



## POSITION SUMMARY

# Coexistence between large and small-scale mining:

Principles of peaceful coexistence between mining titleholders and artisanal and small-scale miners

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ALLIANCE FOR  
RESPONSIBLE MINING



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## Measures to transform conflicts between titled industrial mining and legitimate artisanal and small-scale mining.

Scenarios where informal and formal mining activities coexist in the same mining area have led to the development of different interactions and strategies by both ASM and industrial mining in collaboration with public, and sometimes private institutions (often NGOs).

### Historically, there existed:

- 1 Policies that encourage ASM miners to stop working in areas granted to large-scale mining projects.
- 2 Policies aimed at evicting and excluding ASM miners from titled areas.
- 3 Practices aimed at promoting coexistence between titleholders and ASM miners in which both parties get benefits.

Despite the difficulties, the third policy scenario has shown to be **most successful in terms of mining coexistence, providing lessons for more equal, fair and legitimate models in the future.**

In this regard, the Alliance for Responsible Mining (ARM) promotes first of all **equitable access to mining titles** for ASM miners, given their financial

and technical capacities. However, when this is not possible due to the dynamics of mining ownership or ASM legalization in the territories, **the coexistence** between titleholders and ASM miners in the same zone is deemed favorable for both parties as it is an opportunity to transform a conflictive relationship into one of peaceful collaboration between neighbors.



ARM promotes mutually beneficial business models, based on the following premises:

- **Facilitate building trust through dialogue** and transparency among the parties.
- **Provide appropriate guarantees** for the parties involved.
- **Include clear rules and unbiased supervisors** during the process.
- Question whether these agreements are compatible with the **traditional values and ways of life of miners.**



**Remember that this is just a summary!** To review the full content, you can read it in the full public position.

## Examples of coexistence regulations

Existing regulations related to the coexistence between artisanal and small-scale mining and medium- and large-scale mining worldwide are very diverse, with no uniform but similar variables. These regulations reflect each country's mining traditions and regulations. The following are examples taken from some Latin American and African countries, noting that these regulations have often occurred after companies and artisanal and small-scale mining have been forced to coexist in practice.



**Ghana:** There is a need to build participatory dialogue processes in which ASM is taken into account in future sector planning and regulation.



**Burkina Faso:** This legislation does not regulate specific forms of mining coexistence, except for the provision of employability that could be used for this purpose. **One of the main changes in the Mining Code is the newly created royalty comprised of 1% of the revenue of industrial mines, which would be entirely used for rural development in the area impacted by mining operations.** These funds can be used for the development of legal ASM with good practices even in cases of mining coexistence, although the decision to use these funds belongs to the local community.



**Nicaragua:** Artisanal miners engaged in mining activities before granting any concession will have the right to exploit 1% of the areas upon their allocation, provided that there is a prior agreement with the titleholder and that this work authorization will not imply a preferential right in favor of artisanal miners. (...) **Nicaragua also provides an important participatory mechanism to defend ASM interests and rights.**



**Ecuador:** The legislation has addressed cases of mining coexistence, determining contractual agreements and obligations for both parties, e.g. to prohibit illegal extraction of minerals or to provide that artisanal mining does not affect the rights of mining concession holder with a valid title and.



**Colombia:** Some of the free areas in Colombia where ASM miners have traditionally worked were given to prospectors and large-scale mining companies. Given all the conflicts that mining has caused in the territories, the government has developed a number of legalization mechanisms that facilitate mining coexistence. In the position, you can find the following cases:

**Operations contracts** and **Formalization subcontracts**

Segovia and Remedios cases

Buriticá and San Roque cases



**Peru:** One of the main problems for formalization that affects the coexistence between ASM and large and medium-scale mining is that around 93% of Peruvian miners who work in artisanal mining do not work in their own concessions, that is, they operate on third-party concessions, for which holders are not required to sign any mining or exploitation contracts with those miners that are on their way to formalization. (...) **For true mining coexistence, there should be legal guarantees that address both fears from large-scale mining holders on having such coexistence as well as from ASM miners on continuing their activities.**

La Rinconada and Cerro Lunar cases



**Honduras:** ASM-LSM coexistence regulations remain quite loose and, despite having prior approval from the mining authority, there are no safeguards set to protect small-scale mining from abusive clauses or unfair trade agreements. As the authority has no oversight or mediation roles, these actions are at the discretion of large-scale mining companies.

Macuelizo, Santa Bárbara, case

## The importance of following international Standards

**International standards for responsible mining such as the IRMA Standard for Responsible Mining and the Responsible Gold Mining Principles produced by the World Gold Council** encourage the coexistence of industrial mining and ASM through different mechanisms such as building trust, supporting the road to formalization, connecting ASM to legal markets and conducting due diligence procedures. "ICMM (International Council on Mining and Metals)

recommends several mechanisms to facilitate mining coexistence such as advocating for ASM formalization and legalization, employing miners from artisanal and small-scale mining, creating technical assistance programs, using planning methods for community development and developing conflict resolution strategies and programs based on the prevention of potential causes that could give rise to mining conflicts."



## ARM position: proposals for a good coexistence

Based on the analysis made, some lessons learned can be drawn, which in turn will help to identify possible **guiding principles to achieve equitable and fair models of mining coexistence** as a precondition for lasting and fruitful mining relationships.

- 1 **Regulatory frameworks that provide guarantees to both companies and miners and recognize ASM legitimacy.**
- 2 **Dialogue and consultation should take place prior to the exploration phase performed by the mining company.**
- 3 **Objective criteria to determine coexistence viability.**
- 4 **The State as an overseer of coexistence relationships.** The State should assume an active and impartial role, acting as an overseer in negotiations and contracts and providing relationship models, rather than prescribing them.
- 5 **Impartial third parties mediate and accompany the processes.** These can be members of civil society, local or international NGOs, universities, etc.
- 6 **These processes require both sensitivity and patience.**
- 7 **Fair and equitable agreements** between large-scale mining and ASM miners.





**8 Using CRAFT and Fairmined sustainability standards as a roadmap.** Standards that provide a framework for progressive improvement tailored to small-scale mining, which strengthens the legitimacy of the process and provides ASM with access to value-added markets.

**9 Incentives for ASM during coexistence.** Formality is the main incentive as well as other benefits related to better income, decent work, better conditions for families, reduction in child labor at mines, among others. Another major incentive of mutual interest is the improvement of professional qualifications of men and women miners working in ASM.

**10 Incentives for large-scale mining companies during coexistence.**

These principles consolidate ARM's position on ASM-LSM relationship and provide an **inclusive and equitable approach to strengthening the relationship between artisanal and small-scale mining and large-scale mining**, addressing the needs and expectations of both parties. However, it is essential that these relationships pay attention to the protection of traditional practices by ASM miners, as a way of preserving the diversity of practices and the important role that mining plays in the family economy in the territories. Such protection is the principle of a fair relationship on the basis of recognizing ASM as a key player by public and corporate entities.



If you are interested in the sector or the topic, read the full position on the following link:

**FULL PUBLIC POSITION**

[www.responsiblemines.org](http://www.responsiblemines.org)

