



ASGM FORMALIZATION

CASE STUDY OF ETHIOPIA

By Tamrat Mojo Beyene
ASM, Director
Ministry of Mines of Ethiopia
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Flow of the presentation



1. Back ground on ASGM.
2. Importance of ASM.
3. Challenges of ASM in Ethiopia.
4. Measures taken to improve ASM challenges in Ethiopia
5. Gold supply chain in Ethiopia .
6. Formalization of ASM communities.
7. Result obtained.



1. Background on ASGM



- ASM communities who are engaged in gold are estimated from 300,000-350,000.
- ASM activities carried out in all regions of the country.
- No mercury or other chemical is used in Ethiopia. So the gold is clean.
- Gold from Ethiopia is Conflict free.

2.Importance of ASM

- Job Creation
- Income generation, and stimulates other economic sectors. Like Agriculture, services, transport and infrastructure etc.
- Foreign exchange earnings.
- Curbing Rural Urban migration.
- New discoveries of Mineral Deposits.



3.Challenges of ASM in Ethiopia.

- High Mobility of Miners.
- HIV/AIDS and other communicable diseases.
- Environmental impacts.





4. Measures taken to improve ASM challenges in Ethiopia



1. LEGISLATIVE

- High political will of the Government.
- ASM is incorporated in the Mineral policy.
- ASM is recognized in the Mining law.
- ASM is incorporated in poverty reduction strategy of the country.
- ASM is incorporated in GTP/ Growth and Transformation Plan of the country/



Measures. Coned....



2. Administrative

- The government established a Directorate under the organization of the Ministry to administer all matters pertaining to ASM in the country. This will be upgraded to higher level in the near future.
- Decentralization of gold purchase center to regions.
- Incentives to gold traders.
- Formalization of ASM communities.

Measures. Coned....

3. Extension services to ASM

- ASM communities are offered extension services by various stake holders in terms of ;
 - ✓ legal and regulatory requirements;
 - ✓ Value additions
 - ✓ Technical and Material support.
 - ✓ Training to increase productivity.
 - ✓ Training to utilize improved mining technology.
 - ✓ Training on Environment and safety.



Measures. Coned....

- Developed Training manuals
- Conduct awareness creation through consultation and **National Experience Sharing conference.**
- Demarcating mining areas for ASM.





Measures. Coned....

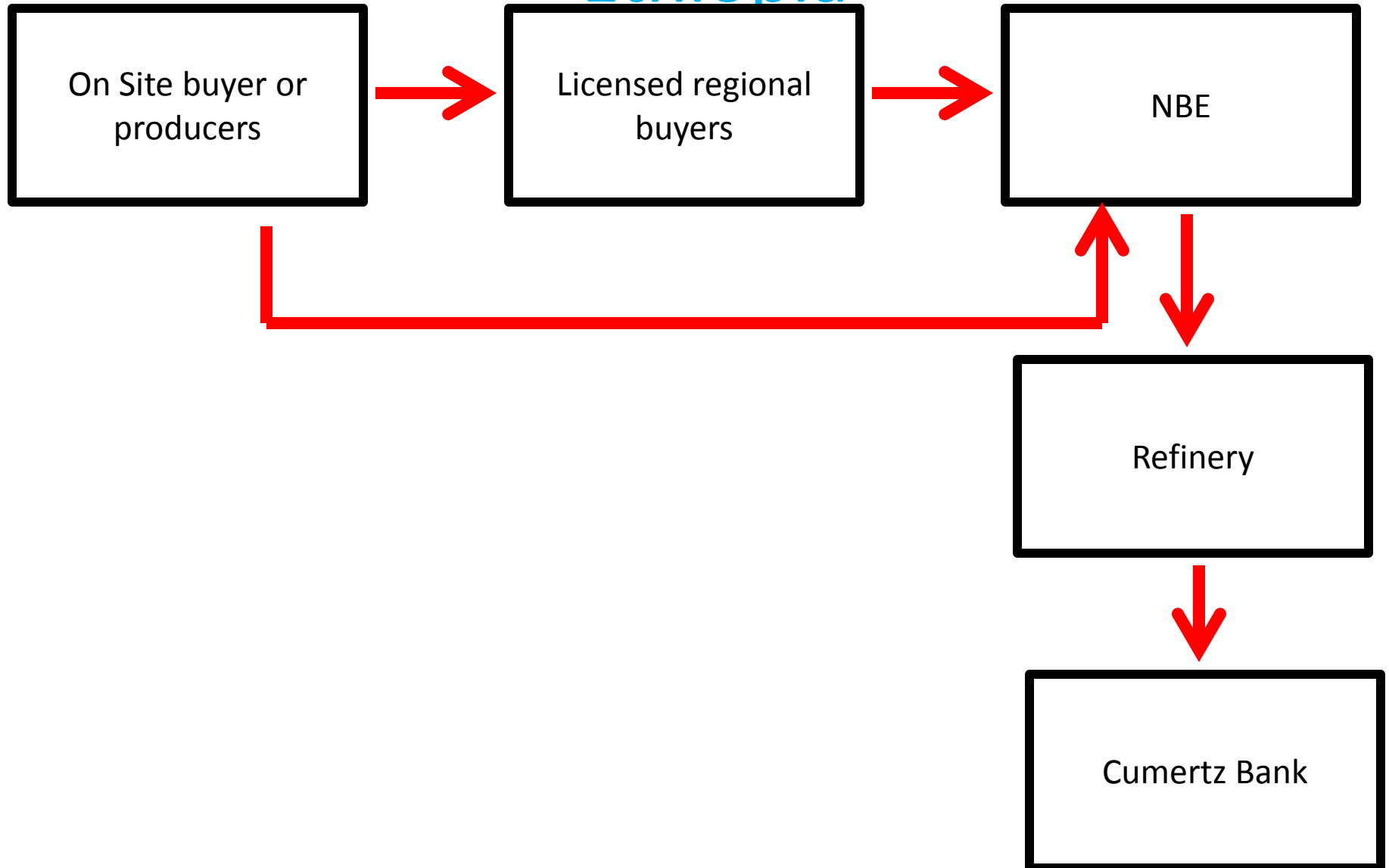


4. Financial support

- The government established Microfinance institutions in all regions to issue soft loans to formalized miners.
- The government is supporting formalized miners through a World Bank program.



5. Gold supply chain in Ethiopia





Because of this supply chain



- Traceability of the gold is easily identified, because each step of supply chain is documented.
- Origin of suppliers and gold is easily known.
- Money laundering is not so far encountered.
- No conflict in the supply chain.
- No terrorist financing in the supply chain.
- No human right violation.

6. Formalization of ASM

Importance of formalization

- Easy to provide extension services.
- Easy to give loan and saving services.
- Easy to provide social services, infrastructure, health and build schools etc.
- Helps to stabilize peace and stability of the mining area.
- Increase the government revenue.
- Decrease gold smuggling.
- Stimulate other economic sectors.
- Enhance the development of the mining areas.
- Helps to rehabilitate environmentally degraded areas .



Who will be organized?



- Miners who wishes and will to be organized. **No obligation .**
- Miners who have permanent residence in the mining locality.
- Miners who are above 18 years old./both male and female/
- Miners who are not disabled.
- Miners who have good behavioral attitude.
- Priority to Jobless youth.
- Ethiopian National.



Stake holders in formalization process.



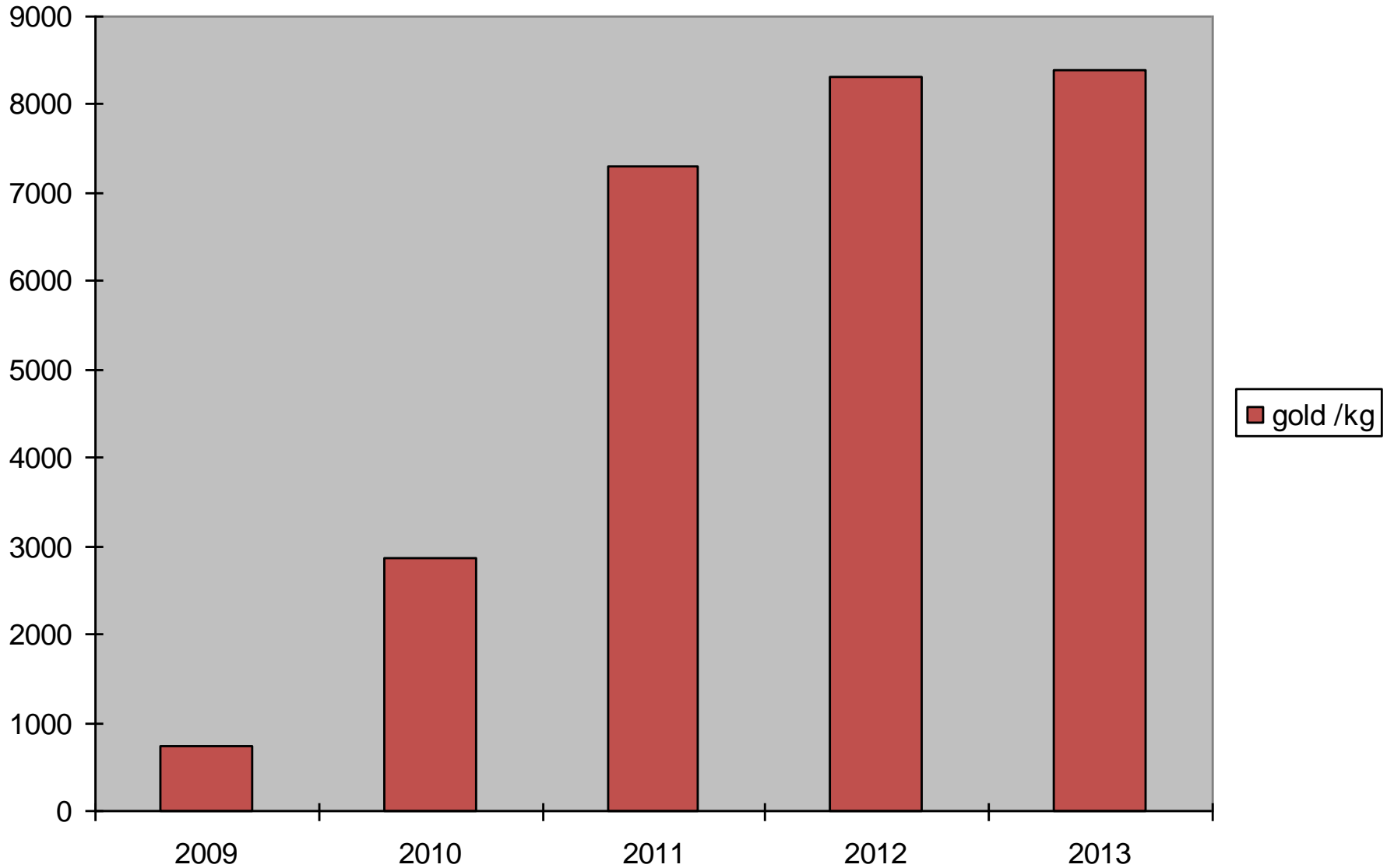
1. Ministry of Mines
2. Regional Mining agencies.
3. Federal and Regional cooperative agencies.
4. Local administration.
5. Micro and Small scale enterprise agency.
6. Local administration Audit.
7. National Bank of Ethiopia.
8. Geological Survey of Ethiopia/GSE/
9. Ministry of Trade.



7.Result obtained

- More than 300,000 miners are organized in to 600 cooperatives all over the country only /on gold. /
- More than 50,000 miners are organized in to Micro and small scale miners all over the country.
- The amount of gold purchased by NBE/ National Bank of Ethiopia/ increased from 735kg in 2009 to 8386 kg in 2013.
- Other economic sectors in the mining areas are stimulated .

Gold purchased by NBE





Statue of Gold panner
In Oromiya regional
state **Shakiso**
Administrative ,
Ethiopia

THANK YOU