

LSM and ASM Relationships

One of the key challenges facing large scale mining (LSM) operations in many countries is the presence of artisanal or small-scale miners (ASM) on their concession. The relationship between the two can start as early as the point of exploration. Abandoned or active artisanal workings can be an indicator of resources used by geologists when prospecting for minerals. In the same way, the arrival of a company's prospection team in an area can stimulate artisanal mining activity.

Pact's approach to LSM-ASM relations

Pact has a portfolio of approaches and interventions to assist companies to take the safest, least conflict-prone, and most collectively acceptable way forward. This can involve:

- Research and consultation with all parts of the ASM community to fully understand the ASM dynamics, economics, hierarchy, expectations, constraints, conflicts, values, and potential points of entry which are specific to every site and are of fundamental importance to designing effective interventions
- Establishing consultation mechanisms between the company and the ASM community as a conflict resolution forum and to enable both sides to discuss and avert possible problems before they arise
- Ensuring that the company's security department (often a key point of contact with the ASM community) can work well with the ASM



community, that human rights are respected by all, and that the ASM community understands the company's security standards and legal obligations

- Identifying and supporting the development of opportunities for LSM to incorporate ASM into its supply chain
- Assisting companies and ASM groups to agree to terms relating to mineral purchase, resource management, technical standards, and payment of taxes
- Assisting companies to understand ASM laws and regulations, as well as to engage with government ASM agents in an effective, transparent and constructive manner
- Supporting companies in efforts to develop appropriate alternative economic options for artisanal mining communities, recognizing that economic disparity, barriers to exit, debt, realistic time horizons, cultural pressure, and personal choice.





How LSM addresses ASM

LSM faces significant challenges in dealing with the presence of ASM on their concession. Companies must determine the approach they are willing to take in relation to the desired outcome, on the basis of risk analysis and mitigation.

Approaches and steps which can be taken range from:

- Forced evacuation or negotiated departure from the site, with or without re-settlement/compensation
- Negotiated co-habitation options including ceding sub-industrial parts of the concession (ideally these should be supported with sharing of information). However, this is frequently limited by legal issues of transferability of mining titles and rights
- Purchasing arrangements with the ASM community as a legal/formal supplier
- Providing access to technical support such as basic mineral processing facilities
- Subcontracting to commercial small-scale mining ventures
- Providing emergency rescue services if needed
- Job creation schemes; creation of alternative livelihoods; establishing local supplier businesses
- Social development projects that improve the lives of the surrounding community including ASM workers

How conflict can occur

LSM and ASM are largely incompatible. Health and safety requirements, boundary control and security measures, blasting areas, construction of a mine, and safe mine management all preclude the presence of itinerant and informal workers on a concession. Once formal title is established and mine development is underway, the process of removing artisanal miners and maintaining this exclusion is a key point at which conflict can occur.

Pact sees LSM-ASM relations from both sides and finds the common ground which can enable both scales of mining to carry out viable economic activities in a mutually respectful atmosphere of enhanced security

