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And
United Nations Department of Economic and Social Affairs (UNDESA)

Proceedings of Workshop
on
"Poverty Eradication and Sustainable Livelihood: Focusing on
Artisanal Mining Communities in Ethiopia"

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1 Introduction

1.1 General

The Study on “Poverty Eradication and Sustainable Livelihood: Focusing on Artisanal Mining Communities in Ethiopia” was conducted as per the consultancy agreement between UNDP/UNDESA and Assefa Bersoufekad & Associates, the draft report of which was submitted in July 2002.

Pursuant to the requirements of the TOR, a national workshop was conducted to validate and deepen issues and recommendations put forward by the study or develop/identify alternatives for improving the livelihoods of the artisanal mining communities. Accordingly, a one-day national workshop involving concerned stakeholders was held on 25 September 2002 at Central Shoa Hotel from 8:30 AM to 19:00 PM.

This proceeding, hence, highlights the workshop process and major findings and recommendations forwarded by the participants.

1.2 Objectives of the workshop

The objectives of the national workshop were:

- To raise awareness among participants about the sustainable livelihood approach and issues of poverty and artisanal mining in Ethiopia;
- To validate and build consensus on the findings and recommendations of the study; and
- To develop recommendations of the study through discussions as to why the problems and issues raised were not tackled so far thereby indicating the

impediments. The grounds for supporting the artisanal mining sector such as value added, poverty reduction multiplier effects and poverty reduction potential, etc. were also considered during the deliberation.

1.3 Participants

The participants of the workshop were drawn from concerned federal and regional government institutions, NGOs, donors and private organizations believed to be direct or indirect stakeholders on issues of poverty among the artisanal mining communities in the country. These are listed below¹:

a) Federal Government Institutions

- Ministry of Mines;
- Ministry of Labor and Social Affairs;
- Ministry of Agriculture;
- Ministry of Federal Affairs;
- Ministry of Finance and Economic Development; and
- Cooperatives Commission.

b) Regional Government Institutions

- Oromia Bureau of Mines and Energy;
- Oromia Bureau of Finance and Economic Development;
- Woreda Administration
- Peasants Associations representatives from case study areas;

c) NGOs, Donors and Private Organizations

- United Nations Development Programme (UNDP);
- World Bank;
- Ethiopian Evangelical Church Mekane Yesus (EECMY);
- SOS-Sahel International (UK);
- Alek Terazzo PLC

¹ List of participants and institutions they represent are shown in Annex B (page 32).

2 The Workshop Process

The workshop process involved the following major activities (programme):

- Welcome address by Ato Girma Hailu, UNDP Assistant Resident Representative;
- Key note address by Her Excellency W/o. Sinkinesh Ejigu, State Minister of Mines and Chairperson of the workshop;
- Presentation of Project Background, Sustainable Livelihood Framework, Workshop Objectives and Workshop Programme by Ato Assefa Bersoufekad, the Study Team Leader;
- Presentation of the content of the study report by the Study Team Members;
- Discussion on the content of the study by workshop participants;
- Presentation on the findings and recommendations of the study by the study team leader;
- Discussion and validation by the participants of the workshop;
- Group work to develop recommendations on major issues by the workshop participants;
- Presentation of group work reports and discussion to reach consensus on recommendations by workshop participants;
- Process forward by workshop participants;
- Closing remark by Ato Tamiru Jeba, Ministry of Labor and Social Affairs, Planning and Programming Department Head and Co-chairperson of the workshop.

Brief discussion of the workshop process is as presented below.

2.1 Keynote Address and Opening Speech

Following the welcome address by Ato, Girma Hailu UNDP Assistant Representative, the workshop was opened with the keynote address by Her Excellency W/o. Sinkinesh Ejigu, State Minister of Mines. In her keynote address, Her Excellency highlighted the

government strategy towards poverty reduction, the attention being given to artisanal mining and the importance of the study in the overall policy formulation and implementation exercise of the Ministry of Mines and the concerned Regional Bureaus. Her Excellency finally invited all participants to openly forward their comments to enrich the study before it takes its final form (see Annex C).

2.2 Project Background and Sustainable Livelihoods Approach (By Ato Assefa Bersoufekad, the Study Team Leader)

2.2.1 Project Background

The United Nations Development Department of Economic and Social Affairs (UNDESA) has initiated a Regional Africa Support for Policy and Programme Development (SPPD) Project to produce a set of policy options and best practice for use by governments, intergovernmental organizations (IGOs), and the Civil Society to contribute towards poverty eradication in artisanal mining communities. The project includes participatory and quantitative surveys at the community level, case studies, reports and validation workshops at its conclusion for sharing experiences with countries not associated with it. This project, which is funded by the UNDP, involves four Sub-Saharan African Countries, viz., Ethiopia, Ghana, Guinea and Mali.

Ethiopia was selected to be one of the four countries because it is believed to have a sizable artisanal mining population. A multidisciplinary UNDESA team visited artisanal mining sites in the country to acquaint itself with the state of artisanal mining. Accordingly, the study on poverty eradication and sustainable livelihood focusing on artisanal mining communities was launched to develop understanding of poverty among the communities and propose policy options, strategies and action programmes which help to underpin poverty and ensure sustainable livelihoods in the artisanal mining communities.

As per the client's Terms of Reference (TOR), one representative site was selected in each of the areas identified for the study. These were Shakisso in Borena for gold and Ambo in West Shoa Zone for non-metallic minerals. The selected sites were Hayadima in Shakisso and Senkelle in Ambo area. As indicated by the presenter, the sites were selected on the basis of a set of criteria, which include:

- The time allotted for site visits and conduct of PRA Case Study and artisanal mining activity locations;
- Representativeness;
- Type, number, intensiveness and methods of production;
- Availability of infrastructure and basic social services;
- Means of product marketing;
- Communication facilities; and
- Security conditions.

Accordingly, the two sites were considered to be representative Kebeles for obtaining a fairly realistic picture of the livelihood of artisanal mining communities in the country.

2.2.2 Sustainable Livelihoods Approach

The presenter indicated that the study was conducted following the Sustainable Livelihoods Approach (SLA) which involved a consultative process by adopting the Participatory Rural Appraisal (PRA) method. Accordingly, issues were discussed by small groups of community members in order to address the root cause of the problem, reach major conclusions and recommendations.

Some of the issues the SLA incorporates as highlighted by the presenter were:

- Assets;
- Outcomes;
- Livelihood strategies; and
- Institutions and process

The principles behind the approach as highlighted by the presenter were the following:

- People focused;
- Participatory;
- Building on competences and strengths;
- Holistic;
- Partnership;
- Sustainability; and
- Dynamism.

The SLA was presented as involving:

- One way of looking at poverty and human development;
- An understanding of poor people, their assets, vulnerabilities, their preferred outcomes and livelihood strategies;
- A holistic, people-centered, approach taken to asset, which includes natural, human, financial, physical and social resources;
- Vulnerabilities and institutional environment, which affect poor people.

The presenter also indicated that SLA builds on participatory approaches, good governance, decentralization and sustainability. Its desired outcomes consist of:

- More income and better well-being;
- Reduced vulnerability;
- Improved food security; and
- More sustainable use of natural resources.

Application of the SLA framework calls for consideration of:

- Available resources and needs of people;
- Priorities and needs to determine the desired outputs;
- Appropriate livelihoods strategies to achieve desired outcomes; and

- Appropriate institution and process for creating the SLA approach.

2.3 Contents of the study (By the Study Team)

2.3.1 The Country Context (By Dr. Mulat Demeke)

Ethiopia is the second populous country in Sub-Saharan Africa with a total population of 65 million in the year 2001. With annual growth rate of 3%, the population is expected to double within the next 20 to 25 years. Agriculture remains to be the mainstay of the economy contributing 45% of the GDP, 85% of employment and 90% of foreign exchange earnings. The industrial sector constituted only 11% of the GDP while the service sector constituted 44% in the year 2000/01.

The export sector also remained unchanged for decades highly depending on few agricultural commodities with coffee alone constituting 60% of the foreign exchange earnings. The mining sector has not been of major importance in terms of its contribution to the GDP. In terms of export, it constitutes about 5% of foreign exchange earnings.

2.3.2 Poverty in Ethiopia (By Dr. Mulat Demeke)

Poverty is defined as absolute and relative poverty. While absolute poverty refers to lack of purchasing power to cover the cost of minimum basic needs, relative poverty refers to standard of living below a certain income. The presenter noted that in Ethiopia, the primary concern is indicated to be eradicating absolute poverty. He further highlighted that:

- 44% of the Ethiopian people are under absolute poverty (36.9% in urban and 45.4% in rural);
- Average expenditure on food is 67% of household budgets (65% for rural and 55% for urban);

- Highest poverty situation is in Tigray (61%) followed by Afar (56%) and Benishangul-Gumuz (54%) national regional states, while Oromia is relatively better (39.9%) mainly owing to its relatively favorable agricultural resources.

According to the presenter, the major factors behind poverty in Ethiopia are the following:

- High population growth;
- Diminishing landholdings;
- Lack of technological innovation;
- Land degradation;
- Limited employment opportunities outside of the agriculture sector; and
- Recurrent drought and wars.

2.3.3 Situation of Artisanal Mining in Ethiopia (By Eng. Assefa Bekele)

The presenter highlighted four major periods in the development of mineral/rocks and general features of the case study areas before presenting the situation of artisanal mining. Accordingly the four major periods in the development of mineral/rocks were presented as follows:

- First Period (early 1890s)—discovery of placer deposits of gold and platinum in **Western** Ethiopia (West Wellega) and in South Ethiopia (Adola Gold Field or Shakisso);
- Second Period (early 1950s)—the starting of semi mechanized mining;
- Third Period (1978—1990)—the establishment of the Mineral Development Enterprise, and the Mineral Exploration Project; and

- Fourth Period (1990 onwards)—liberalization of mining industry and gold rush.

2.3.3.1 The Case Study Sites

a) Hayadima

- Hayadima village is located in Borena Zone of Oromia National Regional State about 50km to the south West of Shakisso town—the district capital;
- Total population of the village is about 18,000 out of which 55.6% are indigenous Gujii Oromos while the remaining are migrants from other parts of the country;
- Economic activity is mainly based on farming and cattle rearing while mining provides alternative source of income;
- Land use 65% forest and farm land including grazing, 20% mining area and 15% settlement area; and
- Artisanal miners extract gold from alluvial soils using traditional method of production (panning). Currently artisanal mining is undertaken at seven principal sites.

b) Senkelle

- Senkelle is located in West Shoa Zone of Oromia National Regional State, about 130 km west of Addis Ababa;
- The total population of the Kebele is estimated to be about 2,488 out of which about 55% are female; and

- The major economic activity is mixed farming (crop production and livestock rearing) while artisanal mining is undertaken by groups of people categorized as “poor” who work for artisanal mining license holders as daily laborers earning Birr 5-6 per day. Currently, there are three principal quarry sites and more than 20 license holders operating at the main quarry.

2.3.3.2 Situation of Artisanal Mining

The situation of artisanal mining was presented in terms of its definition, types and location, general characteristics and related issues as described below.

- a) As per proclamation number 52/1993, artisanal mining was defined as:
 - Non-mechanized mining operation of gold, platinum, precious stones, salts, clay and other similar minerals and rocks;
 - An operation of manual nature carried out by individuals or group of people; and
 - An activity requiring little capital outlay.

- b) Types of artisanal mining undertakings in the country were identified to be:
 - Artisanal gold mining including platinum, etc;
 - Artisanal quarry operations which include limestone, dolomite, silica sand, opal, olivine, gypsum, pumice, etc.;
 - Artisanal clay mining (pottery making); and
 - Salt extraction including rock salt, crater lakes, etc.

- c) Artisanal mining activities are located in the following areas of the country:
 - Southern Ethiopia—Adola/Shakisso, Hagere-Mariyam, Moyale, etc;
 - Southwest Ethiopia—Akobo, etc;

- Western Ethiopia—Birbir, Dabus, Dedessa Basins, Asosa, Kurmuk, Ambo;
- Northern Ethiopia—Axum, Shire, Adwa, Adigrat, etc.;
- Eastern and Central Ethiopia—Dire Dawa, Harar, Koka, Modjo, Zeway, Meki, Debre Zeit (Bishoftu), Akaki, Kalitti, etc

The principal operational mining sites are estimated to be more than 100. Estimated number of artisanal miners in Ethiopia based on the data from Ministry of Mines is presented as follows:

- About 200 to 300 thousand people engaged in artisanal gold and salt mining; and
- About 150 to 250 thousand people engaged in artisanal mining of industrial minerals, construction materials, precious stones, etc.

Physical infrastructures such as access road, water and power supply are generally scarce in artisanal mining activity areas.

- d) Social impacts of the artisanal mining activities were identified to be:
- Congestion of the area by gold miners (Hayadima) increased the costs of commodities and services; and
 - Spread of epidemic diseases such as typhoid, TB, etc., HIV/AIDS, and other sexually transmitted diseases as a result of massive migration to the area and lack of adequate health facilities commensurate with the ever increasing population.
- e) Impacts of artisanal mining on the environment of the study area were listed to be:
- Modification of the land features with various large pits;
 - Deforestation and loss of wildlife;
 - Subsidence of land surface (underground mining);
 - Indiscriminate dumping of wastes; and

- Creation of stagnant ponds that give rise to malaria outbreak and other water-borne diseases, etc.
- f) General characteristics of artisanal mining was presented as follows:
- Unproductive;
 - Uncontrolled;
 - Poor work safety and health;
 - Uneconomical; and
 - Unhealthy and polluting.
- g) Roles of the artisanal miners were presented as generating employment opportunities and creating markets for farmers and service providers in the area.
- h) Major problems of the artisanal miners were identified to be:
- Limitation of exploitable area as a result of exhaustion of high grade and easily exploitable areas;
 - Environmental degradation;
 - Poor recovery;
 - Lack of proper market outlets;
 - Lack of infrastructure;
 - Flourishing of illegal trade;
 - Population pressure (Hayadima);

2.3.3.3 Recommendations

The following points were recommended to overcome the above-mentioned problems.

- Conduct further prospecting and exploration for virgin placer gold deposits;
- Sensitize the community on environmental management and conservation;

- Introduce two stages extraction process to enhance better recovery of gold;
- Organize the artisanal/traditional miners into cooperatives so as to mitigate illegal production and marketing of mineral products; and
- Construct all weather roads that connect localities where mineral resources have been identified and develop other infrastructure facilities in the locality to enhance mining development.

2.3.4 Characteristics of Social Groups (By Ato Ayele G/Mariyam)

2.3.4.1 Hayadima

- a) Based on the key social groups identified during the PRA process, the presenter highlighted the composition of the artisanal miners in Hayadima area as follows:
 - Migrants consisting of different ethnic groups from various parts of the country;
 - Service providers also consisting of different ethnic groups; and
 - Indigenous people—the Gujii Oromos;
- b) The relationship between the migrants and service providers is more of cooperation/symbiosis in that the migrants get credit on consumer goods from service providers. In the case of migrants and the indigenous people, the relation is more of competition/conflict as the migrants are mining the land of indigenous people while the service providers and indigenous people have symbiotic relationship in that the latter get services within their reach.
- c) Livelihood of all social groups is marked by vulnerabilities arising from recurrent drought. About 80% of the residents are categorized as “poor”, 15% as “very poor”, 4% as “better off” and only 1% are categorized as “rich”.
- d) Social institutions are few in number covering only a very small proportion of the population. *Idir* and other mutual assistance associations are non-existent. The village

has only one health post, one elementary school, two churches and a mosque for the entire population of the locality.

- e) Infrastructure service and facilities are generally inadequate with no transportation service within the village. Dwelling houses are built from mud walls and thatched roofs. The artisanal mining sites and surrounding community depend on pipeline of Adola Gold Mines Enterprise for water supply.

2.3.4.2 Senkelle

- a) The social groups in the Senkelle artisanal mining area comprise of:
- Laborers;
 - Service providers;
 - License holders;
 - Land owners; and
 - Farmer-artisanal miners;
- b) The laborers and service providers have symbiotic relationship as the former get food, drinks and consumer goods on credit from the latter. The same relation prevails between license holders and laborers. Conflicts often arise between license holders and landowners as the former have use rights to land owners' grazing and woodlands.
- c) Social groups identified in terms of possession of assets are categorized as very poor (*deegaa*), poor (*dhabaa*), better off (*harka qal'aa*) and the rich. The very poor are those who do not have any material wealth but depend on income from their labor and alms. The poor (*dhabaa*) have small huts of their own, less than two cattle, 2 to 3 sheep and goats and perhaps a donkey. The rich are those that have 2-3 hectares of land, more than 15 livestock, reserve crops (more than three quintals) and cash asset amounting to more than Birr 2000.

Among the artisanal mine license holders, the very few who are regarded as rich make Birr 40,000—50,000 per annum. The annual income of most license holders is Birr 10,000 and, hence, they are regarded as better off group.

d) Infrastructure:

- An asphalt road (Ambo-Nekemte) crosses the area;
- One all-weather road to two quarry sites;
- Seasonal access road to the third quarry site;
- Social services and institutions nearly non-existent;
- Only one elementary school;
- Basic social services like health facilities, safe drinking water, etc. are lacking. Service available only at health center, clinic and hospital in Ambo town.

2.3.5 Human Assets and Social Services) (By Ato Assefa Bersoufekad)

The presenter highlighted the situation of human assets available at the artisanal mining sites and measures to be taken to alleviate poverty by developing human capacity and safeguarding human resources in the following way

2.3.5.1 Developing Human Capacity

a) *Policy Environment*

- The key role of developing human capacity in poverty reduction is recognized by the government;
- Government capital spending on health and education increased from less than 10% to 24% between 1991/92 and 1997/98;
- A new Education and Training Policy has been adopted in 1994 to surmount the shortcomings of the previous policy;
- A 20 years Education Sector Development Programme (ESDP) has been designed on the basis of the policy;
- The first five year period of the programme is nearing completion; and

- A number of vocational and technical education institutions are established

b) Status of Education

- Illiteracy is very high among the artisanal mining communities;
- Most of those who have had education did not go beyond grade four or five;
- Shortage of means of livelihood and lack of educational facilities are the major causes for the low level of education;
- The education policy focuses mainly on basic education; and
- The development of education and training focuses on the formal sector without due regard to informal sector.

2.3.5.2 Safeguarding Human Resources

a) Policy Environment

- A national health policy has been issued as an outcome of examinations of the health problems of the country;
- Its major elements and priorities include democratization of the services, development of preventive and promotive component of health care, making health facilities accessible to all, capacity building on assessed needs, etc;
- The policy gives due emphasis to the rural population.

b) Situation in artisanal mining

- Although artisanal mining is one of the very hazardous occupations, safety measures are not considered in the activity;
- Miners are exposed to various types of occupational hazards;
- The most prevalent severe diseases in artisanal mining areas are malaria, parasites, typhoid and pneumonia. HIV/AIDS is also rapidly increasing;
- Inadequacy of health institutions. There is a great shortage of health services, e.g., health services are very minimal in the two case study areas;
- Lack of health education;

- In one area (Hayadima), migration has caused a serious congestion of dwellings resulting in poor sanitation; and
- Lack of capacity to take occupational safety and health measures as well as other measures to safeguard human resources

2.3.5.3 Social Problems in Artisanal Mining Areas

- a) The congestion of Hayadima area by gold miners highly increased the costs of commodities and services. As a result, the increase of prices have become unaffordable to the community;
- b) Lack of educational opportunities and health services vis-à-vis the fast growth of eating and drinking places other than other service rendering institutions;
- c) Parents urge children to work in mines throughout the day. As the result, children are kept away from schools and their physical and mental development is endangered since private gold mining is allowed;
- d) Highly congested unsanitary and dusty settlements causes the spread of epidemic diseases such as typhoid, cholera, malaria, TB, etc.;
- e) Spread of prostitution and related diseases such as the killer HIV/AIDS; and
- f) Migration of people to the area endangering social order.

2.3.6 Institutions Influencing the Development of Livelihoods at Various Levels

2.3.6.1 Community Participation in Development Efforts

Sustainability of projects depends on the extent of community participation in issues that concern them. Hence, it is important to note the following points:-

- a) Kebeles, the lowest formal administrative units in the two case studies—Hayadima and Senkelle—should create conducive environment for community participation;
- b) However, the role of communities in development planning process is minimal with the exceptions of projects financed from ESRDF;
- c) Problems contributing to the weak role of communities include:
 - Inability by professionals to see communities as equal partners in development;
 - Low level of awareness by the communities;
 - Lack of mechanisms for enabling the communities to participate in development efforts.
- d) Communities generally lack administrative, organizational, and technical capacity in order to participate effectively in the development planning process;
- e) The current efforts to build the capacity of lower tiers of government are expected to provide solutions;

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 - Low level of awareness by the communities;
 - Lack of mechanisms for enabling the communities to participate in development efforts.
- d) Communities generally lack administrative, organizational, and technical capacity in order to participate effectively in the development planning process;
- e) The current efforts to build the capacity of lower tiers of government are expected to provide solutions;

- f) However, the assignment of technical staff to districts is not enough. Training of the existing staff and members of the communities is essential to empower communities; and
- g) In addition to formal institutional mechanisms, contributions of informal institutions like *iddir* must be explored to make the participatory process more effective.

2.3.6.2 Development Efforts at District Level

Districts such as Shakisso and Ambo constitute important local structures of the government system. At present, the legal and institutional frameworks that empower them are being put in place. However, there are still some issues that need to be resolved. The main ones include:

- Assessment and improving local capacity as main responsibilities are transferred from regions to the districts and from districts to Kebeles; and
- Information flow from districts to regions should be given enough attention to enable monitoring and evaluation of local activities.

2.3.6.3 Region Providing Supervision and Support

Oromia regional government is responsible for the bulk of services that are provided by government bodies at the level of the region. It has full power of formulating and executing development policies, strategies, and action plans of the region. However, except such functions as administration of hospitals, secondary schools, urban water supply services, etc., other services are to be transferred to districts with the recent move towards decentralization.

The level of support provided by the region to the lower tiers of government (financial support, procurement of supplies, etc) is inadequate owing to such constraints as shortage of skilled manpower and financial resources.

The planning system is both spatial and sectoral. Spatial planning applies largely to capital budget.

Monitoring of approved plans is done mainly through reporting, on-site visits and periodic review meetings.

2.3.6.4 Federal Level Responsibilities

With regard to poverty alleviation, the policy situation is elaborated in the Poverty Reduction Strategy Paper (PRSP), which has four elements. These are:

- Agricultural Development-Led Industrialization (ADLI);
- Civil Service and Judicial Reforms;
- Decentralization and Empowerment; and
- Capacity building.

Development programs relating to health, education, and roads also form part of the strategy paper. Food security, National Policy for Women, and Programme to fight HIV/AIDS are also emphasized in the PRSP.

While the five-year plans of the region and the federal government provide the framework showing how the money from transfers is spent, such frameworks has to be developed at the level of Woredas as they do not have experience in the formulation of mid-term plans.

There seems to be little support from the center to the regions with respect to technical assistance and advice. Hence, the relation in this respect needs to be strengthened to bring about the desired level of poverty reduction in the country.

2.3.6.5 Roles Played by Different Organizations

Community based organizations (CBOs), NGOs, donors and religious organizations are increasingly regarded as primary development partners to donors and NGOs. However, in the two study areas (Hayadima and Senkelle), the role of CBOs and NGOs is minimal. There are no programmes sponsored by multinational organizations.

Although different institutions are engaged in programmes aimed at poverty reduction in the country, their activities lack coordination often resulting in duplication of efforts. Communities tend to be passive receivers of benefits. Hence, measures should be taken to coordinate various activities geared towards poverty reduction and prepare communities to take over full responsibilities to manage and sustain development activities. These, of course, involve strengthening institutional framework and capacity building.

2.3.7 Presentation on Findings and Recommendations (By Ato Assefa Bersoufekad)

Based on the major problems of the artisanal miners identified by the study, the presenter highlighted possible options and recommendations of the study as follows:

- a) Artisanal miners at Hayadima include indigenous local people, migrants who are long time residents and recent migrants. For the indigenous people and migrants who are longtime residents, the study recommended to improve methods of production and productivity through education and training, provision of better tools, financial support, provision of basic social services, infrastructure development, etc. Diversification of economic activities by identifying off-mine activities such as agriculture, handicrafts, trade, etc. is also recommended. For recent migrants, the study recommended to enhance

productive employment and improve livelihoods in mining and off-mine activities where they are or in other places with prospects for better employment opportunities and income;

- b) With regard to improving livelihood in Senkelle, recommendations of the study are presented as follows:
- Increase the quality of sandstones/dimension stones by introducing semi-mechanized machines for cutting, splitting and polishing;
 - Make the product more profitable;
 - Create greater value and employment opportunities;
 - Avoid wastage and improve the utilization as well as conservation of the resources;
 - Develop off-mine activities such as farming through irrigation including plantation of grapes, vines, vegetables, dairy farms, etc;
 - Develop activities in other mining areas such as gypsum for plastering, clay for bricks and roof tiles and manufacturing limestone for lime, etc.
- c) Give legal recognition to artisanal mining within the policy framework;
- d) Provide skill training to artisanal miners; and
- e) Take measures to protect environmental degradation.

3 Comments and Suggestions by the Workshop Participants

Participants of the workshop expressed their overall satisfaction with the study report and mentioned that the study report is a valuable document in terms of addressing issues of poverty among the neglected artisanal mining communities and rated the efforts of the consultant as commendable. The participants then raised various issues and suggestions for enriching the study.

Questions, comments and suggestions forwarded by the participants were related to the following issues.

- a) As there are more than one hundred artisanal mining sites all over the country, how can the selected case study sites represent the situation of poverty among the artisanal mining communities in the country?
- b) What is the scale of operation to categorize mining activity as artisanal? What about license holders who employ up to 3000 individuals in artisanal mining operations?
- c) Prior to 1983EC, the Adola Gold Field was a restricted area. Possibility of such restriction should be reconsidered to mitigate further migration to the area and the subsequent population pressure and environmental degradation?
- d) Who are the major stakeholders and what are their roles on issues of artisanal mining activities?
- e) Efforts so far made to legalize the artisanal mining operation and provide the miners with technical support were not successful. What are the reasons for the failure of the efforts?
- f) Who is responsible for the organization of artisanal miners into cooperatives?
- g) Should we support artisanal mining activities in the country?

4 Group Discussions

In order to address the above-mentioned issues, the participants were organized into the following two groups.

Group One

1. Ato Gesit Tilahun
2. Ato Sintayehu G/Giorgis
3. Ato Tesfasellasi Mezgebu
4. Ato Tegene Agegnehu
5. Ato Udo Borema
6. Ato Assefa Kumsa
7. Ato Sisay Worku

Group Two

1. Ato Teshome Abamegal
2. Ato Debela Kene'a
3. Ato Tamiru Tadele
4. Ato Diribi Fegessa
5. Ato Mirkena Tumsa
6. Ato Fekadu Terefe
7. Ato Abay Kebedew

Each group was advised to come up with solution to the above problems and other points that need to be addressed in the study or suggest issues to be tackled by the consultant to enrich the final report of the study. Accordingly, each group came up with its findings and presented them for discussion. While both groups came up with similar findings, differences of opinion were reflected with respect to representativeness of the two case study sites and the restriction of gold fields.

Group one accepted Hayadima as the most representative site for incidences of poverty among the artisanal mining communities. In the case of Senkelle, however the group suggested that other sites in East Shoa Zone along the Koka—Nazareth—Zeway route engaged in the production of construction materials could have been better alternative. They indicated that artisanal miners at Senkelle could engage in other activities such as agriculture while those in the above mentioned areas have no other alternative source of income. Group two on the other hand, argued that both case study areas cannot adequately represent poverty situation in artisanal mining communities of the country since there are more than 100 major sites and the situation of poverty varies from region to region.

With respect to restricting gold fields, group one underscored the need for reintroduction of such measure to mitigate population pressure and further degradation of the environment. Group two on the other hand argued that such measures interfere with the rights of the citizen to move and work in any part of the country.

Following the presentations of the group reports, discussion was held among the participants to reach consensus and formulate recommendations of the workshop.

5 Conclusions and Recommendations of the Workshop

The following are major conclusions and recommendations of the study

5.1 Representativeness of the Case Study Sites

Hayadima gold mining site is peculiar in that it reflects all manifestations of poverty. It is characterized by massive influx of migrant population and the associated social and economic problems such as problems of shelter, food, clothing, epidemic diseases such as HIV/AIDS, STD, etc. In view of these, and related factors, Hayadima can be considered as an ideal representative site to study the situation of poverty among artisanal gold mining communities.

In the case of artisanal non-metallic mineral mining, the participants agreed that other alternative sites could have been considered than the Senkelle quarry site. However, since the study was conducted as per the requirement of the client's TOR, participants of the workshop suggested that the client should consider the possibility of conducting similar study in other artisanal non-metallic mineral mining sites to obtain a better representative picture.

5.2 Scale of Operation

The issue of scale of operation needs to be addressed within the framework of proclamation number 52/1993. Accordingly it is appropriate to adhere to the provisions of the proclamation as far as scale of operation is concerned to be labeled as "artisanal mining"

5.3 Restriction of Gold Fields

Although the introduction of the so-called "restricted area" around the gold fields is desirable to mitigate further environmental degradation, doing so could pose

questions of citizens' mobility rights. Hence participants of the workshop endorsed recommendations of the consultant to explore other options of off-mine income generating activities so that migration to the area and the subsequent environmental degradation could be curtailed.

5.4 Stakeholders and their roles

The major stakeholders on the issue of artisanal mining were identified to be:

- Ministry of Mines;
- Ministry of Labor and Social Affairs;
- Cooperative Commission;
- Ministry of Finance and Economic Development;
- Cooperative Commission;
- Regional Mining Bureaus;
- Environmental Protection Authority
- Ministry of Health;
- Ministry of Agriculture;
- Ministry of Justice;
- Regional Bureaus of Finance and Economic Development;
- Customs Authority;
- Ministry of Trade and Industry;
- NGOs, CBOs, and donors; and
- Respective Woreda level institutions.

The workshop participants suggested that the role of the major stakeholders in tackling the issues and problems of artisanal mining communities should be identified by the consultant and incorporated in the final report.

5.5 Issues of Legalizing and Providing Technical Support to Artisanal Miners

The participants raised efforts made in the past to collect gold from the artisanal miners by setting up purchasing committees so as to mitigate contraband trade of gold, to provide technical support by assigning experts, to organize the miners into cooperatives, etc. However, all these efforts were not successful. Based on their experience with the artisanal miners, the participants identified various factors for the failure of such efforts.

- The activity to collect gold by setting up committee that purchases gold and at the same time run shops that can sell basic commodities to the miners at fair price was not successful mainly owing to failure of the committee to offer competitive price on time. The so-called purchasing committee met once in a week to fix the price of gold at which the members should handover their products. In the mean time contraband traders collected gold from the miners by offering better price before the committee called its next meeting to fix price.
- Nature of the activity such as seasonality and lack of sustainability and the tendency to abuse the resource in one area and moving to other when the site seems to be exhausted (gold hunting) makes the task of organizing the artisanal miners into cooperatives and render their technical support rather infeasible;
- The lack of technology appropriate to the level of the artisanal mining operation in the country is the other problem that has not been given proper attention in the past.

Hence, the participants recommended that any intervention in the future should consider the above factors in order to be successful.

5.6 Organizing the Artisanal Mining into Cooperatives

Participants of the workshop indicated that the Cooperative Commission is the main responsible body to organize artisanal miners into cooperatives. The representative of the Commission at the workshop also accepted the proposal and indicated his commission's readiness to take concrete measures in association with concerned stakeholders.

5.7 The need for Supporting Artisanal Mining Activity

The participants agreed on the need for supporting the artisanal mining activity as the sector has its own contribution in generating foreign exchange and more than half a million people are engaged in it. However, in order to maximize the benefit from the sector, the activity needs to be regulated and any support to be provided should take into consideration issues of poverty reduction on sustainable basis magnitude of value-added and employment generation.

6 Closing Remark

The workshop was officially closed by Ato Tamiru Jeba, Co-chairperson of the workshop. He underscored the importance and relevance of the workshop in addressing issues of poverty reduction, which at the moment is the main agenda of the government. He thanked all the participants for their active participation and the interest they have shown to attend the workshop coming from long distances. He finally called on all stakeholders to contribute their part towards realizing the recommendations put forward and further efforts to be made along this line.

Annexes

Annex A: Workshop Program

Workshop on the Study Report on "Poverty Reduction and Sustainable Livelihood: Focusing on the Artisanal Mining Communities in Ethiopia."

September 25, 2002

Central Shewa Hotel, Addis Ababa

Workshop Programme

Time	Activity	Responsible person/group	Chair Persons
8:30-9:00	Registration	Organizers	
9:00-9:05	Welcome	UNDP	
9:05-9:10	Opening remarks	HE Mrs. Sinkinesh Ijigu, State Minister of Mines	
9:10-9:20	Personal and Organizational introduction	Participants	
9:20-9:45	Project background, Sustainable Livelihood Framework, Workshop objectives and programme	Study Team Leader	Chair Person: Min. of Mines Co-chair Person: Min. of Labor & Social Affairs
9:45-10:45	The Content of the Study Report	Study Team	
10:45-11:00	Discussion	Participants	
11:00-11:45	Tea/Coffee Break	Organizers	Chair Person: Min. of Mines Co-chair Person: Min. of Labor & Social Affairs
11:45-12:15	Presentation on the findings and recommendations	Study Team	
12:15-13:00	Discussion and Validation	Participants	
13:00-13:45	Lunch	Organizers	
13:45-15:15	Group Work to develop recommendations on major issues	Participants	Chair Person: Min. of Mines Co-chair Person: Min. of Labor & Social Affairs
15:15-15:30	Tea/Coffee Break	Organizers	
15:30-16:30	Presentation of Group work reports and discussion—agree on recommendations	Participants	
16:30-17:00	Process Forward	Participants	Chair Person: Min. of Mines Co-chair Person: Min. of Labor & Social Affairs
17:00	Closure	Invited guest	

Annex B: List of Participants

<i>Ser. No</i>	<i>Name</i>	<i>Institution</i>	<i>Position/ Occupation</i>	<i>Profession</i>
1	Girma Hailu	UNDP	Assistant Resident Representative	
2	Teshome Abbamegal	Ministry of Mines	Team Leader	Statistician
3	Deribi Fegessa	Guder Woreda Administration	Head	Agriculture
4	Tegene Agegnehu	Shakisso Woreda Administration	Head	Agriculture
5	Odo Borema		Peasant Association Chairperson	
6	Mirkena Tumsa	Farisi Peasant Association	Chairperson	
7	Ben Irwin	SOS-Sahel	Borena Programme Manager	NRM
8	Alemayehu Kido	Alec Terazzo	General Manager	Mining Engineer
9	Gesit Tilahun	Ministry of Mines	Expert	Geologist
10	Sinkinesh Ejigu	Ministry of Mines	State Minister	Geochemist
11	Sisay Worku	Ministry of Finance and Economic Development	Department Head	Demography
12	Abay Kebedew	Cooperative Commission	Senior Expert	Economics
13	Sentayehu G/Giorgis	CRDA	Poverty Reduction Strategy Officer	Economist
14	Yusuf Haji Ali	WB	Energy	Consultant
15	Tesfasellasié Mezgebu	Ministry of Federal Affairs	Team Leader	Sociologist
16	Asefa Kumsa	Oromia Mines & Energy Bureau	Department Head	Geologist
17	Ayele Gebre Mariyam		Consultant	
18	Dr Mulat Demeke	Addis Ababa University	Dean	A. Economist
19	Fekadu Terefe	Oromia Bureau of Finance and Economic Development	Department Head	A.Economist/ Development Planner
20	Tamiru Tadele	Ministry of Agriculture	Team Leader	Economist
21	Tamiru Jeba	Ministry of Labor & Social Affairs	Department Head	Economist
22	Debela Kene'a	Eth. Evangelical Church M. Yesus	Development Coordinator	Agronomist

Annex C: Keynote Address by Her Excellency Mrs. Sinkinesh Ejigu

Distinguished Participants,

On behalf of the Ministry of Mines of the Federal democratic Republic of Ethiopia and myself, I would like to express my appreciation to UNDP/UNDESA for initiating and financing this important study. I would also like to thank the consultants for the extensive consultation they made with our staff and other relevant institutions in carrying out the task.

The Poverty Reduction Strategy, which has now got worldwide acceptance, has meaningful acceptability to Ethiopia than any other country in the world. This is because Ethiopia is the second most populous country in Sub-Saharan Africa with close to 45% of its people living in absolute poverty. The seriousness of the poverty in our country has been verified by different parameters like infant mortality rate, nutrition intake, education and health services, etc.

As a result any support that addresses this major issue, poverty reduction, is acceptable to all levels in Ethiopia and thus the government of Ethiopia has formulated an Interim Poverty Reduction Strategy Paper that provides a broad picture of on-going strategies that are expected to address poverty in Ethiopia.

The issue of artisanal or traditional mining has always been the concern of the Ministry of Mines for a long time. The activity is in some cases addressed as illegal miners and hence institutions like national security, Ministry of Finance, National Bank of Ethiopia and Ministry of Interior were involved in studying the artisanal mining situation from time to time.

The theme of the studies so far conducted were mainly focused on bringing the product to the legal market. Some of the recommended measures in the previous studies include:

1. Organizing the illegal miners in a form of cooperative society;

2. Provision of basic technical training to improve the productivity of the miners and to protect the natural environment from the negative effect of their activity;
3. Decrease the number of intermediaries in the market by either establishing government product purchasing center or giving license to legal traders in mining localities.
4. Set standard for the scale in which the mineral products (especially gold) are traded and make frequent supervision on implementation.
5. Make available basic consumer goods at a relatively reasonable price in the mining area (especially in the border areas) in order to prevent the outflow of the product
6. Legalize the miners and make sure that they are given a competitive market price at least comparable to the neighboring countries.

The main exercises of the previous efforts were centered on artisanal gold miners. The Ministry of Mines as part of its responsibility to increase the contribution of the mineral sector to the national economy has always been the focal institution regarding the issue of artisanal mining. The Ministry still has a vested interest to alleviate inherent problems that has been inhibiting the improvement of the working condition of the artisanal mining sector. Although the responsibility of licensing and administering the artisanal mining has already been transferred to regional states we are very much keen to see positive changes that enhance the mining situation in this area. We have even submitted a proposal to the WB for financial and technical support to assist the capacity building efforts in the mining sector and one of the issues that will be addressed is the artisanal mining.

We have been communicated about the project right from the inception and we have given our full support to the study.

The major interest of the study is Absolute Poverty Eradication and Sustainable Livelihood Focusing on Artisanal Mining Communities in Ethiopia.

The Consultants have done commendable work in reviewing the status of the artisanal mining communities in the selected areas. The outcome of this study will be utilized in policy formulation, and implementation exercise, which will be followed soon by the Ministry of Mines in collaboration with regional bureaus.

I hope this workshop will produce constructive ideas and comments which will provide additional information to the consultants before the study takes its final shape. I therefore ask all participants of the workshop to openly forward their comments without any reservation.