



ITSCI PHASE 3: Social Value Addition

Economic Strengthening for Artisanal Miners



What is the problem?

Artisanal and Small-scale Mining (ASM) is a hugely important livelihood for tens of thousands of people in the Great Lakes Region (GLR) who produce minerals by hand, using rudimentary tools, in remote sites. However, the potential for ASM to deliver long term value to the miners and surrounding communities is currently unfulfilled. Minerals deliver immediate value to miners when traded, however, all too frequently, the income from the transaction is used for short term needs rather than longer term development. Few miners know how to work efficiently to maximize mineral recovery, and few know the value of the minerals they produce in terms of grade and relative pricing.

Furthermore, literacy and formal education levels are often low in ASM communities due to the migratory nature of the work, the remote location of the mines, and the frequency of child labor in ASM at the expense of school attendance. In the DRC, for example, over 30,000 artisanal miners produce minerals containing tin tantalum tungsten ore which enter into the iTSCi system. The majority of these miners, both men and women, have low levels of literacy and no opportunity to engage in adult learning.

Many miners are in debt to informal creditors and sponsors who 'pre-finance' their work, often with resulting trade commitments, high levels of interest, and prices that are preferential for the buyer. Miners regularly cite lack of access to formal credit and financial services as being major obstacles to improving the efficiency of their activities. Yet few miners have the necessary credentials to make them attractive clients for financial services as they often lack security of tenure for their mine site, they may have no fixed address due to the migratory nature of their work, and financial services may simply not extend to remote mining areas. This is a situation which can be improved by self-generation of capital through savings, management of debt, and financial acumen.

What are iTSCi and Pact doing?

WORTH for Miners Curriculum

In 2015, Pact received funding from the Dutch Ministry of Foreign Affairs (DMFA) to develop a new initiative called 'WORTH for Miners' as part of the iTSCi program. This initiative will deliver a package of literacy, numeracy, savings and financial skills to miners to increase their economic resources and potential. The DMFA funding will enable the development of an appropriate, engaging curriculum which responds to the miners' needs and areas of day-to-day concern.

Establishing WORTH Groups in Mining Areas

WORTH operates through self-selected groups of individuals who come together with the support of a trainer/ mentor who supports the members as they work through the modules of the curriculum. Men and women meet in separate groups as this is important to avoid gender bias, discrimination or domination in the groups. The trainers (themselves trained by the program) are local teachers or others who already have a role in training and leadership. Each group has around 20 members and meets at least once per week.

Savings and Loans

Groups set up a secure savings facility and members contribute an agreed amount each week. As the group's capital grows, members start to borrow money from the group for agreed business investments, repaying from their profits. The repayment rate within peer groups has been found to be high. This responsible financial management is an essential precursor for miners to then graduate to seeking commercial credit from formal financial services.

What will your support do?

US\$10,000 will sponsor the translation and printing of training materials for 15 miners' groups

US\$20,000 will provide matched funding of \$5,000 for four groups who produce viable business plans to improve their operations.

US\$50,000 will pay for new curriculum modules on different minerals such as copper and gold.

US\$80,000 will pay for advanced business skills training and business start-up for 45 entrepreneurs.

US\$120,000 will support the establishment of 20 new savings groups for 200 men and 200 women.

US\$250,000 will pay for 3 groups to participate in exchange visits and for an inter-provincial meeting of group leaders to share experiences with authorities, investors and donors.

US\$300,000 will enable the expansion of the project to a new province.

In order to contribute to the ongoing field work infrastructure of the iTSCi Programme, contributors should also budget for an additional US\$7,500 per year for iTSCi membership.

What is WORTH for Miners?

Since 1998, Pact's WORTH economic empowerment program has operated in 14 countries, reaching over 300,000 women who have saved over US\$4 million. The WORTH methodology is proven to be self-replicating and self-sustainable.

The WORTH curriculum and methodology is being adapted to be appropriate for artisanal miners with special emphasis on pictographic representation of lessons and using local languages.

The curriculum will be based on the needs and realities of artisanal mining and mineral trading, focusing on technical mining issues, mineral valuation, and mineral trading as well as ASM organization, health and safety, women's rights in mining and prevention of child labour.

The savings the groups generate can be used to improve their ASM operations, to purchase essential equipment, to create shared facilities for processing, or to invest in alternative or supplementary livelihood activities outside mining.

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Pact is an international, nonprofit organization with forty years of experience. Our vision is a world where those who are poor and marginalized exercise their voice, build their own solutions, and take ownership over their future.

