

Inspiring Practices

**Joint Forces to Tackle Child Labour:
From Gold Mines to Electronics
(Anti Child Labour – ACL Project)**

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Daniëlle de Winter, DBMresearch
Jolijn Engelbertink
Grace Maiso

Motivation Centres and Integration into School

Key Results

- 65 children mainstreamed into (primary/secondary/vocational) school
- 86 youth received vocational training
- Progress in creating child friendly school environments

Context

In the gold-mining district of Busia, Eastern Uganda, 18% of all school-aged (5-17) children were reported not be in school.¹ The majority of these children were in the age category 11-15, followed by children between 16 and 18 years old. The most dominant reasons for dropping out of school were: lack funding for school fees and/or scholastic materials, long distances to school, harsh school environments.² Lack of the value of education (certainly as opposed to working in the mines and earning “quick” money) among both children and adults also played a role.

What was done by the project?

One of the ACL project interventions was to set-up motivational centres. These motivational centres were specifically targeted towards children out of school, whether or not they were working. In this way the motivational centres aimed at addressing both the children that were already working as well as those that were at risk of becoming a child labour. The main goals of the motivational centres were: 1) to support children that have dropped out of school to catch up with their age-appropriate level in school and 2) to help children get used to school again. The motivational centres also organized vocational trainings for older children, to support them in finding another occupation than working in mining. Alongside the set-up of motivational centres, the project also focused on improving school environments by making them more child friendly and stressing the responsibility of schools to ensure children stay at school.

‘It was a very good intervention to approve the skills development and the vocational training. This has made the project more popular and attractive. [...] The girls and boys are proud that they are able to make money.’

Project Partner EWAD

What worked and why?

The motivational centres contributed to mainstreaming 65 children into school: 38 into primary school, 2 into secondary school and 25 into vocational centres and technical colleges. The centres were particularly successful in getting children back into school that were in the primary school age as the motivational centres were located at the primary schools and led by primary school teachers, making the transition relatively easy. Community members and teachers also mention the improvement at schools in terms of respecting children’s rights and an increased appreciation of school by children. Furthermore, 85 children were trained in vocational skills such as liquid soap-making and hair-braiding. Although these activities were originally not included in the programme, they were added later based on insights from the local partners and stakeholders and were highly appreciated by the participants. The fact that the newly acquired skills enabled them to earn an income, which some of them used to go to school, and gave them the opportunity to pursue a career outside of gold mining.

¹ Project Inception Report, 24-08-2018, p.4

² EWAD (2018), Household Survey, p. 11 - 14

Supporting progress on ESG criteria while combatting child labour

Key Results

- 10 unique trainings were offered to ASMO leadership and their members
- Innovative ESG impact escalator developed to focus trainings
- Progressive approach towards ESG criteria opens up potential to engage more actors
- (High quality) monitoring data on ESG criteria progression is essential in reassuring downstream actors

Context

Many ASM miners struggle to make ends meet. In addition, safe working conditions are often lacking. One of the project's key interventions was aimed at improving the capacity of miners to generate a sustainable income as well as to create a safer and more efficient working environment. Together with activities taking place at community, national and supply chain level, the overall ambition was that these changes would contribute to a reduction of child labour in the ASM communities. In addition, by improving the production and efficiency of mine sites towards more responsible practices the project aimed at enhancing the access-to-finance and route-to-market chances of the ASM miners.

What was done by the project?

A benchmark study of three project mine sites was conducted that allowed project partners to identify in what areas ASMOs could benefit most from their support in order to meet the Environmental, Social and Corporate Governance (ESG) criteria. The road to meeting ESG criteria is long and challenging. Meeting such standards, however, is often a prerequisite for (impact) investors. To find a way to engage investors while ASMOs are still in the process of progressing towards ESG standards, the project set out to adapt the criteria to fit a more progressive nature. This culminated in the *ESG Performance & Risk Management Handbook for Artisanal & Small-Scale Mining* identifying three levels of performance ranging from basic, intermediate to advanced ESG levels. Partners were then able to finetune their technical capacity and financial investment support to those area where ASMOs needed it most.

What worked and why?

A total of 10 trainings were offered, particularly on the operational side of mining, such as on mining laws, business plans, record management and responsible mining in relation to production and processing techniques and practices. The trainings were well-received and said to have benefited management practices of the mine sites. Whether the trainings had the desired impact on enhancing income and eradicating child labour remains to be seen. However, the potential of the approach does shine through: adapting the lengthy process of meeting the requirements of certification to meet the realities of miners through a progressive approach, can open up doors for upstream *and* downstream actors. For upstream actors, as the financial and capacity requirements to adopting the ESG criteria might be too high. For downstream actors, as some of the barriers are lifted to engage in (investment) relationships with ASM gold *before* 'advanced' ESG performance have been reached.

The targeted capacity support can help speed up ESG progression for ASM miners, and the pinpointing of financing needs of particular mine sites can help to effectively boost production and processing rates. The next step is pinning down the best assessment framework to monitor progress, so that the effects of these innovative approaches in support of responsible ASM gold can be validated and be used to convince investors to step on board.

Exploring the potential of investment schemes for responsibly sourced ASM gold

Key Results

- 3 investment models were explored
- (responsible) loan models could not compete with (pre)-existing investor agreements
- Other factors beyond the mines influence the success of the lease and service models, including trust, level of organization and adaptive capacity of miners.

Context

To make investments in responsible ASM gold attractive for miners and to offer sufficient quantity of responsibly sourced gold to downstream actors, ASM production and processing rates have to become reliable. To boost dependable gold recovery of ASM gold mines, beyond improving knowledge and (responsible) management practices, miners can invest in either production or processing equipment. But what model is most suitable, responsible *and* attractive to miners, taking into account the complex realities of artisanal mining?

What was done by the project?

Over the course of the project, the project considered and discussed three investment models associated facilitating the provision of mining equipment:

- (1) providing cash loan for ASMOs to purchase equipment
- (2) 'lease-to-purchase' agreements for equipment; and
- (3) the provision of a joint processing unit on a 'pay-per-use basis' (which ultimately was tested).

The requirements for each variant are provided in the table below.

	Cash loan agreement	Lease-to-purchase agreement	Pay-per-use agreement
Investment model	Loan model	Lease model	Service model
Acquisition	The mines independently buy equipment and are liable for all costs associated.	The Impact Facility acquires, imports and installs the equipment on site (where necessary).	The Impact Facility acquires, imports and install the equipment on site (where necessary).
Ownership	Mine owns the equipment after repayment of the loan plus interest	After mine has completed full number of repayments, mine shall be transferred full ownership of equipment.	The Impact Facility owns the equipment.
Repair costs	Not included	Mine to cover costs for both minor and major repair, advisory offered to insure the equipment against major breakdowns	The Impact Facility covers all costs of (reasonable) repairs.
Payment	Payment done on monthly basis and on a reducing balance interest included in the monthly repayments	10% upfront payment prior to equipment order; Lease payment done on monthly basis and on a reducing balance interest included in the monthly repayments/a	Per use
Grace periods	2 months grace period after acquiring the equipment and 2 months grace period every year of repayment exception	2 months grace period after acquiring the equipment and 2 months of payment breaks for every 12 months of repaying (during which interest accrues	None
Purchase price	n/a	Total amount to deliver the equipment to site including staff time/training on the use and maintenance of the equipment at 15% interest	n/a

What worked and why?

While miners asked for cash loans, the Impact Facility only considered the provision of equipment through leasing agreements to ensure the quality of the equipment provided and avoid indebting the ASMOs.). Different MoUs were drafted under the auspices of a lease model. Due to restricted funding for equipment, however, and the presence of a foreign investors which contractually held high control over the ASMOs' operation, the Impact Facility opted for introducing a pay-per-use model.

The pay-per-use model was tested with the introduction of the processing unit, allowing miners a 20% higher recovery rate. Even though no expectations from the ASMOs were included in this service model, the unit remained underutilized. While it was expected that the 20% increase in gold recovery would be a sufficient selling point, the practice proved more challenging. Other contributing factors to the limited success of the investment model included (dis)trust, (un)willingness, the level of ASMO organization, and the adaptive capacity of miners to adopt new innovations.