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Artisanal Mining in the ASALs of IGAD Region

Introduction:

Economic integration in the Inter-Governmental Authority for Development (IGAD) region is driven by a wide array of initiatives aimed at addressing common development issues such as trade, investment on specific sectors such as renewable energy, infrastructure, bio-diversity and marine resources. About 80 percent of the 5.2 million km² of the IGAD region is arid and semi-arid lands (ASALs) is rich in fauna and flora and has the highest number of livestock in Africa. However, these valuable resources are underutilized and remain potential drivers of local and national economies.

Majority of the population in IGAD member states derives their food and income sources from water and land use based occupation depending on what the ecosystem could potentially offer. However, due to climate change that has led to recurrent drought events that are often followed by floods. The recurrent drought episodes, increasing human population,



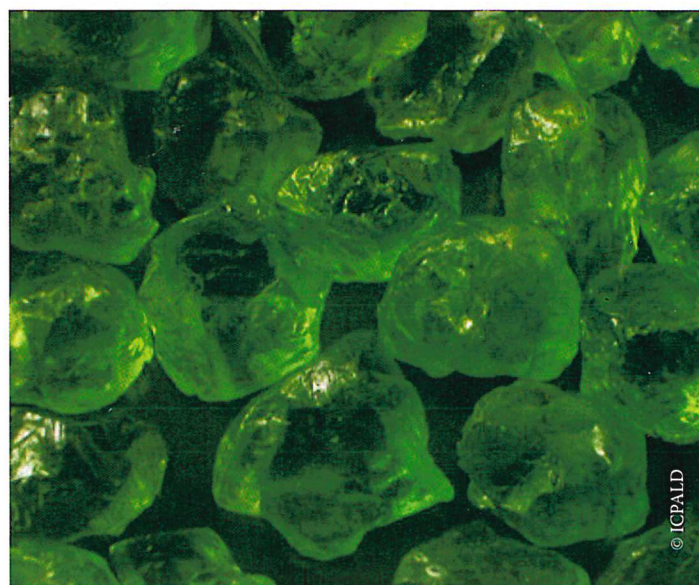
poor economic performance and environmental degradation have, over the years, eroded the resilience of the ASAL communities to appoint where any normal drought episode quickly escalates into famine. Although livestock remains the principle source of livelihood in the ASALs, the future lies with a combination of livestock and exploitation of products from ASALs. It is time to take cognizance of artisanal minerals and plants of economic importance that are threatened by climate change, predatory exploitation and desertification. Such an initiative can be supported by a network of mining, range management and biodiversity research and training institutions in the region that could be used to collect plant material either in situ or ex situ to form live collections that could be sources of breeding materials.

Communities in the IGAD ASALs are increasingly becoming aware of the value of artisanal minerals and the non-wood forest products including medicinal plants, honey, gums, resins and spices. Traditional knowledge particularly on medicinal plants is gaining acceptance and wide recognition by mainstream conventional health systems and practitioners.

There is, however, a need to allocate public resources and review the national policy and legal frameworks to accommodate production, processing, packaging and marketing of artisanal minerals and NWFPs in areas of production. It also is widely acknowledged that communities will protect natural resources in ASAL areas including wildlife and plants, if the communities derive benefits.

To inform the debate and/or decision to broaden income sources opportunities for ASAL communities, ICPALD commissioned a study to map artisanal minerals and NWFPs. The study was designed to provide evidence on extent and identify existing opportunities for investment from ASALs of IGAD member states.

Given the skewed public sector investment in the IGAD ASALs, increasing competition for natural resources is not only damaging pastoral rangelands but destroying livelihoods in ASAL areas. Nonetheless, NWFPs including gums, resins and honey play important source of food for pastoralists and inputs for pharmaceutical industries. Such products from NWFPs have good share in world markets. However, market systems for both artisanal minerals and NWFPs in the region are presently tipped in favor of processors and marketers



with the raw material producers receiving very poor returns for their labor and investments.

It is estimated that 0.5 - 1.0 million individuals are engaged in artisanal mining in Ethiopia, while there are 30,000 people in Kenya, 1.0-1.5 million in Sudan, 100,000 people in South Sudan and 300,000 in Uganda. Indirect beneficiaries including members of the households, local traders, processors and end market traders increase the number of beneficiaries by 5 – 6 folds. It is therefore essential that member states appraise the true socio-economic contribution of artisanal mineral and NWFPs to local and national economies of IGAD member states to better inform policy development and public sector resource allocation. It is critical to note that majority of those engaged in artisanal mining in IGAD MS are youth and women. This makes artisanal minerals an opportune entry point for wealth and employment creation in the ASALs

From the data available, albeit scanty, it is apparent that artisanal minerals in ASALs have the potential to drive local resilience agenda and contribute to economic growth and social development. To ensure sustainability, however, it is important to anchor the development of the artisanal and small-scale mining and bio-prospecting of NWFPs in relevant national policy, legal and institutional frameworks. For example, artisanal and small-scale mining encourages the development of what is otherwise considered as uneconomical mineral reserves. Since it has a large labour absorptive capacity, artisanal and small-scale mining can help alleviate rural unemployment challenges and help dissipate youth energies away from anti-social activities. The resultant increase in rural incomes would spur other rural economic activities including those linked to food production, housing, furniture, and fabrication (UNECA, 2003).

Development of a dynamic and inclusive policy, legal and institutional framework should clearly spell the development objective in the mineral sector and offer directions on:



- Policy and governance reforms,
- Enable environment for artisanal mining through access to affordable credit, insurance, quality assurance and other financial services and,
- Create incentives and avenues to encourage “illegal” artisanal and small-scale activities to evolve into legally licensed small businesses.

Gold is the main mineral that is widely exploited by artisans. Artisans pre-dominantly use rudimentary technology and operate informally. Artisans face several operational, financial and marketing challenges including (i) weak regulatory framework; (ii) poor basic education, training and management skills; (iii) use of inefficient mining technologies and only live illusive hope of recovering wholesome amount of mineral; (iii) unhealthy and unsafe working conditions; (iii) inadequate basic infrastructures (roads, health centers, potable water, energy and markets); (iv) poor access to markets.

Despite these challenges, artisanal mining is an important economic activity, especially where alternative opportunities are scarce. For IGAD member states to build resilience and provide alternative livelihood bases for dryland communities, artisanal mining need to be a national economic agenda with necessary policy, legal and institutional frameworks that (i) develop dynamic and gender inclusive artisanal mining opportunities (ii) create conditions that will enhance private sector development including building private enterprises and



more competitive and inclusive markets, (iii) form associations and strengthen the existing ones in order to empower artisans to bargain better, access financial services and operate with economies of scale, (iv) train artisans on various relevant mining aspects such as more efficient mining methods; business development skills; health, safety & environmental issues, and (v) create an enabling environment for investment

in mineral processing for value addition.

The conclusion to be drawn from the studies undertaken by ICPALD is that artisanal mining is “an invisible economic activity” which dryland communities compliment their main source of income – livestock and rainfed-agriculture. In fact, there is more economic opportunity in artisanal mining than charcoal burning that destroys the ecosystems at which dryland communities sources their livelihoods. Artisanal mining and non-wood forest products have less publicity because they are far from the eyes of policy makers, research institutions and private investors. If these shortcomings are improved, artisanal mining and NWFPs will take on new economic significance for IGAD member states particularly in ASALs areas that have limited economic opportunities.

This research has the following far-reaching policy and development implications

- IGAD member states have to reverse existing limited economic opportunities in the Arid and semi-arid areas by facilitating public and private sector investments in areas that enhance community resilience.
- Promote the development of quality assurance at local, national and regional markets to exploit the full potential of small-scale mining activities and non-wood forest products.
- There is an urgent need to develop an IGAD-wide initiative to coordinate quality assurance and marketing strategies among IGAD member states producing similar artisanal minerals
- Establish Centres of excellence / Business Incubation Centres at national level to promote the development of relevant skills, information sharing and exchange of expertise in these sectors. These Centre will also be a place to provide technical and vocational training to primary producers/miners, processors and other actors in the supply chains.
- Link research to development (R and D). There is a need to strengthen links between research projects to producer associations, processors and traders of artisanal mining.

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Disclaimer: The views expressed herein can in no way be taken to reflect the official opinion of the European Union or those of the IGAD Secretariat.

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