

*This note has been issued by the EITI International Secretariat in collaboration with the World Bank and in partnership with Pact Inc. It seeks to provide guidance to implementing countries interested in covering artisanal and small scale mining on how the EITI can be a tool for addressing ASM challenges. The EITI simply requires that an estimate of informal sector activity is disclosed. Readers are advised to refer to the EITI Standard directly, and to contact the International Secretariat to seek further clarification. Contact details can be found at [www.eiti.org](http://www.eiti.org).*

# Coverage of Artisanal and Small Scale Mining (ASM) in EITI

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## *Guidance note 21*

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## 1. Summary

In many resource rich developing countries, artisanal and small scale mining (ASM) provides a livelihood for millions of people and is a major source of economic development for many rural and regional communities. ASM does not typically generate material revenues at national level and is thus often excluded from EITI reporting. However, the EITI does require<sup>1</sup> that an estimate of informal sector activity, including ASM is disclosed and many countries have expressed an interest in further guidance on how the EITI can be a tool for addressing ASM challenges. This paper outlines how the EITI process – both reporting and the multi-stakeholder platform – can be used to inform public understanding and debate about ASM and the systems that administer it to ensure that value is created in a socially and environmentally sustainable way. It is intended for use by EITI multi-stakeholder groups (MSGs) and national secretariats.

## 2. Background

To date, the EITI has largely focused on improving the transparency of large-scale industrial extractives operations. However, in many countries, there is another form of mining activity which plays a significant role in national mineral production and economic activity which is often overlooked: ASM. ASM is the manual extraction of minerals by artisanal and small-scale miners who often dramatically outnumber their counterparts in the industrial sector. The purpose of this Technical Note is to guide implementers on how these miners and their activities may be captured in the EITI process in order to contribute to national discussion and decision making with respect to the regulation and development of ASM. It considers how national multi-stakeholder groups (MSGs) may assess the importance of ASM for their country circumstances and whether the EITI is an appropriate tool for reporting on the sector. It also considers what types of data may be relevant, how EITI countries could go about finding that data, and how it can be included for reporting and analyzed for public dialogue purposes.

To achieve these objectives, this document presents a menu of options for countries seeking to improve public awareness and understanding of the contribution made by ASM and the issues surrounding ASM development. It outlines how countries can go about identifying information on the sector and if relevant, collecting and reporting on ASM. It highlights first the need for an assessment of criteria for inclusion in EITI reporting, the types of data which may be available for countries, and the different models for data collection and reporting which can be adapted to different situations, needs and opportunities. The level of significance of ASM in the national mineral economy will most likely influence how far countries may choose to go in integrating ASM into their EITI process.

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<sup>1</sup> EITI Requirement 6.3 states that EITI Reports are expected to include “an estimate of informal sector activity, including but not necessarily limited to artisanal and small scale mining.” in the information related to extractive industries contributions to the economy for the fiscal year covered (The EITI Standard, Page 29)

**Box 1 - Examples of the economic importance of ASM in some EITI countries**

**Central African Republic:** Rough diamonds are the country's leading mineral export and exploitation has so far been done exclusively through ASM. According to the Kimberley Process Certification Scheme, rough diamond exports stood at 371,000 carats, worth USD 62.1 million, in 2012. That figure represents about half of CAR's total exports and 20% of budget receipts.

**Democratic Republic of Congo:** ASM is widespread and estimates of the number of people employed vary between 500,000 2,000,000. The 2012 report showed that mineral smuggling from artisanal mining was still costing the government significant revenue. Lost revenues due to mineral smuggling were estimated at USD 8 million per year for gold alone.

**Ghana:** According to Ghana's 2012/13 EITI report, around 34% of Ghana's total gold production of around 4.3 million ounces was produced by ASM with miners paying no royalties or taxes.

*Source: EITI Reports*

**3. Benefits of incorporating ASM into EITI processes**

In many resource rich developing countries, ASM provides a livelihood for millions of people and is a major source of economic development for many rural and regional communities. While there is no universal definition, the OECD Due Diligence Guidelines defines ASM as: "formal or informal mining operations with predominantly simplified forms of exploration, extraction, processing, and transportation. ASM is normally low capital intensive and uses high labour intensive technology." According to this definition, ASM can include men and women working on an individual basis as well as those working in family groups, in partnership, or as members of cooperatives or other types of legal associations and enterprises involving hundreds or even thousands of miners.<sup>2</sup> Distinctions between artisanal and small-scale mining are made in some countries whereby 'artisanal' typically refers to pure manual mining while 'small-scale' may have fixed installations or use mechanized equipment. However, the diversity of ASM operations is vast and generalizations are easily contradicted. ASM can be carried out by men, women, youth and children.

Obtaining detailed information about ASM scale, dynamics and economics can be challenging and, even in countries where ASM research has been undertaken, data is often not well stored and rarely used for policy and decision-making purposes. Most ASM activity is informal or illegal in nature. Production, therefore, may be clandestine and hidden from official view or registration. The ease of quantification of

<sup>2</sup> The OECD Due Diligence Guidance provides detailed recommendations to help companies respect human rights and avoid contributing to conflict through their mineral purchasing decisions and practices. This Guidance is for use by any company potentially sourcing minerals or metals from conflict-affected and high-risk areas. <http://www.oecd.org/daf/inv/mne/mining.htm>. See also Thomas Hentschel, Felix Hruschka, and Michael Priester (2003) Artisanal and Small-Scale Mining: Challenges and Opportunities <http://pubs.iied.org/pdfs/9268IIED.pdf>

production is often linked to the level of informality/ clandestine activity in the sector, the levels of illegal trade, and the nature of the materials extracted. The higher the value and portability of the material, the more likely it is to be traded illegally and the harder it is to quantify production.

Miners may be migratory, work may be seasonal, and mines may be short lived, all of which lead to erratic production and challenges in quantifying the scale and value of the sector. At the same time, more professional small-scale miners may be leading rural entrepreneurs, employers and exporters. Often, ASM is further subject to both official charges as well as an informal system of taxes and payments in which rents are sought by government agents, traditional authorities, security forces, and other actors in the ASM mineral supply chain. Thus, despite being a major source of mineral production and an engine of economic activity, especially in rural areas, the true value of ASM is rarely captured and the sector typically fails to generate official revenues for the state.

While the EITI has traditionally focused on the formal, large scale mining (LSM) sector, it increasingly seeks to provide a more comprehensive picture of the contribution of the extractive sector to the economy, both formal and informal. This includes fiscal revenues, employment, exports, livelihoods, investment and contribution to GDP through linkage industries. Inclusion of ASM within the EITI process has the potential to improve citizens' awareness of ASM activity, the issues associated with aspects of its operation, and support an evidence-based debate on the costs<sup>3</sup> and benefits of ASM.

## 4. Getting Started

An approach towards including ASM in the EITI process could include the following steps undertaken by the multi-stakeholder group (MSG):

- i. Undertake a scoping study to map out key issues, actors, institutions, relevant information sources, processes for quality assurance while minimizing the cost of reporting.
- ii. Agree reporting guidelines in consultation with the Independent Administrator
- iii. Task the Independent Administrator or a specialised consultant (individual or organisations) with background and expertise on ASM to collect additional information and prepare information that could be included in the EITI reports.
- iv. Discuss the policy implications of the information and any recommendations for the governance of the sector from the reporting process.
- v. Disseminate information to raise awareness and promote informed debate.

### A. Scoping phase

In the scoping phase, the MSG may note that even though ASM constitutes a significant source of employment and wealth generation in mineral-rich developing countries, its typical informality makes estimating the potential contribution to national development and growth difficult. This often stems from two gaps in data: 1) production statistics—both those disaggregated by mine site and mineral, and those aggregated at the national levels; and 2) formal revenues streams derived from licensing permits, leases

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<sup>3</sup> It is important to note that the ASM sub-sector may also bring about negative impacts such as dangerous work practices, the use of child labour, environmental damage or contamination, health hazards as well as transnational crime and conflict.

paid to traditional chiefs or land holders (often paid in addition to licensing permits if they exist), value added taxes at export, production taxes at mine sites, potential in-country processing taxes, or fees associated with trading (third party buyers).

The opacity of this type of data generally relates to the following factors: 1) purposeful under-reporting of production statistics by operators in order to avoid high taxation (whether formal or informal) 2) dispersed mine sites that are difficult to access and monitor by government agents where producers' record keeping can be obtained at the specific mine site 3) multiple government agencies intervening in the sector who collect taxes or other types of revenues at specific nodes of the production and trade chain, instead of a one-stop revenue collection centre (called a *guichet unique* in French) 4) cross-border smuggling that gets officially reported by traders (called *comptoir* in French) as local production 5) the multiplicity of actors intervening along the production and trade chain (small miners, transporters, traders, and exporters); and 5) a lack of capacity within government institutions to record, track and harmonise production and fiscal flows from mine sites to the national level.

At all times, the MSG will need to consider issues of proportionality i.e. how much effort, time and resources, are appropriate for the amount the information will be used. Data collection can have significant cost implications so it is assumed that the Scoping Phase would rely on existing primary or secondary information available in-country. The scoping phase should be designed to help MSGs assess the potential level of data collection required should the MSG choose to move ahead with any of the reporting options found in Heading 4.B Options for ASM Reporting, below. This scoping study should also assess the capacity of ASM units to register, manage and report information to the government for EITI purposes.

The outcome of the Scoping Study would be to assess the level of available data in-country on ASM, the institutions who are responsible for reporting on ASM, and propose how a national EITI Process could, if at all, report on ASM within its regular reporting structure/process. For instance, in Burundi, a Scoping Study looked at the roles and responsibilities of the government towards ASM, examined the availability of data already within the revenue authorities and the Ministry concerned with mining, discussed with stakeholders the interest and feasibility of reporting on ASM, outlined the challenges that an EITI process may face in reporting on ASM, and proposed an approach with methods for testing a reporting process. In the case of Burundi, this Scoping Study was tabled at the national level and discussed with the government before making any determination on whether reporting on ASM was feasible.<sup>4</sup>

In the DRC, an ASM Scoping Study<sup>5</sup> was undertaken relying on a combination of secondary data and field visits. In this case the Scoping Study provided a practical road-map for how the national EITI Process in the country could feasibly integrate ASM data in its annual EITI report. The scoping study includes a stakeholder mapping of various actors operating in the informal and semi-formal ASM sector, an overview of revenue streams stemming from ASM at the national and local level, recommendations to the MSG on how to include ASM in EITI reporting, and reporting templates for entities and individuals (merchants or

<sup>4</sup> [https://eiti.org/files/Burundi/ScopingStudy\\_EITI\\_Burundi\\_FR.pdf](https://eiti.org/files/Burundi/ScopingStudy_EITI_Burundi_FR.pdf)

<sup>5</sup> EITI DRC Rapport de l'Auditeur Independent sur l'Etude de Cadrage de la Couverture de l'Exploitation Miniere Artisanale a l'est de la Republique Democratique du Congo, (PricewaterhouseCoopers, July 2015)  
<https://drive.google.com/file/d/0B1C1Aj5TqAgvY2N1cmNlbFJOdG/view>.

traders, purchasing houses, processing entities, local and central authorities) that would be required to report. The DRC EITI plans to publish its first pilot report on artisanal mining in 2016.

In addition to scoping the feasibility for reporting, a scoping study could look at representation on the MSG. For countries with dominant ASM sectors, specific provisions could be made for the inclusion of ASM representatives in the MSG. ASM representation in the MSG can also contribute to giving visibility to the sector, which is often not considered a legitimate actor in national mining industries. In countries where miners are encouraged or required to form or participate in cooperatives or associations, the representatives of these groups could be included.

The MSG can be an important forum for overseeing the collection of the data, analysing its information, and making recommendations either about the data collection process or about the governance arrangements in the sector. MSG members can discuss these issues among themselves and use their constituencies and wider channels to disseminate the information and inform public debate.

## B. Options for ASM reporting

Following a Scoping Study, a determination may be made by the MSG on how, if at all, it wishes to include ASM in its reporting. As such, reporting on ASM can include qualitative and/or quantitative data as well as make use of secondary and/or primary data sources. This would require the MSG to assess the costs and benefits of each of these choices given the country context.

Based on the scoping phase outlined above, implementing countries should consider and select what data they choose to report. Depending on the scale of ASM activity, reporting could vary from basic sector information such as the regions where ASM is occurring and the minerals being produced to levels of production, and to eventual revenues paid to local and national governments. The breadth and depth of disclosures could also become progressively more comprehensive over time.

One effective way to gather this quantitative data could be to consider every step in the supply chain and the actors, transactions, and payments that may be made at each point, as proposed in Table 2 found further below. A distinction is made in the term “payment” between taxes (mainly royalties) and other related fees (like licenses and their renewals, annual surface rents, etc.). In addition to official payments to government representatives, there may be a range of payments by miners to non-state actors on both an official and an unofficial basis. Such payments might include: fees for right to access/work on site; payments to traditional authorities; payments to land owners; payments to operate unofficially or to avoid legal fines/penalties; payments for unofficial security services; and interest payments to sponsors and financiers. See reference to Tables 1 and 2.

Some options are explored below. Each option would entail different approaches towards data management and reporting, which should not hinder ASM formalisation efforts, but rather facilitate it.

- **Option 1 - Providing an overview of the ASM sector:** A reporting country could start by just providing a descriptive overview of its ASM sector, emphasizing qualitative data, if quantitative information is not available. The EITI reporting itself could primarily provide links to other

available information on the ASM sector. This section could build up over reporting periods to become increasingly more detailed and inclusive, setting the stage for moving towards Option 2. It may include description of initiatives underway in a country to support ASM development. Many countries are beginning such reporting processes, such as Tanzania and the DRC.

- **Option 2 – Providing an overview of ASM activity, production and export data:** In addition to the ASM overview, the report could include a section which details ASM production by mineral on an annual basis and perhaps verify the information. When set against the total production of the mineral sector, the report could quantify the percentage contribution of ASM to the national total production. This was the case in Liberia for many years and Ghana, which reported on ASM production in its 2012/2013 EITI report.
- **Option 3 – Providing an overview of ASM activity, production, export and revenue data:** The inclusion of ASM revenues received by government is an important step towards quantifying the economic contribution of ASM to the nation. The report could include miners (artisanal and small-scale miners), local traders or exporters from the country of mineral origin, international concentrate traders, mineral re-processors and smelters/refiners, in accordance with the OECD Due Diligence Guidelines. Making these agents accountable through the EITI, could help create more legality in the whole value chain. It should be emphasized, however, that even where ASM revenue is significant, the distributed and small-scale nature of ASM activity means that reconciliation is unlikely to be feasible. Instead, the most suitable way of reporting ASM revenue is likely to be through unilateral declarations made by national or subnational levels of government. This was the case in Central African Republic and would be the model pursued by the Government of Burundi.

In the first years of incorporating the ASM sector into EITI reporting, most countries will find challenges in implementation and gaps in data. In some cases these gaps will be significant. However this need not be a deterrent to reporting, rather it should be used as a benchmark from which to measure annual improvement. Once the process of ASM reporting has started, the multi-stakeholder group could be involved in a process of setting targets for improved reporting on agreed elements in following years.

**Table 1: EITI Requirement 3 Applied to ASM**

Data category	Data that could be collected	Possible sources of data
Institutional governance of ASM	<ul style="list-style-type: none"> <li>• Ministries, agencies, units regulating ASM</li> <li>• Structure and relationships between involved ministries, agencies, units</li> <li>• Roles, responsibilities, mandates</li> <li>• Institutional resources (geographic reach, offices, etc) and capacities (staff, budget, etc)</li> </ul>	<ul style="list-style-type: none"> <li>• Mining Code, Mining Regulations</li> <li>• Institutional statutes of establishment /incorporation</li> <li>• Action plans</li> <li>• Budgets</li> <li>• Audits</li> </ul>
Licensing process for ASM and its status	<ul style="list-style-type: none"> <li>• Process for allocating, renewing, transferring and cancelling ASM rights and licenses</li> <li>• Legal status of ASM (degree to which the licensing process is effective/ respected)</li> <li>• Terms and conditions of ASM operations</li> </ul>	<ul style="list-style-type: none"> <li>• Mining Code, Mining Regulations</li> <li>• ASM licensing authority</li> <li>• Cooperatives/associations</li> </ul>
Overview of the ASM sector	<ul style="list-style-type: none"> <li>• Which minerals are mined by ASM</li> <li>• Where ASM occurs and type of sites</li> <li>• ASM actors and supply chain</li> <li>• Relationship between ASM, LSM and SOEs</li> <li>• an assessment of organisational and productive capacities of artisanala dn small scale miners (what type of ASM, formal or informal)</li> </ul>	<ul style="list-style-type: none"> <li>• Geological data</li> <li>• Allocation of licenses/Cadastral data</li> <li>• Mining Code and Mining Regulations</li> <li>• National/international ASM experts</li> <li>• Academic studies &amp; NGO reports</li> </ul>

*Table continues on next two pages*

Data category	Data that could be collected	Possible sources of data
Number of sites	<ul style="list-style-type: none"> <li>• Location of sites</li> <li>• Minerals produced at each site</li> </ul>	<ul style="list-style-type: none"> <li>• Allocation of licenses/Cadastral data</li> <li>• Mining ministry field agents' reports</li> <li>• Prospection/geological surveys</li> <li>• Reports from LSM</li> <li>• Gemological Institute of America (for gemstones)</li> <li>• KPCS (for diamonds specifically)</li> <li>• iTSCi (for 3ts in Burundi, DRC and Rwanda specifically)</li> </ul>
Number of miners	<ul style="list-style-type: none"> <li>• Disaggregation by gender</li> <li>• Employment in ASM in absolute terms and as a percentage of total employment in the mining sector</li> </ul>	<ul style="list-style-type: none"> <li>• Mine owner/operators reports of employment, accounts</li> <li>• Cooperatives/associations' reports, accounts</li> <li>• Women Miners Associations</li> <li>• ASM licensing process statistics</li> <li>• Mining ministry field agents' reports</li> <li>• Academic studies &amp; NGO reports</li> <li>• KPCS (for diamonds specifically)</li> <li>• iTSCi (for 3ts in Burundi, DRC and Rwanda specifically)</li> <li>• National Household or Employment Surveys</li> <li>• National Institutes of Statistics</li> </ul>
Level of domestic production and exports	<ul style="list-style-type: none"> <li>• Production by mineral</li> <li>• ASM production in absolute terms and as a percentage of total production</li> <li>• Export volumes in absolute terms and as a percentage of total export volumes</li> </ul>	<ul style="list-style-type: none"> <li>• Mining ministry field agents' reports</li> <li>• Mining associations' reports, accounts</li> <li>• Data on prices</li> <li>• Processing units/exporters' reports, accounts</li> <li>• Official mineral export statistics</li> <li>• Data on fraud</li> <li>• Ministry of Trade and Commerce</li> <li>• Ministry of Finance (national accounts)</li> <li>• National Institutes of Statistics</li> </ul>

Data category	Data that could be collected	Possible sources of data
Summary description of the fiscal regime	<ul style="list-style-type: none"> <li>• Laws governing the fiscal aspects of ASM</li> <li>• The rates for taxes payments and fees</li> <li>• Roles and responsibilities of Government agencies engaged in collecting and administering the fiscal regime for mining, including ASM</li> </ul>	<ul style="list-style-type: none"> <li>• Mining Code, Mining Regulations, Tax Code, Cooperative Codes or Statutes, other legislation related to public financial management, etc.</li> <li>• Statutes of Government agencies</li> <li>• National/international ASM experts</li> <li>• Academic studies &amp; NGO reports</li> </ul>
Total government revenues generated by ASM	<ul style="list-style-type: none"> <li>• Actual figures from ASM taxes, royalties, bonuses, fees, other</li> <li>• Estimate of potential income from royalty based on the calculated level of production</li> <li>• ASM revenues in absolute terms and as a percentage of total revenues from mining</li> <li>• ASM export earnings in absolute terms and as a percentage of total revenues from mining</li> </ul>	<ul style="list-style-type: none"> <li>• Official tax statistics and receipts</li> <li>• ASM licensing process statistics</li> <li>• Official mineral export statistics</li> <li>• Ministry of Trade and Commerce</li> <li>• Ministry of Finance (national accounts)</li> <li>• National Institutes of Statistics</li> <li>• Central Bank (especially if country buys its own gold)</li> </ul>
ASM revenues or funds for specific programs/ geographic regions	<ul style="list-style-type: none"> <li>• ASM revenues for social programs in ASM areas</li> <li>• ASM revenues for management of ASM sector</li> <li>• ASM revenues supplemented/ matched by donors</li> <li>• Mechanisms for ensuring accountability and efficiency</li> </ul>	<ul style="list-style-type: none"> <li>• Mining ministry field agents' reports</li> <li>• Local authorities' reports</li> <li>• NGO reports</li> <li>• Donor reports</li> </ul>

**Table 2: Aggregated revenues that could be (unilaterally) included in EITI Reports**

Supply chain step	Official payments that may be made to the state	Receiving agencies	Destination of revenues
Mine level	<ul style="list-style-type: none"> <li>• Exploration/prospection license</li> <li>• Exploitation/mining license</li> <li>• Business operation license or regular fee</li> <li>• Cooperative/association establishment license or regular fees</li> <li>• Infrastructure and services (water supply, electricity connection, etc.)</li> <li>• Tax on equipment (VAT, imports) and consumables (fuel)</li> <li>• Environmental licenses, inspections, fines</li> <li>• Fines for other breaches such as Health and Safety</li> <li>• Royalty on production</li> <li>• Services of public security</li> <li>• Employers taxes, social security</li> <li>• Local/district/regional taxes</li> <li>• Transport taxes</li> </ul>	<ul style="list-style-type: none"> <li>• Mines ministry and agencies including mines inspectors</li> <li>• State owned enterprises or mineral purchasing counters</li> <li>• Environment ministry and agencies including environmental inspectors</li> <li>• Registration authorities (for licenses, cooperatives, etc.)</li> <li>• State service providers (water agency, electricity agency, road services, etc.)</li> <li>• State security providers (police)</li> <li>• Specific tax collection services (social security, impots, customs, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Central budget</li> <li>• Provincial/district/local administration</li> <li>• Mines ministry and agencies budgets</li> <li>• Environment ministry and agencies budgets</li> <li>• Specific state service providers' budgets</li> </ul>
Processing level	<ul style="list-style-type: none"> <li>• Business operation license or regular fee</li> <li>• Infrastructure and services charges (water supply, electricity connection)</li> <li>• Tax on equipment (VAT, imports) and consumables (chemicals, fuel)</li> <li>• Environmental licenses, inspections, fines</li> <li>• State laboratory or mineral analysis fees</li> <li>• Royalty on production</li> <li>• Services of public security</li> <li>• Employers taxes, social security</li> <li>• Transport taxes</li> </ul>		

Export level	<ul style="list-style-type: none"> <li>• Business operation license or regular fee</li> <li>• Infrastructure and services charges (water supply, electricity connection)</li> <li>• Tax on equipment (VAT, imports) and consumables</li> <li>• Environmental licenses, inspections, fines</li> <li>• Royalty on production</li> <li>• Services of public security</li> <li>• Employers taxes, social security</li> <li>• Export taxes, fees for specific documents</li> <li>• Fees for services such as traceability</li> <li>• Transport taxes</li> </ul>	<ul style="list-style-type: none"> <li>• District/local authorities</li> </ul> <p><i>Note: any of these agencies may collect at national and/or district and/or local levels</i></p>	
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## 5. Integrating EITI reporting with other ASM data sources and systems

A guiding principle of EITI implementation is that it should not duplicate or replicate other reliable data collection or production efforts. Rather it should help to strengthen the collection and use of reliable data from other sources. Implementing countries should therefore consider how existing transparency initiatives, such as Certified Trading Chains (CTC), the OECD Due Diligence Guidelines, the Kimberly Process, Fairmined or Fair Trade<sup>6</sup> might be already collecting information on the sector that could be drawn on by the EITI. Initiatives may already have mechanisms such as the multi-stakeholder assessment process suggested by the Washington Declaration Diagnostic Framework (2013) designed for artisanal diamond producer countries to self-assess and monitor their ASM sectors on a regular basis. Where these initiatives exist, they may be already engaged in collecting both qualitative and quantitative data and could provide a useful source of data for EITI reporting. Collaboration across these initiatives would enable greater efficiency in the collection and use of data. An example of how this can occur is presented in the following Case Study, where the ITRI Tin Supply Chain Initiative provides an opportunity to use mineral traceability as a foundation for greater transparency of ASM.

### Box 3: Case study on iTSCi as a source of data for EITI reporting on ASM

Tin, tantalum, tungsten (the 3Ts) have been dubbed ‘conflict minerals’ due to the links that have been established between control of the mines and minerals trade with the armed conflict and human rights abuses in the Democratic Republic of Congo (DRC). In July 2010, the US enacted the Dodd-Frank Act in which Section 1502 requires companies traded on the US stock exchange to prove that ore in their supply chain does not come from conflict zones. In tandem with this, the OECD issued Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas which provides detailed recommendations to help companies respect human rights and avoid contributing to conflict through their mineral purchasing decisions and practices.

Efforts to address the illegal minerals trade have not been restricted to actors and initiatives in the west. Aimed at breaking the link between mineral revenues and rebel financing, the International Conference on the Great Lakes Region (ICGLR) established the Regional Initiative against the Illegal Exploitation of Natural Resources (RINR). In 2010, the RINR agreed on the use of six specific tools including adherence to EITI.

iTSCi is a comprehensive due diligence and mineral traceability system which enables end-user industries to verify the conflict-free source of 3T minerals purchased from countries in the Great Lakes Region. iTSCi is the only mineral traceability system which is fully compliant with Dodd Frank, OECD Guidance, and the Conflict Free Sourcing Program (CFSP). iTSCi is implemented by the Government and designed to be entirely absorbed into the normal management practices of mining services. Minerals are traced and data is recorded at mine, processor and exporter levels thus creating a comprehensive database of ASM production. *(Box continues on next page)*

<sup>6</sup> Johanna Carstens, Nicholas Garrett, Marie Lintzer, Michael Priester & Thomas Hentschel (2009). *Implementing Transparency in the Artisanal and Small Scale Mining Sector*. Projekt Consult and Resource Consulting Services. [http://www.bgr.bund.de/EN/Themen/Zusammenarbeit/TechnZusammenarb/Politikberatung/SV\\_MER/Downloads/studien\\_berichte\\_EITI\\_ASM.pdf?\\_\\_blob=publicationFile&v=1](http://www.bgr.bund.de/EN/Themen/Zusammenarbeit/TechnZusammenarb/Politikberatung/SV_MER/Downloads/studien_berichte_EITI_ASM.pdf?__blob=publicationFile&v=1)

In the DRC, the government has been implementing iTSCi since 2012. The National EITI Process in DRC has used iTSCi data in a recent scoping study on ASM to discern the levels of production and revenues being derived from traceable ASM sites. In 2014, the Government of Burundi signed a Memorandum of Understanding (MoU) with ITRI, to implement iTSCi. In this case, iTSCi data was used to develop a clear understanding of production and revenue levels in Burundi, and to determine how EITI could be implemented in a predominantly ASM environment. Contextual data is collected for all mines, processors and exporters entering the iTSCi system including the location of mines, ownership of sites, numbers of workers, quantities of minerals produced, transport routes, and payments made. This data is collected by the government and forms the essential basis for calculation of revenues to the state being generated by ASM. This information is also directly relevant to many of the reporting requirements of the EITI. In combination, the EITI and iTSCi offer an important new dynamic for reinforcing good governance in the artisanal and small-scale mining sector through the potential to overlay revenue transparency onto mineral traceability.

Once the data has been collected, there is often considerable value in representing that information visually, particularly if it can be overlaid against a map of the country or relevant mineral-producing areas to highlight the geographical dimensions to ASM activity. If the country has an online mining cadaster with licence areas of large scale mines represented and the physical locations of ASM activity are also recorded by the government, these can be layered together to highlight the interface between the two sectors. If there is data on the production or movement of goods, this can also be visually displayed so readers have direct and immediate information about how the formal and informal sectors interact. Data about populations, roads, public services, etc., can also be layered from other databases making the data more useable, comprehensive and informative.

**Table 3: Other Initiatives Applied to ASM and their Potential Data Types**

Initiative	Data Types
The Kimberley Process Certification Scheme (for diamonds specifically)	<ul style="list-style-type: none"> <li>• Diamond production statistics disaggregated by country</li> <li>• Diamond export statistics disaggregated by country</li> <li>• Diamond import statistics disaggregated by country</li> <li>• Diamond pricing disaggregated by country (purchase price at mine site)</li> <li>• Diamond pricing disaggregated by country (sale price at export)</li> <li>• Global volumes and values of diamond industry, disaggregated by country</li> </ul>
iTSCI (for cassiterite, columbo-tantalite and wolframite in Burundi, DRC and Rwanda specifically)	<ul style="list-style-type: none"> <li>• Location of sites Minerals produced at each site</li> <li>• Employment in ASM in absolute terms and as a percentage of total employment in the mining sector (and disaggregation by gender)</li> <li>• Export volumes</li> </ul>
ICGLR Regional Initiative (for ICGLR countries only)	<ul style="list-style-type: none"> <li>• Location of sites</li> <li>• Minerals produced at each site</li> </ul>
Minamata Convention on mercury	<ul style="list-style-type: none"> <li>• Estimates of Mercury use in ASM gold production</li> <li>• Strategies for the reduction of ASM mercury use including reduction targets</li> <li>• Health and prevention information</li> </ul>
Certified Trading Chains (CTC) (for Rwanda, DRC and Burundi specifically)	<ul style="list-style-type: none"> <li>• Location of sites</li> <li>• Minerals produced at each site</li> <li>• Working Conditions on Sites</li> <li>• Taxation Data</li> <li>• Export Data</li> <li>• Data on mineral supply chain actors</li> </ul>