



Minutes of the SMAG Meeting
Held at the 4th AGM & Learning Event
6th Floor Board Room, Taj Samudra Hotel
Colombo, Sri Lanka
Tuesday, October 12, 2004

A meeting of the CASM Strategic Management Advisory Group (SMAG) was held on Wednesday, October 12, 2004 in Colombo, Sri Lanka. Dr. Jon Hobbs, CASM Chairman, chaired the meeting.

Members Present:

Dr. Jon Hobbs, (DFID)
 Mr. Norman Jennings (ILO)
 Mr. Peter van der Veen (World Bank)
 Dr. Paul Henney (BGS)
 Mr. Jeffrey Davidson (CASM Secretariat)
 Mr. Antonio Pedro (UNECA)
 Mr. Bruno Martel-Jantin (BGRM)
 Dr. Gotthard Walser (CASM Secretariat)
 Dr. Satoshi Murao (AIST)

Observer (by invitation of Dr. Jon Hobbs):

Mr. Kevin D'Souza (Wardell-Armstrong)

The Chairman began the meeting at 6:05 p.m. with a review of the following agenda items:

- *Approval of Minutes; SMA meeting, Rugby, UK, July 2004*
- *Membership of SMAG*
- *Action Items*
- *Progress Update*
 - *Projects*
 - *Process Issues*
 - *Research*
- *Annual Report and Plan*
- *Sri Lanka Conference – current status and ensuring maximum out*
- *AOB*

REVIEW AND APPROVAL OF MINUTES OF SMAG MEETING IN RUGBY, UK

The Chairman asked members if they wished to circulate the minutes of the Rugby meeting at the AGM. Members suggested that the minutes be brought to the attention of the participants through the CASM electronic newsletter with a link to the entire document. The Chairman suggested that a reference number be placed on all minutes.

The Rugby minutes were reviewed and accepted.

MEMBERSHIP OF SMAG

The Chairman said under this agenda item that he wanted to discuss possible membership to the SMAG. He wanted to know if DANIDA had been approached to be a CASM donor. Mr. Jennings said that he had made several attempts to get agreement from ICEM to nominate a member of SMAG and to elicit a formal response to the letter of invitation. While there was considerable interest and support at the officer level in ICEM, the General Secretary was not convinced of any benefits of being involved in the running of CASM. Mr. Jennings undertook to make one more attempt during the Global Congress of the ICEM's mining sector in December.

Mr. Peter van der Veen said he had intended to stop in Copenhagen and Paris after the AGM to meet with DANIDA but the meeting had been postponed to the week of December 6th. The Chairman offered assistance to help facilitate the process.

The Chairman also suggested that contact be made with the OECD Partnership and also the French Development Agency. Mr. van der Veen said that he would follow-up and send a letter.

Mr. Bruno Martel-Jantin informed that the French Corporation (FC) is interested in being a part of CASM. He gave a brief background on the FC stating that the Corporation is currently looking to turn the present project to enlarge synergy with other corporations in Africa. The FC has sponsored an important network called SIGAFRIQUE, whose objective is to build network between African countries to exchange geological knowledge by the support of two regional centers located respectively in Burkina Faso and Tanzania. They expect to expand throughout the continent by the association of other interested entities. He promised to give more details about the Corporation in the next meeting.

Mr. Antonio Pedro asked if NRCan had responded to the SMAG's invitation to become a member. Mr. Jeffrey Davidson responded that there had been no progress as far as NRCan's membership in the SMAG but that they had contributed US\$5000 toward the AGM.

The Chairman stressed the need to strengthen the private sector and government presence on the SMAG. He suggested that a few representatives in these categories that are attending the AGM could be approached for SMAG membership. Perhaps it would be good to get someone from Africa involved.

Mr. Norman Jennings suggested that there is no need to set up a CASM in Africa as there is already an existing African mining group to which CASM could be linked. Suggested that an email be sent to people involved in this group as well as some colleagues of Antonio Pedro.

Mr. Jeffrey Davidson brought to the attention of the meeting, a draft concept note from Ms. Cristina Echevarria which suggests that work in ASM be rolled out on a regional basis and that a donor meeting to roll out a 10 year program for Latin America be held.

The Chairman suggested that who ever attends that meeting be invited to become part of CASM. He suggested that Ms. Echevarria makes a recommendation.

Mr. Antonio Pedro suggested that someone from the Global Mining Dialogue or African Mining Partnership become part of CASM. He cited three possible persons from Ghana (Chair), South Africa (Sect.) and Mali. He also suggested that one French and one English representative be invited. He would help to get these people on board.

Mr. Kevin D'Souza suggested Tim Buchanan from Goldfield and Jennifer Pearson from AngloGold as possible members.

Mr. Pedro suggested that the SMAG membership be reconsidered to see who is still interested in being a member.

Mr. van der Veen suggested that Global Mining Dialogue recommends a LAC & African government official to become part of CASM.

Mr. Pedro said that the Global Mining Dialogue is not very well accepted by the African Mining Partnership therefore it would be better to go through the African Mining Partnership so that they can nominate someone. Mr. van der Veen suggested that SMAG members come back with a proposal in the next two weeks.

The Chairman suggested that a spread of the SMAG membership be done showing geographical, sectoral, gender representation and gaps to be filled.

ACTION ITEMS:

There were several “action items” arising out of the SMAG Rugby meeting:

1. Revised Dar-es-Saleem minutes – Mr. Davidson said the minutes had been done and hoisted on the website.
2. Glossie – a draft CASM brochure was circulated for members’ review.
3. CASM China report – report has been redrafted and the 2nd version is on the website. The final report will be presented at the AGM tomorrow.
4. Child Labour Program in Washington, DC in April 2004 – Mr. Jennings said that the ILO would like to continue working with CASM to put forth a global approach to child labour particularly in the mining sector. Wants to keep child labour on the CASM agenda and use the CASM network to get background data. He has put a paragraph in the CASM vision strategy and requested feedback from members.

PROGRESS UPDATE:

1. Zimbabwe project – the workshop, which took place in July 2004, was attended by about 135 participants. Two representatives from Zimbabwe will be speaking at the AGM on the outcome and future plans of the workshop.
2. Zambia Learning Event – Mr. Gotthard Walser said that the event, which took place from October 8-10 2004 with about 60 participants attending, included participants from neighboring countries such as Ghana, South Africa and small-scale miners from the gemstone sector. The meeting was constructive and timely as the government was drafting a gemstone policy for the country. One Zambian was able to attend the AGM.
3. Toolkit – Mr. Davidson said that the draft was completed in March and the field testing was done in April. However, the contract got a little delayed. As a result, they ran into

the rainy season in May and had to defer. Two of the original team members (Austrian – Dutch team) are arriving in Nigeria tomorrow (13 October 2004) to work with a research team from Ahmadu Bello University (Zaria) to start a pilot field test over the next 2-3 months. At the end, it is expected that the toolkit will be user-friendly and will be used with minimal external involvement. The output will be in February – March 2005.

4. Mapping Project – Money was procured from the Swiss Trust Fund ((US\$60k) and a contract awarded to the Swiss company Entec to carry out the mapping project. Work started in May, and the project completion is targeted for December. Entec is working with advisory help from Projekt Consult and Steffen Tebbe of Entec will report on interim progress at the AGM tomorrow. Mr. Davidson said that there are two elements to the mapping project. First, it will take a retrospective on the last 10 years to determine where the gaps are and who's doing what. Then, it will survey donor agencies in North and western Europe to determine the current level of concern.
5. DGF (WB Development Grant Facility for Global Partnership Programs) – CASM application for a three year grant was approved with commitments of US\$275k for the first year, \$310k for the second and \$340k for the third but the amounts for each succeeding year are contingent on the ability to achieve a leverage ratio of 85:15.

CASM has entered into agreements with two organizations and is negotiating with a third (MPRI). There will be sufficient funds leftover to allow for a few additional grants this fiscal year. The three commitments to date include:

- Peace Diamond Alliance (PDA) in the amount of US\$45k. Through this grant, PDA was able to provide sponsorship to a couple of people to attend the AGM. The funds will also be used to co-finance an advisory and evaluation mission (with CASM) and to build capacity within the local management committee of the PDA.
- Australian National University (ANU) in the amount of US\$ 65 k. Dr. Colin Filer, Convener of the Resource Management in Asia-Pacific Program, will administer the grant. Through this grant, ANU sponsored several participants to attend the AGM. US\$15k of the amount will be used to prepare a scoping study on gender in ASM in the Asian Region. (with Dr. Kuntala Lahiri-Dutt as the principal researcher).. In addition, the grant will assist ANU to organize and carry out a sub-regional CASM Learning Event in Asia Pacific in May 2005. The venue of this Learning Event will be the Philippines and a working group meeting will be held here in Colombo to prepare a working agenda.
- MPRI / IDRC would receive a grant of US\$75k to assist with its formalization project. The project will extract lessons on the formalization of processes in the Latin America region. Studies will be carried out in four countries. US\$12k of this amount would be used to finance some participants from Latin America to attend the AGM.

The Chairman asked what criteria were used to select the three DGF grant recipients.

Mr. Davidson said that it was in June when CASM found out about the DGF grant and therefore found itself in a “pressure cooker situation” to immediately present candidates to DGF. Based on on-going discussions with the three organizations, their names were put forward. In addition, the DGF has a clear set of criteria which eliminated quite a few potential candidates.

Mr. Pedro asked to what extent were proposals tested by the CASM strategic goals.

Mr. van der Veen said that the proposals chosen were consistent with both the CASM strategic goals and the Millennium Development Goals. He explained that, for example, some of the worst forms of mining takes place in the Philippines. The Philippines workshop will address alternative mining scenarios which will be beneficial to the country. The gender mainstreaming study and the PDA emphasis on governance, transparency, fair marketing, etc., fit very well with the millennium development goals.

The Chairman requested to see the selection criteria. He expressed some concerns about the selection of PDA as the DFID Sierra Leone office had some issues with them in the past.

Mr. Davidson explained that PDA approached CASM after seeing the CASM website, curious to know whether CASM was more than a virtual entity. After the initial contact, PDA presented a proposal for assistance. After a long exchange of correspondence, PDA was awarded a grant.

The Chairman suggested that a bit more consultation with the SMAG on awarding future grants would be useful.

Mr. Davidson asked the Chairman to suggest the name of a second person with whom the CASM Secretariat could liaise as he (Hobbs) has not been available much during the year. The Chairman responded that there is not another person (except Dr. Henney who could provide some occasional assistance) as he is the only person with minerals background.

6. Global Witness “5th C “ - Mr. Davidson reported that no progress had been made on this.
7. Conservation International’s work in the Eastern Arc mountain area – Mr. Davidson reported that Conservation International has not followed up after an initial interchange of interest and correspondence with CASM.
8. EIR Review – Mr. van der Veen said that the process has been brought to closure. The World Bank Board of Executive Directors has endorsed management response to the EIR. There were slight changes to the report after the first board meeting. The report is now on the World Bank’s website. On November 2nd, the Oil, Gas, Mining and Chemicals department will have a full day working session on how to implement the management response.

9. DFID Knowledge and Research (KAR) project on ASM – Dr. Paul Henney reported that Phase I of the project is completed and documentation will be made available for the CASM website. Phase II, which will be implemented in Ghana, is beginning.

ANNUAL REPORT AND PLAN

1. 2004 Uses of Funds and FY 2005 Budget Projection

Mr. Davidson highlighted the following areas of the Use of Funds for 2004:

- Learning events: Zimbabwe and Zambia had been given US\$2k and 8k respectively for learning events in 2004. Learning events are planned in Philippines and Uruguay in 2005.
- Networking: CASM China received a grant of US\$15k. Grant for CASM Asia is to be decided.
- Knowledge Development: Profiling ASM in Africa funded by Austrian and Dutch; Mapping Project funded with Swiss Trust Fund – 1st payment already made to Entec.
- Administrative Cost - \$14k spent on hoisting of CASM Website. \$100/month fee for email. Also covered time for Sara and Rena. Administrative overhead of 3% came from DFID grant.
- Knowledge Internship – covered interns Aaron Gunson, Jennifer Hinton, Claudia Sandoval and Sara Lovitz.
- Balance brought forward is about US\$350k half of which will be used to cover the 2004 AGM.

Mr. Davidson also reviewed the CASM 2004 Annual Report and said one area of action was that CASM had reached an understanding with Mozambique, Nigeria and the Peace Diamond Alliance for an advisory and monitoring mechanism. This is an area where the EAG members could have a role. He added that at the end of this year, the term of the current EAG members would come to an end and wanted to know whether they should be extended for another year or place a call for new members on the website.

SRI LANKA CONFERENCE - Current Status and Ensuring Maximum Output

The Chairman wanted input from members on whether to continue the dialogue with Sri Lanka after the conference. He also wanted to know whether a Colombo Declaration or Communique should be published.

It was decided that a Declaration would be given during the closing session entitled: “Where Do We Go From Here?”

Members discussed questions for the session. It was suggested that the benefit of value adding for the mining community in Sri Lanka should be discussed. It was cautioned not to move the CASM dialogue away from small-scale mining to Gemstone marketing.

Adjournment

Because members had to attend another function, it was agreed that the meeting continue the following day at 6:00 p.m. to complete the agenda.

The meeting adjourned at 8:00 p.m.

DAY 2 - OCTOBER 13

The meeting of the SMAG reconvened at 6:00 p.m., Oct. 13, in the board room of the Taj Colombo Hotel.

Brochure

The Chairman asked members for input on the CASM draft brochure. Members suggested several editorial changes including adding a box with SMAG and EAG names and contact information. It was also suggested that the revised draft (based on the suggested changes) be given to the WB communications group for their journalistic input and to the Publications group for their design input.

CASM Advisory Services

Mr. Davidson said that there is now the opportunity for three involvements in terms of evaluation and advisory services this coming year, in Mozambique, Nigeria and Sierra Leone with the Peace Diamond project.. He indicated that some criteria or guidelines and procedures should be laid out for identifying and selecting CASM community experts to participate in the program. Mr. van der Veen suggested that the CASM Secretariat come up with a proposal for such a guideline.

The Chairman suggested that the proposal should be discussed at the next SMAG meeting.

CASM Strategic Plan

Mr. Davidson presented a revised Table One of the Strategic Plan for review and discussion with the SMAG. It was suggested that the two columns of indicators be collapsed into one. Mr. Pedro suggested that the column be called Indicators of Achievements (rather than process indicators) and should be drawn from the AGM rap-up session “Where do we go from here.”

Vision Statement

The CASM vision statement in the Strategic Plan was also reviewed. Mr. Jennings suggested that the headings be changed to show the sustainability activities undertaken by CASM. In addition, he provided the following input to the vision statement:

- Add “sustained” before “concrete” in the first line
- Delete “CASM envision this sub sector of the mining industry” in the second line
- Add a bullet point (after the fourth one) to read “Provides decent work by adhering to the provisions of core labour standards on freedom of association, forced labour, discrimination and child labour
- Replace the fifth bullet point with “Complies with occupational safety and health regulations and strives continuously to improve occupational safety and health performances.

It was agreed that the vision statement needs to be reworded in a way that it reflects what CASM is hoping to achieve.

2004 AGM Lessons Learned and Suggestions for Next AGM

The Chairman asked members to provide lessons learned at the 2004 AGM that could be used to guide planning of the next AGM.

Members came up with the following:

- Add another day to allow participants to share.
- Reduce number of presentations (have a less stacked program) and monitor length of papers.
- Parallel themes – two or three – put more logic into themes.
- Reports from other CASMs could have been circulated.
- CASM China and Zimbabwe Workshop had more value as a result of their presentation.
- Maybe have pre-session to report accomplishments to SMAG and report follow-up.
- Have a networking day with sessions on Asia, LAC, Africa, etc. – half day for each.
- Have panel sessions with 4-5 panelists to introduce subject and interact with audience. Have a professional moderator do this.
- Need to create proper space in the program to integrate artisanal miners.
- AGM needs to be held where there is in-country traction.
- Hold separate event on large scale mining and bring them to AGM.
- Identify energizing/new issues and bring experts not only for panel but also for parallel sessions.
- Identify people who can take lead in certain sectors (to get a better balance) for next AGM
- Need to attract more private sector, government officials and donors. This could be done by coordinating a back-to-back meeting of the Global Mining Dialogue and the AGM so that participants can attend both meetings. Coordinate with Canadian government where meeting would take place. Quebec and Ontario would both be good to show real life case studies on community development consultative process – will show what has happened in SSM in developed countries.

Theme and Venue for the next AGM

Several themes were suggested for the next AGM:

- Interface between LLS and SSM
- Case Studies with respect to SSM Development
- Community Development / Industrial Minerals

It was decided that the theme for next year's AGM would be on Community Development.
Recommended: ***Building Sustainable Communities in Artisanal Mining***

Suggested venues:

- South Africa
- Philippines
- Brazil
- China

Brazil was chosen as the site for the next AGM for the following reasons:

- Lots of contacts there (Deputy minister has already written to CASM)
- Industrial minerals
- More ambitious field trip excursions (4-5 days)
- Lots of big companies there

It was also decided that China would be the site of 2007 AGM.

Note:: Following the SMAG meeting on 10-13-04, participants from Madagascar presented the CASM Secretariat with a proposal to host the 2006 AGM.

PUBLICATION

The Chairman asked for suggestions of someone to put together a “Best of CASM” publication.

It was suggested and agreed that Jennifer Hinton be asked to do the publication because she had attended all three AGMs. SMAG members are familiar with her writing skills and it would also be beneficial to her as she is working on her doctoral degree. Mr. Walser will find out her availability and coordinate with her. It was proposed that every effort should be made to have the manuscript ready by the end of the year and its publication completed by February/March 2005.

Communique (Press Release)

The Chairman asked members if they wanted to write a press release / communiqué prior to leaving Colombo.

It was decided that letters of thanks be sent to the Minister of Environment, the National Gem and Jewelry Authority and the Bureau of Geological Survey, and a communiqué be written for the CASM Website..

SMAG Membership

Mr. Linus Adie(Nigeria) will contact the AMP for nomination of two representatives (one francophone –Mali and one Anglophone – Nigeria) to represent the AMP on the SMAG .

The Chairman said there is also a need for two new members from the private sector as SMAG members Paul Fortin and Ramanie Kunanayaga are no longer active. Mr. van de Veen suggested contacting ICMM to nominate someone.

The Chairman said that Goldfield is interested in membership to the SMAG and an appointment could create competition. He then asked for a consensus on an invitation to Mr. Tim Buchanan to join the SMAG.

Mr. van der Veen suggested checking with AngloGold prior to bringing in someone from Goldfield because it could either create competition or close doors. He further suggested that one representative is chosen from Goldfield and the other from AngloGold.

The Chairman said he will investigate and come up with some suggestions.

CASM Africa Proposal

Mr. Pedro briefed SMAG members that AGM participants from Africa met earlier during the day to discuss the possibility of establishing an ASM network in Africa. This network would be affiliated with CASM and potentially operate under the auspices of the African Mining Partnership (AMP). Its objectives would be to share information and experiences on projects and provide access to funding for projects. Mr. Joachim Bayah (Ghana) is Interim Chairman and the Secretariat is with SEAMIC (Tanzania).

CASM Asia Proposal

Dr. Satoshi Murao presented a proposal for the formation of a CASM Asia network for the purpose of building a cooperation network among geoscientific and other organizations for the formalization, regulation and assistance of small-scale mining in Asia. It will function as a hub for CASM activities in Asia and will partner with CASM and countries outside of the Coordinating Committee for Geoscience Programmes in East and Southeast Asia (CCOP) region. The implementing agencies will be CCOP and the Geological Survey of Japan, AIST. It will be separate from CASM China which deals with specific issues in China. However, CASM China, as a representative to CCOP, can join CASM Asia. The network would be built up over three years and by his estimate would require an initial budget of US\$ 45k for the first year. Outputs would include a website showing CASM-Asia's activity, a database of ASM in Asia, workshops, and CCOP Technical Bulletins describing work and achievements.

Giving feedback to Dr. Murao, Mr. van der Veen said that the idea of the network is fine. He suggested that each country provides feedback into CASM Asia in terms of their legal and regulatory framework. This would then create a wide spread network on the role of government in these countries and will be a good learning tool. CASM Asia should require that each government makes an inventory of what it does - any specific institutional programs in support of SSM, whether they work or not and what their constraints are. All of these should be documented.

Dr. Murao said that the Steering Committee meeting will be held on November 19, 2004 and the suggestion will be brought to their attention at that time.

Mr. Kevin D'Souza asked whether there has been a commitment for funding from any of the CCOP member institutions. Dr. Murao said that the Geological Survey of Japan, AIST, has donated 1 million Yen (about USD 10k) for the preparation and design of a database for small-scale mining and a discussion/trip with stakeholders. Half of the budget would go to the University of Delhi in India and the other half, used for his travel expenses to India/Myanmar to audit the contract with the University.

The Chairman asked what support and assistance CASM Asia is asking of CASM.

Dr. Murao said in addition to the \$10k from the University of Delhi, an additional US\$35k is needed to support the project.

The Chairman said that CASM is interested and supports the concept in principle. He asked that the CASM Secretariat (Walser) works along with Dr. Murao to develop a concrete work program which articulates more clearly the mission and objectives of the network. He also asked that Dr. Murao solicit some in-kind commitments from member countries that would at least match any CASM cash contribution. Dr. Murao agreed and asked that the SMAG makes a commitment to funding by November 19th (CCOP Steering Committee meeting date).

Next SMAG Meeting

The next SMAG meeting will be held February 2005 via video conferencing.

Adjournment

The Chairman thanked everyone and adjourned the meeting at 8:15 p.m.