

# **FINANCING ASM IN AFRICA: THE NIGERIAN EXAMPLE.**

**A Presentation at the 9<sup>th</sup> CASM Conference.  
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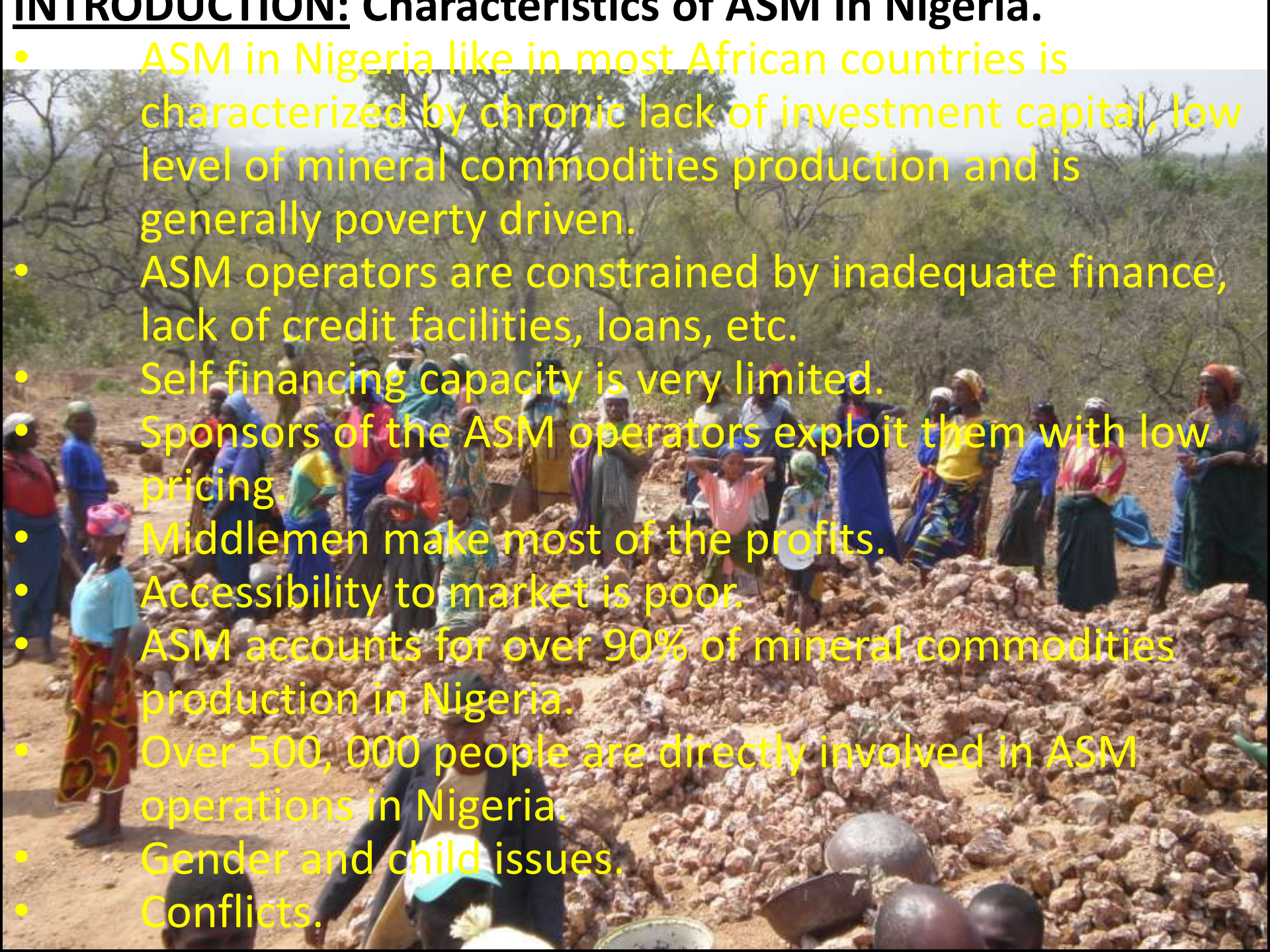
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## INTRODUCTION: Characteristics of ASM In Nigeria.

- ASM in Nigeria like in most African countries is characterized by chronic lack of investment capital, low level of mineral commodities production and is generally poverty driven.
  - ASM operators are constrained by inadequate finance, lack of credit facilities, loans, etc.
  - Self financing capacity is very limited.
  - Sponsors of the ASM operators exploit them with low pricing.
  - Middlemen make most of the profits.
  - Accessibility to market is poor.
  - ASM accounts for over 90% of mineral commodities production in Nigeria.
  - Over 500, 000 people are directly involved in ASM operations in Nigeria.
  - Gender and child issues.
  - Conflicts.
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- A photograph showing a group of people, including women and children, gathered around a large pile of mineral ore in an outdoor setting, likely a mining site in Nigeria. The women are wearing colorful traditional clothing and headwraps. The children are also present, some wearing headwraps. The background shows a dry, hilly landscape with sparse vegetation.



## LEGAL AND REGULATORY FRAMEWORK.

- Enactment of the Nigerian Minerals and Mining Act 2007.
  - Establishment of Artisanal and Small-Scale Mining Department.
  - Establishment of Solid Mineral Development Fund.
  - Small-Scale Mining Lease.
  - Mineral Buying Centres(Gemstone Platforms).
  - Provision of Extension Services to performing Small-Scale Mining Cooperatives

# FORMALIZATION OF ASM

- **Cooperatization.**
- **Registration and Supervision of Mining Cooperatives.**
- **600 applications received but 273 Mining Cooperatives registered as at August, 2009.**



# CAPACITY BUILDING.

Regular Training for ASM operators /stakeholders on these areas:

- Principles and Management of Cooperatives.
- Mining Finance.
- Book Keeping.
- Information Technology
- Gem Identification, Cutting and Polishing etc.

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# STAKE HOLDERS' MEETING.

## Regular Stake Holders' Consultation:

- Knowledge Sharing.
- Sensitizing Officials of Local Banks and Financial Institutions.
- Sensitizing Central and Local Authorities.
- Negotiation for Financial Institutions to Provide Concessional Interest Rate to Asm's.
- Establish Mining Guarantee Scheme to Artisanal And Small-Scale Miners.

## MICRO GRANTS FOR ASM'S.

- The need to solicit for funds from Multi Lateral Agencies for ASM's e.g. World Bank, African Development Bank, CASM etc. for the development of Artisanal and Small-Scale Mining.
- In Nigeria US\$10 million was provided through the Sustainable Management of Mineral Resources Project (World Bank assisted).

# MARKETING OUTLET.

- Construction of Prototype Mineral Buying Centres.
- Registration of Private Mineral Buying Centres.
- Ensure proper monitoring of the Buying Centres.

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A Group of Artisanal Miners.

# MAINSTREAMING.

Mainstreaming of ASM to Universal Poverty Alleviation Programmes etc

- Millennium Development Goals.
- National Poverty Alleviation Schemes
  - National Poverty Eradication Programmes (NAPEP).
  - National Economic Empowerment and Development Strategies (NEEDS).
- Seven Point Agenda of the Central Government.

# CONCLUSION.

**Adequate financing of Artisanal and Small-Scale Mining in Africa is the key to Poverty Eradication.**



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# THANK YOU.



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