regulate to ensure that selection goals are met, such as diversity and participation from different sectors. This could be adapted to the needs of CASM by requiring multi-sector composition to reflect the CASM constituency.

A founding board or steering committee would be established with two to three permanent seats for each

**Figure 3: Brief Summaries of Related Initiatives**

#### **Extractives Industry Transparency Initiative**

The EITI is a coalition of governments, companies, and civil society setting a global standard for companies to publish what they pay and for governments to disclose what they receive. EITI promotes strengthening accountability, transparency, good governance, and economic/political stability in implementing countries. Investors and companies participate to mitigate political and reputational risks. EITI's objective is to increase the amount of information in the public domain supports activities of civil society initiatives.

EITI has three member constituency groups (countries, companies, and civil society organizations) who meet once every two years during a members' meeting at the EITI Global Conference. During this meeting, constituencies nominate representatives to the 20-member EITI Board, which oversees the initiative. An independent chair leads the board. The EITI Multi-Donor Trust Fund and the World Bank provide bilateral support for EITI implementation. EITI operates under Norwegian law as a non-profit organization including the EITI International Secretariat, funded by supporting countries and companies. Individual implementing country governments pay for implementation and validation of their EITI process.

#### **Global Gas Flaring Reduction Partnership**

GGFR is a public-private partnership, launched by the World Bank, supporting oil producing countries and companies. The initiative established a collaborative Global Standard aiming to reduce wasteful and environmental harmful flaring and venting by effecting policy change, facilitating dialogue with stakeholders, and implementing projects to increase the use of associated natural gas.

The GGFR partnership steering committee is partially funded by and includes representatives from oil producing countries, state-owned companies, major international oil companies, and multilateral organizations. The partnership and Voluntary Standard are housed within the World Bank.

#### **Extractive Industries Technical Advisory Facility**

EI-TAF is a multi-donor trust fund managed by the Oil, Gas, and Mining Policy Division of the World Bank. The objective of EI-TAF is to "assist resource-rich countries in correctly structuring oil, gas, and mining developments and the related sector policy, thereby reducing the risk of costly or politically difficult remediation at later stages."<sup>1</sup>

EI-TAF is supported by donor contributions from multi-lateral organizations and operational partnerships with bilateral and multilateral development partners and stakeholders.<sup>1</sup> Partners are responsible for planning, developing, and implementing activities in coordination with the World Bank. This is a model geared towards program and service delivery in the field.

sector. Each sector would have a self-selection process to appoint initial members. Then, in the future, this governing body would select and elect its own replacements. This establishes sector diversity, as long as all key sectors are included. This structure can be highly efficient in its operation due to simplified decision-making regarding membership. However, what it gains in efficiency could have costs in legitimacy. Boards like this also sometimes take on an insular quality and may not adapt well to new sector or issue developments. The Marine Stewardship Council (MSC) and the International Code for Cyanide Management follow this model, as do smaller entities such as the Diamond Development Initiative. However, the MSC has been criticized for its lack of accountability to stakeholders and has instituted some reforms.

Figure 3, continued

#### **Voluntary Principles on Security and Human Rights**

Oil, gas, and mining companies with an interest in corporate social responsibility adopt the VPs and engage in dialogue. Participants include governments, non-governmental organizations, and organizations with observer status. The VPs are housed at an independent secretariat. Representatives from the government, NGO, and industry pillars form a Steering Committee to govern the VP's, and the caucuses within pillars are mutually accountable to each other.

#### **Business and Biodiversity Offsets Program**

The Business and Biodiversity Offsets Program (BBOP) demonstrates that biodiversity offsets can help achieve more, better, and cost-effective conservation outcomes through a portfolio of pilot projects in a range of industry sectors.<sup>1</sup> These projects aim to demonstrate no net loss of biodiversity, helping companies to secure operational licenses and manage costs and liabilities.<sup>1</sup> The Wildlife Conservation Society and Forest Trends serve as the secretariat for the BBOP collaborative advisory group that includes 50 companies, financial institutions, governments, and civil society organizations.

Given the strong role that the broader Network plays in CASM it is unlikely that this model would be a fit. While efficiencies would be gained, severing the tie between CASM participants and its decision-making body would probably not be desired.

### **Governance Option 3: Multi-Sector, Elected or Selected**

This is a typical model for a multi-sector initiative such as CASM. It is also often utilized by NGOs with broad constituencies spread across diverse geographies. With this model, participating sectors are defined and each is then represented on a decision-making board or steering committee. For CASM three (government/agency, civil society/ASM, corporations) or four (government/agency, civil Society, ASM, corporations) sectors would be organized into chambers for voting or selection purposes. A variation could be to utilize three sectors (government/agency, civil society, corporations) and have artisanal miners ratify the board and annual priorities. This puts them in a position of sanctioning the system but not participating directly in governance.

As a practical matter, the governing board or steering committee could be appointed initially from interested SMAG members and supplemented from to fill any gaps, by sector. Or, if an Interim Steering Committee is formed, it could play this initiating role. Essentially the Interim Steering Committee would be transitional—it role is to design the new system. In this system the election or selection process can be complicated unless there are clear ground-rules and the process is efficient and well run. Systems like this tend to increase legitimacy. EITI, the Forest Steward Council (FSC) and organizations like IUCN, WWF, FOE and Greenpeace utilize structures like this. A key design element is the efficiency of the election/selection process and the clear assignment of authority to the governing board or steering committee, otherwise tensions can surface. In the case of the FSC the structure was recently reformed to clarify and strengthen the authority of the board.

In this model the members or those in the Network would elect or ratify the board and the board would represent key sections of the membership organized into chambers. They may also be asked to ratify major policy decisions or shifts. Most of the key decisions are then taken by the board or steering committee. The staff work with and is accountable to the board.

#### **Governance Option 4: Outsourced, Multi-Sector Advised**

A fourth option is to outsource governance, as well as the program, to another, similar organization. In some ways this could maximize efficiency, avoiding the work and resources required to establish a new system. In this model, CASM stakeholders would work now to define their program need and assign or hire an institution to develop and implement that program through a contract. This is similar to appointing a secretariat or outsourcing services (see below) but the key difference here is that CASM would effectively be outsourcing governance and oversight—with a secretariat there is typically a board or governing committee making decisions and the secretariat serves as an outsourced staff to the board. This is also similar to the way a government agency, corporation or organization would secure a service from an outside party.

This approach may be efficient with regard to service delivery but may not achieve full legitimacy. However, if service delivery is effective, recipient countries and constituencies could view this as positive. This type of system can work for well for a fairly static, routine program but does not work as well for rapidly changing issues.

Figure 4: Summary of Proposed Governance Options

GOVERNANCE OPTIONS	ATTRIBUTES
<p style="text-align: center;"><b>Donor/Stakeholder Governed</b></p>	<p><b>Authority:</b> Shared across participants/sectors, de-centralized</p> <p><b>Efficiency:</b> Potentially inefficient, with a focus on consultation over quick decision-making</p> <p><b>Legitimacy:</b> Typically high degree of participation and buy-in</p> <p><b>Impact:</b> Can be significant when decisions or programs are implemented, but difficult to have impact on multiple issues or fronts</p> <p><b>Other:</b> Often used in early stages of an initiative</p>
<p style="text-align: center;"><b>Multi-Sector/ Self Perpetuation</b></p>	<p><b>Authority:</b> Defined and centralized</p> <p><b>Efficiency:</b> Highly efficient</p> <p><b>Legitimacy:</b> Less legitimate and can struggle for legitimacy as time goes on</p> <p><b>Impact:</b> Can have high impact on targeted issues, particularly complex issues, but less effective when impact requires broad, long-term legitimacy</p> <p><b>Other:</b> Often used when programs are initiated out of a specific sector</p>
<p style="text-align: center;"><b>Multi-Sector, Elected/Selected</b></p>	<p><b>Authority:</b> Shared across sectors but centralized within specific bodies</p> <p><b>Efficiency:</b> Efficient when each body has a clear role with necessary capacity and resources</p> <p><b>Legitimacy:</b> Legitimate if roles and authority are clear</p> <p><b>Impact:</b> Impact can be significant</p> <p><b>Other:</b> A model that balances authority/efficiency and legitimacy</p>
<p style="text-align: center;"><b>Outsourced*</b></p>	<p><b>Authority:</b> Centralized and then delegated</p> <p><b>Efficiency:</b> Highly efficient if the right organization is selected</p> <p><b>Legitimacy:</b> Challenging unless host has legitimacy</p> <p><b>Impact:</b> Can be significant if host is effective, can lose impact if program is not a priority of host</p> <p><b>Other:</b> Can be used for small-scale initiatives with limited budgets, when a project needs a temporary home, or when a project is winding down</p>

\*Fully outsourcing an initiative, including delegating governance, is distinct from outsourcing specific programs or functions.

## Section 6—Delivery Structure

The structure<sup>9</sup> of CASM should flow from the program and strategic choices, as well as the preferred governance model. There are a myriad of options; we explore three here:

1. “Volunteer” Model—Reliance on working groups to execute programs.
2. Staff Delivery Model—Reliance on staff or consultants, overseen by a multi-sector team or teams, to execute programs.
3. Staff Coordination Model—Multi-sector governance sets the direction, staff ensure coordination and oversee delivery. Execution happens where there is capacity—sometimes through partnerships, sometimes through outsourcing, sometimes on a volunteer basis.

### Delivery Structure Options Explored

- CASM currently appears to utilize all three approaches.
- The “volunteer” model is typically utilized in the early phases of an initiative. It promotes participation and buy-in but can be inefficient and slow with regard to delivery and makes accountability difficult. It tends to be utilized more for time-limited initiatives rather than long-term issue or program challenges.
- The “staff delivery” model can be both effective and efficient if the oversight (board or steering committee) role is well organized, with accountability mechanisms, so that the program has buy in from stakeholders. If this occurs, stakeholders see a clear connection between program priorities and staff or consultant delivery. The system can break down without strong oversight, accountability, or sufficient funding for staff needs. Sometimes process facilitators are retained to ensure coordination and communication occurs effectively. Without effective oversight, staff can appear to set their own agenda, disconnects between stakeholders/donors and programs can occur, and competing priorities and work can lead to a loss of focus on CASM programs.
- The “staff coordination” model relies on a full-time staff coordination and oversight function housed or centered in CASM. The coordination role is to ensure program delivery. Program delivery can then be organized to maximize effectiveness and can change over time to match changing circumstances and capacity—via in-house staff, seconded staff, consultants, outsourced functions and/or voluntary teams. The key to success in this model is typically i) a strong relationship between the coordinator and the governing body, ii) a strong manager and communicator as the coordinator, and iii) effective communication tools and capacity with stakeholders. While staff roles and size may be decreased compared to the “staff delivery” model, dedicated staff is still required for success of this model.

<sup>9</sup> “Structure” refers to how the program is organized to accomplish its objectives, including definition of who has delivery or implementation responsibilities.

## Section 7—Housing

Housing decisions should flow from choices on program, governance and structure. Options include:

1. The status quo—in a public agency, the Bank, or similar institution
2. CASM housed as part of another multi-party initiative (e.g., EITI has been mentioned)
3. CASM housed in an NGO or member association
4. CASM housed in a neutral secretariat
5. Hybrid model – well-defined roles and responsibilities shared between multiple organizations

### Housing Options Explored

Housing CASM in the World Bank or another similar agency has clear benefits with regard to legitimacy and status. It can also draw on Bank expertise in mining and other sectors. However, this model can have limitations with regard to efficiency, and there may be roles that a public institution is unable to play, programs that it cannot carry out, or funds that it cannot accept. These limitations need to be fully understood and explored.

Public institutions can establish stakeholder advisory groups with significant authority, but there may be some limits on decision-making on certain issues.

Housing CASM as part of another multi-sector initiative has potential benefits with regard to efficiency, capacity and potential program synergies. However, CASM may lose identity and some independence, which could in turn lead to loss of stakeholder and funder interest. Depending upon the entity, CASM may face limits with regard to staff expertise and sector knowledge.

Housing CASM in a member NGO or association could achieve efficiencies. This approach has the benefit of being housed in an organization active and knowledgeable on CASM issues. It would most likely be treated as an important and primary program in such an organization. Potential limitations include the fact that most organizations or associations have a particular perspective and history on these issues and/or represent a set of interests. This could create the perception that CASM is actually hostage or subservient to the specific interest of the host organization.

CASM could be housed in a neutral organization. This approach reinforces the idea of independence and a balance of interests. CASM would need to ensure that the organization has administrative capacity, is effective at coordination and process support, and has sufficient sector knowledge.



Finally, after defining the CASM Network and program areas, the governing body could recommend a multi-organizational approach to housing CASM. While one organization would serve secretariat-type function to assure overall oversight and quality control, other functions or program areas (e.g., more technically oriented needs) could be housed within another organization.

## Section 8—A Potential Scenario

This scenario is not presented as a formal recommendation; it is offered to demonstrate one potential, coherent path forward. It should serve as a straw proposal to be deconstructed and put back together in a more satisfactory manner.

**Interim Decision-making:** Appoint an interim steering committee of two representatives per sector, appoint a chair, and establish a working group to take stock of issue developments in the ASM sector. RESOLVE prepares guidance on process and decision-making to support the interim steering committee. Note: resources will be required to allow the interim steering committee to meet and do its work.

**Mission, Goals, Etc:** CASM stakeholders respond to this draft. RESOLVE prepares an analysis of feedback for the interim steering committee. The steering committee revises and then finalizes the mission, key attributes, philosophy, goals, strategies, and five-year objectives. RESOLVE supports the interim steering committee to complete a stakeholder mapping exercise and a list of related initiatives.

### **Strengthening the Current Program: Program Option B (Option A + Experts Roster)**

This takes the current program to its full extension and ensures that the commitments made to current donors are met. The experts' roster will require some additional work but will pay dividends with regard to expanding the experts Network and with regard to new program options. This will take a commitment of resources to implement because it will require additional dedicated staff and access to new collaborative technology and tools.

### **New Program Development: Pilot Test Program Option C (In-Country ASM Services and Tools)**

The notion of a pilot test for program option C, the development of in-country services and tools, is a response to: a) the recognition of the need to fix and strengthen the current program first, b) the fact that this new program area is desired but untested, c) the reality that while there is interest there are not yet available resources, and d) the benefit of testing first before making a full-fledged commitment. Pilots could be run in two countries based upon the specific interest of key stakeholders, their ability to secure the resources necessary to run the pilots, and their ability to identify the necessary expertise. In both pilots the efficacy of mutual accountability model would be tested. Pilots would be carefully designed to promote learning and enable a future "go" or "no go" decision on this program. While the pilots would be overseen by the Steering Committee they would not necessarily have to be based in a particular institution or organization. This allows them to proceed in advance of final resolution of the issue of governance and housing.

### **Governance Guidance: Explore Option 3 (Multi-Sector, Elected or Selected)**

During the recent stakeholder consultation, support emerged for a governance model similar to option 3, above. Participants developed a draft model where:

- ASM miners would join the network and make a commitment to responsible mining practices.
- The board could have 12 members, 3 seats for each chamber
- The World Bank might have a permanent seat
- There would be a donor committee to ensure accountability

The most efficient approach would be for the Interim Steering Committee to propose the first board to the larger Network for ratification.

### **Delivery Structure Guidance: Staff Delivery or Coordination Model**

This is essentially an evolution of the current approach with the addition of clearer lines of authority and dedicated staff in key roles. It is quite possible that the staff coordination model will prove most effective for the next phase of CASM. What is missing today is a clear, central and accountable coordinator. It is essential to fund and appoint such a person. The coordinator could then oversee functions, staff, seconded staff and project teams located in different organizations. We anticipate that while certain core capacity will be centralized, much of the program will take place on a decentralized basis. This supports the idea of a strong coordinator. During the recent stakeholder meeting there was also support for:

- A core policy-technical staff housed at the World Bank or other similar organization
- A capacity for policy and program development and convening

### **Housing Guidance**

During the recent stakeholder consultation, support emerged for housing option that externalized secretariat functions; with the World Bank continuing to play a strong programmatic role. The external secretariat would be efficient and impartial, with the necessary capacity, and strong process skills. Projects teams would be sanctioned by the board or coordination staff and programs could be outsourced where strong capacity exists in other organizations.