

ASM Dialogue Programme: **IIED Scoping Mission in Tanzania** 18-23 Sept 2016

Summary report

Prepared by the International Institute for Environment and Development (IIED)

Fitsum Weldegiorgis, Gabriela Flores Zavala and Steve Bass

28 October 2016





Contents

Executive Summary	2
A brief background to IIED	4
IIED ASM Dialogue Programme	5
Scoping Visit to Tanzania: IIED learning from stakeholders	7
Policy – a promising basis	7
Practice – increasing levels of ASM, but support is fragmented and not aimed at a sustainable sector	8
Perceptions – need wider awareness of ASM, and a positive approach	9
Partnership – the need for sharing information, to lead to joint understanding, trust and action	9
Production – increased scope to improve	10
Poverty reduction – ASM as a potential driver of the local economy	11
Stakeholder recommendations for an ASM Dialogue Programme in Tanzania	12

Executive Summary

The International Institute for Environment and Development (IIED) runs a global multi-stakeholder dialogue series on artisanal and small-scale mining (ASM) to support a more inclusive and responsible mining sector. At national level, the methodology combines in-country research, stakeholder engagement, independently facilitated multi-stakeholder dialogue, and communications with mobilisation of leaders across the sector in a national 'learning and leadership group (LLG)'.

The first of these country dialogue processes was held in Ghana, where the mining authorities and other stakeholders have attested to its effectiveness in linking field realities with policy and in shaping a practical road map for change. Much of IIED's methodology is also currently being used in Madagascar by IIED in partnership with GIZ, and there are emerging demands from other countries and regions.

One of these countries is Tanzania. IIED held a scoping visit to Arusha and Dar es Salaam from 18-23 September 2016. The aim of the visit was to understand the general context in relation to ASM policy, practice and perceptions, and assess the timeliness, demand and readiness for an IIED-modelled ASM dialogue programme. IIED met with representatives of most stakeholder groups concerned with ASM, and held a multi-stakeholder debriefing session on 23 September. Participants were very much engaged in discussions with IIED and among their peers and expressed strong interest in applying IIED's dialogue methodology in Tanzania.

Mining in Tanzania is a significant and rapidly-growing activity with ASM accounting for around 1 - 1.5 million directly involved miners across the country. While important ASM policy initiatives have been introduced, the sector faces typical challenges commonly seen in other parts of the world. A multi-stakeholder 'dialogue' that is participatory and solution-oriented would help to understand and explore key ASM issues and bring about consensus-based reform in policy and practice.

In summary, key findings of the mission include:

- Tanzania has a progressive ASM policy, but there are gaps in understanding, confidence, incentives, capacity, finance and procedures that constrain policy implementation and continual improvement.
- There is strong enthusiasm and consensus that the time is right for an evidence-based, forward-looking, and transparent national dialogue for ASM in Tanzania, and stakeholders expressed eagerness and readiness to participate.

- Decentralised levels need to be given priority and active roles in the dialogue. ASM is recognised as an important sub-sector with potential for local economic development in the context of sub-national Local economic development (LED) within the second national Five Year Development Plan (FYDP II).
- Progress towards a more responsible and inclusive ASM sub-sector is limited in part by: institutional definitional boundaries (e.g ASM=illegal, Small-scale mining or SSM=legal); licensing and land-related issues; rich-investor dominance and privileges; lack of coordination among government departments, donor groups and other initiatives; among other barriers to progress. Mapping and dialogue is needed to begin to resolve these.
- Priority areas to explore for advancing responsible ASM include: strengthening technical and entrepreneurial skills; education, including ASM enterprise, health and safety; geological information; access to finance and markets and making the case for ASM's economic viability; and greater attention to gender issues.
- Research is needed to inform the dialogue, and could be enriched by a wider Evidence Reference Group and 'specialist meetings' to inform the appointed national dialogue researcher of the full range of issues that will need working through – decentralisation, marketing, finance, gender, business models, etc.
- There is currently a preference for both gemstones and gold sites to be targeted in the research and field-based dialogue components, but agreement to identify these through a criteria-based site selection.

A series of thematic mini-dialogues led by working groups may be needed following the main national dialogue.

There was a general consensus that a dialogue process should aim at a 'sustainable ASM' as a potential driver of economic development and poverty reduction in Tanzania. It should start from understanding the livelihoods, social organisations, value chain and incentives of wider stakeholders with a principal focus on mining communities. There was appreciation of the sector's diversity, particularly in terms of scale, formality, technology employed, and negative and positive environmental and socio-economic impacts. As such, participants urged for recognition of the non-homogeneity of the sector when policies and regulations are designed to manage and formalise the sector. IIED's dialogue programme was welcomed as a good platform to shape communications among ASM stakeholders within Tanzania and globally, leading to greater trust, inspiration and collaboration.

A brief background to IIED

The International Institute for Environment and Development (IIED) has been a world leader in sustainable development since 1971. Its mission is to build a fairer, more sustainable world, using evidence, action and influence in partnership with others. As an independent policy and action research organisation, IIED works with partners in Africa, Asia, Latin America, the Middle East and the Pacific to tackle key global issues across four programme areas — climate change, urbanisation, the pressures on natural resources and the forces shaping global markets.

IIED is distinguished by its attention to building bridges between policy and practice, local and global, rich and poor, government and private sector, and diverse interest groups. Its pragmatic, evidence-based approach allows it to examine key trade-offs and highlight the gaps between rhetoric and reality. IIED's array of methods and tools allows us to combine participatory practice with economics, communications, law and advocacy. IIED recognises that no single input or intervention makes the difference. It is our distinct mix of methods, skills and capabilities that help bring about change. Generating rigorous evidence-based research, communicating ideas and acting as convenor, IIED argues that the interests and priorities of poorer, more vulnerable groups should be more influential in decision-making. At a time of growing global uncertainty and rapid change, IIED and its partners can bring fresh perspectives and practical wisdom to address urgent difficulties.

Between 2000 and 2002, IIED housed the Mining, Minerals and Sustainable Development (MMSD) — a game-changing research programme that catalysed improvements in the industry's contribution to sustainable development and led to the creation of the International Council on Mining and Metals (ICMM). IIED was instrumental in establishing Shack/Slum Dwellers International in 1996 – a network of community-based organisations in urban areas, which was recently nominated for a Nobel peace prize. IIED's world-renowned work on climate change has altered the discourse on local adaptation and influenced international policy. Our Forest Connect network of SMEs in forestry has enabled a sector that had often worked on the fringes of legality to shift towards legitimate and sustainable small businesses, attracting investment and contributing to sustainable and productive lives and landscapes. IIED's growing work on informal sectors led to a major conference in 2016 asserting the innovation and resilience inherent in informality including artisanal and small-scale mining (ASM), and ways to ensure inclusive formalisation so that informality can contribute to sustainable development.

IIED ASM Dialogue Programme

In 2012, IIED conducted a 10-year review of MMSD to understand how the mining industry has progressed in its quest to contribute to sustainable development. While notable progresses have been made, the review identified four ongoing challenges: government capacity remains limited, community development remains a complicated process in both rhetoric and implementation, an integrated approach to mining is only beginning to take shape, and ASM remains neglected and underfunded.

In April 2015 focusing on ASM, IIED held a Visioning Workshop which saw over 40 participants – including artisanal miners, mining companies and security staff, civil society organisations, host and donor governments, and supply chain and market stakeholders – come together to share their future vision of the ASM sector. The objectives of the workshop were to bring people together to build relationships for more effective action in ASM; share existing knowledge and create new knowledge; move the conversation forward by challenging preconceived ideas and assumptions that have hindered progress on ASM, and make the most of the diversity of players, approaches and experiences to establish a common framework for dialogue on ASM. The group agreed that, given all the work done at the global level to date, the vision of a sustainable, inclusive and responsible ASM sector needed to be developed at country level, through a series of solution-focused national ASM dialogue processes.

A first country ASM dialogue programme was implemented in Ghana, at the request of Ghanaian stakeholders, including the CEO of the Minerals Commission. A four-day multi-stakeholder ‘action dialogue’ took place in Tarkwa, in Ghana’s Western Region, in January 2016, following a six-month period of research and engagement. The programme was convened by IIED in collaboration with Friends of the Nation, a socio-environmental advocacy non-governmental organisation (NGO) in Ghana. The dialogue saw over 55 participants – artisanal miners, local and national government representatives, large-scale mining company staff, and civil society organisations – come together to collaboratively develop a ‘roadmap’ for sectoral reform in Ghana’s ASM sector and establish a Learning and Leadership Group (LLG) to steer the roadmap’s implementation. Ghana’s LLG is now working on a 12-month work plan to embark on participatory sector reform aiming to turn ASM into an engine for sustainable development.

The mining authorities and other stakeholders in Ghana have attested to the dialogue’s effectiveness in linking field realities with policy and in shaping a practical road map for change. Much of IIED’s methodology is also currently being used in Madagascar by IIED in

partnership with GIZ, and there are emerging demands from other countries and regions. Following the initial successes in Ghana, Tanzania has emerged as a potential to be IIED's second ASM dialogue country.

Mining in Tanzania is a significant and rapidly growing activity. While export of gold in particular tops the country's foreign exchange earnings, overall the contribution of the sector to GDP is only approximately 3% which the government's development vision foresees to grow to 10% by 2025. Although much of the mining production in Tanzania is accounted for by large-scale mining (LSM), Artisanal miners dominate most of the country's coloured gemstone production. ASM involves around 1 - 1.5 million people across the country compared to approximately 12,000 people employed by LSM. While important ASM policy initiatives¹ have been introduced as part of the 2012 National Strategy for Small-scale Mining, ASM continues to face numerous challenges related to geological and value chain information, legal and formal status, license acquisition, technology and technical skills, and access to finance and markets. The country's major large-scale mines exist in areas where ASM is intensive, with a high risk of conflict.

The complex challenges faced by the sector and the emerging government and stakeholders' interests placing emphasis on the development of the sector means that an all-round ASM stakeholder convening is required to understand the roles of major ASM players. At a time of growing ASM sector and policy interventions, a multi-stakeholder groups 'dialogue' that is participatory and solution-oriented helps to understand and explore key ASM issues and bring about consensus-based reform in policy and practice.

In light of this, IIED conducted a scoping visit to Arusha and Dar es Salaam from 18-23 September 2016. The aim was to understand the general context in relation to ASM policy, practice and perceptions, and assess the appetite for an IIED-modelled ASM dialogue programme. IIED met with most stakeholder groups and held a multi-stakeholder debriefing session on 23 September.

¹ Some of these initiatives include acquisition of mineral rights, setting up of mining areas exclusive to small-scale mining operations, decentralizing licensing process, providing favourable credit facilities for small scale mining, and promoting skills enhancement and access to markets in collaboration with international donor organisations, the private sector and specialised associations.

Scoping Visit to Tanzania: IIED learning from stakeholders

This section summarises the views and perspectives gathered during IIED's scoping visit. The notes are clustered in groups as follows.

Policy – A promising basis

Following the Tanzanian government's early recognition of the ASM sector, a number of government authorities have been tasked with various missions to manage and develop the sector. These include the Ministry of Energy and Minerals (MEM) through its small-scale mining (SSM) section, the State Mining Corporation (STAMICO), Geological Survey of Tanzania (GST), Tanzania Minerals Audit Agency (TMAA) and others. MEM's SSM section looks at small-scale mining from a development perspective, recognising miners in policy and prioritising formalisation. According to the stakeholders consulted, progress has been achieved on license provision, on enabling legal and scrutinised SSM, on addressing mineral smuggling and reducing related government losses, on FEMATA's ability to organise miners and link them with the MEM, and on demarcating special SSM areas. However, it was recognised that more work is needed to implement the SSM strategy, strengthen government capacity and clarify how artisanal mining is treated within this strategy. A framework may be needed to prioritise, streamline and operationalise the ASM strategy.

While Tanzania's robust policy towards ASM was well recognised by stakeholders, there was also a strong sense that poor organisation inhibits effective implementation of policy. Disorganisation was perceived to be across the board from the pit level, across the value chain and at mining association levels. MEM's SSM role is decentralised to ten zonal mining offices, under which there are at least two resident mines officers depending on ASM activity levels. STAMICO (for technical assistance, finance and information for miners) and FEMATA's (Federation of Miners Associations in Tanzania) member associations (for organising miners) are key parts of the institutional set-up at local level. Resident mines officers have joint development/services/enforcement roles. Stakeholders generally agreed on the need to ensure this decentralised system works effectively, giving local authorities an active rather than passive role, as well as the importance of clearly designating the various roles played by resident mines officers to avoid any tension that may arise. STAMICO's potential role in bridging miners' interests and concerns with policy makers and using its broad influence to

support ASM-bound programmes such as training through associations may be harnessed to good effect.

Practice – Increasing levels of ASM, but support is fragmented and not aimed at a sustainable sector

The ASM sector in Tanzania has seen significant growth in investment and in the number of people involved in the sector in recent years, which has attracted the attention of various groups. Civil society and government-initiated groups have had active missions geared towards the ASM sector, while some are considering getting involved through their core missions. These include Small Industries Development Organisation (SIDO), Mineral Resources Institute (MRI), Tanzania Women Miners' Association (TAWOMA), Tanzania Mineral Dealers Association (TAMIDA), HakiMadini, and the Institute of African Leadership for Sustainable Development (UONGOZI Institute), among others. While recognising the difficulties, the Tanzania Extractive Industries Transparency Initiative (TEITI) is keen to find a way to include ASM in its reporting in order to help give the sector greater recognition as a legitimate part of the larger extractives' family. In addition, international, regional and national organisations are increasingly realising the magnitude of the ASM sector and as such are in the process of mobilising (or considering to mobilise) efforts to get involved where relevant. These include SWISSAID, UNDP-UNEP PEI, the World Bank Group, Natural Resources Defence Council, African Minerals and Geosciences Centre, Fairtrade Africa, Solidaridad, Tanzania Natural Resources Forum (TNRF) and others.

Existing activities around the ASM sector generally focus on:

- Capacity building in technical skills, productivity and market access, health and safety conscious operation through good practice technology, and enhancing miners' confidence and participation in policy decision making with particular focus on gender participation
- Provision of mining equipment and financial loans
- Fairtrade standard certification, training and train-the-trainer activities
- Advice on policy reform such as on licensing and land related issues

These various interests and activities entail the growing recognition of the sector's potential and increasing ASM focussed involvements. However, there is a general sense that these activities have tended to focus on specific areas or single issues and lacked a strategic approach that could recognise ASM as a multi-dimensional sector. Sometimes they focussed too much on the technical side ignoring the social and environmental sides, or *vice versa*,

affecting their effectiveness and completeness. These shortcomings indicate the need for coordination in an interactive dialogue. Many of the stakeholders consulted said they believed that the IIED dialogue programme could create the platform for coordination of the various fragmented initiatives, policies and activities, while bringing forth the perspective of various stakeholders in an inclusive and structured dialogue.

Perceptions – The need for wider awareness of ASM, and a positive approach

There was a general consensus among stakeholders that ASM and its potential for inclusive and sustainable development needs to be firmly on the radar of those involved throughout the mining sector, particularly license holders, mine owners, processing centres, traders, miner associations, and donor groups. Groups across the value chain such as traders and buyers should be engaged as stakeholders as well as those in the supply chain. Global value chains should also be further analysed to deepen the understanding of where the ASM production is flowing to after it leaves the Tanzanian borders, and where the key export points are in Tanzania. Banking and financial institutions were also identified as important stakeholders that need to be part of the dialogue process.

ASM could be presented as a possible contributor to the widely-supported government agenda for entrepreneurialism and industrialisation. Participants stressed a need for communication channels that are miner-friendly with a better outreach in order to showcase ASM as a sector that is at the crossroad of key issues in Tanzania. Working collaboratively with the media and engaging it as a stakeholder was seen as desirable to understand how to build broader support for ASM, as a key yet unknown sector in Tanzania. A common point that stakeholders shared was the need for raising awareness through a committed education programme targeting not only those involved in ASM but also large-scale mining (LSM), mining communities, government officials and civil society groups. To ensure continued learning and preparation of the next generation, there was a suggestion to establish ASM in the schools' curriculum and more generally mining education, for example on safe mining practices, legal issues and rights related to mining land and license, marketing and investment.

Partnership – The need for sharing information, to lead to joint understanding, trust and action

Shifting sectors to a more sustainable, productive and equitable basis requires more of a partnership approach across the sector. Stakeholders' overall views were that partnerships

either do not exist or have faced challenges due to, for example, vested and conflicting interests, lack of strong initiatives to steer coordination of complementary activities, and lack of policy to guide and encourage partnerships. Partnerships need to bridge mining groups (ASM, LSM and mining communities) and service and product providers (capacity building services, access to finance and market, access to licenses and public services, access to geology, mineralogy and gemmology expert information (e.g. geological surveys), equipment and technologies).

ASM stakeholders need to share information to improve joint understanding and build confidence and trust for joint action. Work to improve awareness (through the above ideas) could help to dismantle some of the initial barriers to partnership and collaboration. This needs to be followed by work to strengthen government's capacity to work with ASM communities, as well as miners' capacity to engage and communicate on an equal footing with LSM, government officials, buyers, and to participate in policy discussion and integrate more positively into value chains. There was also a general consensus on the need for an independent space (such as an IIED dialogue process) to bring together currently uncoordinated initiatives and enable organisations working to their full strengths to address limitations and work for a sustainable and responsible ASM.

Production – Increased scope to improve

It was generally understood that a business case for ASM needs to be demonstrated, principally by showing how its productive and commercial values can be enhanced. The inputs required will normally be: better geosciences data and knowledge; increased access to price information; investment capital; market information and access; entrepreneurial and technical skills; and supply of equipment. Tanzanian artisanal miners have developed innovative instincts, having drawn on their ingenuity and exchanges with miners in other parts of the country (and across borders into e.g. Zambia and Zimbabwe) to develop tools like grinding mills. There are also groups of progressive miners with an entrepreneurial mind and good access to market, information and connection with dealers; but these are few compared to the majority who are disorganised and engage in unsustainable mining practices. Some stakeholders pointed to the exploitative instincts of the so-called 'big investors' (which needs to be defined) who leave out the majority trapped in poverty and debt. This pointed to the need for a technology and business model for ASM productivity at scale that uses resources efficiently, employing significant number of miners, and contributing to equitable and sustainable livelihood benefits.

The technical implementation body of African Mining Vision (African Minerals Geosciences Centre) provides an opportunity for some technical awareness and possibly training on cleaner methods, value-added gemstone cutting, and other technical services. Stakeholders identified site-to-site and cross-country technical learning and sharing of experience as a good way of sharing entrepreneurial skills and success stories.

Poverty reduction – ASM as a potential driver of the local economy

Despite diverse views regarding the link between ASM and poverty in terms of a causal effect, stakeholders generally agreed on the potential of the sector to improve household economy. At an individual level, the sheer number of people involved in ASM and supported by the income earned indicates a direct link to local economy, although the extreme income disparity among groups may limit the actual impacts on poverty reduction. Some stakeholders see ASM contributing to economic development at local level and as such urge for analysing and planning ASM within the local economy as much as at the national level. However, they also underscore the lack of evidence and awareness of decision-makers and wider Tanzanian society about the ASM potential to contribute to local economy. Stakeholders demonstrated confidence that ASM will greatly contribute to the attainment of increased jobs and incomes and improve livelihoods at local levels as envisaged under the Local Economic Development (LED) approach of the national FYDP II.

Table 1: Summary of stakeholder views and perspectives

	Where we are	Where we go next
Policy	Progressive, people-focus to policy Minerals for development Decentralised approach	How to ensure inclusion How to ensure sustainable development How to link better to local authorities
Practice	Glimpses of success	Can we 'catalogue' evidence of what works?
Perceptions	ASM as a problem, albeit with local potential	ASM as a legitimate sector in livelihood, local and national economic context
Partnership	Lots of fragmented ASM initiatives CSOs involved as well as government	How to get institutions better coordinated and working for ASM More organisations working to their strengths, well-coordinated; creation of partnerships between global and national/local and between large and small enterprises
Production	Desire to shift ASM from poverty-driven to business-driven	How to grow entrepreneurship, appropriate business models

	New technology offers real efficiency gains suited to ASM	How/what to scale up? What incentives can we promote?
Poverty reduction	Politicians/donors recognise ASM potential to reduce poverty	How to get ASM to drive local economies – co-benefits, facilitate creation of inclusive and decent jobs, and increase household and individual incomes?
Profit	Emerging recognition of the potential of ASM to be an engine for local wealth and employment Need a business case for ASM	How to unlock this potential in ways that are fair and inclusive? How do we build recognition and support for ASM as a profitable business?

Stakeholder recommendations for an ASM Dialogue Programme in Tanzania

Stakeholders appreciated IIED's generic dialogue model and its early impact in Ghana. They considered it could be well-adapted to Tanzania, and provided useful advice on the way forward for a Tanzanian ASM Dialogue Programme. This included:

- **Field sites and commodity focus:** Stakeholders generally were comfortable with a criteria-based and transparent site/commodity selection process. Some pointed to an opportunity for cross-regional engagement to share learning, as previous initiatives have taken place in the north, northwest and central parts of Tanzania, with less engagement in other parts of the country.
- **Evidence based analysis:** Stakeholders stressed the need to gather evidence around the challenges and opportunities faced by ASM in order to inform the dialogue process and guide the definition of possible interventions.
- **Specialist meetings:** Stakeholders suggested having thematic meetings to inform the dialogue agenda. The topics proposed included marketing, finance and investment, decentralisation/local government, gender, and a session aimed at raising donor interest in supporting inclusive sector formalisation and capacity development.
- **Convenor's role:** Stakeholders' stated a preference for an independent convenor of the dialogue and a transparent process where no single stakeholder group is in charge.
- **Mandate:** Stakeholders recognized the importance of central involvement as both the authorities responsible for ASM (perhaps in a dialogue 'patron' capacity) and representatives of ASM in the overall dialogue process. However, they appreciated that the mandate for specific post-dialogue activities would be generated by stakeholders in the

dialogue itself and would be carried forward by a multi-stakeholder 'learning and leadership group'.

- **Mapping:** Stakeholders stressed the importance of mapping existing Tanzanian policies, existing ASM initiatives, the ASM spectrum, value chain information and relevant institutions, as well as the stakeholders in a sustainable ASM sector. The following stakeholders were already identified as key participants in a Tanzanian dialogue:
 - Geological Survey of Tanzania; Ministry of Finance; Planning Commission; National Economic Council; judicial authorities; Ministry of Gender and Children; Labour Ministry on Health, Safety and Employment Practices; Parliament
 - Local government authorities, lawyers (paralegals) at district level that are affiliated to government and are involved in the mining sector
 - ASM miners and communities
 - Large scale mining companies; Chamber of Mines
 - Buyers
 - Learning institutions (universities, research organisations)
 - Local banks and other financial institutions
 - Private sector foundations
 - Faith-based leaders
 - Local human rights commissions
 - The media
 - Development partners in Tanzania especially those aiming at poverty reduction