Innovations in ASM Supply Chains during COVID-19
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July 16th 9-10am EST
Register in advance on Zoom

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
  - Working towards just and sustainable world
  - 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
ACHIEVEMENTS & IMPACTS (HEALTH)

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

[Participants’ Median Score]

✓ 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

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<tr>
<th>Do you know the term “due diligence”?</th>
<th>Yes (Before WS)</th>
<th>Yes (After WS)</th>
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<th>Do you know why it is important and beneficial for you?</th>
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[Research]
✓ Identified potential exporters for diamonds to be mined by the cooperative.
✓ Interviewed exporters may practice responsible sourcing in the future.
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/

[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.

[Research]
✓ 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.
COVID-19 RESPONSE

NAP.MINERAÇÃO/USP
BRAZIL

ASGM Sustainability in Peixoto
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
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 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
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
CONTEXT & BACKGROUND: CENTRAL AFRICAN REPUBLIC

- CAR produces 150,000 cts of gem quality diamond and 5 MT of gold per year (100% artisanal & small-scale)
- 30% of the country population depends on mining revenues
- Covid affected liquidities, prices, production and food security
- Under partial Kimberley Process embargo since 2015
- Direct marketing options considered over last 10 years
- Government is now conducting reforms and looking at alternative business models
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
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