

Inaugural Meeting Report

To the Communities and Small-Scale Mining (CASM) Secretariat regarding the
Communities and Small-Scale Mining Regional Network in China (CASM-China)
Inaugural Meeting



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Forward

The Communities and Small-Scale Mining Regional Network in China (CASM-China) held its inaugural meeting in Beijing from January 5-7, 2004. CASM-China aimed to bring together a wide range of people involved in artisanal and small-scale mining (ASM) in China, within the context of poverty alleviation and sustainable communities. Opinion within the country is sharply divided between those who see ASM activity as harmful and unnecessary and those who see it as essential for local development. This meeting broke new ground by including discussions that encompassed a full range of ASM issues.

During the course of the meeting 43 participants from 24 agencies met together and discussed how an effective network will be organized and what goals can be achieved in China's complex and often sensitive ASM sector. These agencies included:

- Seven departments in the Ministry of Land and Mineral Resources (China Mining Association, Department of Mineral Exploitation, Senior Consultancy Center, Information Center, Center of Land and Mineral Legal Affairs, Academy of China Geological Environmental Monitoring, and the Academy of Land Resources Economics);
- The State Safety Production Supervisory Bureau;
- Two institutes in the Chinese Academy of Sciences (the Institute of Geographic Sciences and Natural Resources Research and the Center for Eco-Environment),
- One institute in the Chinese Academy of Social Sciences (the Institute of Quantitative Economy and Technical Economy);
- Four universities (China Renmin University, Shanxi University of Finance and Economy, Chongqing University, Liaoning University of Technology at Fuxin);
- Three provincial agencies (Bureaus of Land and Mineral Administration of Yunnan, Chongqing, Shanxi), and;
- Two local agencies (Shahe City in Hebei province and Shanghang county in Fujian province).

Representatives from the Canadian Embassy, Rio Tinto, and BHP Billiton attended the second reception dinner, as well as Dr. Philip Andrews-Speed, from the University of Dundee and AJ Gunson, from the University of British Columbia.

In addition to summarizing the meeting, this report details CASM-China's organization, goals and work plan for 2004. The meeting marks a promising start for the network, and was well received by the participants, who were eager for the opportunity to discuss the role of ASM in China.

Appended to the report is the list of participants, the meeting program and a detailed breakdown of the meeting budget.

CASM-China Background

Following CASM's September 2003 Annual Meeting in Elmina, Ghana, Shen Lei, AJ Gunson, and Philip Andrews-Speed submitted a proposal to create CASM-China. In November 2003 CASM accepted the proposal and in December 2003 provided CASM-China with the terms of reference and the initial payments. Formal planning for the inaugural meeting began in November 2003 under direction of the organizing committee, composed of the initial proponents.

Meeting Agenda

There were three main goals for CASM-China's inaugural meeting:

- To bring together and form a network of a wide range of ASM researchers, experts and government officials;
- To design a practical organizational structure for CASM-China; and
- To build an initial work plan for CASM-China.

The agenda was set by the organizing committee and was intended to provide plenty of time for the participants to meet each other and discuss informally the issues raised during the meeting.

Table 1: Program of Events

CASM-China Inaugural Meeting Program of Events	
5th January 2004	
14:00	Registration
16:00	Introductions
18:30	Welcome Dinner
6th January 2004	
08:30	An overview of ASM in China (SL)
09:30	An overview of ASM and the international experience (PAS)
10.30	An introduction to CASM and the concept of sustainable ASM communities (AJG)
11:30	Questions and discussion
12:00	Lunch
14:00	Inaugural Business Meeting for CASM-China
18.30	Dinner with international stakeholders
7th January 2004	
8:30	Final wrap-up session
11:30	Closing

Meeting Summary

Monday, January 5, 2004

The meeting began at 4:00PM at the Beijing Foreign Experts Building, in northern Beijing. After a brief introduction by Shen Lei, all of the participants introduced themselves in turn, explained their experience with ASM, and described what they expected to get out of the meeting. As many of the participants were not familiar with each other, it was important to provide adequate time to get to know one another. This format is unusual for China, where often only the highest-ranking people present are given time to speak.

Following introductions, the participants met informally over dinner. After dinner, the organizers met with participants with three Chinese ASM officials with some authority to discuss the potential roles of CASM-China

Tuesday, January 6, 2004

At 8:30 AM the meeting reconvened for three presentations.

Shen Lei presented on the overall state of ASM in China. He reviewed the diversity and scale of Chinese ASM, the recent history and government policies toward ASM, and the positive and negative impacts of ASM in China.

Philip Andrews-Speed discussed the overall state of ASM around the world. He reviewed changes in the international community's approach toward ASM and key current questions facing policy makers and development agencies with regard to ASM. He touched on characteristics distinguishing ASM from formal mining, the costs and benefits of ASM, ASM government policy internationally and the difficulties of effective ASM policies, and methods by which ASM policies could be improved.

AJ Gunson presented on CASM's structure, vision, role, and activities. He stressed the importance of using ASM as a tool for poverty alleviation on the road toward more sustainable communities. He then discussed the potential for CASM to cooperate with CASM-China and a possible structure and role for CASM-China.

Following an informal lunch, the meeting resumed with a discussion of the costs and benefits of ASM in China. Participants noted that the ASM debate in China encompassed a wide range of topics including safety and health, environmental protection, industrial distribution, and rural poverty reduction. They also commented that the Chinese media and government usually only focused on the negative aspects of ASM in China. With a view to the broader issues, participants discussed current ASM policies in China and the potential for change. One main issue discussed was the legal definition of small-scale mining in China and its legal implications regarding mineral resource law. In particular, participants were concerned about creating a clear boundary between formal large-scale

mining and ASM. Participants recognized that a new national policy toward ASM is vitally necessary. Some participants argued that in the future the central government cannot continue to close small-scale mines without providing any compensation for the miners. In addition, the relationship of poverty reduction with ASM and health, safety and environment training were discussed.

After the discussion the participants reconvened for a more formal dinner with representatives from the Canadian Embassy, BHP Billiton, and Rio Tinto. The international participants expressed great interest in the situation of ASM in China and looked forward to cooperating more with CASM-China in the future.

Following the meal, the organizers met with four ASM officials from rural communities to discuss the role and structure of CASM-China and potential for future CASM-China activities and projects.

Wednesday, January 7, 2004

At 8:30AM the meeting continued with a discussion of the future structure and role of CASM-China. Participants fully recognized the importance and necessity of creating a multidisciplinary network approach to ASM in China. The importance of formalizing CASM-China and registering officially was stressed. Registering CASM-China independently was perceived as time-consuming and difficult. Not registering in some capacity is illegal. It was decided that the best option was to give CASM-China a home within the China Mining Association, which has a ASM department. The importance was stressed of using CASM-China's webpage for sharing both Chinese and international reports and papers on ASM. An online discussion forum was also deemed important. Participants recommended that CASM-China cooperate with the China Mining Association and a county level government to host a local meeting with a wide range of stakeholders to discuss the role of ASM and the potential for using ASM as a vehicle toward poverty reduction and more sustainable communities. Participants also decided to both widen the CASM-China network's membership nationally and deepen CASM-China locally. Shen Lei thanked the participants for their involvement and hard work. Philip Andrews-Speed thanked Shen Lei and his assistance for organizing the meeting and making it a success before closing the meeting.

Key Meeting Achievements

Over the course of the CASM-China Inaugural Meeting the following main results were achieved:

- The participants acknowledge as timely and of key importance the establishment of the CASM-China Regional Network. All participants fully recognized the necessity of further study on the issues of small-scale mining in China; while China's small-scale mining faces great challenges, it holds huge potential.
- Participants recommend that CASM-China become a legal organization under the China Mining Association (CMA). The CMA has broad and direct links with local small-scale miners and is closely involved with the administration and research on ASM in China. Further discussions with the CMA are required to formalize the details.
- Fu Mingke, previous Director General of Department of Ministry Exploitation in Ministry of Geology and Mineral Resources (now renamed the Ministry of Land and Resources), recommended that Shen Lei be appointed as the Director of the Small Scale Mines Committee in the China Mining Association (CMA) after CASM-China is linked with the CMA.
- The Senior Consultancy Center and the Center of Land and Mineral Legal Affairs, both in the Department of Land and Resources, also expressed interest in hosting CASM-China.
- While it was recognized that Chinese government officials and experts had made many great efforts to study and resolve ASM issues and done lots of studies on China's small-scale mines, there is still much work to be done. Participants recognized the importance of cooperating with international organizations such as the World Bank, UNIDO, and the ILO, both in order to share China's experience with other nations and to learn from the international experience.
- Participants recognized that of the many issues challenging Chinese ASM, the issues of regularization, environmental protection, health and safety and poverty alleviation should be given priority in future action plans.

CASM-China Work Plan 2004

Based on the outcome of the Inaugural Meeting, a work plan and budget for the rest of 2004 is shown in Table 2 on the next page. This work plan includes; formalizing CASM-China, developing the Chinese-language web-based knowledge center, hosting local stakeholder meetings, and formalizing a national policy paper. In early February 2004, CASM-China will initiate the work plan, starting with the formalization of CASM-China under the China Mining Association.

Table 2: CASM-China Work Plan 2003-2004

Activity	Details
Inaugural Meeting	Held January 5-7, 2004
CASM-China Formalization	Set up CASM-China as a department under the China Mining Association (CMA)
Webpage Development	<ul style="list-style-type: none"> • Translate and make available key Chinese and international ASM legal and policy documents • Setup a discussion forum to share ideas and link agencies and individuals together
Local CASM-China Meeting	<ul style="list-style-type: none"> • Co-host two pilot multi-stakeholder meetings in ASM counties with the CMA • Report meeting results back to CASM-China
Expand Network Nationally	Meeting participants are to reach out to their counterparts in ASM areas unrepresented at the meeting
Expand Network Locally	Rural meeting participants are to reach out in their communities to inform and involve other ASM stake-holders
CASM Annual Meeting	Send at least one CASM-China representative to the 2004 CASM Annual Meeting to report on CASM-China's activities
National Policy Paper	Write a policy paper on ASM, poverty reduction, and sustainable communities to be presented to the Chinese State Council
Projects	<ul style="list-style-type: none"> • Approach the China Science Foundation for cooperation studying the impact on communities of ASM coal mine closure and the potential for alternative sources of income • Approach the ILO and the State Safety Production Supervising Bureau for cooperation on a pilot mine safety project • Approach UNIDO and the Chinese Academy of Science for cooperation on a pilot mercury reduction project
CASM-China 2005 Meeting	Begin planning and fund raising for the second annual meeting of CASM-China
Transaction Costs	International money transfer fees, photocopying costs, and phone fees.

Figure 1: CASM-China Inaugural Meeting



Summary

CASM-China's Inaugural Meeting marks a promising start for the organization. Participants from around China were successfully brought together to discuss ASM in the context of poverty reduction and sustainability. A plan to formalize CASM-China under the China Mining Association was developed. As detailed in the work plan, much work remains to be done, including registering the organization, developing the webpage, holding a pilot local ASM stakeholder meeting, expanding and deepening the network and investigating potential projects.