

Innovations in ASM Supply Chains during COVID-19

DELVE | a global platform for
ARTISANAL & SMALL SCALE
mining data

COVID – ASM Working Group



Innovations in ASM Supply Chains during COVID-19



July 16th 9-10am EST

Register in advance on Zoom

DELVE

Liberia



Empowerment Works and
Diamonds for Peace

Brazil



University of São Paulo Centre for
Responsible Mining-NAP.Mineração

Central African Republic



CAR Consulting Team

COVID -19 RESPONSE

EMPOWERMENT WORKS & DIAMONDS FOR PEACE
LIBERIA

*Maintaining the Resilience of Artisanal Diamond Mining Communities
in Liberia*



CONTEXT & BACKGROUND: LIBERIA

- *Target for Health Component: 17 mining communities in Bomi and Gbarpolu Counties*
- *Liberian government shut down schools, churches, mosques, mines, and restricted movement for a few months in 2020.*
- *No preventive measures were practiced in those communities.*
- *No COVID case reported in those communities as of February 2021.*
- *Ebola breakout in N'zerekore, Guinea in February 2021*



RESPONSE EFFORTS ACTIVITIES

■ *Implementing Organizations*



EMPOWERMENTWORKS
For A Thriving World

Working towards just and sustainable world



Diamonds for Peace

Working towards a world in which diamonds are mined, cut and processed with humanitarian and environmental considerations.

■ *Key Activities*

■ *Health Component*

Conducting a preliminary Survey, Health & Soap Making Workshop focusing on handwashing. No. of total participants: 1,079 in 17 mining communities

■ *Economic Component*

Developing/testing/improving a due diligence tool for a diamond mining cooperative, and developing educational materials

■ *Research Component*

Conducting a survey targeting licensed diamond exporters in Liberia, and sensitizing them on responsible sourcing



WORLD BANK GROUP
Energy & Extractives

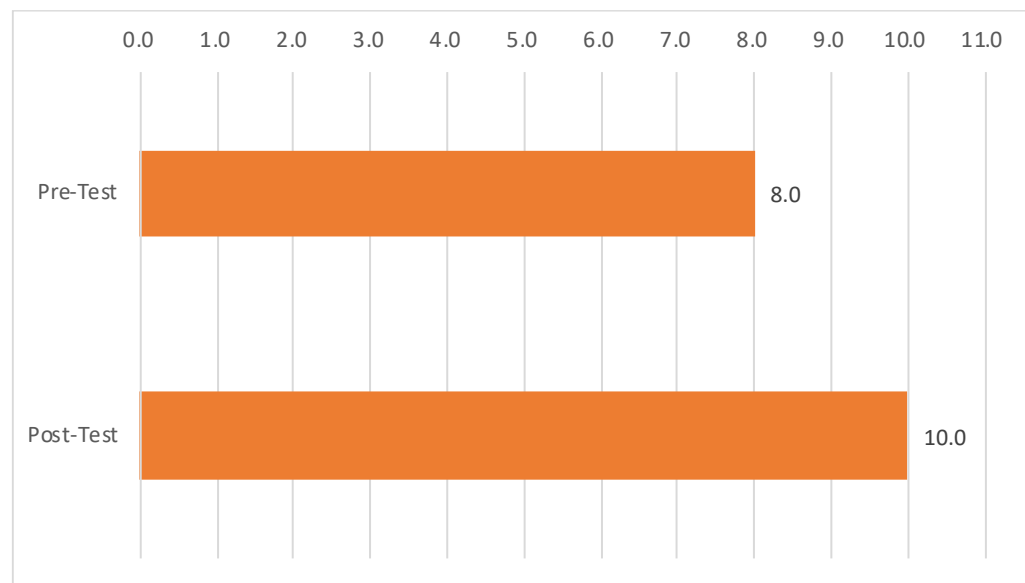


EGPS
Extractives Global
Programmatic Support

ACHIEVEMENTS & IMPACTS (HEALTH)

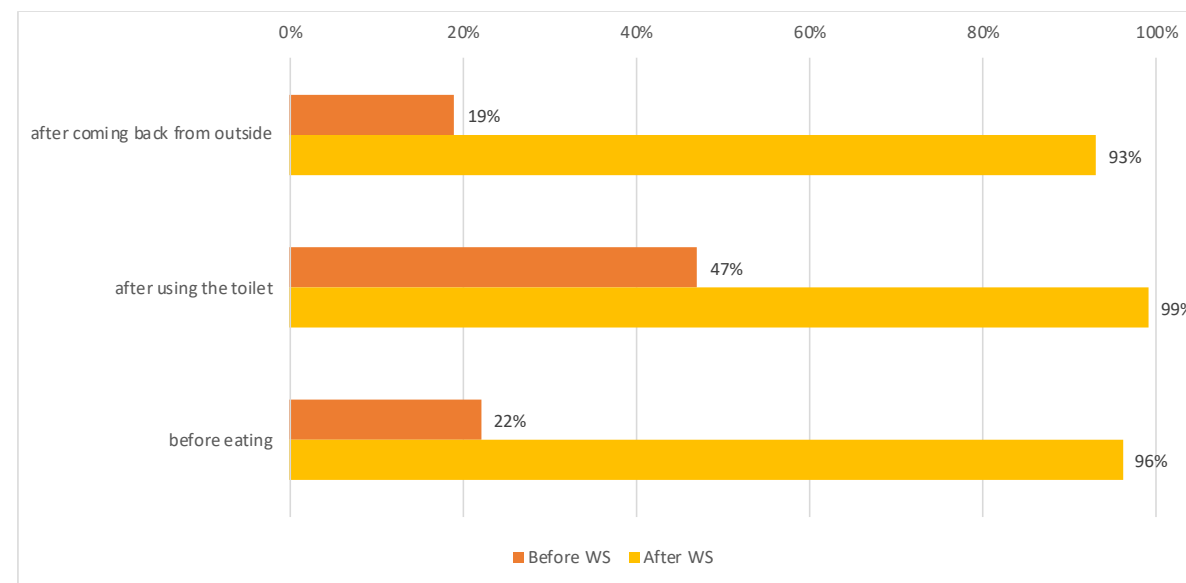
- ✓ 72% of the workshop participants were women.
- ✓ Participants' learning improved.

[Participants' Median Score]



(Maximum Score: 11)

- ✓ Practicing handwashing with soap has improved.



- ✓ Soap Making Practice on Their Own as of May 2021

One community: started Two communities: preparing

ACHIEVEMENTS & IMPACTS (ECONOMIC, RESEARCH)

[Economic]

- ✓ Cooperative members' understanding about due diligence improved significantly. → First step for responsible mining

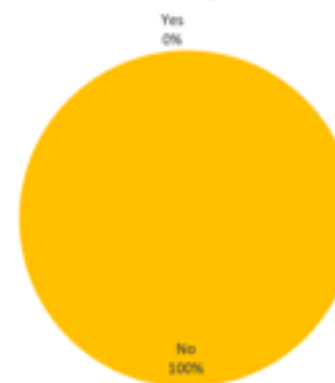
	Yes (Before WS)	Yes (After WS)
Do you know the term "due diligence"?	0%	100%
Do you know why it is important and beneficial for you?	0%	100%



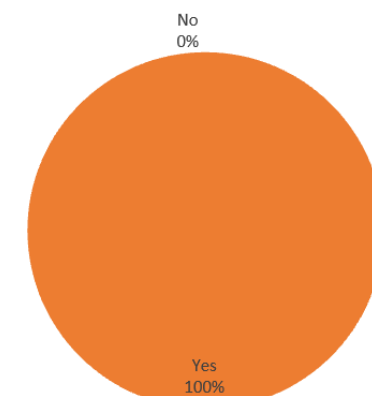
[Research]

- ✓ Identified potential exporters for diamonds to be mined by the cooperative.
- ✓ Interviewed exporters may practice responsible sourcing in the future.

38. Have you heard the term "responsible sourcing"?



40. Are you interested in "responsible sourcing"?



SUSTAINABILITY STRATEGIES

[Health]

- ✓ *Continue monitoring and encouraging handwashing practice collaborating with women's groups in those communities.*
- ✓ *Shared a set of health workshop materials to ASM related stakeholders in Liberia for their use.*
- ✓ *You can download the materials at:
<https://eng.diamondsforpeace.org/download/2021-healthws/>*



[Economic]

- ✓ *Continue educating the cooperative members on responsible mining and due diligence.*
- ✓ *When the forest smart mining standard is developed, we'll incorporate it into the due diligence tool.*
- ✓ *We will sensitize the Ministry of Mines on the importance and benefits of due diligence.*

[Research]

- ✓ *The information gained through the survey will be used to develop a transparent and accountable supply chain of diamonds to be mined by cooperatives.*

COVID -19 RESPONSE

NAP.MINERAÇÃO/USP

BRAZIL

ASGM Sustainability in Peixoto



CONTEXT & BACKGROUND: BRAZIL

- *Key findings of the EGPS COVID-19 Impact Reporting of 2020 countrywide:*
 - *75% of ASGM respondents said that if they got sick from COVID, they did not expect to have adequate access to healthcare*
 - *57% of respondents have received services in response to COVID from the government and from different institutions*
 - *ASGM cooperatives played an important role to support the miners and the local communities during the pandemic.*
- *The ASGM cooperative of Peixoto de Azevedo (“Peixoto”) was one of the most advanced associations in terms of COVID-19 response, as it has established a strong partnership with regional and federal health agencies to provide assistance to the miners during the pandemic.*



CONTEXT & BACKGROUND: BRAZIL



ACHIEVEMENTS & IMPACTS

Innovation in the Supply Chain

- *Relationship between our team and the local cooperative**
- *Communications during the pandemic ***
- *Sharing knowledge via webinars and streaming platforms **

Impacts

- *Sharing knowledge and open discussions on the critical issues **
- *Webinars' impact: the miners asked for further events **
- *Miners asked the cooperative to plan for central procurement and a site laboratory***
- *New technical projects are being structured as a direct result of this project*

(*) Behavioral change

(**) Linked to the ASGM supply chain



CHALLENGES

- **We had to carry out surveys and interviews during the lockdown:**
 - tentative contacts via telephone; very **difficult and inefficient**
 - the miners encouraged the team to connect via **social media**
 - this has established an efficient and **dynamic** channel of communications
- **Supply chain information is very scarce and miners are reluctant to share:**
 - initial **interviews** to collect information on the key issues of the project
 - more **spontaneous** additional feed back came via the **webinars**
 - the miners asked for further events and webinars in the future
- **Communication between cooperative/association and the miners:**
 - sometimes it is challenging for the leadership to **implement changes**
 - the project activities have created **new channels** of communication
 - the webinars have **confirmed** the views of the leadership for the miners



KEY LEARNINGS: REFLECTIONS & RECOMMENDATIONS

Key findings:

■ **Miners expect the cooperative to have a broader role**

- central procurement to reduce cost of supplies
- central gold purchase by the cooperative

■ **Labor relations are mostly informal**

- the majority of miners adopt verbal agreements
- cooperatives are expected to encourage formal arrangements

■ **Covid-19 has exposed infrastructure deficiencies**

- this has become clear in the public health sector
- the cooperative addressed this with partnerships

Do other cooperatives
provide central
procurement?

Should the cooperatives
assume a broader role
beyond the supply chain?

Are most of the ASM labor
relations informal and based
on verbal agreement?

COVID -19 RESPONSE

“CAR CONSULTING TEAM” (T. DEJONG & S. PENNES)

DESK STUDY

Lessons learned from successful mine-to-market initiatives adapting to the Covid pandemic



RESPONSE EFFORTS ACTIVITIES

- *We are ASM consultants working as technical advisors to USAID- and EU-funded mining governance programs in CAR.*
- *We chose four case studies in successful direct marketing to determine:*
 - *How implementers adapted their approach to Covid;*
 - *What are the key ingredients for improving market access and miner benefits;*
 - *How to fuel these takeaways into the ongoing government-led reforms in CAR.*
- *Covid has exemplified the poor resilience of ASM communities to external shocks, but has also prompted an appetite for creative changes in the classic supply chain.*

FOUR CASE STUDIES

- *GemFair (diamonds): implemented by De Beers Group in Sierra Leone since 2018*
- *Moyo Gems (gemstones): implemented by Pact, the Tanzania Women Miners Association (TAWOMA) and international jewelers in Tanzania since 2016*
- *Virtu Gem (gemstones): implemented by Responsible Jewelry Transformative in Malawi, Zambia and Kenya since 2020*
- *Artisanal Gold Council (gold): activities in Burkina Faso under a PlanetGold and EPRM program since 2021*

CHALLENGES AND ADAPTATION

■ GemFair:

- *Had to suspend purchases for 3 quarters in 2020*
- *Distributed monthly food packages and PPE*
- *Introduced new pilot approaches to productivity (prospection equipment, wash plant) and land reclamation (but too expensive)*

■ Moyo Gems:

- *Distributed food packages and PPE*
- *Transferred more responsibilities to national dealer partners*
- *Is developing a market for lower value goods (healing crystals)*

■ Virtu Gem:

- *Demonstrated that complex supply chains can operate online*
- *Attracted other supply chain actors onto the platform (cutters, dealers...)*
- *Is developing a market for lower quality goods (healing crystals, local cutting & polishing)*

■ AGC:

- *Did not fundamentally change its overall approach, but collected data on gold prices*
- *Facilitates an evolution from artisanal to small-scale mining through mechanization*
- *Seeks substantial private sector investment (junior mining company level) to promote miner benefits*

KEY INGREDIENTS FOR CONSIDERATION

- *Approach to miner benefits:*
 - *Fair playing field vs fair price*
 - *Can work with or without a premium (a customized definition of “benefits” is needed beyond sale prices)*
 - *Improving productivity is a solution*
- *Approach to market access:*
 - *Mainstream market vs product differentiation*
 - *Unique role of financiers and brokers*
- *Standards:*
 - *Need to strike the right balance between consumers’ and miners’ expectations*
 - *Standards are linked to the market access approach*
- *Gender:*
 - *The women-working-with-women model is very powerful in building trust*

KEY INGREDIENTS FOR SURE

- *Build trust*
- *Develop standards that correspond to the miners' needs*
- *Dive in and learn by doing*

OPEN DISCUSSION

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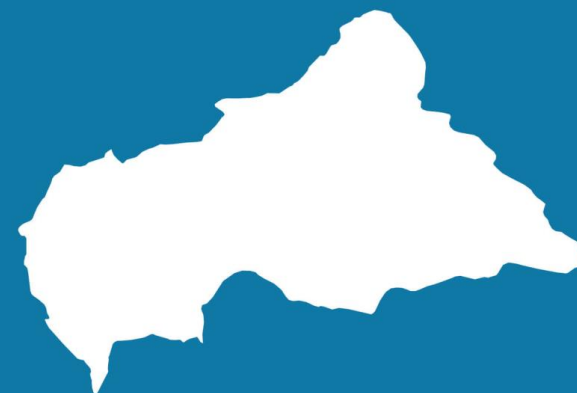
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