

# Responsible gold mining at Pact



Pact's Responsible Mining practice, part of the Sustainable Markets impact area, brings together government, industry, miners and mining communities to make artisanal and small-scale mining (ASM) safer, formal and more productive, while making the most of the sector's contributions to development.

**Pact's integrated, market-based formalization approach** strengthens ASM actors and governments to progressively improve practices and enable compliance with national regulations and international standards while facilitating access to and growing responsible markets.

**Through our gold projects we work directly with artisanal and small-scale gold mining (ASGM) communities**, mine operators and investors, government agencies, civil society partners and supply chain actors, including exporters, refiners and large-scale mining companies. Pact's ASGM projects formalize and professionalize the sector, maximizing positive social and economic development impacts through sustainable market-based approaches where we:

- **Facilitate ASGM formalization** by helping miners understand how they fit within legal frameworks and supporting them to form organizations, obtain mineral rights, access markets and manage risks in line with national regulations and international standards.
- **Foster professionalization in ASGM** by addressing technical and business needs of miners through **mine planning and implementation** of activities for more productive, safe, responsible gold mining & mineral processing.
- **Aim to reduce mercury usage** and ensure safe handling practices through training, financing and locally adapted equipment solutions for **mercury-free gold** production.
- **Partner with ASGM communities and industrial gold mining companies** to facilitate peaceful and productive co-existence between large-scale mining and ASM.

## Artisanal and small-scale gold mining:

- Produces **15-20%** of the world's gold.
- Employs **16-20 million people** (4.5m women), representing 80% of global gold mining workforce.
- Supports **>100 million people's livelihoods** indirectly through the ASM multiplier effect.
- **Generates wealth** supporting local social-economic ecosystems.
- **Is largely informal**, operating without licenses and with poor practices.
- Has **inappropriate governance** frameworks and **limited** access to **technical and financial support** impeding formalization.
- Has **negative social and environmental impacts**, including mercury and cyanide pollution.
- Can support **money laundering**, tax evasion, and sometimes finances organized crime and conflict.

## CURRENT GOLD PROJECTS

**Promoting Mercury-Free Mining, Mali and Ghana, U.S. Department of State (2020-2025).** Supporting miners to become formalized, adopt mercury-free mineral processing methods, strengthen business operations, manage supply chain risks (legal, human rights, security, environmental and health), increase market access, and in Mali, address broader governance, peace and security issues in ASGM. We directly support six mines in Ghana and two ASGM associations in Mali working at five mines and across the historical gold mining area of Keniéba Cercle. In total, we are piloting seven mercury-free processing systems, indirectly benefitting more than 2,500 miners and their communities.

**Piloting National Action Plan (NAP) Implementation in Sierra Leone, GIZ (2021-2024).** Supporting the government to implement its NAP as part of the Minamata Convention on Mercury to reduce mercury pollution in ASGM through formalization, organizational strengthening, mercury-free gold production and capacity development for supply chain due diligence. In 2022, we supported the Bolaneh Gold Miners and Traders Association to organize to become Sierra Leone's first fully registered gold mining co-operative with more than 200 miners operating three ASGM concessions and are working to secure formal market access by improving responsible practices and linking to international markets.

**Business Pilot for Responsible ASM Gold in Mauritania, European Partnership for Responsible Minerals (2021-2024).** We are demonstrating the business case for responsible, more productive and mercury-free gold mining, processing and trade through technical training, upskilling, advocacy and introduction of mercury-free equipment with miners, ASGM associations, exporters, equipment suppliers and jewelers in line with international sourcing standards.

## CONTRIBUTING TO GLOBAL BEST PRACTICES

**We promote global best practices and awareness raising** through our participation in international responsible ASGM initiatives, regulatory standards (OECD Due Diligence Guidance, EU Conflict Minerals), forums and publications, including:

- **CRAFT (Code of Risk Mitigation for Artisanal and Small-Scale Mining Engaging in Formal Trade)** is an open-source standard and practical tool for ASGM to improve responsible production and supply chain due diligence. Pact has tailored and is implementing its own CRAFT tool for use with ASGM communities in West Africa.
- **PlanetGOLD.** Pact is an active member of UNEP's Global Mercury Partnership and sat on the 2021-2022 Program Advisory Group.
- Pact [report](#) 2023. Responsible Gold Trading: Obstacles and recommendations for formal gold trade in Mali.
- Pact [report](#) 2021. Best Management Practices for Cyanide use in the Small-Scale Gold Mining Sector.
- Pact [report](#) 2020. Mapping Artisanal and Small-Scale Mining to the Sustainable Development Goals.

## EXAMPLES OF PAST GOLD PROJECTS

**Somos Tesoro, Colombia, U.S. Department of Labor (2013-2022).** Working with partners, Somos Tesoro focused on reducing child labor in Colombian gold and coal mining communities. The project provided education or vocational services for 8,115 children engaged in or at high risk of child labor, delivered economic strengthening for 4,146 households and supported 90 mining units in formalization, improved health and safety, and child protection efforts.

**Sustainable Mines Site Validation Project, DRC, USAID (2017-2021).** Training of 22 local multi-stakeholder committees with 700 members, including 161 government mining inspectors to undertake qualification and validation on responsible production, risks and economic valuation of 332 ASM sites (>20,000 diggers) in North and South Kivu, including 167 gold (G) mines, 115 tin, tungsten and tantalum (3T), and 50 mixed 3TG mines.

**Capacity Development of Business and Financial Products in Indonesia, UNDP PlanetGold (2019-2020).** Undertook a comprehensive assessment and engagement with ASGM communities in five regions to evaluate stakeholders and provide recommendations to increase formal ASGM financing and trade.

**Zimbabwe Accountability and Artisanal Mining Program, FCDO (2012-2020).** Focused on formalizing and legalizing ASGM to improve livelihoods, benefit communities and increase tax revenue, Pact led multiple activities including policy and governance reforms as well as trainings and publication of a 300-page guidebook on mercury-free and safe underground mining.

**Piloting Mercury-Free Mining in Zamfara State, Nigeria, DFAT (2018-2019).** Targeting women miners, Pact provided capacity development, technical and business skills training, awareness-raising and equipment to foster safe working conditions and uptake of mercury-free mineral processing.

**The State of Artisanal Mining in Myanmar, Trafigura Foundation (2018-2019).** Researched and published one of the few studies on Myanmar's ASGM sector, including recommendations for formalization.

**Understanding the Economic Contribution of ASM in East Africa, FCDO (2017-2019).** Pact and partners led research on the economic contributions of ASGM in Kenya, Rwanda and Uganda, making recommendations for inclusive development opportunities. In Kenya, the research found ASGM generates \$225 million per year for the economy.

## FOR MORE INFORMATION

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*Pact is an international nonprofit that works in nearly 40 countries building solutions for human development that are evidence-based, data-driven and owned by the communities we serve. Founded in 1971, Pact works with partners to build resilience, improve accountability, and strengthen knowledge and skills for sustainable social impact.*

