

Investing in Artisanal and Small Scale Mining: A Catalyst for Socio - Economic Development

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Small Mining can be Beautiful

The Artisanal and Small Scale Mining Sector has generally been viewed as an area plagued with challenges more than one ripe with opportunities.

As many African Governments review their policies on artisanal and small scale mining with the African Mining Vision being the overarching framework, the economic importance of the sector for rural and national economies cannot be ignored.

Innovative financing solutions and cross sector linkages are key in building the responsible mining capacity, increasing efficient production / processing and creating job opportunities.

Policy & Legal Frameworks

- Global Sustainable Development Goals
- Agenda 2063
- African Mining Vision
- Country Mining Vision
- Country Mining Policies and Regulatory Frameworks

Global Sustainable Goals Agenda 2030

“ *All countries and all stakeholders, acting in collaborative partnership ... to free the human race from the tyranny of poverty and want and to heal and secure our planet.*

The 17 Sustainable Development Goals and 169 seek to realize the human rights of all and to achieve gender equality and the empowerment of all women and girls. They are integrated and indivisible and balance the three dimensions of sustainable development: the economic, social and environmental.”

Agenda 2063 - African States

“ Aiming to encourage discussion among all stakeholders, “Agenda 2063” is an approach to how the continent should effectively learn from the lessons of the past, build on the progress now underway and strategically exploit all possible opportunities available in the immediate and medium term, so as to ensure positive socioeconomic transformation within the next 50 years.”

Agenda 2063 – Critical Success Factor

“ Agenda 2063 must be seen as a part of the African Renaissance which calls for changes in attitudes, mindsets to inculcate the right set of African values, i.e., discipline, focus, honesty, integrity, transparency, hard work and love for Africa and its people.

Agenda 2063 provides the opportunity for Africa to break away from the syndrome of “always coming up with new ideas but no significant achievements” and set in motion high levels of productivity, growth, entrepreneurship and transformation.”

Africa Mining Vision

“Transparent, equitable and optimal exploitation of mineral resources to underpin broad-based sustainable growth and socio-economic development”



Action Plan for Implementation of the African Mining Vision

Goal:

To create a mining sector that harnesses the potential of artisanal and small-scale mining to advance integrated and sustainable rural socio-economic development.

*Artisanal and
small scale
mining*

- Improve ASM policies
- Promote a viable ASM
- Upgrade skills and technologies.

Action Plan for Implementation of the African Mining Vision

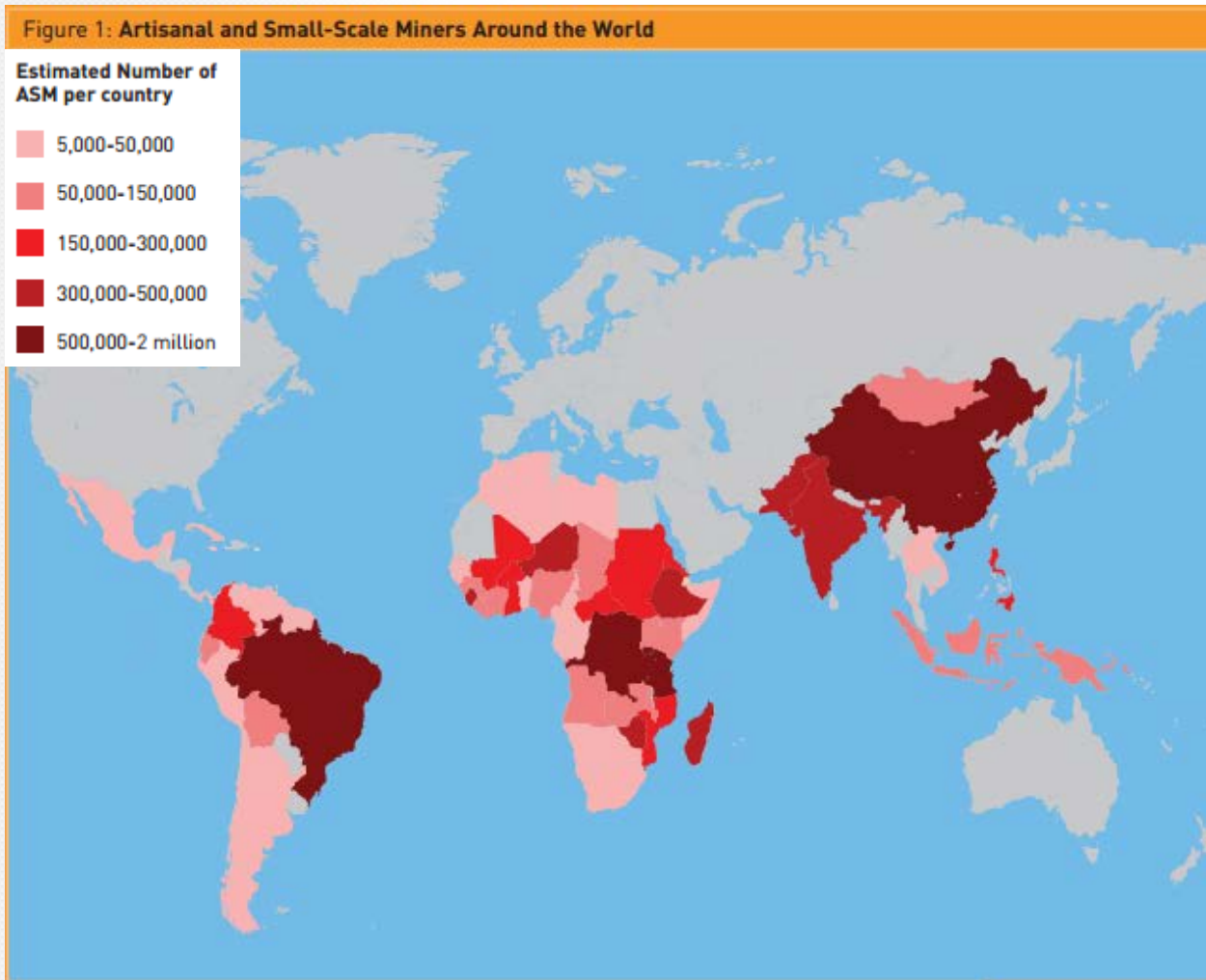
Goal:

To create an investment-friendly mining sector that is a key component of a diversified, vibrant and globally-competitive industrial African economy.

*Linkages,
investment &
diversification*

- Improve R & D
- Enhance mineral value added
- Promote private sector investment
- Explore SD corridors

The Numbers



ASM provides 13 to 20 million jobs worldwide while a further 80-100 million depend on it for their livelihoods.

In Africa, about 3.7 million are directly engaged in this sub-sector and about 30 million depend on it.

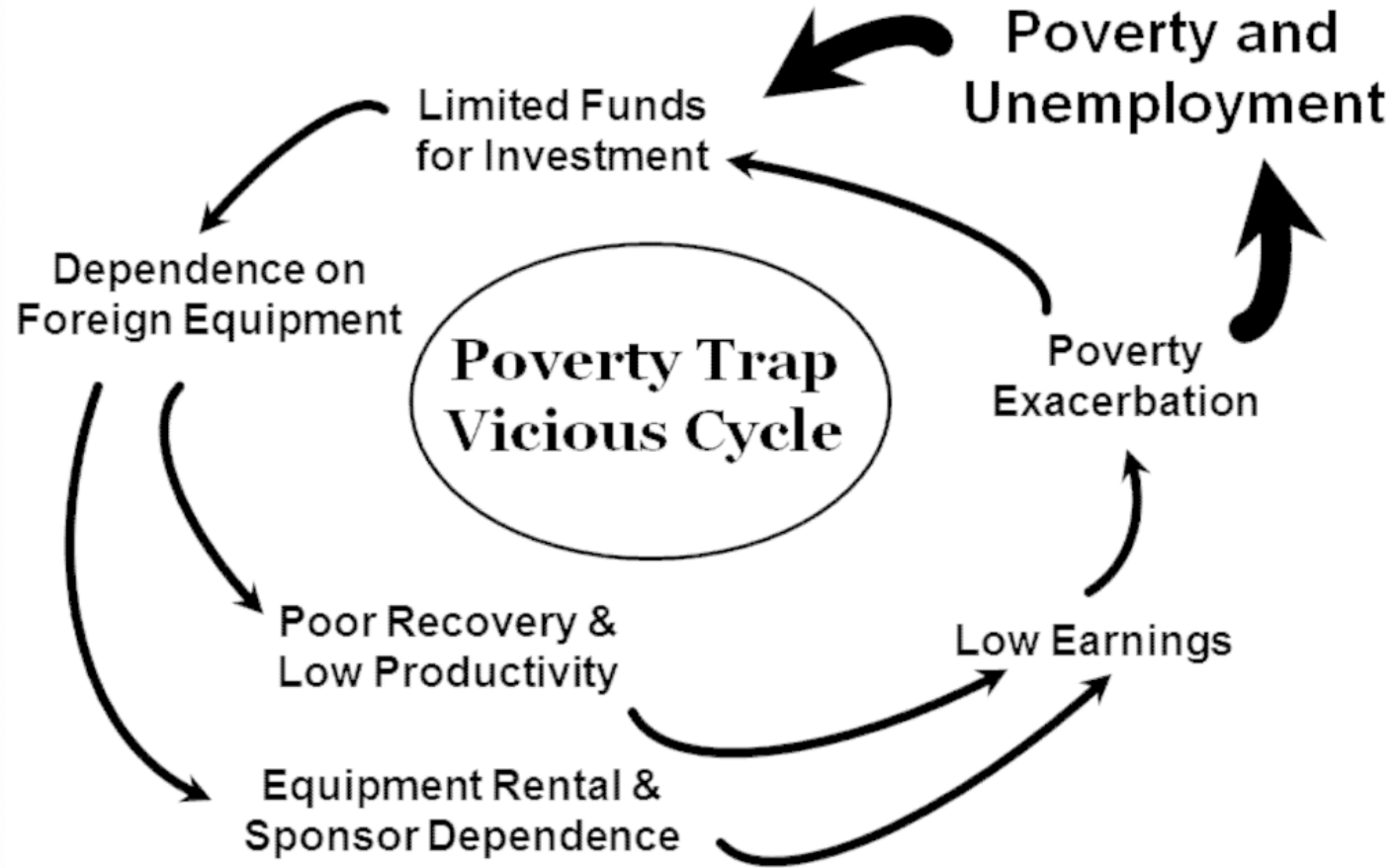
ICMM: Working Together How large-scale mining can engage with artisanal and small-scale miners

ASM Mineral Production

- 15 to 20% of the world's non-fuel minerals,
- Approximately 18% of Africa's gold and
- Over 80% of Africa's gemstones, except diamonds



The Poverty Trap Vicious Cycle



Policy to Action and Implementation



What measures need to be taken to grow the Artisanal and Small Scale Mining Sector sustainably and responsibly?

Mining and the 17 SDGs: Indicative Priorities

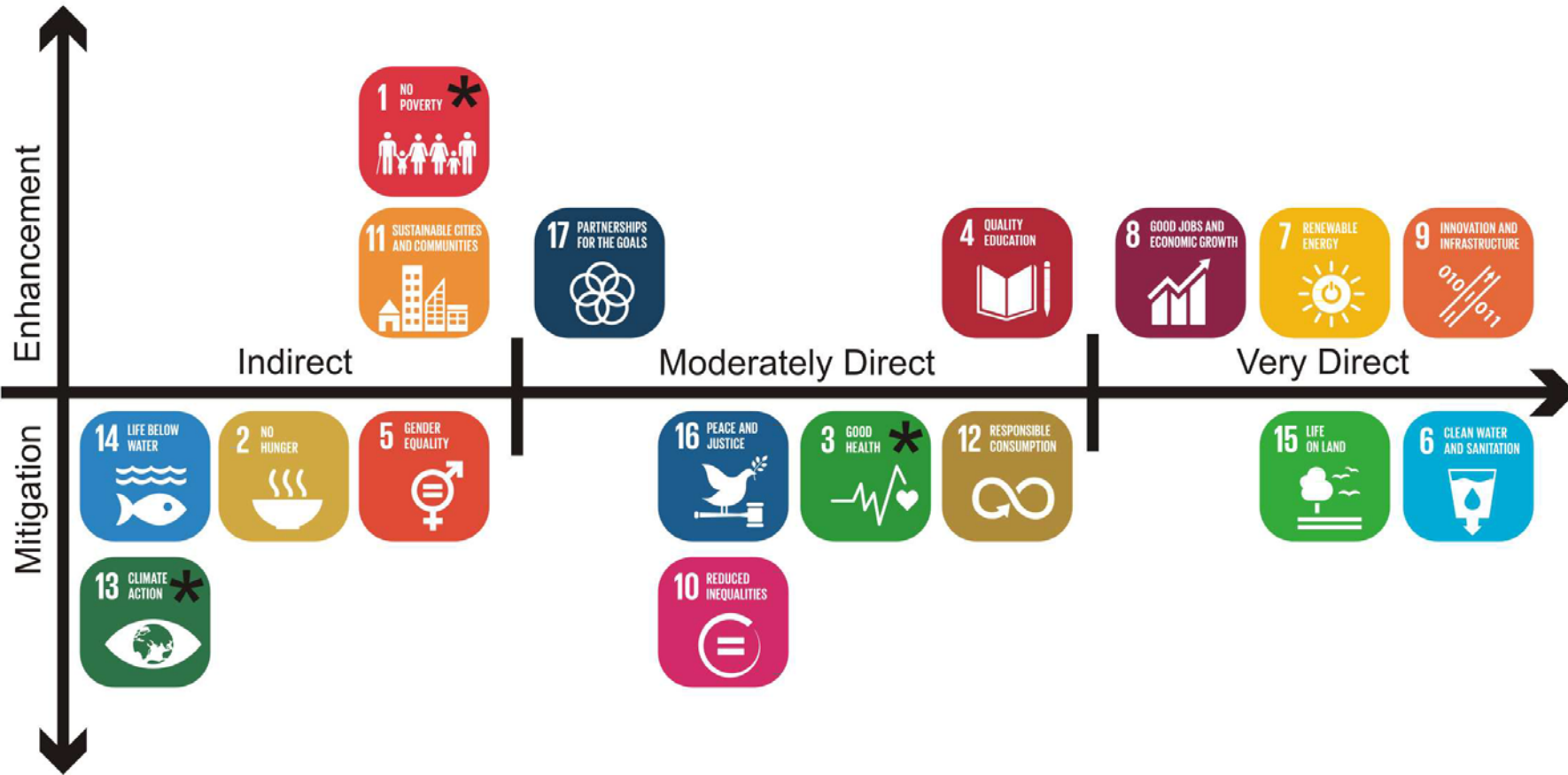
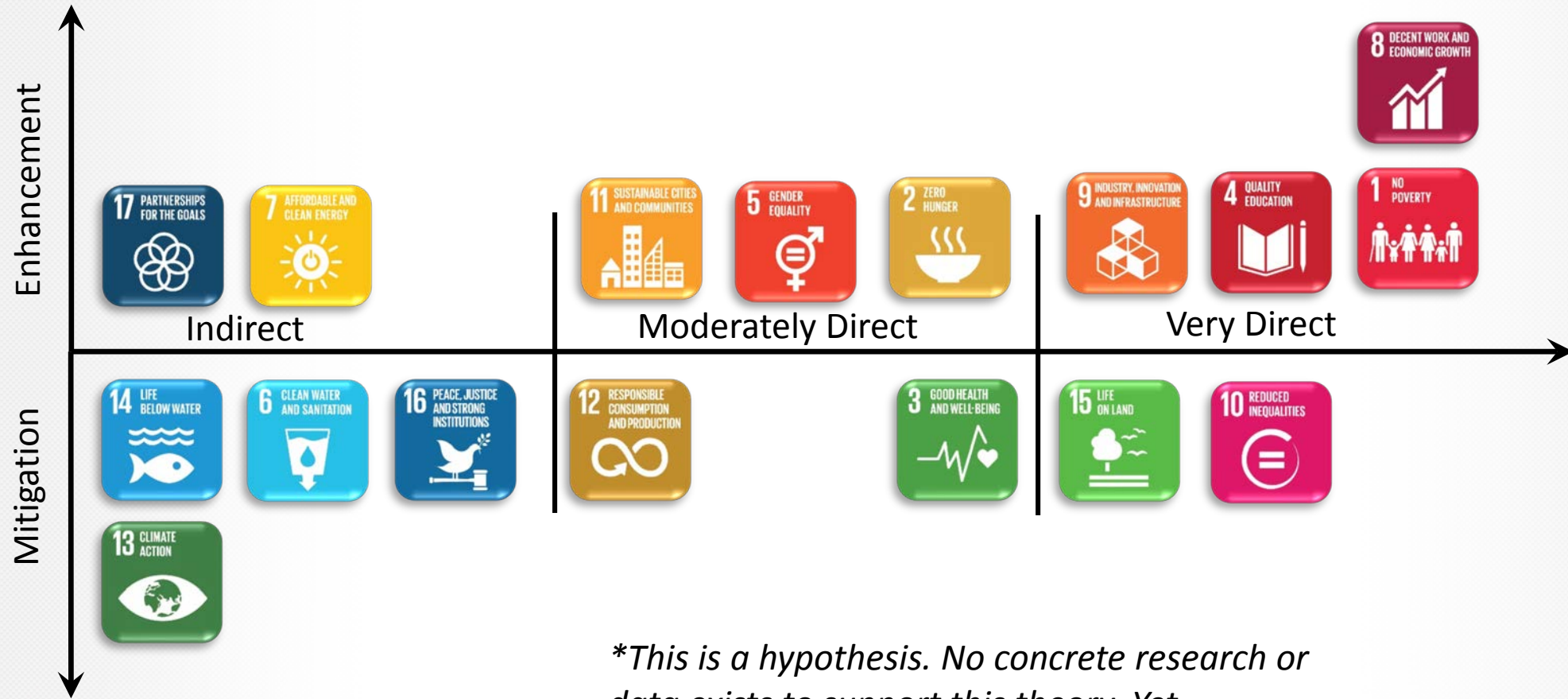


Figure 2: Indicative prioritization of SDGs for mining companies globally based on aggregating, for each goal, the relevance of each of its targets to mining. Individual cases may deviate from this categorization. Three horizontal categories = degree of impact mining has on goal: very direct, moderately direct, and indirect. Within each category, the farther right a goal is, the greater the impact mining has on its accomplishment. Two vertical categories = predominant focus for making positive impact (enhancement of positive impacts; mitigation of negative impacts). *Asterisked icons in practice have greater relevance for mining than the scoring suggests. Icons modified from <http://www.globalgoals.org/>.

Mining and the 17 SDGs:

Possible Impacts from the perspective of Artisanal and Small Scale Mining*

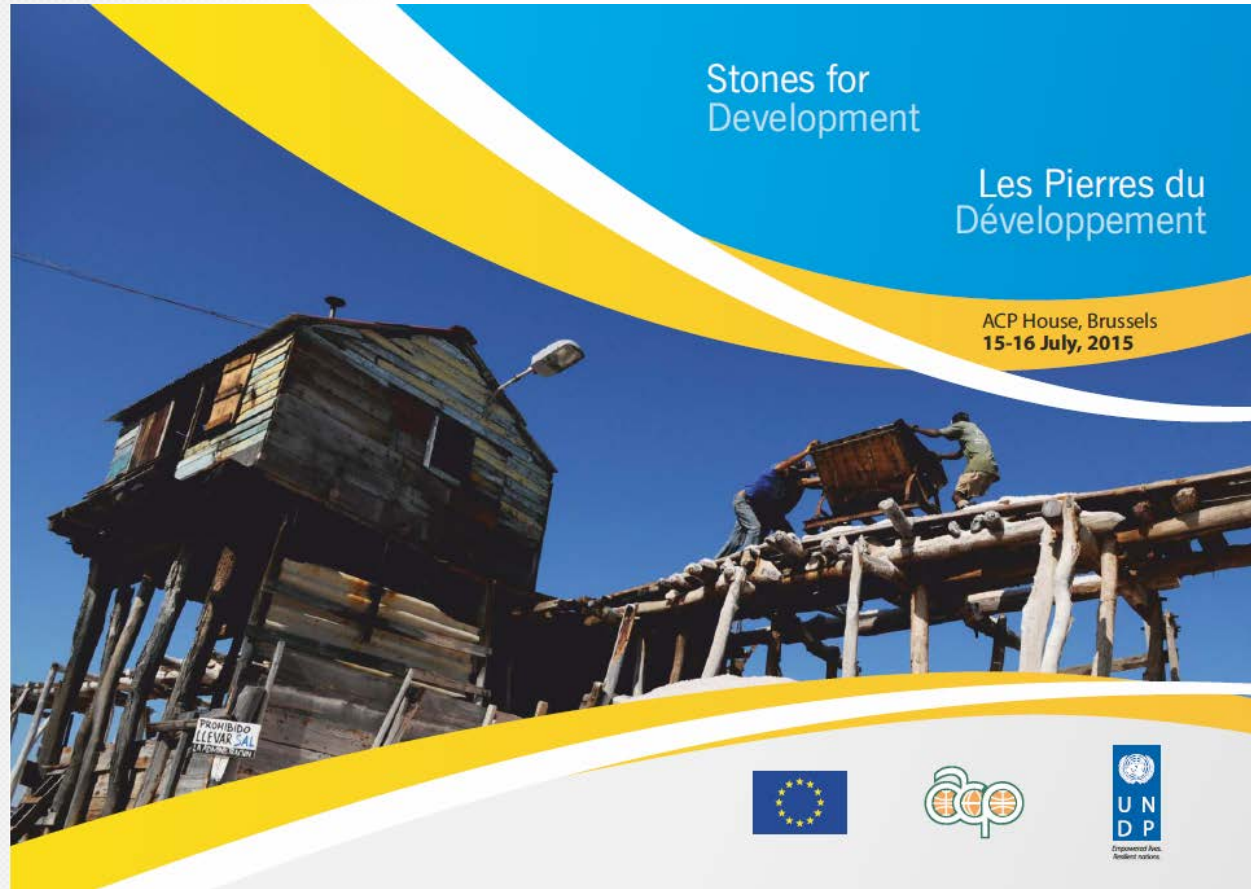


**This is a hypothesis. No concrete research or data exists to support this theory. Yet.*

Changing Lenses

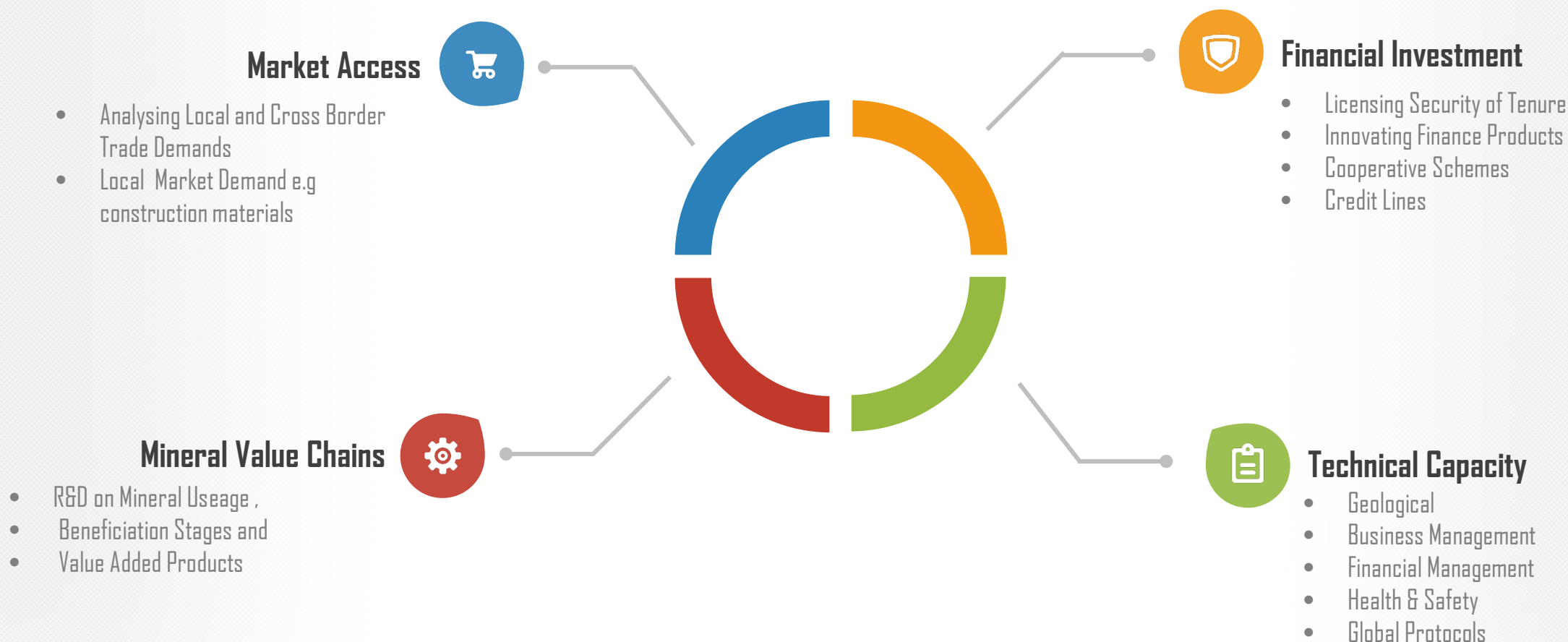
- Local Investment vs Foreign Direct Investment
- Shift focus from export oriented promotion of Mineral Economy
- Linkages into Domestic Economy e.g.
 - Construction ,
 - Growing Middle Class and Aesthetic Needs
- Shared Infrastructure Development

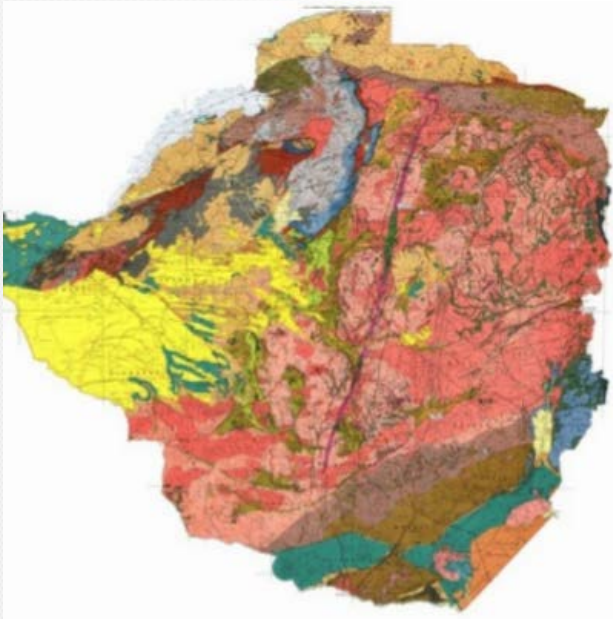
Development Minerals



- Construction materials (gravel, sand, clay, limestone etc.)
- Dimension stones (marble, granite, slate, sandstone etc.)
- Industrial minerals (gypsum, potash, salt, bauxite, graphite)
- Low-grade metals, semi-precious and precious stones

The Business of Artisanal & Small Scale Mining





Technical Capacity

- Providing technical assistance to ASM Operators for Geological Mapping and Analysis
- Developing professional Exploration techniques and Mineral Deposit Quantification
- Increasing reporting quality as an input into Investment Feasibility Studies
- Better Mineral Processing Techniques



Financing & Investment



- **Equipment and Heavy Machinery**
- **Working Capital**
- **Joint Ventures**
- **Government Policy Shifts**
 - **Longer Licence Tenure for ASM**
 - **Upgrade Mechanisms**
- **Tax & Financial Incentives**

Mineral Value Chains

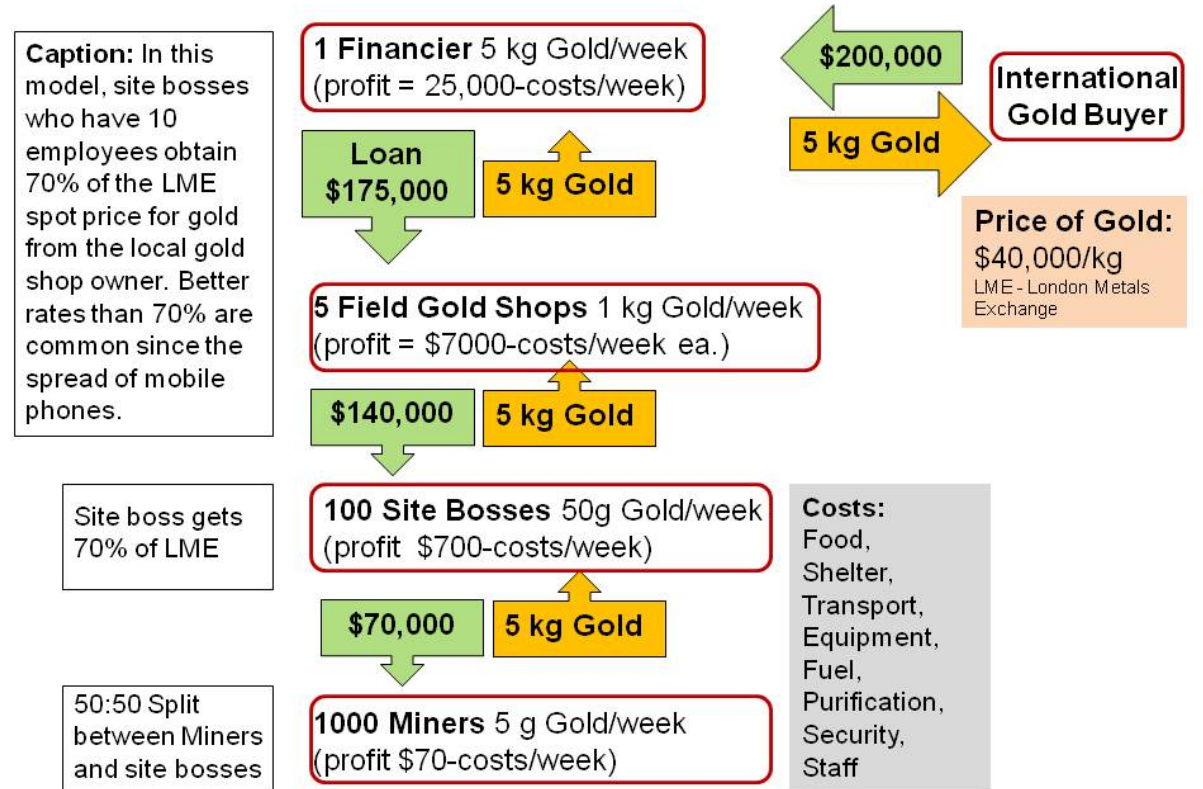
- Research and Development
- Cross – Sector Linkages
 - Agricultural
 - Industrial
- Mineral Usage



Market Access

- International Market Linkages
- Valuation and Quality Information
- Market Trends & Business Intelligence

ASGM Supply Chain Model (the 70% model)



Telmer K. (2011, May 4) Lecture presented at the first meeting of the OECD hosted working group on gold. "OECD due diligence guidance for responsible supply chains of minerals from conflict affected and high-risk areas."

Thank you for your attention.

CONTACTS:

Majala Mlagui

Thamani Group

Phone: +254 722 167 067

Email: Majala@Thamani.co

Web: <http://www.thamani.co>

