



IGF

INTERGOVERNMENTAL FORUM
on Mining, Minerals, Metals and
Sustainable Development

COVID-19
RESPONSE
SERIES



ASM AND COVID-19: IGF MEMBER SURVEY OF CHALLENGES AND OPPORTUNITIES

BACKGROUND

COVID-19 has already had significant impacts on the lives and livelihoods of a substantial portion of the women and men involved in artisanal and small-scale mining (ASM). In July 2020, the IGF surveyed some of its members to get their views on how the pandemic has affected their ASM sectors, as well as some of the key challenges and opportunities that have emerged as a result of the global health crisis. 21 member states participated in the survey from across the IGF's three principal language groups: English, French, and Spanish.

SURVEY RESPONSES

WHAT ARE THE MAIN CHALLENGES FACING THE ASM SECTOR IN YOUR COUNTRY AS A RESULT OF THE COVID-19 PANDEMIC?

As with many sectors, the COVID-19 pandemic has had a significant negative impact on ASM miners and communities in developing countries. Survey respondents identified a number of key challenges facing the sector as the pandemic continues.

From a health standpoint, the impacts have been substantial. ASM sites, which are often remote and difficult to access, face a lack of critical protective supplies to protect miners from contracting the virus, including masks, sanitizers, and hand-cleaning stations. Testing and contact tracing are nearly impossible, and health infrastructure in more remote ASM communities is lacking or missing, further increasing the health threats faced by miners and their families.



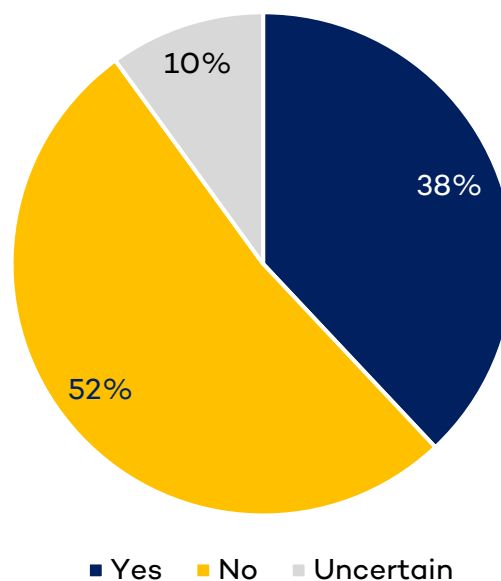
As a result of lockdown measures, curfews, fear, and physical distancing requirements, legal access to mining sites and markets for miners, support businesses, and inspectors is restricted. Economic contraction, price volatility, and supply chain disruptions have resulted in lost jobs, slashed incomes, and reduced cash flow in many areas, constraining the livelihoods of miners. For some, the inability to import parts and equipment due to supply chain disruptions hindered or stopped operations. Certification schemes have also been suspended, restricting the ability of countries to export responsibly mined products. Foreign buyers have been unable to enter countries as a result of the shutdown of airports and borders; combined with drastically reduced production levels, these issues have resulted in falling exports.

Some countries report an increase in illicit, illegal, and irresponsible mining and minerals trading activities as a result of the crisis, with travel restrictions hampering the ability of governments to monitor and enforce ASM laws and regulations on the ground. Beyond enforcement, support to ASM miners and communities has also been curtailed, as training programs, extension services, and non-governmental organization (NGO) programming has largely ceased with the health crisis.

ARE THESE CHALLENGES DIFFERENT FROM THE ONES FACED BY THE BROADER INFORMAL ECONOMY?

More than half of the respondents did not think that the challenges faced by the ASM sector differed markedly from those of the broader informal economy. As in many sectors of the informal economy, it is difficult to get reliable information from unorganized stakeholders on the support they need and how to deliver that support. Those working in the formal economy may have some protections in the face of pandemic-related closures; those that are operating informally frequently do not.

There were significant differences observed between ASM and other parts of the informal economy. Some noted that the remoteness of ASM operations—versus other parts of the informal economy—presents a unique set of challenges to governments struggling to support communities and individuals during the pandemic. Already stretched monitoring capabilities have been compromised by redirected spending, limited vehicles, and reduced operational funds to oversee ASM communities. In some countries, this lack of monitoring has led to reports of ASM areas being flooded by foreign miners.





The close quarters and poor sanitary conditions at many sites make it particularly difficult to protect the health of miners during a pandemic. High rates of poverty in the ASM sector also push many miners to accept the health risks associated with COVID-19 and continue mining despite lockdown orders and disrupted supply chains. These disrupted supply chains have also allowed some market actors to take advantage of the position of ASM miners and buy their stock at an unfairly low price.

HOW ARE THE CHALLENGES OF COVID IMPACTING THE WOMEN AND MEN OF ASM COMMUNITIES DIFFERENTLY?

No clear trend emerged in the survey responses regarding the differentiated impacts of the pandemic on the women and men of ASM communities. Both are expected to be severely affected by the pandemic, by the response measures imposed by governments to counter the health threat, and by the responses of communities and individuals to reduced incomes and mobility.

Some governments observed that women were more negatively affected by COVID: beyond the health impacts of the virus, women were facing limited or lost livelihoods as a result of lockdowns, travel restrictions, and market disruptions, both from their role as miners and in ore processing, as well as proprietors of the supporting small businesses that allow ASM communities to function. Food insecurity is expected to increase with contracting or lost incomes, given the central role that women play in the provision of meals in most households. Women were also seen as increasingly vulnerable to sexual and gender-based violence, given the economic contraction. In some contexts, existing gender gaps have widened, as a result of governments' responses to the pandemic and the increased domestic and childcare burden put on (mostly) women with the closure of schools.

In other contexts, unemployment rates and lost incomes among men active in the sector have spiked more than those of women—which could reflect the fact that, in some contexts, men are more involved in the sector than women. Social issues are also expected to emerge as a result of this increased unemployment.

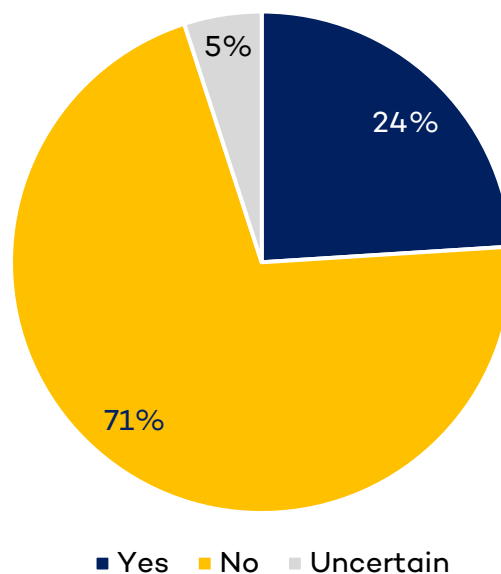


HAS YOUR GOVERNMENT SUSPENDED OR CANCELLED SPECIFIC PROJECTS OR SUPPORT PROGRAMS TO ASM MINERS AND COMMUNITIES BECAUSE OF THE COVID-19 PANDEMIC?

Nearly three-quarters of respondents noted that their governments have not yet suspended or cancelled specific projects or support programs to ASM miners and their communities as a result of the pandemic.

For those that have, the suspended projects include:

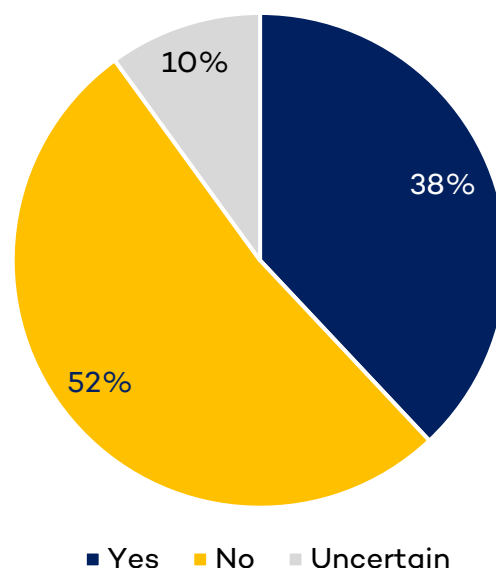
- Capacity-building programs for ASM miners, including those specifically targeting a reduction in mercury and cyanide use, and alternative processing technologies.
- A biometric registration program for ASM miners.
- Activities relating to the organization of the first Central African gems and jewelry expo.



IS YOUR GOVERNMENT OFFERING SPECIFIC SUPPORT TO ASM MINERS AND COMMUNITIES DURING THE COVID-19 PANDEMIC?

More than half of the survey respondents noted that they have been unable to offer specific pandemic-related support to miners and their communities since the beginning of the crisis. For those that have been able to support the sector, programs include:

- Awareness raising on the virus, and the distribution of sanitation and protective equipment, including face masks and hand sanitizer.
- Gold-buying programs, in the absence of international markets.
- Monetary and food aid.
- Community support and development funding.

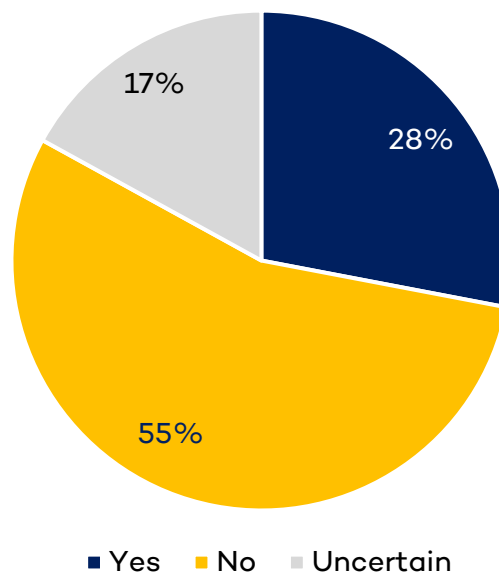




DO THESE SUPPORT MEASURES DIFFERENTIATE BETWEEN THE INFORMAL AND FORMAL ASM SECTORS?

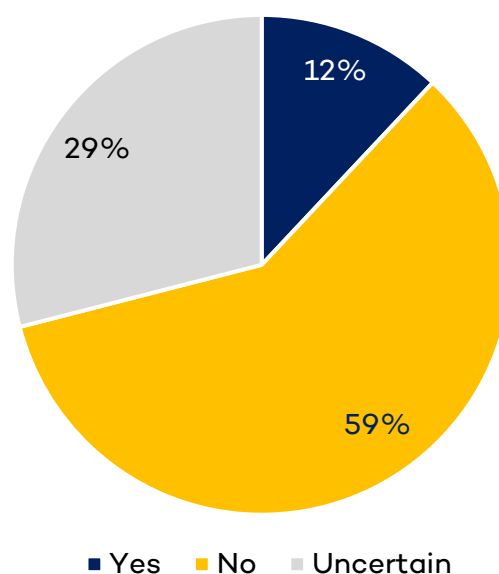
For more than half of respondents, ASM support measures did not differentiate between those operating in the formal or informal sectors.

For those that did differentiate, support is extended to those who carry out their activities in accordance with existing regulations. This is done in coordination with local and provincial authorities and typically through existing ASM projects that are already focused on economic and legal formalization.



DO THESE SUPPORT MEASURES DIFFERENTIATE BETWEEN MEN AND WOMEN?

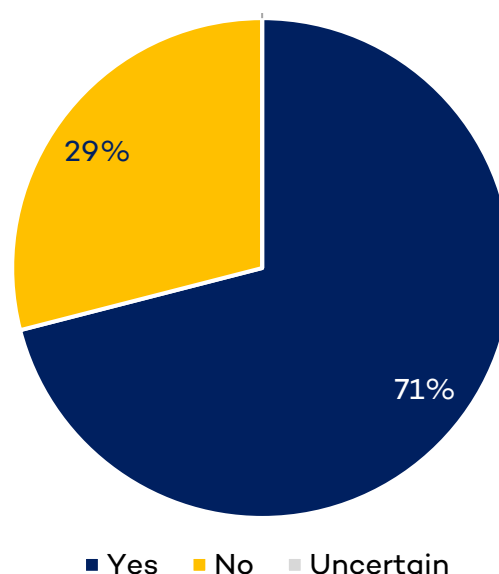
The majority of respondents noted that the support offered to ASM miners does not differentiate between women and men. However in two cases access to additional financial support does make the distinction; in one response, for example, access to financing includes gender considerations in its evaluation criteria for prioritizing the allocation of resources.





IS YOUR GOVERNMENT ABLE TO PROVIDE NEW OR CONTINUED SUPPORT TO THE ASM SECTOR?

Most responding governments have been able to provide new or continued support to their ASM sectors. The pandemic and resulting economic crisis have not affected, for example, government supports such as extension services and training programs on safe mining and processing practices, mine closure and environmental management, or support for market facilities. Governments also reported being able to continue to provide market information to ASM communities, to continue their efforts to map and demarcate areas for ASM activities, and training programs on best practices. Efforts have also continued to help organize ASM miners into associations and cooperatives, and the establishment of purchasing counters. Health programming, including but not limited to COVID awareness raising, has also continued.



Governments have also allowed new licence or permit holders to delay the start of their operations. For slightly larger operations, governments have looked into extending tax exemptions for those operators who have seen their orders for parts or equipment blocked by supply chain disruptions, and deferring penalties on late royalty payments made impossible by the pandemic. Some governments have tried to facilitate getting equipment and machine tools (such as crushers) to users that have seen their access to these businesses disrupted.

Some respondents also noted that their governments have taken steps to ensure that ASM-mined gold is purchased by the central bank, and that government labs are equipped and operational, so that these do not represent a bottleneck in getting ASM ores to market.

For those respondents that have been unable to offer new or continued support to ASM miners and communities, the main barriers and challenges have included limited government resources and poor access to ASM sites; a lack of reliable data to support ASM activities; the scattered and unorganized nature of ASM mining in their country; and a lack of mobility.

WHAT EMERGING CHALLENGES DO YOU SEE FACING YOUR ASM SECTOR IN THE NEXT 6 TO 12 MONTHS?

Several challenges were identified as facing ASM miners, communities, and the sector as a whole in the next 6 to 12 months. Many existed prior to the crisis but have been exacerbated by the pandemic; others have emerged with the spread of the virus.

Mobility constraints and reduced budgets will further undermine governments' ability to properly monitor and track illicit ASM activities. For more remote and inaccessible deposits, governments are anticipating increases in illicit and illegal mining. The eventual reopening



of borders and exports could also lead to increased illegal trade should purchasing offices be overwhelmed with supply and potentially surging prices from pent-up demand. Disrupted training and support programs could set back efforts at formalization in the sector and improved environmental and social performance.

For miners and their communities, governments expect further decreases in production as they continue to struggle with the health and mobility impacts of the pandemic. Low mineral prices, disrupted supply chains, reduced demand from economically affected purchasing countries, and travel barriers for foreign buyers will continue to translate into decreased exports from the sector. Access to financing is likely to be increasingly limited, given the economic crisis resulting from the pandemic. Extended school closures will not only continue to strain the ability of families to provide childcare but could push children into ASM and the search for gold.

WHAT MUST HAPPEN TO ENSURE YOUR GOVERNMENT CAN MEET THESE CHALLENGES AND SUPPORT ASM MINERS?

Addressing these challenges will require considerable effort from all stakeholders, including all levels of government, communities, and private sector actors from across the supply chain.

Governments noted that they will need to provide adequate funding to those departments and ministries responsible for ASM. The first priority is addressing the virus: health campaigns will need to be expanded and the provision of protective health equipment increased to ensure that miners can protect themselves from the virus and continue with their operations. Where possible, they should try to provide incentives and stimulus to safely reopen operations through extension services; food aid and equipment provision; increased access to markets; access to credit; and potentially buy minerals from ASM miners where markets are not working. Support could also include subsidies and tax breaks, support which would be best coordinated by neighbouring countries at the regional level (i.e., across West African Economic and Monetary Union (UEMOA) states, for example). Investments in drone technology and training could help compliance officers to monitor ASM operations in those areas where illicit activities are found or suspected. Governments should also better structure and supervise the marketing of artisanal gold—to reduce fraud and ensure that miners are not forced to sell their production at below-market rates.

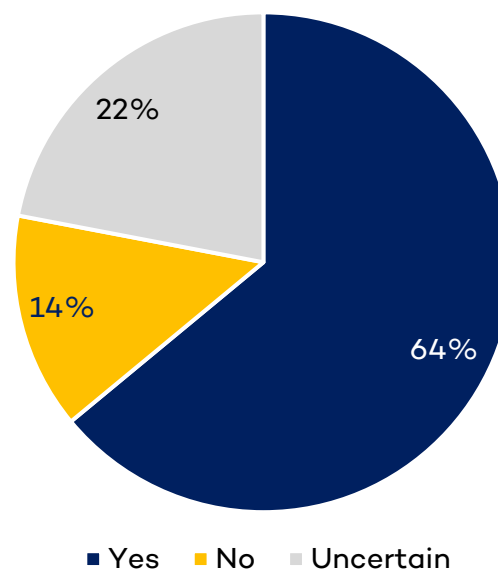
Some also noted that the pandemic could provide the impetus needed to organize and formalize their ASM sectors. Governments noted that formalization could reduce the vulnerability of those working in the sector by providing miners with increased access to training, financing, and markets. Once the pandemic is under control, governments should analyze their ASM sectors to see where they stand in the wake of the crisis and should develop a clear, implementable strategy that ensures their ASM sectors can fully recover from the pandemic.



ARE THERE LESSONS THAT CAN BE LEARNED FROM THE INFORMAL ECONOMY MORE BROADLY IN YOUR COUNTRY THAT COULD BE APPLIED TO YOUR GOVERNMENT'S EFFORTS TO SUPPORT THE ASM SECTOR?

The majority of respondents noted that lessons learned from the informal economy more broadly can be applied to addressing the COVID-related challenges currently faced by their ASM sectors. However, it is recognized that it can be difficult to extend help to informal miners, given their status and the often detrimental impact their activities can have on the local environment.

Most broadly, respondents noted that adequate financial support to ministries is crucial, as well as robust preparedness programs to deal with future emergencies and crises. As with other parts of the informal sector, governments should work to increase access to credit and to support training programs that increase capacities. More specifically, programs supporting other sectors of the economy can be applied to ASM miners and communities; salons and taxis, for example, have been given grants and soft loans to weather the financial storm, while fishers have been provided with fishing gear to support their work. Continuing efforts to strengthen miners associations and cooperatives will also help to reduce ASM sector vulnerabilities and support formalization.



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November 2020

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