



## **Addressing the Social and Financial Challenges of Artisanal and Small Scale Gold Mining**

**Thursday, 23 September 2010, 14h30 – 17h00**  
**International Environment House II**

UNEP Chemicals Branch is pleased to invite you to attend a briefing to raise awareness, foster a dialogue and build collaboration with international organizations, the private sector and non-government organizations on the issue and challenges associated with artisanal and small scale gold mining.

### **Provisional Agenda**

14h30 – 14h45 **UNEP Welcome and Introduction**

14h45 – 15h05 **Introduction to the issue of Artisanal and Small Scale Gold Mining**  
(Presenter: Kevin Telmer, Artisanal Gold Council)

15h05 – 16h15 **What are possible solutions to the ASGM financial and social challenges?**  
(Panel presentations)

Proposed Presentations (10-15 minutes each):

- i) Supply chain approaches – Jewelry example  
(Presenter: Ms. Nawal Ait-Hocine, Cartier)
- ii) Gold branding – Fairtrade and Fairmined gold example  
(Presenter: Mr. Patrick Schein, President S&P Trading / Executive Board Member - Alliance for Responsible Mining (ARM))
- iii) Government approaches at the national level  
(Presenter: Mr. Juan Miguel Cuna, Philippines Department of Environment & Natural Resources)
- iv) Independent local initiatives  
(Video presentation: Crispin Clean T Mine)
- v) Reducing social conflict between Large Scale and Small Scale Miners  
(Presenter: Ms. Anne-Marie Fleury, International Council on Metals and Mining (to be confirmed))

16h15 **Panel Questions and Answers**  
(Facilitated by Ms. Susan Kean, Natural Resources Defense Council)

Facilitated discussion on ASGM and the role of the various stakeholders  
Discussion on possible next steps / areas for collaboration

17h00 **Close**



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You are cordially invited to participate in this briefing.

We would be grateful if you could indicate your participation in advance by completing this form and returning it by **15 September 2010** to the address below by fax, post or email ([gen.secretary@unep.org](mailto:gen.secretary@unep.org)). Please note that English is the working language of this event.

Name: \_\_\_\_\_

Organization: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

# Background - Social and financial challenges in artisanal and small scale gold mining



## **Gold plays a central role in the global economy.**

- Gold is both a commodity and a monetary asset. The retreat to the “safe haven” of gold in response to economic crisis saw inflows to the overall gold market of US\$ 106 billion, of which US\$ 32 billion represented investment flows in 2008.<sup>1</sup> Gold is a reserve asset for governments and individual investors alike; it currently accounts for 10.7% of reserves held by central banks worldwide.<sup>2</sup>

## **Artisanal and Small Scale Gold Mining (ASGM) is an informal but globally significant industry.**

- Twelve percent of the global supply of gold is produced annually by ASGM.<sup>3</sup> This sector is likely to grow due to the sustained high price of gold, which reached \$1,250 an ounce in June 2010.
- Strong global gold demand is likely to continue throughout 2010/11 in light of jewellery demand in China and India, investment demand in USA and Europe and expected growth in industrial demand.<sup>4</sup>
- ASGM is broadly described as the extraction of gold by miners working in small or medium sized operations, using rudimentary techniques and characterized by little capital investment.
- ASGM directly employs around 10 million, and indirectly as many as 50 to 100 million people globally, almost all of whom live in developing countries. The sector provides an important mode of employment and income where alternatives are not easily found, and often forms the basis for a relatively sophisticated but informal local economy.
- This sector is extremely decentralized and generally informal. It often takes place in remote areas with little or no government presence.

## **Serious social and environmental challenges are associated with ASGM.**

- ASGM cuts across many development issues, including poverty, economic development, gender, child labor and environment. For example, child labor, environmental damage and human rights abuses often arise from marginalized ASGM activities which can in turn affect the reputation and operational capacity of corporations producing and using gold as well as investors.
- Regulatory approaches tend to have limited effectiveness in addressing challenges associated with this informal sector.

## **A global mercury treaty is a mechanism for engaging with the ASGM sector.**

- Governments unanimously agreed at the UNEP Governing Council in 2009 to the negotiation of a global legally binding instrument on mercury to protect human health and the environment from the harmful effects of mercury. Negotiations, facilitated by UNEP, began in June 2010 and are to be completed by 2013.
- Global treaty negotiations for mercury are raising the profile of the ASGM issue because this sector is the largest demand sector for mercury globally. Mercury is used to extract gold because it is cheap, easily accessible, quick and easy to use.
- The future convention on mercury is likely to restrict the supply and trade of mercury. Limiting supply of mercury could compel miners to change their practices. At the same time however, the mercury treaty itself will not fix all challenges linked to the ASGM issue. It will be imperative to provide other types of social support to miners to avoid livelihood losses, creating a black market for mercury, and reducing transparency in the gold supply chain. Market-based approaches are needed to complement the ongoing intergovernmental negotiations process
- Involvement of a broad network of stakeholders from the outset can help tackle some of the challenges associated with ASGM. It is important for the international community and financial institutions to be aware of changing (global) restrictions on the use of mercury and consider their possible role in developing and supporting an effective global solution in the ASGM sector.

<sup>1</sup> World Gold Council data. 2008.

<sup>2</sup> World Gold Council (2010)

<sup>3</sup> [http://www.gold.org/assets/file/value/stats/statistics/archive/pdf/World\\_Official\\_Gold\\_Holdings\\_June\\_2010.pdf](http://www.gold.org/assets/file/value/stats/statistics/archive/pdf/World_Official_Gold_Holdings_June_2010.pdf),

<sup>4</sup> “Squeezing Gold from a Stone”, UNEP Hazardous Substances website: [www.unep.org/hazardoussubstances/](http://www.unep.org/hazardoussubstances/) .

<sup>4</sup> World Gold Council ( May 2010) [http://www.gold.org/assets/file/pub\\_archive/pdf/GDT\\_Q1\\_2010.pdf](http://www.gold.org/assets/file/pub_archive/pdf/GDT_Q1_2010.pdf).