



Schweizerische Eidgenossenschaft
Confédération suisse
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Swiss Agency for Development
and Cooperation SDC

PROJECT DOCUMENT

Sustainable Artisanal Mining Project (SAM)

Phase 4, 2015 - 2018



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УУРХАЙН ЯАМ



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**Swiss Agency for Development
and Cooperation SDC**

Duration: January 01, 2015, to December 31, 2018
Mongolia

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Abbreviations

ADRA	Adventist Development and Relief Agency	CIEID	Canadian Institute for Extractive Industries in Development
AIO	Assay Inspection Office (Precious Metal Assay Laboratory of Assay Inspection Division within the Mongolian National Centre for Standardisation and Metrology)	CMW	Convention on the Protection of the Rights of All Migrant Workers
ARM	Alliance for Responsible Mining	CPED	Convention for the Protection of All Persons from Enforced Disappearance
ASM	Artisanal Small-Scale Mining	CRC	Convention on the Rights of the Child
ASM Federation	Mongolian Small Scale Miners' United Umbrella Association	CRPD	Convention on the Rights of Persons with Disabilities
ASMO	Artisanal and Small-scale Mining Organisation	CSO	Civil Society Organisation
ASM-PACE	Programme: ASM in Protected Areas and Critical Ecosystems	DFAT	Australian Department of Foreign Affairs and Trade (former AusAID)
AusAID	Australian Agency for International Development (now DFAT)	DRC	Democratic Republic of the Congo
Bn	Billion	EITI	Extractive Industries Transparency Initiative
BGI	Better Gold Initiative	ESEC	«Engaging Stakeholders in Environmental Conservation» Project
CASM	Communities and Small-scale Mining	Federation	Short term for "ASM Federation" (see above)
CAT	Convention Against Torture	GASI [2]	General Agency for Specialised Inspection
CCPR	The International Covenant on Civil and Political Rights	GASI	General Authority for Social Insurance
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women	GDP	Gross Domestic Product
CERD	International Convention on the Elimination of Racial Discrimination	GDP	Governance and Decentralisation Programme (SDC)
CESCR	The International Covenant on Economic, Social and Cultural Rights	GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
CHF	Swiss Franc	GO	Governmental Organisations
CIDA	Canadian International Development Agency	GoM	Government of Mongolia
		HRBA	Human Rights-Based Approach

NHRC	National Human Rights Commission	NTR	NTR Metals (company name)
ICMM	International Council on Mining and Metals	OECD	Organisation for Economic Co-operation and Development
IFC	International Financial Corporation (World Bank)	PCM	Project Cycle Management
IIED	International Institute for Environment and Development	PCU	Project Coordination Unit
ILO	International Labour Organization	PIU	Project Implementation Unit
IMRI	Integrated Mineral Resources Initiative (of GIZ)	PROMINES	Project for restructuring the mining sector in DRC (World Bank)
INC	Intergovernmental Negotiation Committee	RJC	Responsible Jewellery Council
IUCN	International Union for Conservation of Nature	SADC	Southern African Development Community
KH	Knowledge Hub	SAM	«Sustainable Artisanal Mining» Project
LSM	Large-Scale Mining	SCO	Swiss Cooperation Office
M&E	Monitoring and Evaluation	SGKH	State Great Khural (Parliament)
MDO	Multilateral Development Organisations	SDC	Swiss Agency for Development and Cooperation
MoFA	Ministry of Foreign Affairs	SME	Small and Medium Enterprises
MoEGDT	Ministry of Environment, Green Development and Tourism	SMMRP	Sustainable Management of the Mineral Resources Project
MoF	Ministry of Finance	TAF	The Asia Foundation
MoHS	Ministry of Health and Sport	UB	Ulaanbaatar city
MoL	Ministry of Labour	UNDP	United Nations Development Programme
MoM	Ministry of Mining	UNEP	United Nations Environmental Programme
MONFEMNET	National Network of Mongolian Women's NGOs	UNGPs	UN Guiding Principles for Business and Human Rights
MPDSP	Ministry of Population Development and Social Protection	UNICEF	United Nations Children's Fund
MRAM	Mineral Resource Authority of Mongolia	UNIDO	United Nations Industrial Development Organization
MRS	Mining Rescue Services	VET	Vocational Education and Training
MTR	Mid-term Review	WHO	World Health Organization
NGO	Non-Governmental Organisation	WV	World Vision
NSO	National Statistical Office		

1. Executive Summary

Since its transition to a multi-party democracy and market economy in the 1990s, Mongolia has experienced tremendous economic growth, much of which can be attributed to an unprecedented mining boom that saw a nearly ten-fold increase in GDP per capita and a doubling of the contribution of mineral exports within a period of 10 years. Despite the economic boom, unfavourable shifts in minerals policy and reduced commodity prices have put Mongolia at risk of another economic downturn.

Artisanal and small-scale mining (ASM) provides people with a crucial survival strategy, yet the sector has faced dire challenges due to widespread inequalities, social exclusion and human rights violations. ASM emerged in Mongolia more than a decade ago in response to the economic transition and climatic disasters that caused widespread poverty and unemployment. By 2005, when the [SAM Project \(Phase 1\)](#) began, most of the 100,000 ASM miners - mainly ex-herding families - indirectly supported more than 15 percent of the population. Despite this, society broadly characterised ASM as a temporary annoyance replete with crude extraction methods, serious environmental impacts, tax evasion, an illicit minerals trade, dire safety conditions and paltry social welfare. This prompted widespread public opposition, exploitation and human rights abuses against the women, men, youth and elderly people involved in ASM.

Great strides have been made towards the integration of ASM into the formal economy and increased development contributions from the ASM sector. A mid-term review of the [SAM Project \(Phase 2\)](#) in 2009 recognised the project as highly relevant for Mongolia's development and crucial for the population involved. Soon after, the first small-scale mining legal framework was enacted in July 2010 with support from, and advocacy by, the SAM Project, laying the foundation for the formalisation

of the sector and the reconceptualisation of the 2011-2014 [SAM Project \(Phase 3\)](#) into two main components: An ASM Policy Component and a Community Mining Component. Today, thousands of miners are working formally via local ASM organisations and are registered in social and health insurance. Best practice examples of environmental reclamation, occupational safety and increased local development contributions are emerging. The ASM Federation is increasingly becoming a strong and effective advocate for miners' rights. An ASM Unit has been established in the Ministry of Mining (MoM) and ASM commitments from the ministries responsible for labour, social protection and health are strong. And, notably, the public and political perception of ASM has considerably improved.

Recent reforms create a platform for sustainable ASM, yet persistent human rights issues and the informality of the supply chain must be addressed in order to realise the sectors' full development potential. The new State Policy for the Minerals Sector (2014-2025) seeks to reactivate the mining sector and, supported by amendments to the Mining Law (2014), can further advance sustainable ASM. Legal provisions for the formalisation of gold trading provide an additional entry point to realise ASM's potential for employment generation *across the supply chain*, increase foreign exchange earnings and curb inflation, support macro-economic stabilisation and spur national development. Despite progress to date, impacts beyond Phase 3 beneficiary communities are limited and the State must now take central responsibility for addressing the informality, disorganisation, unsafe working conditions and environmental impacts that plague the broader sector. Furthermore, sustained progress is seriously threatened by continued exploitation, marginal service delivery, the exclusion of gender concerns, and the weak capacity of duty-bearers to fulfil their obligations and of rights-holders to claim their rights.

The SAM Project (Phase 4) seeks to fill these gaps as recognised in the MTR, address the challenges and transform Mongolia into an international knowledge hub for ASM Best Practice. The development goal is “An economically sustainable, environmentally responsible and human rights-based ASM sector in Mongolia benefiting from, and contributing to, global best practice regarding artisanal and small-scale mining.” To achieve progress towards this goal, the design of Phase 4 consists of three interconnected components associated with the following outcomes:

- **Human rights-based ASM policy and community mining:** Human rights-based approaches are embedded in all aspects of artisanal mining in Mongolia, including enhanced capacity of the State to respect, protect and fulfill the rights of ASM stakeholders, with artisanal miners employing more socially and environmentally responsible practices.
- **Economic strengthening of all formal supply chain stakeholders:** ASM mineral commodities’ contributions to economic strengthening and improved livelihoods at local, regional and national levels are enhanced and more visible, involving all actors along the entire supply chain.
- **Knowledge-sharing and global ASM policy dialogue:** Stakeholders in Mongolia contribute to, learn from and apply global and national best practice regarding ASM; Mongolia’s achievements garner national and international recognition; and Mongolia and SDC take prominent leadership roles in ASM internationally.

Mainstreaming HRBA aims to increase capacity and transfer implementation to duty-bearers while empowering rights-holders to claim their rights. The implementation strategy addresses duty-bearers and rights-holders. The strengthening of duty-bearers will progressively increase their capacity to meet obligations, including support to ASM miners in the formalisation and implementation of best practice. Empowerment of the ASM Federation and key civil society organisations will result in the transfer of key SAM Project advocacy roles to rights-holders. The achievement of milestones will guide the gradual withdrawal of the project from direct interventions at the micro (community) level to concentration of resources towards institutional strengthening at the meso (government, Federation) level, support for policy implementation at the macro level, and knowledge-sharing at the meta level.

The SAM Project Phase 4 will build upon existing mandates and mechanisms for coordination with and between partners and allies. The project will support its primary counterparts, the MoM and the ASM Unit within

the Mineral Resources Authority of Mongolia (MRAM), in playing a key role in building upon existing platforms, such as the National Committee for Occupational Health and Safety Sub-Committee on ASM. The project will utilise existing vertical coordination mechanisms to strengthen the role of duty-bearers at local levels by engaging local government officers via line ministries with strong commitments to ASM, such as the Ministry of Labour (MoL), the Ministry of Health and Sport (MoHS), the Ministry of Population Development and Social Protection (MPDSP), and the National Human Rights Commission (NHRC). The project will build upon its growing number of allies to increase local impacts and extend benefits beyond the life of the project.

The project structure consists of a Project Coordination Unit (PCU) that first transfers implementation roles and ultimately most coordination functions to duty-bearers. Led by an International Project Director and a National Project Coordinator, the primary role of the PCU is to directly engage with, and facilitate the coordination of, activities by key partners in the MoM, MRAM and other institutions. The International Project Director will phase out by the end of year two, but international know-how and technical expertise will continue to be provided for three to four years by an International Advisor who will support project management and provide technical backstopping. Middle management consists of specialists with proven ASM expertise who act as “key account managers” vis-à-vis implementing project partners. Overseeing the project will be a Steering Committee comprised of key decision-makers among the duty-bearers and rights-holders.

Phasing out self-implementation puts monitoring in the centre. The focal point of monitoring at the project level is SAM senior project management. Key account managers are responsible for monitoring activities with and by their partner institutions. An internal mid term review will take place at the end of the second implementation year, and an external review will be part of the planning process of a two-year exit phase and handover after 2018.

The project is a cooperation effort between Mongolia and Switzerland and therefore draws on **Mongolian and Swiss resources**. The Swiss contribution consists of **CHF 6 million** allocated by SDC to the project budget over a four-year period. The Mongolian contribution amounts to **CHF 1.04 million** and consists of contributions by the counterpart, by local governments and by beneficiaries. Each project partner administers its contribution according to its own administrative procedures.

2. Context

2.1 Political and macro-economic context

Since the transition to a multi-party democracy in the 1990s, mining has enabled Mongolia to become one of the world's fastest growing economies. With 2.95 million inhabitants on 1.56 million km², Mongolia is among the countries with the lowest population density. After a 70-year history as a centrally planned socialist republic, the country of semi-nomadic herders transitioned in the early 1990's towards a western multi-party system and market economy. Following the initial collapse of most state-owned enterprises and an abrupt economic downturn, Mongolia's mineral endowment allowed for a fast recovery. Large mineral deposits attracted foreign investment in the industrialised mining sector; artisanal mining surged, with up to 100,000 Mongolians seeking a way to escape poverty through ASM. Due to an unprecedented mining boom, GDP per capita increased from USD \$460 in 2002 to USD \$3,971 in 2013. During the same period, mineral products' share of total exports increased from 33 percent to 82 percent.¹

Minerals-based economic growth comes at a high risk. Mongolia's dependency on a minerals-based economy might even increase. It is estimated that one mine alone - Oyu Tolgoi, which will be the world's second largest copper mine - will account for nearly one-third of the country's GDP after its completion. However, unfavourable tax regimes such as the temporary windfall profits tax², the cancellation of mining licenses in watersheds according to the "long-named law", the suspension

of new exploration licensing since 2010, and long-lasting disputes over the Oyu Tolgoi contract with Rio Tinto has significantly reduced investors' confidence in Mongolia.³ Combined with decreasing mineral prices and lower demand from China, and already noticeable symptoms of "Dutch disease"⁴, Mongolia faces a high risk of another economic downturn. Government revenues from mining are reported to have fallen this year by 44 percent.⁵

A new "State Policy for the Minerals Sector" (2014-2025) seeks to provide a more stable legal environment. In order to reactivate the mining sector as Mongolia's economic backbone, for the first time ever a State Mining Policy was adopted in January 2014 by the Parliament of Mongolia with a solid majority of more than 86 percent. The policy reflects small-scale mining with an article formulated as "3.1.2. State shall support by policy small-scale miners' initiatives to cooperate in legitimate structure and update the related legal framework". This provision reflects a medium to long-term political commitment by Mongolia towards ASM and its operation and development into "small-scale mining enterprises".

2.2 Artisanal mining in the local and national context, national policies

Artisanal and small-scale mining (ASM) is a poverty-driven activity that provides essential livelihoods and income for rural communities.

¹ Customs General Administration of Mongolia. <http://www.customs.gov.mn/statistics>

² The windfall profits tax was a taxation on the profits made by mining companies operating in Mongolia on un-smelted copper and gold concentrate. It was implemented in 2006 and was reportedly the highest windfall profits tax in the world. The tax was repealed in 2009 and phased out over two years.

³ The Behre Dolbear Ranking of Mongolia fell from rank 12 in 2011/12 to the current rank of 24. Data: 2011: Rank 12 (34.0 points); 2012: Rank 12 (32.0 points); 2013: Rank 19 (26.9 points) 2014: Rank 24 (21.5 points). <http://www.dolbear.com/news-resources/press-releases>

⁴ "... the apparent relationship between the increase in the economic development of natural resources and a decline in the manufacturing sector (or agriculture)." http://en.wikipedia.org/wiki/Dutch_disease

⁵ Total Government revenues from mining accounted for MNT 359 billion in 04/2013, and decreased to MNT 201 billion in 04/2014. Source: Mongolian Mining Journal, June 2014, p.19.

ASM in Mongolia consists of formal or informal mining operations that mainly employ simplified forms of exploration, extraction, processing and transportation for the production of gold, coal, fluorspar and other minerals. It involves men and women, youth and the elderly, who work on an individual basis, in family groups or partnerships. ASM in Mongolia emerged in response to economic transition and climatic disasters in the late 1990s and early 2000s that resulted in widespread unemployment and loss of livelihoods. When the SAM Project started in 2005, the ASM sub-sector provided informal employment for more than 100,000 artisanal miners, most of whom were ex-herding families seeking a means of survival, and indirectly supported more than 400,000 Mongolians (about 15 percent of the population). Estimates of the share of women versus men in ASM range from 19.4 to 45-50 percent women, with women being most prominently present in placer gold mining. Largely due to widespread poverty, inequality in access to opportunities and marginalisation from the mainstream, much of this informal mining was characterised by perilous working conditions, serious environmental impacts, conflicts with land users and authorities and the denial of human rights. Today, ASM continues to provide an important strategy for survival and poverty alleviation while making significant, albeit largely invisible, contributions to local and national economic development. At local level, progress in ASM formalisation has substantially increased the injection of capital by miners into local enterprises, thereby creating direct and spin-off employment and stemming rural-urban migration while increasing the cash component of household incomes. At the macro level, the sale of ASM gold already makes significant contributions to foreign exchange earnings and has tremendous potential

to mitigate inflation, support macro-economic stabilisation and spur national development through commercialisation by the central bank.

In Mongolia, after years of repression and human rights violations, artisanal miners have made significant progress towards their integration into the formal economy and the realisation of their rights. Upon its emergence well over a decade ago, ASM was largely viewed as a temporary annoyance that prompted widespread public opposition, frequent exploitation and human rights abuses of “ninja miners”, including acts of unlawful confinement, physical and sexual assault and denial of basic social services. Although this response perpetuated the marginalisation of artisanal miners from the mainstream, great strides have been made since the enactment of the first small-scale mining legal framework in July 2010. More than 4,500 miners are engaged in unregistered partnerships and local ASM NGOs, many of whom are registered in social and health insurance. Best practice examples of environmental reclamation and the implementation of occupational safety and health systems together with increased contributions to local development are emerging. The ASM Federation is increasingly becoming a strong and effective advocate for miners’ rights.

Largely as an outcome of SDC’s advocacy efforts through the SAM Project, the public and political perception of ASM is gradually becoming more positive. The foundation for even greater progress has been laid through institutional measures including the establishment of an ASM Unit in the MoM, acknowledgement of local government mandates in the Small-Scale Mining Regulations (2010) and strong commitments from the MoL, MPDSP and MoHS. ASM nevertheless faces significant challenges, among which are its





continued criminalisation and exploitation in many jurisdictions, marginal delivery of social services, the capacity of key government institutions to extend activities to the broader ASM sector and the long-term sustainability of ASM organisations (ASMOs). Finally, ASM continues to receive limited recognition for its potential to catalyse wealth creation and local and national development across the supply chain.

Recent policy reforms have created a platform to support sustainable ASM. The recently enacted State Policy for the Minerals Sector (2014-2025) - which includes positive ASM articles - provides a solid basis upon which to improve the legal framework for ASM. The formalisation process itself continues to be riddled with a diversity of challenges, such as a high income tax regime, limited land availability for ASM, the dynamics of the political economy, conflicts of interest, local resource conflicts, and an informal minerals marketing regime. At present, the institutional roles of duty-bearers are only marginally captured in legislation, constraining effective regulation and service delivery. These challenges represent a formidable task for the Mongolian government and ASM.

Amendments to the Minerals Law on gold trading have recognised ASM as a formal player. A gold program and gold-trading regulations are currently being developed. In addition, ASM-related amendments to the Minerals Law were approved by Parliament in July 2014 and represent substantial progress in acknowledging the entrepreneurial potential of ASM and the obstacles related to access to land. Specifically, ASM can now be legalised via a range of organisational forms (such as entrepreneurial entities, cooperatives), and the MoM is mandated to support the demarcation of land suitable for ASM. Subsequent amendments to the regulations will provide a crucial opportunity to address human rights and gender gaps, clarify mandates of key institutions, address recognised obstacles and create an environment conducive to the formalisation of the sector.

2.3 Global trends and challenges, international policies

An extended analysis of the global context including key references is provided in Annex 4.

Climate change and the failure of traditional livelihoods, economic transition and collapse, conflict, and high mineral prices have led to a doubling of the ASM population in 15 years to a total of about 30 million worldwide. About half of the world's ASM miners extract gold, resulting in 90 percent of all employment in the gold sector and generating 12-15 percent of all worldwide gold production, about two-thirds of which is refined in Switzerland.

The protection of human rights is a more prominent feature of governance of the ASM sector, although it is far from mainstreamed.

John Ruggie's 2011 Protect, Respect and Remedy Framework and the accompanying UN Guiding Principles for Business and Human Rights (UNGPs) need to be heeded by Mongolian ASMOs, who must address how their activities impact on the human rights of third parties; and the Mongolian state, who must support the ASM sector in fulfilling the human rights of its stakeholders.

The acceptance of the UNGPs as a mandate for action has led to strong attention to responsible sourcing from ASM by downstream companies.

Supply chain due diligence - particularly through the OECD Due Diligence Guidance - is now expected as a standard practice for preventing the worst abuses in mineral sourcing, particularly from ASM. Mongolia can position itself as a source of responsible ASM on the back of the SAM and the Engaging Stakeholders in Environmental Conservation (ESEC) project's achievements, and as a source of lessons on ASM formalisation.

Other responsible sourcing initiatives offer opportunities for Mongolia's ASM sector, including Fairtrade and Fairmined standards that could certify gold-producing ASMOs. Fairmined is about to operate in Mongolia, and could expand its

activities. The Responsible Jewellery Council's (RJC) Code of Practices and Chain of Custody Standard set requirements for responsible sourcing from ASM. The Swiss Better Gold Initiative (BGI) and Solidaridad's Gold Program are also targeting ASM producers.

Due diligence on ASM is not only a concern of buyers from ASM, but also of investors in large-scale mines. Financial investors and industry associations give attention to ASM as a critical risk for LSM profit and resilience. This is encouraging LSM to engage constructively with ASM on their concessions, a common occurrence - and one legally supported - in Mongolia.

However, the exploration boom of the past decade is also leading to the disenfranchisement of ASM as mining companies appropriate mineral rights. ASM miners are forced to re-skill or relocate to marginal sites, with impacts on their productivity, community and environment. Revisions to the IFC Sustainability Framework provide an entry point for protecting miners' livelihoods, but meaningful engagement of ASM remains rare. Consideration of ASM-LSM relations in the context of *cooperation* rather than *cohabitation* is an important step, and an area in which Mongolia is breaking new ground.

Internationally, the formalisation of the ASM sector and the management and eradication of mercury remain subjects of continued focus. Recent legal and policy work in China, DRC, Mozambique, Colombia and Peru present opportunities for shared experience. The adoption of the Minamata Convention in 2013, to which Mongolia is signatory, was a leap forward for efforts to formalise ASM. SDC's experience was pivotal in convincing participants of the crucial role of formalisation in eliminating mercury use.

Responsible ASM also remains high on the international agenda, with the issues of child labour, forced labour, gender inequality and environmental impacts in the limelight. Western legislation and media are paying renewed attention to slavery and human trafficking, and NGOs and UN agencies are putting the spotlight on managing ASM in protected areas, as well as the gendered impacts and benefits of the ASM sector.

2.4 Problem analysis

Progress towards sustainable formal ASM is noticeable, but slow and vulnerable. The lack of a human rights-based approach (HRBA) in the legal and policy framework means miners largely remain within the prevailing government and industry-led discourse, which emphasises the duties of artisanal miners to obey the law, but misunderstands or ignores State obligations to ensure miners' human rights are fulfilled. Rather than being driven by the nation's binding, overarching, international legal obligations, the enjoyment of rights by miners

and their success in formalisation is almost wholly determined by their actions alone. This situation is doomed to be slow and vulnerable if the majority continue to be marginalised by society and lack the knowledge, skills and resources needed to fulfill those responsibilities. As ASM partnerships constitute themselves as business entities (employing workers, etc.), the UN Guiding Principles on Business and Human Rights (applicable to the formal mining sector) will also increase in relevance to ASM.

Opportunities at local and national levels to benefit from ASM are missed. In practice, even formalised artisanal miners are not able to sell their gold legally, exposing them to criminalisation and feeding the black market. Economic benefits, both at the local and national level, remain limited



as long as the mined products cannot be openly commercialised. The official gold price of Mongol Bank is close to world market price, but procedures are too cumbersome for ASM. Gold sales to the black market jeopardise transparency in the minerals sector and equate to lost opportunities for miners, local businesses, government and - by not realising the potential to increase foreign exchange earnings, curb inflation and support macro-economic stabilisation and national development - the State.

Interaction between best practice in Mongolia and international best practice⁶ is

⁶ Note regarding "**best practice**": Best practice for ASM is not universally defined in any single document or standard but refers to the local application of global lessons learnt (which is only possible based on knowledge of these lessons learnt). By definition for the purpose of this project document,

limited. Mongolia is not taking full advantage of international best practice. Typical examples are the ban on mercury or the limitations on processing plants, which drive amalgamation into clandestine spaces. Similarly, best practice piloted in Mongolia (such as steps towards the application of HRBA in ASM) is only partially reaching the international ASM community. Given the already existing language barriers, this problem worsened when the global knowledge-sharing platform CASM (Communities and Small-scale Mining initiative) ceased to exist in 2010. There is now a range of thematic knowledge-sharing platforms on ASM, but coordination between these is limited.⁷ A number of international policy initiatives and national ASM programmes would benefit from access to Mongolia's experiences and expertise, and vice versa, including UNEP, the OECD, UNIDO, UNDP Extractive Sector Projects, and World Bank country projects (such as PROMINES in DRC and SMMRP in Tanzania). Additionally, there is currently no international network, information repository or forum that enables networking and knowledge-sharing on ASM regionally or globally. This gap ultimately limits the potential impact that might be achieved nationally and internationally through effective management and dissemination of good practices in Mongolia and elsewhere.

The core problem the project needs to address is consequently: "The failure to address the ASM sector holistically, with proper States' duties and miners' responsibilities, which is driving ASM into irresponsible practices".

Such irresponsible practices range from deficient occupational health and safety (e.g. covered by ILO and WHO conventions) in ad hoc, informal mines, to environmental damage (e.g. covered by UNEP conventions) where informal mines cannot be properly inspected, to the sale of products such as gold through black markets (e.g. covered by the OECD Due Diligence Guidance) where formal supply chain actors are absent, to child-welfare risks that are related to a lack of mobile schools. This situation is exacerbated by acts of exploitation by local authorities or physical assault and unlawful confinement by police, which serve to further widen the gap between artisanal miners and the State.

2.5 Stakeholders - drivers and restrainers of change

Compared with the previous Phase 3, the stakeholder landscape has undergone significant changes. An in-depth stakeholder analysis revealed that, presumably as a result of ASM legalisation, the number of relevant stakeholders had increased, and many of the previously relevant stakeholders gained in influence over and interest in ASM. The in-depth stakeholder analysis is contained in Annex 6.

The perception of ASM has in general become more positive, and many previous restrainers have revised their positions. The only stakeholder that officially remains in a strong negative position to ASM, and therefore needs to be seen as restrainer, is the Ministry of Environment, Green Development and Tourism (MoEGDT).⁸ SAM's sensible rapprochement with informal supply chain operators allowed for important insights: "Changers"⁹ at the community level seem to be much less a part of the "black-market mafia" than previously assumed, but are a highly vulnerable group due to high-risk exposure in terms of physical and financial security. Even larger UB changers are much less reluctant to sell into formal supply chains than previously believed, and many of them even aspire to increased security and business opportunity through formalisation. These findings justify the reclassification of supply chain operators from former restrainers to allies and drivers of change.

best practice refers to **economically sustainable, environmentally responsible and human rights-based ASM.**

⁷ These include, but are not limited to: ASM-PACE, to share best practice on managing ASM in protected areas and critical ecosystems, which is presently unfunded; the Artisanal Gold Council's and UNEP's 'Mercurywatch.org' site; IIED's ASM Knowledge Programme which is not yet operational; the DC_ASGM_Roundtable Google group for ASM professionals based in Washington, D.C.; the ASGM_partnership Google group for professionals working on mercury; the OECD's ASM Hub for learning about issues of relevance to the operationalisation of the OECD Due Diligence Guidance; the UN-ICGLR-UN biannual conference on conflict minerals, which tends to cover some aspects of ASM formalisation; the Ecominerals Yahoo Group; the Alliance for Responsible Mining's website which has some training materials and other information in relation to responsible ASM. These disparate initiatives are useful but uncoordinated. Greater detail is provided in Annex 5.

⁸ MoEGD denied any formal participation in the SAM 4 planning process.

⁹ The Mongolian term for gold buyers at local, regional or national levels, other than Mongol Bank.

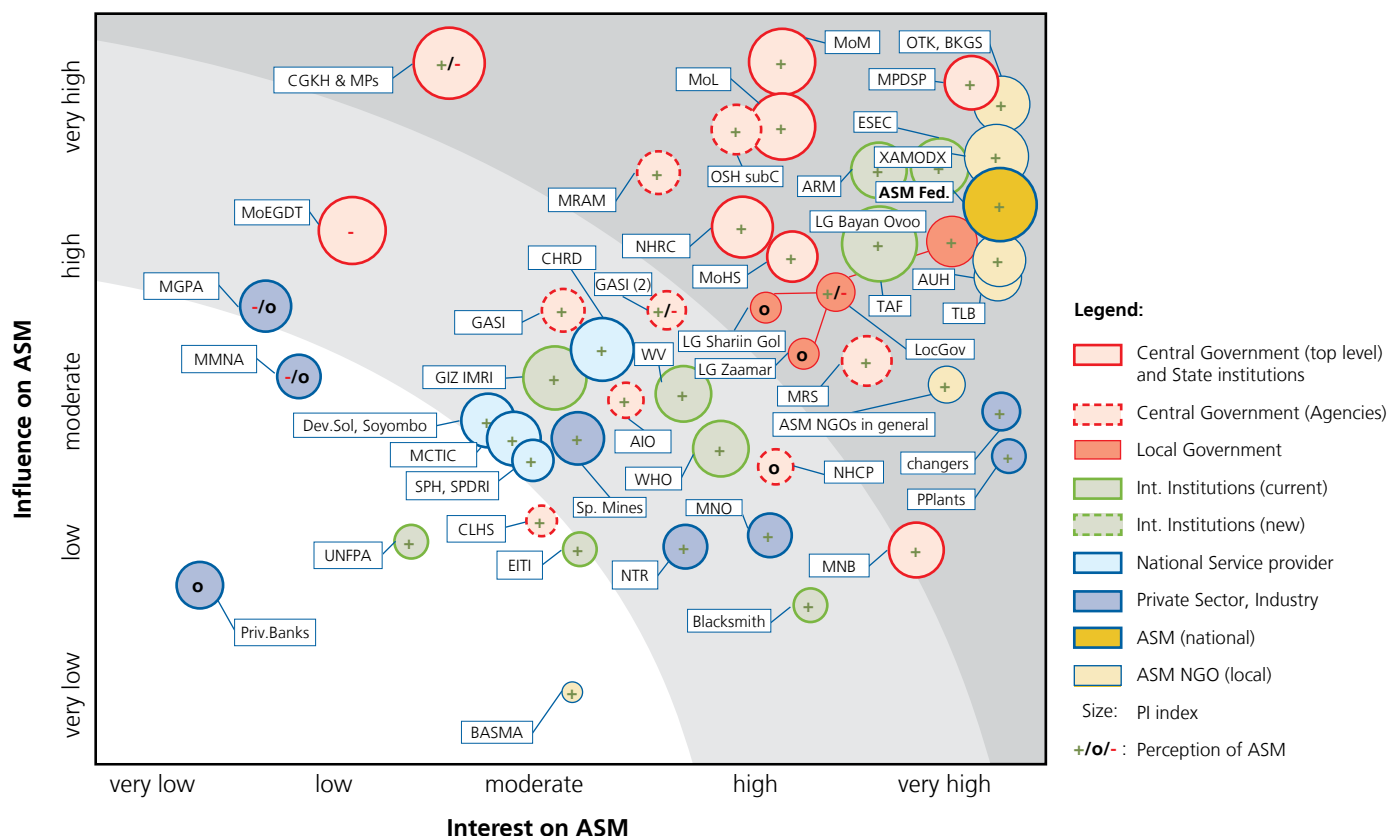


Figure 1: Stakeholder landscape SAM Phase 4

Key stakeholders (dark grey area in Figure 1)

- The stakeholders with the (obviously) highest interest in ASM are the artisanal miners¹⁰ represented by ASM NGOs and the ASM Federation, as well as supply chain players such as changers and processing plants owners, as rights-holders and “**beneficiaries**” of the project.
- The stakeholder most relevant as a **counterpart** (highest responsibility, interest and influence) is the State as duty-bearer; in particular, the mining sector of the central government represented by the MoM and its agencies, MRAM and the Mine Rescue Service (MRS). Equally relevant are local governments in charge of local ASM administration, as well as the recently created MoL and the MPDSP.

Primary stakeholders (light grey area in Figure 1)

- A wide portfolio of relevant primary stakeholders exists. The field is populated by governmental and non-governmental organisations and the private sector.

¹⁰ In the stakeholder analysis represented by ASM organisations, but de facto encompassing artisanal miners and their families at the individual level.

3. Results and lessons learned

3.1 Outcomes and key outputs from previous phases

The SAM Project started in 2005 at a critical MoMnt when Mongolia was still suffering the consequences of transition and experiencing an unprecedented gold rush involving 100,000 artisanal miners. During Phase 2 (2007-2010), the project had to completely adapt its intervention strategy due to a (politically motivated) ban on mercury use and a subsequent criminalisation campaign against ASM. By the end of Phase 2, the results of the project's advocacy and intervention could be perceived but not yet clearly measured. Consequently, a theory of change proven by previous SDC projects in ASM was developed based on the hypothesis that *"favourable conditions for the integration of ASM into the formal economy constitute incentives for formalisation and responsible practices; and demonstrated responsible ASM creates broad stakeholder confidence in the development potential of ASM"*.

Phase 3 was designed to simultaneously contribute to an enabling legal framework for ASM and the introduction of ASM best practices in responsible community mining.

Expected outcomes were: (1) *"Ensure secured workplaces for responsible artisanal miners through an enabling legal environment"*; and (2) *"Improve livelihoods of artisanal miners through better organisation, greater social and environmental responsibility, and improved technology and local wealth creation"*. Validation of the project outcomes, with room for further improvement as identified by the MTR, suggests maintaining this approach as one of the proposed components of Phase 4. This comprises work on the topics of: (i) Legal framework and formalisation; (ii) Organisation and institutional strengthening of ASM; (iii) Social responsibility, social security and workplace safety; (iv) Environmental responsibility and eco-efficient technology (in

coordination with the ESEC II project)¹¹; (v) Capacity building and access to information; and (vi) Local development and income-generation.

SAM initiated a virtuous cycle in which responsible ASM miners and an enabling legal framework became mutually reinforcing. As a result, not only were advancements made in shifting ASM towards the formal economy, considerable progress was also made in empowering artisanal miners and bringing ASM sites close to international social and environmental best-practice standards for responsible ASM¹². The ASM Federation created in 2013 has shown remarkable potential at the policy level. Progressive application of the HRBA during Phase 3 encouraged duty-bearers to become proactive in formalising the sector, which has increasingly empowered rights-holders to demand their rights and create political will. However, numerous entry points and opportunities exist to increase the application of HRBA to address polarised views on ASM at both the political and institutional levels, and to deliver on human rights obligations and respond more effectively to gender inequalities.

3.2 Recommendations of the MTR

The MTR of Phase 3 confirmed the success of the SAM Project intervention strategy. The review was conducted in 2013. It concluded

¹¹ The project agenda on environmental matters will be strongly informed by, and aligned with, Mongolia's road map to compliance with the Minamata Convention on Mercury. Mercury use is banned in Mongolia. However, it is a "public secret" that informal miners without access to mercury-free processing plants (developed by SAM) still use mercury.

¹² For example, voluntary supply chain standards like the Fairmined and/or Fairtrade Standard for gold from ASM. Through cross-recognition between ARM and RJC, Fairmined certified gold is recognised as OECD-compatible "eligible material". Both Standards (Fairtrade and Fairmined) are also considered legitimate sources by the Swiss Better Gold Initiative (BGI).



with extensive recommendations to enhance the application of the HRBA, increase emphasis on gender issues, strengthen the focus on formalisation of gold supply chains, reduce the risk of exclusive dependency of the sector on SDC support, and build the capacity of key partner institutions such as the MRAM ASM Unit and the ASM Federation. Beyond these recommendations highlighting future possibilities to enhance the effectiveness and impact of the project, and including suggestions on the need to improve the metrics relating to monitoring and evaluation (M&E), the MTR confirmed the success of the SAM Project's intervention strategy: Almost all detailed recommendations proposed continuing the already ongoing activities.

3.3 Lessons learnt and implications for SAM 4

To increase impact and sustainability, the government's attention to the ASM sector needs to shift from providing a "reward" for responsible behaviour of the ASM sector to fulfilling duties as "duty-bearers". Miners' empowerment - and in particular the empowerment of women miners, who are still a disadvantaged group - will increase, along with their growing awareness of being rights-holders. This enhances the political and institutional commitment to improve conditions in ASM as the State focuses on delivering on its human rights obligations. The sustainability of SAM Project outcomes will be assured when the State creates conditions to formalise ASM, and with State institutions delivering services to the sector.

To extend the scope of the project downstream into the still mostly informal gold supply chain is imperative in order to avoid supporting "the production of 'improved' gold which feeds the black market and perpetuates illegal gold exports from the country". This will support Mongolia's compliance with recent OECD guidance on transparent and legitimate mineral supply chains, reduce the vulnerability of miners and prevent

risks that reverse progress. It will also contribute to the Mongolia Gold Program 2025, which seeks to strengthen the mining sector's positive macroeconomic impacts. Gold from ASM has the potential to play an important role in Mongolia's monetary policy.¹³ "Combating" economically and politically well-connected intermediaries with vested interests in the black market is not considered to be a potentially successful approach. Extending the scope of the project to encompass "economic strengthening" *through* a formal supply chain is a more promising win-win approach with the potential to create sustainable alliances between formal ASM miners and formal supply chain operators, produce broader impacts in the household, local, regional and national economies in which they are embedded, and gain political support once these impacts are visible and understood.

The still polarised political view on ASM formalisation underlines the fragility of ASM. "Ninja mining" ASM in the early 2000s was initially treated as a temporary annoyance. When ASM did not disappear by ignoring it, but instead informally developed beyond the control of the government, it became a political issue. Legitimate environmental concerns and vested interests that sought to perpetuate ASM's informal status reinforced negative public opinion and obstructed the establishment of an effective legal framework for almost a decade. It remains to be seen as to what extent the new State Policy for the Minerals Sector can influence the Environmental Policy of the MoEGDT, which until now has spearheaded resistance against ASM formalisation.

Results from the Mongolian SAM Project are highly relevant for the future development of ASM on a global scale. Switzerland is recognised

¹³ ASM gold can be bought by Mongol Bank with tugrug. Unlike industrial mining companies, local artisanal miners do not require dollars to import supplies or repatriate profits; thus, ASM gold effectively increases the amount of circulating currency ("good inflation") and enables Mongol Bank to legitimately "print" tugrug.

as a key stakeholder in the ASM sector¹⁴, not only because of its trade function, but foremost because of consistent support for the development of the sector by SDC for more than 20 years. The experience accumulated during these two decades - particularly in the areas of the legalisation and formalisation of ASM, the reduction of mercury emissions, responsible ASM mining practices, and the promotion of local economic development and gender equality through community mining - is of pivotal importance for the implementation of the UNEP Minamata Convention on Mercury and for the creation of sustainable supply chains from artisanal miners to markets. Mongolia currently “hosts” these accumulated experiences.¹⁵ This represents an enormous opportunity for Mongolia to become a global ASM knowledge hub.

A stronger linkage with global ASM initiatives and networks will help to maintain the momentum of Mongolia’s leading role in sustainable artisanal mining following the project’s closure. Stagnation was observed in many ASM countries after leading ASM projects finalised, and was identified as a potential risk for Mongolia during the MTR due to the almost “exclusive dependency” on SDC. The knowledge hub provides an opportunity to build sustainable interfaces between Mongolian and international stakeholders seeking to build responsible ASM sectors in which miners and stakeholders have their human rights fulfilled, and to enable mutual exchange and empowerment as a lubricant for maintaining the momentum achieved.

14 Within the World Bank-led multi-stakeholder initiative CASM (2000-2010), two out of eight Annual Conferences were organised by SDC projects (GAMA 2001, SAM 2007).

15 The SAM Project’s “Asia-Pacific ASM Conference 2013” had the convening power to bring UN organisations and participants from Asia, Latin America and Africa to the table.



4. Objectives

4.1 Project scope and components

The thematic and geographic scope of the SAM Project will be expanded in Phase 4. The project aims to consolidate the remarkable progress made towards responsible community mining within an enabling legal framework. Based on lessons learnt, Phase 4 will be enhanced by integrating three core aspects:

- **The project's sustainability will be strengthened through the enhanced application of the HRBA.**¹⁶ Empowering rights-holders to realise their rights and strengthening duty-bearers to comply with their human-rights obligations and duties is required as a matter of law and can enhance the project's impact and sustainability.
- **The focus on ASM formalisation will be extended towards the economic strengthening of all stakeholders along a transparent and formal gold supply chain.** Supporting the formalisation of the gold supply chain ensures that ASM gold production not only contributes to the income of mining families, but also adds to sustainable local development, State revenues and monetary stability, and therefore to Mongolia's long-term economic development.
- **Peer cooperation on ASM best practice will ensure the sustainability of initiated processes in Mongolia and the global replicability of outcomes.** By hosting the accumulated experience of 20 years of SDC support to the ASM sector, Mongolia has the chance to capitalise on this experience and become an ASM knowledge hub for the entire Asian region (and potentially beyond). Through active knowledge-sharing,

Mongolian ASM policymakers and ASM miners benefit from first-hand access to international best practice and strengthen their position in the global ASM policy dialogue.

The SAM Project needs to be restructured into three interconnected components. These components will cover the following areas:

- *Human rights-based ASM policy and community mining:* Continuing Phase 3 and the SAM Project's previous work, this component will refocus ongoing activities under the HRBA, strengthening duty-bearers and empowering rights-holders.
- *Economic strengthening of all formal supply chain stakeholders:* This component will be aligned with, and will inform, ongoing discussions regarding Mongolian and global policies on transparent gold supply chains, their implementation and their contribution to economic development. HRBA will be embedded from the outset.
- *Knowledge-sharing and global ASM policy dialogue:* This component will extend the impact of the project beyond the national level while bringing international experience back to Mongolia. A core contribution to global ASM policy is the focus on the HRBA as the backbone of economically viable, environmentally responsible, socially accepted and sustainable ASM.

¹⁶ SDC: SDC's human rights policy: Towards a life in dignity - Realising rights for poor people, Berne, 2006: www.deza.admin.ch/ressources/resource_en_25225.pdf

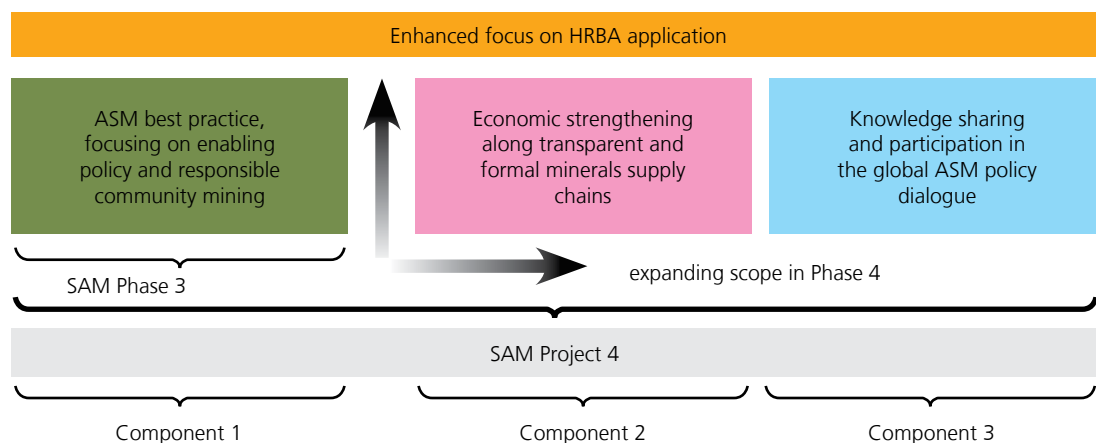


Figure 2: Expanding the Project scope in Phase 4

4.1.1 Specifics of the knowledge-sharing component

The ASM sector both in Mongolia and globally finds itself at a crossroads between precipice and launchpad : Achievements to date in Mongolia have been impressive, yet progress beyond the life of the project is tenuous and even at risk of reversal. If capacity is not built to access the right expertise and engage international ASM stakeholders, the country will be solely reliant on internal innovation, a short history of experience and unpredictable shifts in political will. The gradual withdrawal of the SAM Project *must* equip Mongolia to face emerging opportunities and challenges as their ASM sector matures while developing the requisite capacity and commitment to comply with duties under a host of international covenants, including the Minamata Convention, the UN Guiding Principles and other ASM-related international initiatives such as the OECD Due Diligence Guidance. International knowledge-sharing will be vital to mitigate the risks of the disenfranchisement of ASM miners and traders and the exacerbation of human rights abuses through misguided policy decisions as seen in many other jurisdictions¹⁷.

With growing public attention to the sector, access to information and knowledge of best practices becomes increasingly critical for the design and implementation of conducive ASM policy and practice. While this directly applies to Mongolia, it is also significant at the international level, where policymakers and other stakeholders have a growing appetite for action in response to new covenants and their expanding awareness of ASM's development potential and risks. Mongolia is well positioned to benefit from, and contribute to, international best practice experiences through knowledge-sharing; indeed, SDC and the SAM

Project have a responsibility to support this.¹⁸

Knowledge-sharing by the SAM Project and SDC has already had a remarkable impact on ASM in Mongolia and globally.¹⁹ International exposure through the SAM Project in Mongolia and SDC ASM projects elsewhere in the world has successfully cultivated ASM champions from the grassroots level through to a range of government agencies and the Parliament who have become the main drivers of positive change. Mongolian experiences are frequently cited in international fora in the absence of Mongolians. **It is anticipated that a more systematic approach to a dedicated knowledge-sharing component will substantially leverage project impacts.** Effective-knowledge sharing is a bi-directional task of "taking and giving" requiring a multi-pronged strategy and a portfolio of activities that are responsive to contextual issues. A survey of existing ASM knowledge-sharing initiatives conducted during the SAM Phase 4 planning process (Annex 5) revealed that a broad combination of knowledge-sharing instruments was the key to success. These include strategic information-dissemination approaches using websites and social

¹⁷ The recent momentum for "responsible sourcing" and "due diligence" of mineral sources, for example, has - in many countries - put ASM miners and traders, who are already marginalised, at huge risk of being disenfranchised from "responsible" supply chains.

¹⁸ Under the HRBA, this calls upon the Swiss government as duty-bearer. Switzerland has a duty under the UN Guiding Principles for Business and Human Rights and OECD Guidelines for Multinational Enterprises to help Swiss industry keep its trading channels open to some of the most vulnerable people in their supply chains. Fortunately, having supported some of the most pioneering and impactful ASM projects in the past 20 years, Switzerland has a wealth of expertise, experience and contacts that can be leveraged to empower ASM to claim their rights and enable the gradual formalisation and legitimisation of their activities through the introduction of human rights-based approaches to the ASM sectors of other nations.

¹⁹ Mongolian stakeholders consulted during the planning process referred to their own overseas study tours, but also those of their colleagues, as critical moments of influence leading to step-change within their institutions. International ASM conferences in Mongolia organised by SAM, such as "CASM 2007" and the "Asia-Pacific ASM Conference 2013" became milestone events for Mongolian and international ASM. Systematisation and publication of SDC's experience on ASM mercury-reduction strategies in Mongolia an Latin America redirected the Minamata Convention from an eradication approach towards formalisation.

media groups, and - the most impactful instruments – the exchange of professional staff, facilitated study tours and face-to-face learning events, including the organisation of, and participation in, targeted conferences on ASM topics. Such instruments are forging networks, driving capacity-development and generating transformative shifts in thinking. What makes a “knowledge hub” (KH) is the active combination of all these instruments, whereby the process of connecting the different elements is an outcome in itself. The survey also revealed that there exists a (limited) number of ASM knowledge-sharing initiatives backed by major entities with great influence in the policy arena (such as UNDP, UNEP, IADB, World Bank, OECD, but most largely operate as silos with a focus on specific issues. None of them has yet matured into an ASM KH with a mandate to nurture cross-linkages, leverage and harmonise across ASM knowledge-sharing initiatives.²⁰

The SAM Project is in a prime position to support the creation of an ASM KH. According to the dynamic nature of the ASM sector, such a hub needs to be a *transient, not permanent, structure* that would: (i) Capitalise on the successes in Mongolia and Mongolia’s appetite for continued learning and progress; and (ii) Forge linkages between Mongolian and international entities to build all partners’ capacity to create, manage and use knowledge well to effectively produce economically sustainable, environmentally responsible and human rights-based ASM sectors. In this way, the KH will ultimately *strengthen* these other knowledge-sharing initiatives, by: a) Helping leverage partners’ assets to the benefit of Mongolia; b) Helping partners leverage Mongolia’s knowledge assets to the benefit of ASM and ASM stakeholders globally; and c) Building the capacity of other knowledge hubs to achieve their own missions by nurturing them through direct engagement and support, and in time transferring SAM’s KH functions and knowledge products to them. The proposed design of the ASM KH at concept level (according to the scope of the project design) is presented in Part 2 of Annex 5.²¹

The reciprocity of knowledge-sharing brings

additional resources to the table. The basis of a knowledge hub is mutual exchange, leverage, facilitation and coordination. Partnerships with other ASM knowledge-sharing initiatives will optimise the performance of all involved stakeholders through reciprocity. All knowledge-sharing initiatives surveyed expressed a wish to engage with and facilitate a SAM KH on this basis. Leveraging the existing networks, expertise and assets of other knowledge hubs is therefore a strong opportunity to bring additional resources to the Mongolian ASM table.

4.2 Impact hypothesis and theory of change

The significant impact of the project is clearly visible, but it is still mostly limited to thematic and geographic areas of project intervention.

When the project began in 2005, the ASM sector was entirely informal, unorganised and poor. Workplaces were unsafe, environmental impacts were rampant and contributions to sustainable local development were almost inexistent. Miners and their families were subjected to discrimination and other severe human rights violations, including physical punishment when detained by authorities or security staff. Almost a decade later, in 2014, the ASM sector is recognised in the mining law, an ASM Federation representing ASM miners is in place, miners are making progress towards safe and environmentally friendly mining practices, and local economic development in many parts of the country is driven by income from ASM. However, this impact is most visible in soums where the SAM

20 In the words of a global leader in mercury management: “We desperately need a knowledge hub on ASGM. As you can see from my answers, the [UNEP mercury] Partnership has struggled to provide this function due to resource constraints. I sincerely hope SDC will fund the creation of such a hub that can be used not just in Mongolia or Asia but globally!” Personal communication from Susan Keane to Estelle Levin, 1 September, 2014, in response to the KH survey.

21 Operationalisation of the concept design into a detailed operational “business plan” is part of the project activities. Due to the highly innovative character of component 3, with the potential to set another ASM landmark, the ASM KH is not a “kick-start” component, but needs conceptual refinement with a good degree of creativity in order to combine the best lessons learnt from other knowledge-sharing initiatives. For that purpose, as it is clear that the required expertise is neither available in-house in the SAM Project nor in Mongolia, this component will receive external expert advice and follow-up backstopping to develop and maintain the KH.



Project intervenes, and a significant portion of ASM miners are not yet fully benefitting from progress. In addition, as gold trading takes place in the informal sector, visible benefits to national economic development are limited to employment generation.

The expected change - or the essence of project impact - is to convert poverty into prosperity through transparent and formal supply chains.

The term “prosperity” encompasses all aspects of human wellbeing and the enjoyment of freedom and rights. The most relevant ASM supply chain refers to gold, whereby formal ASM gold directly contributes to local and national economic development, from production through to trade and beyond.²²

The proposed three project components

constitute the “engine” that can deliver the expected impact. The infographic in Figure 3 illustrates the interrelation of the components and shows the “ingredients” needed to fuel each of its gears. As an impact, the “engine” is expected to deliver (in the long term) about 5 tonnes of formally traded gold per year and prosperity for about 100,000 families of artisanal miners. Positive feedback from generated knowledge, experience and skills accelerate the process.

Mainstreaming HRBA in Phase 4 is expected to make progress while reducing dependence on project interventions. By empowering rights-holders and, foremost, by strengthening duty-bearers (both in terms of capacity as well as compliance with duties), progress is expected to advance independently from direct project intervention. In the past, direct project interventions

22 Ref. footnote 13.

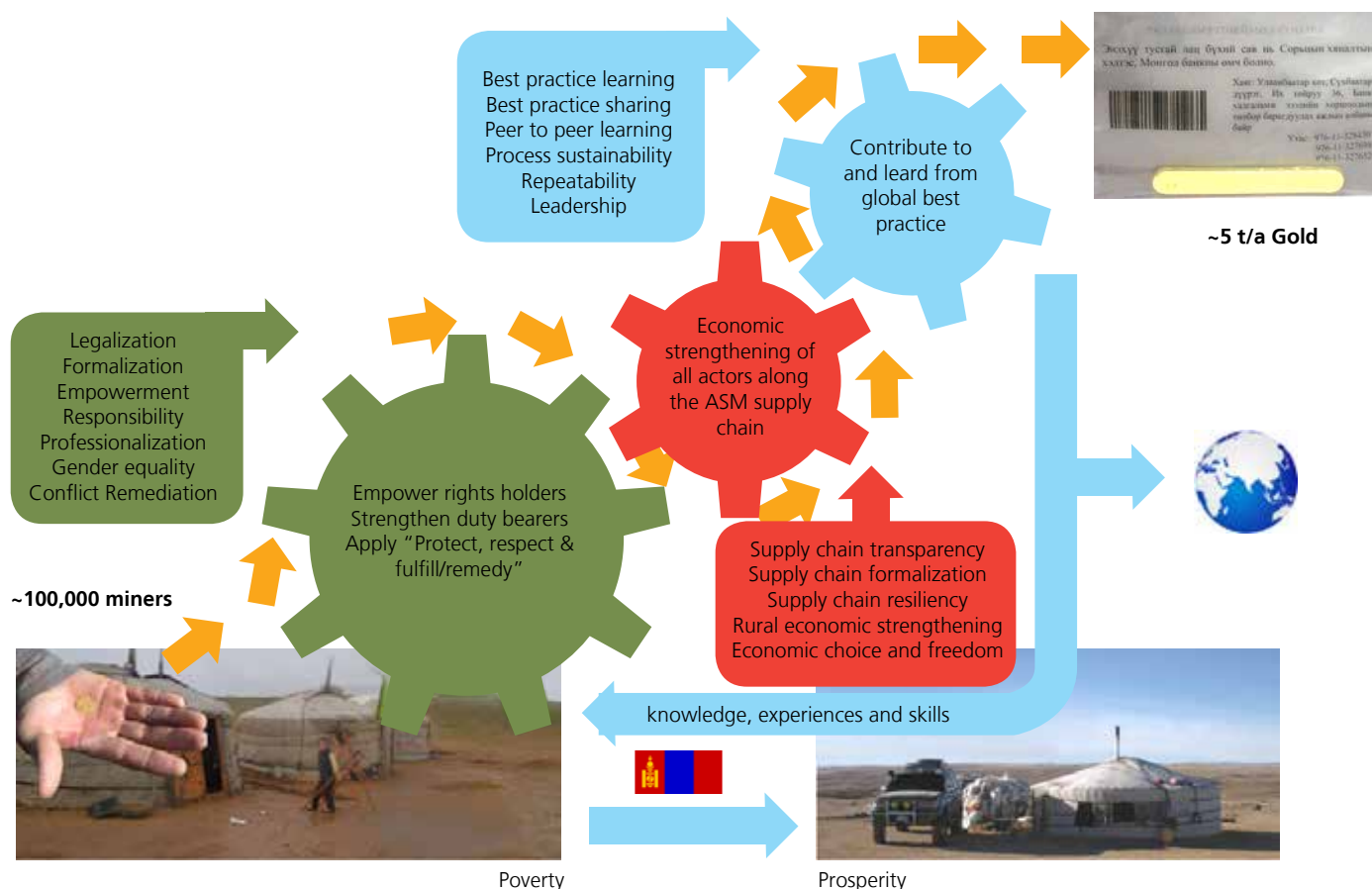


Figure 3: Infographic of theory of change: ASM as an “engine for development”

in ASM communities were indispensable to demonstrate the viability of sustainable ASM. Uptake of duties by duty-bearers will allow the project to progressively withdraw from direct interventions, following the subsidiarity principle. “Sustainability” will be reached when project interventions become obsolete because rights-holders are sufficiently empowered to realise their rights and duty-bearers effectively fulfill their duties. Such an ideal situation is obviously not within reach during Phase 4 of the SAM project, but it is realistic to expect that significant progress will be made. It can furthermore be assumed that the process towards increasing the realisation of human rights is irreversible as soon as a critical mass of empowered rights-holders is reached. Given project impacts to date, this is a realistic expectation.

4.3 Development goal and expected outcomes of SAM 4

Development Goal

An economically sustainable, environmentally responsible and human rights-based ASM sector in Mongolia benefiting from, and contributing to, global best practice regarding artisanal and small-scale mining

Phase 4 of the SAM Project, building upon 20 years of SDC experience in the ASM sector, aims at impact at the global and national levels. The impact at national level, as outlined in the above Theory of Change (prosperity and supply chain transparency), will be a contribution to “an economically sustainable, environmentally responsible and human rights-based ASM sector in Mongolia”. As poverty and illegal trade of ASM commodities are generic problems in practically all ASM countries, the project will also aim for impact internationally by contributing to “global best practice” through knowledge-sharing platforms, which in turn will benefit Mongolia and increase commitment to national achievements in ASM.

The three components of the project contribute directly to the development goal.

The development goal can be reached through: (i) Human rights-based ASM policy and community mining, (ii) Economic strengthening of all formal supply chain stakeholders; and (iii) Knowledge-sharing and global ASM policy dialogue. Each of these components is reflected by a project outcome.

Outcome 1

Human rights-based ASM policy and community mining

Human rights-based approaches are embedded in all aspects of artisanal mining in Mongolia, including the enhanced capacity of the State to respect, protect and fulfill the rights of ASM stakeholders, with artisanal miners claiming their rights and employing more socially and environmentally responsible practices

Sustainable ASM strongly relies on the formalisation of government roles and responsibilities to advance ASM. Achievements in recent years have demonstrated that ASM can be a major driver of development, an important contributor to decent, safe and equitable employment and an environmentally responsible member of the private sector. However, this transformation will require substantial emphasis on the obligations of the State and the capacity of rights-holders to assert their rights and meet their responsibilities. The project component associated with this outcome seeks to strengthen the legal, fiscal and institutional framework such that the State possesses the legal mandate and human, technical and financial capacity needed to advance responsible ASM through gender-responsive, human rights-based approaches. The component also aims to empower ASM organisations, women and men miners, their families and communities to demand their human rights and improve the performance of ASM.

Outcome 2

Economic strengthening of all formal supply chain stakeholders

ASM mineral commodities’ contributions to economic strengthening and improved livelihoods at local, regional and national levels are enhanced and more visible, involving all actors along the entire supply chain

In order to extend the focus to the downstream gold supply chain and fully realise its benefits, an economic strengthening approach is most promising. This is based on the finding that the informal gold trade in Mongolia is not driven by criminal activities (as in conflict minerals scenarios), but by a dysfunction of formal markets. All stakeholders along the supply chain will benefit from overcoming market limitations and barriers to formal gold trade. The project component associated with this outcome is expected to contribute to improved livelihoods at local, regional and national levels, along with macroeconomic benefits for Mongolia’s monetary policy and financial stability through Mongol Bank’s (considered the primary gold supply chain stakeholder) ASM gold-buying operations.

Outcome 3

Knowledge-sharing and global ASM policy dialogue

Stakeholders in Mongolia contribute to, learn from and apply global and national best practice regarding ASM; Mongolia’s achievements garner national and international recognition; and Mongolia and SDC take prominent leadership roles in ASM internationally

“We really want to be the knowledge centre for Asia.”²³ The project component associated with

²³ Ministry of Mining and Energy Official, when discussing the

this outcome is intended to ensure that Mongolia's ASM sector, comprising government, miners and other stakeholders, makes progress in overcoming its isolation and in becoming streamlined with international experiences and best practice. Indeed, Mongolia is now being approached by other countries to share its lessons. In many respects, Mongolia's achievements in ASM - ranging from multiple examples of ASM site rehabilitation, to occupational health and safety briefings that are increasingly becoming the norm for visitors to ASM sites, to a growing number of examples of good practice ASM-LSM co-operation and not just co-habitation - receives more prominent recognition internationally than within the country. Given that prior and current SAM phases have demonstrated that knowledge exchange has been an *extremely* powerful means of changing attitudes to, and policies on, ASM in Mongolia, the country is well positioned to become one of the paramount "best practice" examples of sustainable ASM in the world through support for a knowledge hub.

One of the purposes of this phase is to ensure that Mongolia's ASM rights-holders and duty-bearers benefit from best practice learning and best practice knowledge-sharing to ultimately celebrate Mongolia's achievements to the extent that increased national pride, ownership and commitment creates the political will needed to unleash the sustainable development potential of Mongolia's ASM. The focus of this knowledge-sharing should not only be on the achievements and needs of what has been the scope for SAM, but what is also the scope for the ESEC, while laying the foundation for successful, gender-responsive and human-rights grounded interventions in other countries.

4.4 Outputs and activities of SAM 4

The outputs of the project contribute either directly or through "intermediary outcomes" to the outcomes of the project. Intermediary outcomes are introduced in some cases where progress towards the project outcome demands a broader and more nuanced approach than "just" delivering defined outputs. Intermediary outcomes maintain the leanness of a logframe while describing change processes in a holistic way.

4.4.1 Outputs and activities for component 1: HR based ASM policy and community mining

The outputs of project component 1 (HR-based

ASM policy and community mining) are expected to contribute either directly or through intermediary outcomes to: *"Human rights-based approaches are embedded in all aspects of artisanal mining in Mongolia, including the enhanced capacity of the State to respect, protect and fulfill the rights of ASM stakeholders, with artisanal miners claiming their rights and employing more socially and environmentally responsible practices."* (Outcome 1)

Output 1.1

Legalisation & formalisation: ASM-related regulations, for which project partners are the competent authorities, have been revised, explicitly recognise human rights and are implemented

Contributes to outcome 1 through the intermediary outcome of:

An enabling legal and fiscal framework for ASM reflects the core principles of HRBA and progress has been made to realise the rights of miners and effectively institutionalise duties of key ASM institutions.

Artisanal miners are unlikely to formalise their activities, improve their environmental and social performance or increase their local and national development contributions unless legal and fiscal frameworks recognise the rights of miners and the inherent challenges facing them while holding key institutions accountable for fulfilling their duties to support formalisation. Only a portion of central, aimag and soum government roles have been provided for in legislation. Improved outcomes require clarification of roles, functions and coordination arrangements in legislation, enhanced awareness of and commitment to human rights and gender equality, and the strengthened financial and technical capacity of duty-bearers.

Activities include:

- Support dialogue on regulatory reforms through repeated engagement and consultation of key sector stakeholders;
- Strengthen the capacity of the MoM, MRAM and their central government partners while improving coordination between them;
- Strengthen the capacity of central, aimag and soum government while improving coordination between them;
- Support aimag and soum governments in the formalisation of institutional roles for extension service delivery;
- Support the sustainable delivery of extension services through mechanisms for financing key government functions and increasing accountability.

Output 1.2

Empowerment: Artisanal miners and their representative organisations have enhanced capacity to advocate for their rights

Contributes to outcome 1 through the intermediary outcome of:

Artisanal miners and their representative organisations are empowered to advocate for and take appropriate steps to demand that human rights are respected, protected and fulfilled, including the rights of miners and those who may be affected by environmentally or socially unsound mining practices and technology.

The ASM Federation has made great strides in organisational capacity, lobbying and advocacy, and by recently adopting a four to five-year Human Rights Advocacy Strategy. Priorities recognised by the Federation, ASM NGOs and other stakeholders relate to increasing independence and long-term sustainability via mechanisms for succession planning, financing and delivery of demand-driven member services for ASM organisations *at all levels*, and the inclusion of gender-responsive democratic processes. Many opportunities exist to empower the Federation and strengthen links with larger private sector players.

Activities include:

- Support implementation of the ASM Federation's Human Rights Advocacy Strategy while strengthening their capacity to form and strengthen local and regional ASM organisations;
- Support the sustainability of the ASM Federation and regional and local ASM organisations through the progressive transfer of responsibilities;
- Facilitate the development of leadership, advocacy and practical organisation management skills with strong consideration given to succession planning and gender equity;
- Promote local, regional and national dialogues between miners.

Output 1.3

Professionalisation and accountability: Clear coordination, communication and capacity building structures and processes are formalised in key institutions and effectively advance the professionalisation of ASM

Recent legal amendments provide an opportunity for artisanal miners to operate as entrepreneurial entities and take critical steps to "step-up" activities, improve their quality of life, increase development contributions and enhance workers' rights. However, with increased rights comes increased responsibility, particularly with respect to environmental, safety, labour and social outcomes. Activities proposed directly complement the economic-strengthening activities outlined under outputs 2.3 and 2.4 by strengthening the roles of duty-bearers.

Activities include:

- Assess and develop opportunities for vocational training;
- Explore and cultivate entry points in government, academia and the private sector;
- Build upon existing initiatives for micro and small-enterprise development;
- Promote the formalisation of professionalisation roles.

Output 1.4

Health, welfare and equity: The programs of project partners for improving workplace safety, social welfare and access to health and child care are operational

Contributes to outcome 1 through the intermediary outcome of:

Artisanal miners enjoy rights to safer workplaces, social welfare and improved access to health and child care, while gender concerns are explicitly integrated into ASM processes and decisions.

Although existing SAM beneficiaries demonstrate substantial improvements in occupational safety and health systems, SAM should capitalise on stakeholder demands to address the risks faced by the broader ASM sector, which continues to operate in extremely hazardous conditions and difficult working conditions, placing men, women, youth and children at great risk. The gender dimension of these critical issues, as well as those related to organisation, formalisation and professionalisation of activities, requires explicit consideration.

Activities include:

- Strengthen campaigns for social and health insurance;
- Support existing programs to improve local health service delivery;
- Develop the technical capacity of duty-bearers in occupational health and safety, and provide expertise where necessary;
- Assess and promote models for child care close to ASM sites;
- Ensure all activities are effectively engendered and develop the gender capacity of duty-bearers.

Output 1.5	Grievances and conflict remediation: Mechanisms to remedy human rights (including property) and mineral rights conflicts are established in accordance with international conventions and best practice
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Major barriers to ASM formalisation include land conflicts with mining companies and other land users and human rights violations that widen gaps between miners and the government. Formal means of recourse will build upon existing positive examples (such as tripartite agreements) and existing treaties concerning human rights and property rights, while strengthening the capacity and commitment of existing institutions (including the decentralised National Human Rights Commission).

Activities include:

- Support an assessment of appropriate grievance and conflict-mitigation mechanisms;
- Build the requisite capacity of duty-bearers;
- Strengthen the ASM Federation, regional ASM organisations and ASM NGOs to support members in conflict remediation;
- Highlight best practices in cooperation and conflict remediation.

4.4.2 Outputs and activities for component 2: Economic strengthening of formal supply chain stakeholders

The outputs of project component 2 (Economic strengthening of all formal supply chain stakeholders) are expected to contribute either directly or through intermediary outcomes to: *“ASM mineral commodities’ contributions to economic strengthening and improved livelihoods at local, regional and national levels are enhanced and more visible, involving all actors along the entire supply chain.”* (Outcome 2)

Output 2.1	Supply chain formalisation: There is a consensus among key stakeholders about the need for, and the shape of, a viable legal and fiscal framework for a formal ASM supply chain, and formal steps are taken to put it in place
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Contributes to outcome 2 through the intermediary outcome of:

The rights of miners and changers to access formal, responsible, and commercially viable supply chains and the duties of critical institutions are enshrined in an enabling legal and fiscal framework.

Informality limits the fulfilment of miners’ and changers’ rights at all levels of the supply chain as formal financing, social welfare and other benefits

are either unaffordable or not available. A lack of transparency obfuscates the significant contribution ASM makes to local and national development, risking damage to national economic resilience when policymakers restrict formalised ASM and trading operations without full information.

Activities include:

- Support policy dialogue on formalised gold supply chains with factual arguments based on international best practice;
- Support policy dialogue on formalised gold supply chains through informed public communication on the contributions formalised ASM supply chains can make to the macroeconomic development of Mongolia;
- Support supply chain stakeholders in their advocacy work for a legal and fiscal framework that enables commercially viable, formalised supply chains;
- Support state agencies and private sector actors to adapt their mandates to enable a greater proportion of ASM minerals to be traded through commercially viable, responsible and formalised supply chains.

Output 2.2	Supply chain resiliency: Artisanal miners are integrated into formalised, responsible and commercially viable supply chains
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Presently, miners have only one legal avenue to market - selling directly to Mongol Bank - but this is largely unfeasible from a commercial and security point of view. While there are opportunities to introduce amendments to this legal marketing channel, the creation of additional formal avenues to the market will improve economic choice and freedom for miners. More competition and more and better legal options will help build the commercial resilience of supply chain operators, enabling greater contributions to local, and ultimately national, economic growth.

Activities include:

- Support supply chain stakeholders in their advocacy work for varied routes to markets;
- Promote conventional and non-conventional export routes that provide added value for Mongolia;
- Facilitate the field testing of potentially viable supply chain formalisation models.

Output 2.3	Economic choice and freedom: Different mining-related business models are made available for ASM NGOs
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Contributes to outcome 2 through the intermediary outcome of:
ASM organisations and supply chain operators of ASM commodities have the capacity to organise, grow their businesses, strengthen their commercial viability and access free markets.

Supporting ASM organisations and supply chain operators of ASM commodities is expected to motivate miners and traders to become allies to advocate for formalised supply chains and to expand LSM and ASM cooperation to include the economic strengthening of ASM organisations and rural economies.

Activities include:

- Ensure the provision of appropriate and quality training for ASMOs and traders oriented at improving the commercial viability of their enterprises, while minimising their ecological footprint, enhancing their positive social and economic impacts, and mitigating any negative impacts on third parties that may typically arise;
- Identify, assess and promote how different stakeholders can enable responsible mining and sourcing to unleash the development potential of ASM;
- Up-scale and promote the replication of successful “working together” cases that are win-win options for ASM and LSM;
- Strengthen the capacity of mineral processors and buyers (processing plants, changers, subsidiaries of refiners like NTR, commercial banks and others) to operate formally, legally and viably.

Output 2.4	Rural economic strengthening: ASM organisations and traders are strengthened to increase their contributions to rural livelihoods and economic diversification and resilience, and stakeholders are aware of these contributions and their impacts
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The extraction, processing, and trade of minerals are strong stimulants of economic growth in rural economies. If stakeholders are unaware of the contributions made by ASMOs and traders to local economies, then the activity's negative impacts are more likely to gain attention, leaving an unbalanced perception of the merits. Balanced communications as to the opportunities and challenges ASM offers to individuals, households, soums, aimags and the nation, and its consequential positive and negative impacts, will enable duty-bearers and rights-holders to base decisions on fuller and more objective information than is presently the case.

Activities include:

- Identify and promote complementary and alternative business opportunities related to ASM in ASM households and communities;
- Conduct capacity building for miners and supply chain operators to capitalise on their businesses' success;
- Assess and mainstream the concept of economic strengthening through ASM as rural development policy;
- Enable third parties to capture and publish information through appropriate, impactful communications channels at a range of scales (suum, aimag, national) on how ASM contributes to rural economic strengthening, being sure to balance the positive and negative impacts of the activity to promote a reasonable assessment of ASM's impacts.

4.4.3 Outputs and activities for component 3: Knowledge-sharing and global ASM policy dialogue

The outputs of project component 3 (Knowledge-sharing and global ASM policy dialogue) are expected to contribute to: *“Stakeholders in Mongolia contribute to, learn from and apply global and national best practice regarding ASM; Mongolia's achievements garner national and international recognition; and Mongolia and SDC take prominent leadership roles in ASM internationally.”* (Outcome 3)

Output 3.1	Knowledge management and dissemination: A best practice knowledge hub is operationalised
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Information is power. The ultimate value of a knowledge hub is in the development of social and human capital such that people are better equipped to make sound decisions that will create sustainable outcomes that achieve the project's goal. A knowledge hub would comprise: a) A dynamic, *network* of individuals and organisations with shared interests but different experiences; b) A *repository/repositories* of meaningful and useful information that is accessible, relevant, usable and affordable, and which people know about and know how to use; c) A *KH manager* for delivering knowledge-based services to consumers; and d) *Interfaces* for facilitating learning, the exchange of information and communications in general. Greater detail on the proposed form and features of the KH can be found in Annex 5.

Activities include:

- Procure external advisory services to advise on the creation of a knowledge hub;
- Confirm the mandate and the form the knowledge hub should take at the outset, throughout the project duration and at the exit point;²⁴
- Develop a business plan for the knowledge hub, including considerations of low-cost options, financial sustainability, the definition of ownership and usage rights, and a communications strategy tied to outcome 1 and 2 activities and output 3.4;
- Establish the repository and recruit the KH coordinator;
- Establish the network and interfaces for facilitating learning, the exchange of information and communications in general;
- Identify and engage potential partners who can (co)implement the key functions and activities of the knowledge hub;
- Ensure that a broad range of international ASM stakeholders and all Mongolian ASM stakeholders understand how the knowledge hub works and how they can contribute, use it, leverage it, and engender a sense of ownership and pride in its existence.

Output 3.2

Best practice sharing: Mongolian stakeholders share knowledge, experiences and skills through meaningful communications and engagement in the national and international ASM arena

Together with the impact that face-to-face learning has (such as by being physically present to witness a new technology or meet with stakeholders to discuss their experiences), it is essential that the project maximises the use of remote learning opportunities as far as possible (as well as supporting miners to overcome the “digital divide”). Webinars, web-based communications, giving input to others developing mobile applications, etc., can all be effective ways of building capacity.

Activities include:

- Prioritise key opportunities for building ASM knowledge-sharing into existing initiatives, and facilitate the participation of relevant Mongolian and international stakeholders;

- Host international forums and publish information on issues on which Mongolia can demonstrate best practice or where Mongolia may benefit from international best practice;
- Strengthen formal and informal engagement and information-sharing between sub-national groups with shared interests in ASM;
- Facilitate study trips by international students and academics to Mongolia and vice versa to support more research on ASM in Mongolia that will be published, and nurture the professional development of aspiring experts with an interest in ASM.

Output 3.3

Peer-to-peer learning: A South-South platform for peer-to-peer learning of artisanal miners, regulators and ASM-relevant civil society organisations (CSOs) is created

Activities include:

- Identify how the knowledge hub can incorporate a platform for enhancing peer-to-peer learning among artisanal miners, regulators and CSOs in the South;
- Host miners-only conferences to bring together miners from each country to share common experiences, challenges and solutions in the spirit of empowerment and innovation for improvement;
- Arrange exchanges for Mongolian miners, regulators and CSOs to visit other ASM nations;
- Arrange and host educational visits for miners, regulators and CSOs from other countries to Mongolia.

Output 3.4

Process sustainability: A positive feedback mechanism between past achievements and future challenges is established

This output aims at ensuring the positive feedback mechanism described in the Theory of Change (chapter 4.2). It also services the fourth component of the KH - the “interfaces for facilitating learning, exchange of information and communications generally”.

Activities include:

- Develop a strategy for national sensitisation on Mongolia’s achievements (and outstanding challenges) on ASM for outreach to ASM-impacted communities and ASM duty-bearers (local governments, Parliament, ministries);
- Facilitate an annual awards ceremony to recognise leaders in sustainable ASM in Mongolia and leaders in innovations for sharing lessons with other

²⁴ See Annex 5, part 1 for an analysis of existing knowledge-sharing initiatives and in particular the “lessons learnt for SAM” of each initiative.

stakeholders;

- Identify Mongolia's achievements, unique offerings and opportunities for broader international impact, including those related to gender and human rights, and identify avenues for promoting these findings internationally;
- Promote Mongolia's unique ASM sector and its achievements to international visitors by hosting ASM site visits and ASM events.

Output 3.5

Repeatability: Mechanisms for international replication of lessons learnt are established

The purpose of this is to enhance understanding of, and progress towards, human rights-based ASM sectors in other countries and to further catalyse ASM as an engine for global development. This will also generate positive (and negative) experiences elsewhere, which in the future could be useful to Mongolia as new challenges emerge in the ASM sector. Leveraging the existing South-South relationships that Mongolia is already investing in, such as cooperation with Latin American countries, the interest in ASM by Asian countries implementing EITI, are important avenues for the exchange of lessons and these should be prioritised as opportunities for the KH. The effective transition of KH functions to national and international partners in time is an important aspect of repeatability.

Activities include:

- Support international initiatives dedicated to responsible ASM, sourcing from ASM, and the fulfilment of ASM stakeholders' human rights;
- Coordinate engagement between, and learning by, international stakeholders working to engender an economically sustainable, environmentally responsible and human rights-based ASM sector;
- Support new ASM projects and initiatives through the exchange of project staff and backstopping;
- Systematise lessons learned from taking an HRBA approach on ASM;
- Develop coordinating mechanisms for entities working at the strategic and policy level in ASM in order to create financial, political and social capital for the sustainability of the ASM knowledge hub and its partner entities, as well as ASM initiatives in Mongolia and internationally.

4.5 Target groups and outreach

Primary beneficiaries for component 1 are artisanal miners and ASM organisations (ASM

Federation, regional ASM associations, ASM NGOs and, in the future, eventually ASM enterprises). Key target groups include those in ASM organisations and sites which have already demonstrated positive change with a view to further cultivating their roles as "drivers of change" and ASM champions (affecting from 3000-5000 miners), thereby enabling the extension of project benefits to miners in other parts of the country (reaching from 15,000-20,000 miners).

Key target groups also include duty-bearers (such as MoM, MRAM ASM Unit, counterparts in MoL, MoH, MPDSP and line offices in local government) who - once roles are formalised and the requisite capacity is built - will be positioned to expand and sustain improvements in legalisation, environmental, social, economic and human rights outcomes across the country.

The primary beneficiaries for component 2 are supply chain operators (individual artisanal miners, ASMOs, processors, changers and the national reserve).

Secondary beneficiaries of components 1 and 2 are ASM communities-at-large; that is, ASM families, business partners (investors), other businesses in ASM communities, and local citizens in general.²⁵ The tertiary beneficiaries are the State and the general population of Mongolia, which will also benefit from more formalised economic activities and an increase in national reserves of gold. LSM will benefit from a more resilient and professional ASM sector, which is less of a liability and hence more attractive as a partner for co-operation agreements; they will also be able to access and sell more gold.

The beneficiaries for component 3 are wide and numerous! These include ASM stakeholders in Mongolia (supply chain operators, ASM business partners, ASM regulators, their communities, experts who facilitate good practice) and the same broad categories of ASM stakeholders internationally. In particular, supply chain operators and government entities at national and local levels in Mongolia and elsewhere will benefit from improved access to the information needed to engender more enabling regulatory frameworks and more successful, responsible ASM businesses. More commercially resilient ASM entities will have greater capacity to adopt more responsible mining techniques and manage their impacts more sustainably while redressing gender inequalities and human rights infractions. Secondary beneficiaries include any third party presently impacted by damaging ASM practices, including the environment. Other beneficiaries for component 3 are international policymakers and donors, students and universities, and ASM supply chain operators in other countries.

A key target group under all components includes Members of Parliament (MPs), who have played a pivotal role in achievements

²⁵ Institutionally represented by Citizen's Representative Khurals

thus far and are crucial to future advancements in ASM legal and fiscal frameworks.

Strategic outreach to MPs coordinated with the ASM Federation is expected to yield long-term and sustainable results, while engagement in knowledge-sharing activities has proven to stimulate a transformative change in mindset concerning the sector.

4.6 Levels of intervention

SAM will intervene at the micro, meso, macro and meta levels, with a gradual shift of priorities over the duration of Phase 4.

According to the project's impact hypothesis concerning HRBA, duty-bearers are expected to progressively increase responsibility in meeting their duties and obligations, including support for women and men miners in the formalisation and implementation of best practice. In response, the project will gradually withdraw from direct interventions at the micro level, concentrating resources on institutional strengthening at the meso level and supporting policy implementation at the macro level.

At the micro level, SAM will empower rights-holders and work directly with artisanal miners and supply chain operators. Engagement with mining communities and local authorities will contribute to building local and individual capacities. During the course of Phase 4, such direct engagement will gradually reduce and be replaced by direct engagement with competent duty-bearers.

At the meso level, SAM will work with regional and local governments, private sector organisations (ASM partnerships and NGOs, ASM Federation,

traders' organisations), CSOs and ASM service providers. Institutional strengthening aims at building capacity for active, free and meaningful participation in resolving ASM problems and formalising the functions of duty-bearers for sustained progress beyond the life of the project. This is seen as an HRBA-process and an output in itself.

At the macro level, SAM will strengthen duty-bearers and interact with, and provide advice to, policymakers and policy implementers. SAM, or where appropriate SDC, will coordinate directly with like-minded donors and projects, and strengthen its partners MoM and MRAM, as well as other key Mongolian policy stakeholders, to engage in global ASM policy dialogue.

At the meta level (*beyond the country scope*), SAM will support learning by international ASM stakeholders - rights-holders, duty-bearers and those who enable them - by generating and disseminating relevant information on best practices in environmental management, safety and social welfare, among other issues, providing access to experts and experiences, and through participation in international fora and working groups on ASM in order to stimulate an international policy and learning environment that will accelerate the fulfilment of human rights across the ASM supply chain. These actions will also increase the availability of responsible minerals on the international market, thereby building the resilience of responsible sourcing initiatives and providing choice for consumers seeking more sustainable mineral products.

5. Implementing strategy

5.1 Intervention approach

The SAM Project's dual role will be that of an advisor to the government and a broker for rights-holders, channelling their demands to the corresponding duty-bearers. The SAM Project will facilitate the strengthening of right-holders to demand their rights and of duty-bearers to deliver human rights for development. The SAM Project will closely monitor emerging gaps and facilitate solutions for duty vacuums. Interventions to close gaps will, however, always observe the subsidiarity principle.

Alignment of SAM 4 with the mandate of SDC's new cooperation strategy²⁶ implies a series of strategic changes:

- Tighter integration with country systems aimed at promoting the institutional competencies and capacities of project partners with a view to long-term impact;
- Phasing out self-implementation requires increased responsibility and accountability of project partners and a commitment to actively participate in project implementation. This requires the project to facilitate improved coordination between political decision-making levels and operational levels;
- Policy dialogue will - with due respect to appropriate cultural norms and national sovereignty - need to shift from persuading partners to emphasising their duties under international human rights obligations;
- Project implementation will shift from implementing project activities at the micro level (such as the SAM Project team in ASM communities) to coordinating and monitoring activities at the meso

and macro levels (project partners deploying activities). As project partners need to be prepared for that task, such a shift can only occur progressively;

- Implementation under a Project Coordination Unit (PCU) will demand increased managerial and negotiation skills from project staff. HRBA and gender training will be essential.

Trust relations between the project and stakeholder groups need to transform into trust relations between stakeholder groups.

During past phases, the project has gained trust from all stakeholder groups. As a side effect, inter-institutional coordination of ASM issues has begun to pivot around the SAM Project. Although this supports migration towards a PCU set-up, it is vital for sustainability that the project progressively withdraws from the centre and provides room for stakeholders of country systems to fill this position. Good PCU implementation does not mean that the project assumes the coordination role; it means that the project facilitates coordination between stakeholders. For that purpose, objectivity and impartiality in dealing with stakeholders, and a commitment to develop similar coordination capacity within stakeholder groups, are essential to prevent the project from being politically instrumentalised.

Parts of the knowledge-sharing component require direct implementation by the project.

Integration of this component into country systems is feasible where an active role in international knowledge-sharing is within an appropriate Mongolian institution's mandate. Where not the case, implementation will have to be carried out directly by SDC and national and international partners, on occasion.

5.2 Partner organisations and their roles and responsibilities

The Ministry of Mining and Energy (MoM) is the key agency charged with responsible

²⁶ SDC: Swiss Cooperation Strategy Mongolia (2013–2016). Ulaanbaatar, February 2013.

minerals sector development. It plays a pivotal role in the development of ASM policy, legislation and oversight of their implementation, including via coordination with other State and non-State actors. The MoM presides over its key implementation arm, MRAM, which is responsible for licensing, regulation and enforcement in addition to geological surveys, research and the activities of the MRS, the agency responsible for ensuring mine safety compliance. The MRAM ASM Unit is charged with providing technical guidance to artisanal miners, their organisations and local governments on legal, technical, environmental, health, safety and community development aspects of ASM, and assists in facilitating the allocation of land for ASM via coordination with local governments and the MRAM licensing department.

The SAM Project needs to progressively transfer both implementation and coordination roles. For that purpose, key partner organisations and their respective responsibilities are as follows:

- **Formal counterparts of the SAM Project** will be the MoM on behalf of the Government of Mongolia, and SDC on behalf of the Government of Switzerland. The MoM will, in large part through the Directorate of Policy Implementation and Coordination and its ASM Office, play key roles in: The development of ASM policy and legislation; the oversight and coordination of implementation by MRAM; and coordination between the MoM, MRAM and other key actors, as described below. Given increased responsibilities, in particular for inter-agency coordination, the establishment of an ASM Coordination Unit in MoM will be encouraged.

- **At the operational and implementation level, SAM will closely cooperate with MRAM and its ASM Unit.** The majority of project implementation functions will progressively be transferred to the ASM Unit; hence, the increased empowerment, capacity and resources of these critical duty-bearers are emphasised in the project design.

The ASM Federation has shown remarkable progress in advocacy and lobbying roles and gives high priority to improving the organisation and coordination of miners and service delivery at the grassroots level. The Federation will be a key project partner in terms of policy formulation and implementation throughout the course of the project.

Challenges to sustainable ASM cross-cut multiple sectors and mandates, spanning human rights issues such as community health, occupational safety and working conditions, social protection, gender, environment, and business development, among others. The MoL, MPDSP, MoH and NHRC have already shown considerable commitment to ASM through legal reforms and/or institutional action, and have critical roles to play at both the policy and implementation level, including via

training and service delivery by functional officers of line ministries in soum and aimag governments.

Accordingly, crucial project partners in implementation also include aimag and soum governments, who are key stakeholders for formalisation and local development and play pivotal roles in the allocation of land to ASM and service delivery at the grassroots level. With increasing emphasis on unleashing the development potential of the supply chain, Mongol Bank and the Assay Inspection Office (AIO)²⁷ have vital roles to play in the formalisation of trading chains and creating access to fair markets.

The Asia Foundation is an important partner of the SAM Project via the ESEC II project that is partly supported by SDC. Most environmental aspects of responsible ASM (in particular mine-site rehabilitation and to some extent the reduction of mercury emissions) are covered by the ESEC II, and close collaboration will be critical for maximising outcomes, creating synergies and sharing lessons learned.

A number of national and international NGOs and CSOs have proven to be excellent allies and partners in the empowerment of artisanal miners and their organisations. Examples include the MONFEMNET network, the Centre for Human Rights and Development, the Forum of Human Rights. A growing number of development organisations (such as World Vision, Mercy Corps, ADRA) see strong synergies between ASM and their human rights and development mandates, and show considerable promise in embedding the HRBA within the project. The Partnerships with Development Solutions NGO, and to some extent research institutions, have also shown remarkable effectiveness in developing the context-appropriate solutions needed to support improved organisation, entrepreneurialism and technical and environmental performance.

Although such organisations will continue to play a critical role in developing the capacity of duty-bearers and ASM stakeholders, their efforts are mainly demand-driven. Thus, their long-term engagement in ASM will likely be determined by their initiative to formally integrate ASM as a thematic priority and obtain subsequent support for their activities. For example, World Vision, which is supporting the empowerment of community groups at the micro level, has expressed interest in adopting ASM as a thematic priority, including via linkages with their programs in the Democratic Republic of Congo.

Allies and potential partners also include responsible sourcing initiatives and international buyers, such as the Alliance for Responsible Mining, Fairtrade International, Swiss

²⁷ Precious Metal Assay Laboratory of the Inspection Division within the Mongolian National Centre for Standardisation and Metrology Agency

Better Gold Initiative and Solidaridad. Each is well positioned to integrate more ASMOs into their initiatives, and provide market-based incentives and support for producers to address key risks and harness development opportunities afforded by ASM. NTR Metals, other international refiners and brands with a history or interest in sourcing from Mongolia are also well placed to support the formalisation of ASM supply chains and new routes to market.

There is a need to engage partners essential to fiscal mechanisms for sustainable ASM, including those related to ASM extension services and reasonable provisions for taxation and fees in legislation. Engagement with the Ministry of Finance (MoF) and the Tax Office will be needed. Commercial banks may also play an increasing role in creating mechanisms that help lower risks for miners' and changers' businesses.

Larger-scale private sector actors, and to some extent their international counterparts, have a stake in harmonious co-existence with ASM and in developing best practice in line with their corporate social responsibility commitments. Related allies and potential partners range from mining and exploration companies and the National Mining Association to investors/boards of directors of Mongolian mining companies to the World Gold Council and the International Council on Mining and Metals (ICMM). At international level, RJC and Solidaridad work with gold LSM to encourage good practice and new models for ASM-LSM co-operation, and could support LSM in this regard were they incentivised to join the RJC.

A number of donors are undertaking projects and programs that directly complement the objectives of sustainable ASM. GIZ's Integrated Mineral Resources Initiative (IMRI) includes Cooperative Vocational Training for the Mineral Resource Sector that provides collaboration entry points, including through value addition to the gold supply chain via jewellery production. IMRI's establishment of multi-stakeholder mineral resource management committees in Bayankhongor, Omnogobi and Selenge aimags provides an additional opportunity for ASM empowerment by participation as community representatives, entrepreneurs and/or small companies. GIZ also provides some support to Mongolia's EITI Secretariat and has expressed interest in pursuing a work stream on EITI and ASM with other countries or establishing a peer-group learning platform for information exchange on ASM.

Additional opportunities for collaboration with other agencies span grassroots to policy-level initiatives. The World Health Organization (WHO) has conducted a detailed assessment of health issues in ASM and has expressed interest in coordinating with SAM to integrate ASM in activities to improve governance in health service delivery. DFAT (formerly AusAID) is initiating support for an inter-agency ASM committee to improve coordination, which,

depending on outcomes, may serve to take on increasing roles in ASM. Although the World Bank is not specifically focused on ASM in Mongolia, its activities related to broader minerals sector governance makes it an important ally. Ex-CIDA (now under the Canadian Department of Foreign Affairs) has launched the Canadian Institute for Extractive Industries in Development (CIEID) whose ASM priorities could extend to Mongolia, potentially filling a gap in strengthening ASM governance and filling appropriate technology gaps. Additional potential allies, particularly for Component 3, are all institutions and initiatives covered in the knowledge hub survey (part 1 of Annex 5).

5.3 Cooperation and coordination between involved partners

The SAM Project Phase 4 will build upon existing platforms and mechanisms for coordination and cooperation. Given the complementary mandates, roles and functions of different partners, the SAM Steering Committee will drive inter-agency coordination at the macro level and the PCU will work closely with MoM ASM Office in their coordination roles to build upon the strong existing commitments of MoL, MPDSP, MoH and NHRC at both the policy and implementation levels. The DFAT supported Inter-agency Committee on ASM may also play additional policy roles in the future. Existing formalised inter-agency committees at the central government implementation level include the National Committee for Occupational Health and Safety and its ASM Sub-Committee, which cuts across all key agencies. The SAM Project will utilise and strengthen existing vertical coordination mechanisms to strengthen the role of duty-bearers at local levels, specifically by engaging technical officers in local government via their line ministries (MoL, MoHS, MPDSP, NHRC). At the soum level, GIZ-supported multi-stakeholder mineral-resource management committees are being established in selected aimags and provide an additional entry point for coordination between artisanal miners and their organisations with local government and LSM. The ASM Federation will also become increasingly well positioned to coordinate miners and their associations and act as a liaison with key agencies and institutions.

The SAM Project Phase 4 will build upon the strengths of other projects and partners, avoid duplication and minimise costs. The environmental aspects of responsible ASM (in particular mine-site rehabilitation and partly the reduction of mercury emissions) are covered by the ESEC II implemented by TAF with support from SDC. Technical and vocational training activities for artisanal miners can build upon lessons learnt from SDC's Vocational Education and Training (VET) projects, and the task of up-scaling "unregistered

ASM partnerships” towards entrepreneurial entities may benefit from the experiences of the SME Development Project. With ASM administration at the local level, further linkages exist with SDC’s Governance and Decentralisation Programme (GDP), and organisations such as the ASM Federation and local ASM NGOs can benefit from strategies developed by SDC’s NGO Capacity Building Project. Furthermore, it is foreseen that the SAM Project Phase 4 will actively explore and exploit synergies with the projects of other donors.²⁸ Leveraging other organisations’ activities in knowledge-sharing is a crucial aspect to outcome 3, and a range of options to that effect are presented in Annex 5.

The SAM Project will progressively build up and transfer coordination roles as capacity is developed. SAM will take on a coordinating role for components 1 and 2 from the outset, with responsibilities for implementation and, in time, coordination being progressively handed over to national organisations and institutions. The project will also explore the interest of international partners to take on complementary roles for these components, the coordination of which is planned to take place through an international donor forum with a focus on ASM.

Component 3 will have a mixed set-up. There is no *single* apparent Mongolian institution to which the project can mandate activities at this time, so the main responsibility for component 3 will remain with the SAM PCU. Over time, some implementing aspects will move to national entities and others will move to international ones as the SAM Project gradually retreats. By the end of the phase, the management of component three will be passed to a third party that may or may not be in Mongolia.

5.4 Addressing drivers and restrainers of change

Progressive evolution from PIU towards a PCU implementation mode will be reflected in relations with project partners and their growing capacity and commitment. Rights-holders and duty-bearers will be seen as driving project implementation, and be supported by SAM through empowerment and strengthening. The shift of Phase 4 in the stakeholder perception of supply chain operators is captured under the “economic strengthening” approach of component 2, building carefully on the rapprochement so far and avoiding the politicisation of related outcomes through equitable engagement and the empowerment of

different stakeholder groups.

Restrainers can only be convinced by facts.

In previous phases, rigorous research and diverse communication strategies have provided factual evidence concerning the real challenges faced by miners and the positive results obtained through formalisation. These have had notable success in changing attitudes among stakeholders ranging from local officials to MPs to the media and the general public. Similarly, other restrainers will only be convinced by facts. For example, MoEGDT’s real concerns regarding ASM are land degradation and the lack of rehabilitation of ASM areas, which have influenced their role to advocate against ASM. To address this apparent “competition” of human rights²⁹, the SAM Project will build upon prior best practice examples in reclamation and environmentally responsible methods and will coordinate with the SDC-supported ESEC II project, which focuses on the introduction of frugal rehabilitation technologies.

5.5 Sustainability and exit strategy

The project will emphasise building the sustainability of State and non-State ASM organisations at the outset. All project components intentionally seek to strengthen institutional, technical, financial and human resource capacity, and progressively increase accountability to support sustained improvements to the ASM sector beyond the life of the project. Through the progressive transfer of implementation and eventually coordination roles to duty-bearers and key partners (such as the ASM Federation), the project seeks to ensure that the necessary capacities are built and roles are formalised, and are sufficiently resourced by the end of the project’s phase.

HRBA is expected to enhance the sustainability of processes initiated by the project. Phase 4 postpones the exit phase by four years and allows for reframing and consolidating project achievements in the *ASM policy and community mining* component through stronger application of the HRBA. Duty-bearers strengthened to fulfil their obligations and rights-holders empowered to successfully claim their rights are expected to create a resilient dynamic that makes progress towards sustainable ASM well beyond the life of the project.

Common interests between formal ASM producers and formal ASM supply chain operators ensure sustainability. The national bottom end of the formal downstream supply chain for gold is Mongol Bank. Mongol Bank’s interest in buying ASM gold for monetary policy reasons matches ASM’s role as gold producers and local trader’s interest in maintaining a steady supply.

²⁸ For example, the SAM Project has already begun collaborating with GIZ, piloting the production of jewellery in Mongolia using ASM gold. The target market in the short term is domestic. If successful, this collaboration could be expanded under SAM Project Phase 4, whereby SAM assists in establishing a certified supply chain (Fairmined or Fairtrade certification) and GIZ takes care of the jewellery production and sales to domestic (and perhaps international) markets.

²⁹ Although human rights are universal and indivisible

This common interest strengthens the ASM sector. As *economic strengthening of all formal supply chain stakeholders* is a new project component, intervention will be HRBA-based from the outset.

Knowledge-sharing creates a self-reinforcing feedback loop. The new project component of *knowledge-sharing and global ASM policy dialogue* requires communication, networking and connecting with others. Knowledge-sharing creates social capital at the individual and institutional levels and supports commitment to, and ownership of, resulting actions. The most successful way to increase social capital is to use it: *"The more you use it, the more you get of it."* Experience from CASM shows that established networks among participating stakeholders, as well as shared knowledge, remain in place years after the initiative came to an end, and that those who shared most, benefitted most. Knowledge-sharing is therefore considered sustainable in itself.

The final handover remains the task of a two-year exit phase (2019-20). The transition from direct implementation to closer integration into country systems is the next step after the outsourcing part of the project's activity portfolio to external service providers during Phase 3. It is part of an exit strategy that commences from the outset of the new phase. Depending on the lessons learnt during this process, the uptake by project partners and the levels of ownership achieved during Phase 4, a possible exit scenario is to mandate the Exit Phase entirely to project partners under supervision and with guidance from SAM senior experts. Planning of the exit phase should commence with an internal self-evaluation at mid-term and should be a central to an external review towards the end of Phase 4.

6. Organisation, management and administration

6.1 Institutional setup, integration into country systems and counterparts

6.1.1 Institutional Set-up and Counterparts

The SAM Project is a bilateral cooperation between the governments of Switzerland and Mongolia and a project agreement is to be signed by the competent bodies. The **Government of Mongolia** is represented by the Ministry of Finance (MoF), signing on behalf of the MoM, and the **Government of Switzerland** is represented by SDC.

The MoM is the primary institutional partner in the Government of Mongolia. The MoM has a central role in policy development, internal and external coordination and oversight of MRAM. Within MoM, an ASM office exists under the Department of Policy Planning and Coordination, which could progressively evolve into an ASM Coordination Unit equipped for the longer term. The main partner in implementation will be the MRAM ASM Unit.

SDC will host the SAM Project Coordination Unit (PCU). Multiple alternative modes of institutional set-up were assessed during the planning phase. Maintaining the PCU within SDC will serve to: (i) Mitigate the risk that functions will not continue beyond the life of the project if the PCU were embedded in MoM/MRAM³⁰; (ii) Support

the transfer of certain functions to institutions other than MoM/MRAM and which are important ASM stakeholders (such as health insurance campaigns by MoHS; advocacy by the ASM Federation; human rights violations by NHRC), thereby strengthening existing country systems; (iii) Address the fears of many informal miners about approaching government institutions; and (iv) Fill the current gap related to the lack of an institutional “fit” for the activities needed to transform Mongolia into a knowledge hub under component 3.

Counterparts should mirror the PCU-PIU relationship. As first implementation and eventually most coordination functions of the SAM Phase 4 PCU will be transferred, *primary* project counterparts will be in the current MoM ASM Office (policy development, coordination and oversight roles) and MRAM ASM Unit (operational). Using existing coordination platforms, certain counterparts will need to be established in other entities in line with their mandates (such as decent work (MoL), gender equity, welfare (MPDSP) (Figure 4). All counterparts should mirror previous PIU roles and will be directly linked to a SAM Project Officer who is in charge (“account manager”) in the PCU. While this directly applies to all aspects of components 1 and 2, an adapted model is necessary for component 3 as described in Section 6.2.1.

The transfer of coordination functions will be crucial to sustained progress beyond the project life. Given the significance of inter-agency coordination to the advancement of sustainable ASM, the expansion of the current ASM Office in MoM into an ASM Coordination Unit should be strongly promoted. Most implementation roles will progressively transfer to the MRAM ASM Unit, inclusive of those related to engendering ASM policy, planning approaches and HRBA. The transfer of key PCU functions to MoM will be necessary and

30 The planning phased assessed (including via examination of other projects in Mongolia) the possibility of transferring responsibility to government partners by embedding coordination and/or implementation units and their staff within government bodies. In addition to other factors presented above, this approach was found to often reduce rather than increase in-house accountability due to separate project designations for staff and budgetary allocations, which commonly terminate at project closure. The SAM 4 design seeks to progressively transfer institutional responsibility (and decrease SAM Project staff accordingly)

as necessary human and financial resource commitments are formally and sustainably entrenched in institutional structures.

will escalate as the project advances. Proposed roles are discussed further in Section 6.2.1.

The main advocacy roles will be transferred to non-State institutions and organisations.

The advocacy role of the SAM Project needs to be handed over to civil society and the private ASM sector. Using empowerment models strongly grounded in HRBA, this transfer has been integrated into the project activities.

The set-up will require three levels of institutional coordination.

Strategic: At the highest decision-making levels, the SAM Steering Committee and Senior Project Management will play key roles in strengthening coordination between, and advancing implementation within, relevant government agencies. *Management and Coordination:* Counterparts build on existing structures (such as MoM ASM Office/Coordination Unit, DFAT-supported inter-ministry Committee on ASM). *Implementation:* Counterparts or “focal points” in MRAM and relevant departments in other ministries will be engaged and strengthened through project activities, many of which will provide vital conduits to their line officers in local communities. Internal and external coordination mechanisms are described in Section 5.3 and reflected in Figure 4.

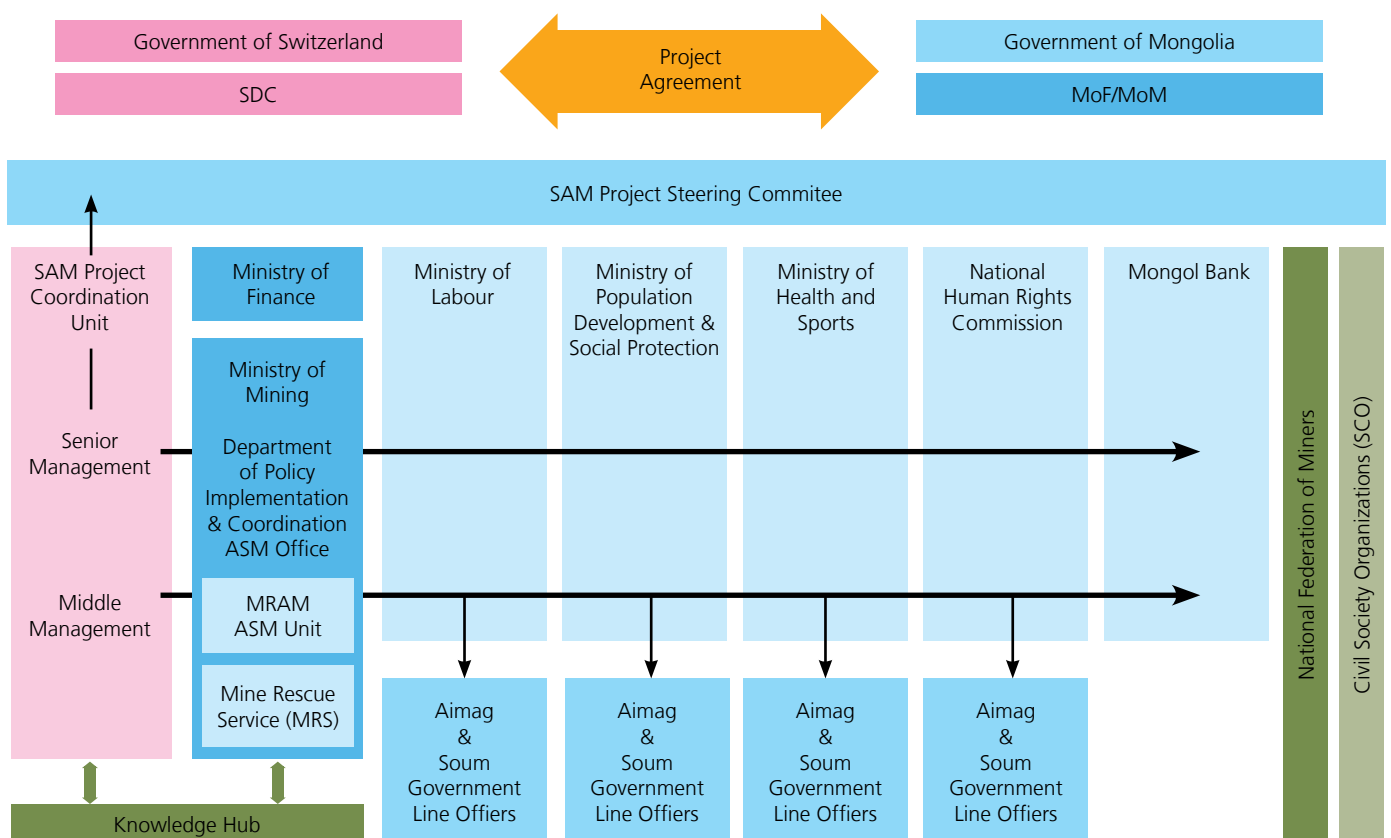


Figure 4: Institutional Set-up showing formal government institutional partner (dark blue), other partner government agencies (light blue) and non-government (green) institutions and organisations

6.1.2 Integration into Country Systems

The Swiss Cooperation Strategy for Mongolia (2013–2016) considers a strong alignment with national development priorities and the increased use of country systems as essential.

The SAM Project Phase 4 will contribute to the overall goal of the strategy, namely “equitable social and economic development”. Management principles of the new strategy imply that: (i) The project must focus on topics with a high chance of uptake and financing through the government; (ii) Switzerland will insist on joint planning, appraisal, implementation and financing for all interventions; (iii) Democratic mechanisms that direct public resources to priority areas and services which benefit the poor must be strengthened; (iv) More joint projects with multilateral partners will be pursued; and (v) SDC self-implementation will be phased out.³¹ Moreover, development projects are subject to the subsidiarity principle, supporting national

stakeholders to properly address and resolve their own problems, and are not aimed at substituting responsibilities or undermining pre-existing treaty obligations.

6.2 Project organisation and steering mechanism

6.2.1 Project Organisation

The project will be organised within a PCU with formal counterparts in MoM, MRAM and other institutions, overseen by a Steering Committee. Senior Project Management in the PCU will coordinate directly with MoM, MRAM and other institutional counterparts to conduct joint operational planning and monitoring. PCU’s Middle Management will be comprised of “account managers” who will work with counterparts according to their respective thematic expertise (Figure 5).

³¹ SDC: Swiss Cooperation Strategy Mongolia (2013–2016). Bern, February 2013.

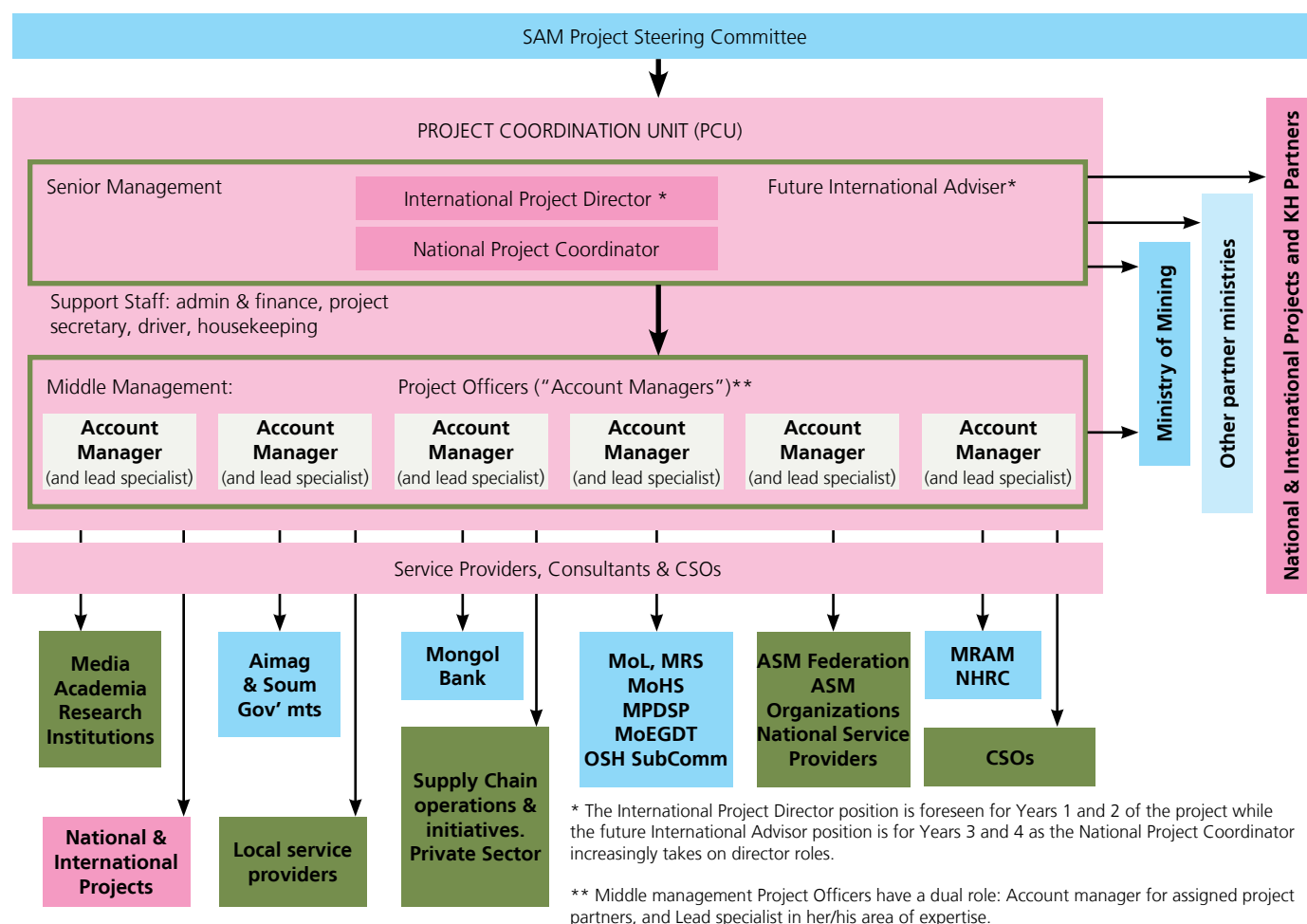


Figure 5: Project Organisational Structure showing the relationship between PCU and formal, primary partner (dark blue), partners in other government agencies (light blue), non-government and private sector organisations (green) and national and international projects and KH partners (orange).

The PCU will coordinate engagement with and provide technical support to MoM, MRAM ASM Unit and other key partners. The primary role of the PCU is to directly engage with and coordinate key partners in MoM, MRAM and other institutions. Development of PCU capacity in HRBA and gender mainstreaming will be crucial in early project phases to ensure these priorities are effectively incorporated throughout the knowledge and skills transfer. Given the expanding responsibilities of duty-bearers, project officers³² and contracted experts, CSOs and consultants will necessarily be embedded in their offices on a periodic, and in some cases longer-term, basis. The handover of duties to project partners and/or increased outsourcing to contractors will allow for a shift from implementing the project through a PIU to coordinating project activities through a PCU, allowing for a progressively slimmer but stronger and more sustainable project. Establishment of a formal ASM Coordination Office in MoM and the allocation of necessary facilities by MoM and MRAM for this purpose will be necessary.³³ For the coordination of activities at

aimag and soum levels, SAM's hands-on working experience with decentralised governments is seen as a huge asset. For that purpose, it is proposed to maintain the Bayankhongor (BKH) office of the project and to coordinate activities with other regional and local governments from this office "at eye level". This additionally allows local and regional BKH government officers to participate in a highly credible peer-to-peer transfer of experiences to other regional and local governments.

Project organisation will reflect the progressive handover of implementation responsibilities to key institutions as marked by the achievement of specific milestones related to requisite capacity, increasing financial and human resource commitments and the formalisation of key institutional roles (Figure 6). This handover will - at least at the beginning of the new phase - require intensive coaching and close monitoring of, and support for, project partners, including with respect to the fulfilment of human rights obligations.

32 All project officers will have a primary role as "account managers" responsible for interaction with assigned project partners, and a secondary role as "lead specialists" in designated areas of expertise. Details of the envisaged matrix organisation are provided in chapter 6.4.2.

33 Although joint planning is embedded in the project design, specific efforts to transfer certain PCU functions to the MoM will be critical in the long term. This would practically be placed within an ASM Coordination Unit in the MoM. Building on its existing ASM Office, the Coordination Unit would require three appointed officers to fulfil the following functions: (i) *Strategic*: coordination at policy and decision-

making levels between ministries and overall oversight of implementation; ensuring gender responsive planning and budgeting; (ii) *Management and coordination* between MoM and MRAM/MRS and between MRAM/MRS and implementing bodies of relevant line ministries (including with local governments) and with civil society stakeholders, as well as strengthening existing coordination platforms; and (iii) *Implementation support*, specifically providing support for the oversight of project consultants, the dissemination of materials, and supporting the relevant functions of the knowledge hub, among others. In essence, the Coordination Unit would mirror the PCU with its senior officer working at the highest levels and two junior officers mirroring the roles of account managers.

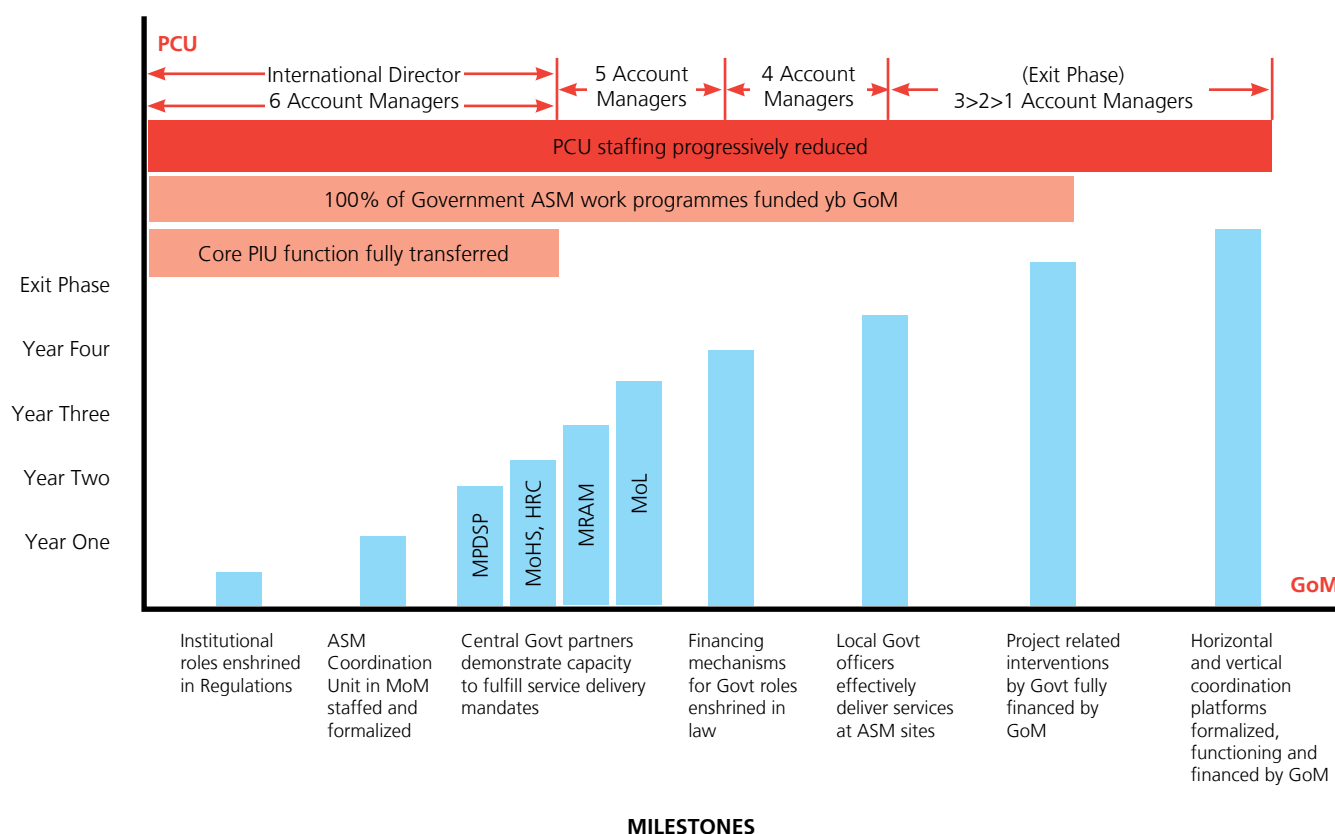


Figure 6: Milestones illustrating the progressive transfer of responsibilities to government partners (estimated time frames)

The PCU will spearhead component 3 with selected aspects to be progressively transferred.

No institution possesses a firm mandate to take on all roles, yet the significance of this component to overall project success is evident. A mixed set-up is required wherein the International Project Director and KH account manager will drive initial activities with a progressive transfer of management as the project moves into the exit phase.

6.2.2 Project Steering Committee

The Phase 3 SAM Board was comprised in such a way as to reflect the goal of *"recognition of artisanal mining as a formal subsector contributing to Mongolia's economic development"*. The Board was comprised of: MoM, MoF, MoEGDT, MoL, MRAM, MRS, GASII[2]³⁴, representatives of small-scale miners, SDC and the SAM project. This intersectoral approach has proved to be effective in achieving such recognition.

The SAM Board of Phase 3 will be maintained as a Steering Committee with minor amendments to account for human rights and economic development priorities. In light of the Phase 4 priorities related to the integration of human rights, and given the prominence of supply chain formalisation in economic development, it is proposed that the Steering Committee additionally incorporate high-level representatives from the economic sector and the NHRC.

6.3 Administrative arrangements with partners

Operational planning (for annual and/or shorter periods) is a joint task of SAM management and project partners. In order to ensure that project outputs will be achieved in line with government priorities and to support buy-in, systematic and joint operational planning is needed. For that purpose, the implementation of activities (or groups of activities) will be agreed upon between the PCU and project partners in the form of **"work packages"**. Work packages are **sub-projects** of the SAM Project, and are subject to their own Project Cycle Management (PCM, consisting of planning, monitoring, internal evaluation and transforming into action). A gender analysis of work packages, as well as in planning and budgeting activities, will be integrated within the operational planning process.

Administrative procedures will be established to guide the approval of "Major" and "Minor" work packages. Major Work packages will be agreed upon as part of annual operational planning and are subject to approval by the Project Steering Committee. In order to ensure operational flexibility

of the project, Minor Work packages can be agreed upon on short notice and are subject to approval by the PCU. Corresponding thresholds need to be established as part of the internal administrative procedures. Procedures will be transparent for all project partners.

6.4 Project management - roles, tasks and responsibilities

6.4.1 Senior Project Management

The overall management will be gradually handed over from international to national during the implementation of the phase.

Different management structures were analysed during project planning. The most appropriate to start with will consist of Senior Project Management guided by an **International Project Director** with recognised ASM sector expertise and with strategic and conceptual project management and the ability to coordinate with national and international partners. The International Project Director will be supported by a **National Project Coordinator** who will lead the day-to-day operation of the project, bringing national expertise and practical project management skills to the table, and focusing on implementation, administration, planning and monitoring. Both will be required to play leadership roles in ensuring that gender and human rights are sufficiently considered in planning, budgeting, design, implementation and monitoring and evaluation. In addition, the National Project Coordinator will be coached by the International Project Director to progressively take on more responsibility, including for decision-making and financial management. A formal handover will take place at mid-term at the Senior Management level. The International Project Director will phase out by the end of year two, by which time the National Project Coordinator will have sufficient capacity and experience to manage the project independently. International know-how and technical expertise will continue to be provided during years three to four by an **International Advisor** supporting project management and providing technical backstopping. The International Project Director and the National Project Coordinator report collectively as *"SAM Project Management"* and individually to SDC and the Project Board. Beginning with year three, the National Project Coordinator will report individually to the Project Board and SDC. The International Advisor will report directly to SDC only.

³⁴ General Agency for Specialised Inspection

	Roles, tasks and responsibilities
International Project Director (resident, years 1-2) <i>Minimum qualification:</i> "Senior" in ASM "Senior" in project management	In-house international ASM sector expertise, responsible for overall strategic and conceptual management of the project Tasks: Keeping project on track, monitoring at the outcome and output levels, identifying opportunities, building and maintaining national and international linkages and relations, coaching of the National Project Coordinator for handover after year 2
International Advisor (resident, years 3-4) <i>Minimum qualification:</i> "Senior" in ASM "Senior" in project management	Provide international ASM sector expertise, advise on overall strategic and conceptual management of the project Tasks: Advise and make recommendations on project performance and strategic direction; assist in maintaining and strengthening national and international linkages and relations
National Project Coordinator <i>Minimum qualification:</i> "Junior" in ASM "Senior" in project management	Operational (day-to-day) project management and coordination under the guidance of the International Project Director during years 1-2. Starting with year 3, the National Project Coordinator is responsible for the overall management of the project, supported by an International Advisor. Tasks: Keeping components running, aligned and synchronised; coordination and monitoring (at the output and activity levels) of project implementation by partners; after two years, overall strategic and conceptual management.

6.4.2 Middle Management

Transition from direct project implementation towards a coordinating role requires a restructuring of the project team and a gradual phasing out of key SAM staff. The set-up from phase 3 along components would provide insufficient flexibility, overload component leaders and under-utilise the management capacity of lower-ranked "specialists", mainly because at the coordination level, project partners expect to interact with project staff at "eye level". Additionally, Phase 4 comes with new topics, which - under the organisational structure of Phase 3 - would require additional specialists at the beginning of Phase 4 implementation.

"Matrix management" is successfully used as an organisational structure in complex industries and institutions. Its strength is to increase flexibility and responsiveness, increase cooperation and communication across the business, and to coordinate complex operations. It is less common in development project management, where vertical structures are still predominant. Given the high number and complexity of stakeholders and topics to be addressed in SAM Phase 4, this organisational structure is considered to be best suited to master this challenge (Figure 7).

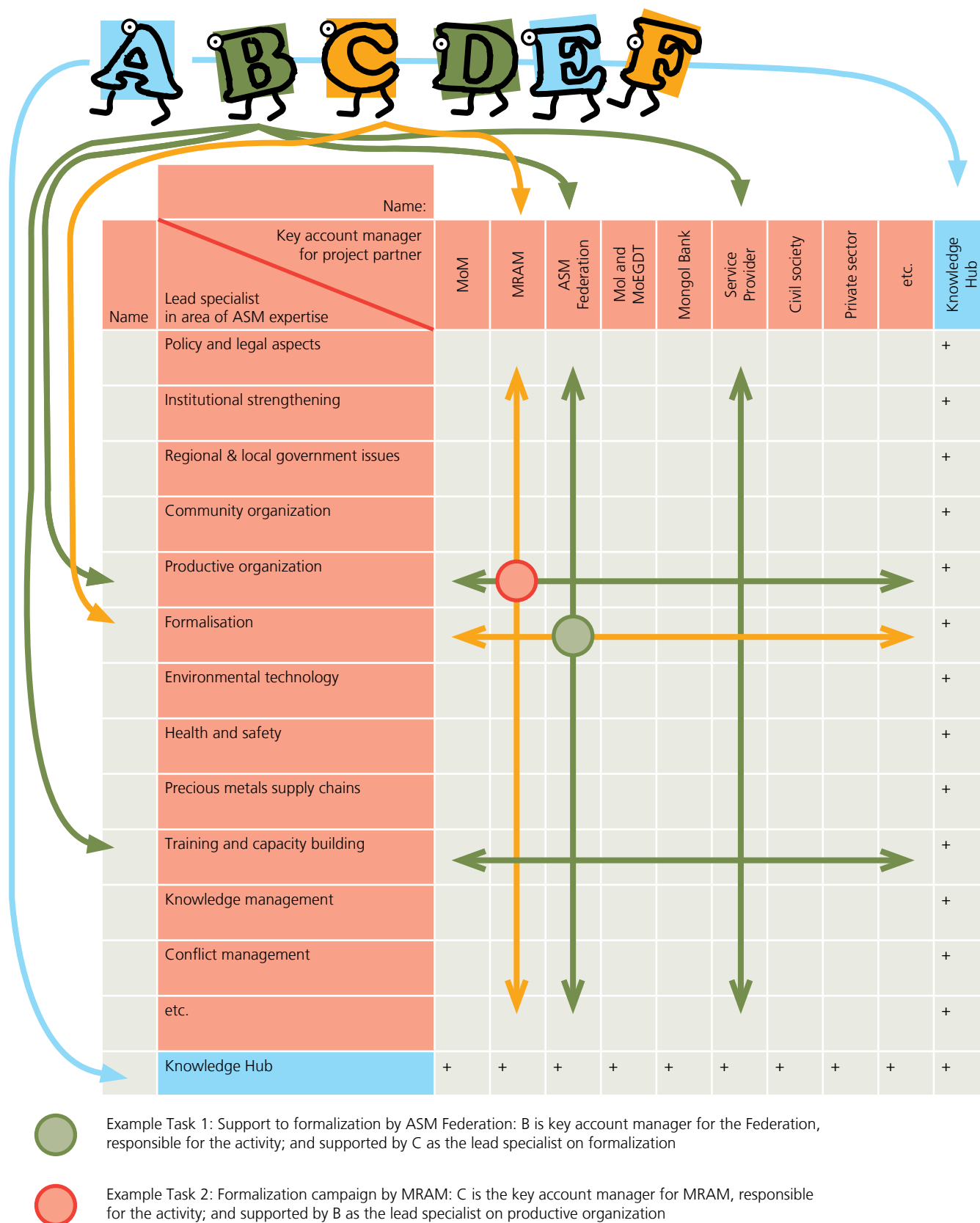


Figure 7: Scheme of matrix organisation of Middle Management, showing as a sample the interaction of project staff on two activities¹

¹ Note 1: The number of project partners and areas of expertise in this figure is reduced for legibility. Note 2: All project partners and areas of expertise interact with the knowledge hub of component 3 in all activities (symbolised by "+" sign). In the figure, project officer "A" would be the KH key account manager; the line is intentionally drawn behind all other account managers to symbolise that the KH involves all project staff.

SAM Middle Management will follow a matrix management approach. In consequence, the SAM project will have no “component leaders”. Instead,

- **Every project partner is assigned a “key account manager”,** a responsible person within the SAM team;
- **Similarly, each topic is assigned a “lead specialist”** in that area of expertise;³⁵
- Every SAM team member is tasked to be a key account manager for at least one partner and a lead specialist for at least one area of expertise;
- Taking into account the operational need for deputies, each team member has to assume multiple functions;
- A dedicated account manager will be necessary to spearhead KH activities while drawing on the expertise and responsibilities of other account managers and lead specialists.

For each project activity, a team consisting of the key account manager and the lead specialist is responsible. This ensures that key account managers are involved in all activities with their partners and that lead specialists are involved in all activities in their area of expertise. Demanding internal coordination at the management level ensures external **coordination at the PCU level** with project partners. For that purpose, and for tight integration into country systems, all staff will

be **seconded part-time as advisors** to the project partner for which she/he is key account manager.

In all areas of expertise, working experience in the ASM sector is a required qualification.

Matrix organisation allows for building upon accumulated expertise and established working contacts by the SAM team during previous phases but leverages efficacy and efficiency by allowing team members to strongly focus on their particular area of expertise. For all team members, in-house training in management skills is required to ensure adequate performance as a key account manager. Similarly, all members of the PCU will be trained and will receive periodic support from a qualified service provider to ensure each account manager and the activities within their sphere of responsibility fully integrate gender-responsive, human rights-based approaches.

A third of Middle Management staff will be gradually phased out during the implementation of Phase 4.

In order to manage the expanding portfolio of operational and thematic tasks, and given the fact that the capacity of key implementing partners needs to be strengthened, the project will require six full-time “key account managers” during the first two years of implementation. As implementation responsibility is gradually handed over to national implementing partners, the number of key account managers can be reduced. After year two, only five key account managers will be required, after year three the number will go down to four, and at end of year four, three Middle Management staff will remain. Together with the National Project Coordinator and the International Advisor, the SAM PCU will consist of five full-time operational staff at the end of Phase 4 and before the beginning of the exit phase. A project secretariat, accountant and driver will be required throughout the entirety of phase 4.

³⁵ Areas of expertise required from all team members (such as HRBA, including gender, management or monitoring of project activities) will not be assigned a “lead specialist”. This would only blur responsibilities.

7. Resources

7.1 Articulation of resources

Project implementation is jointly financed by Mongolia and Switzerland. The Mongolian contribution to the project is administrated by the Mongolian partners (counterpart, partners and beneficiaries). The Swiss contribution to the project is administrated by SDC. All parties administrate their contribution in accordance with their own internal administrative procedures.

7.2 Budget contributions

7.2.1 Swiss contribution

SDC's contribution amounts to 6.0 million Swiss Francs (CHF) over the four-year duration of Phase 4. The project delivers mainly advisory services and capacity building to the beneficiaries, counterpart and partners, and for this purpose draws mainly on human resources. The delivery of hardware components such as equipment and infrastructure are a minor priority and are covered by the budget only as far as needed for building capacity among Mongolian stakeholders. The budget is for the entire Swiss contribution to the project. The distribution per component is indicative only.³⁶

³⁶ Several cost items serve all components and some even cover administrative components. For example, the Senior Project Management oversees all three components as well as the project administration; a conference on formal ASM gold supply chain management in the Asia Pacific region may be seen as an activity of component 2 or as a learning event under component 3. In consequence, the attribution of budget items in percentages to components is based on subjective criteria and is therefore not binding.

	Component 1	Component 2	Component 3	Administration	Total
CHF	2,338,675	1,476,875	1,650,640	533,810	6,000,000
%	39%	25%	28%	9%	100%

	Year 2015	Year 2016	Year 2017	Year 2018	Total
CHF	1,542,598	1,508,930	1,507,037	1,441,435	6'000,000
%	26%	25%	25%	24%	100%

7.2.2 Mongolian contribution

The SAM Project responds to the demands of the Mongolian government as expressed to SDC by the MoM. The Mongolian contribution is in kind and amounts to CHF 1,040,000³⁷ and consists of the equivalent of:

- CHF 520,000 from the Counterpart MoM and its agencies, committed in the bilateral project agreement to be signed upon approval of the project;
- CHF 120,000 from regional and local governments;
- CHF 400,000 from beneficiaries.

All project partners administrate their contributions according to their own administrative procedures.

³⁷ Calculated at exchange rate of 1 USD = 0.95 CHF

Contribution in cash or kind	Year 2015 CHF	Year 2016 CHF	Year 2017 CHF	Year 2018 CHF	Total CHF
MoM and its agencies	130.000	130.000	130.000	130.000	520.000
Regional and local governments	30.000	30.000	30.000	30.000	120.000
Beneficiaries	100,000	100,000	100,000	100,000	400,000
Total	260.000	260.000	260.000	260.000	1,040.0000

7.2.3 Third-party contributions

Component 3 effectively leverages the Swiss and Mongolian contributions to the project. Component 3 builds on the reciprocity of knowledge-sharing, which comprises contributions in-kind from other ASM knowledge-sharing initiatives, and - where appropriate - joint activities on the basis of matched funds. Although these contributions cannot be quantified beforehand at the project planning stage, their intrinsic value is beyond doubt significant: Knowledge accumulated in other initiatives equally corresponds to years of experience in the ASM sector. Joint KH activities with other initiatives, based on opportunities to be identified by project management and to be implemented with matched funds, will mutually leverage the projects' impact and global outreach.

7.3 Cost-efficiency and cost-benefit analysis

The transition from PIU to PCU affects the cost structure. The transition from self-implementation to integration into country systems is expected to strengthen the sustainability of project outcomes and reduce project staff involvement in implementing project activities. However, this comes at the cost of the requirement to intensively train partner staff (such as on-the-job training through temporary secondment of project staff for coaching) for uptake and alignment with core project concepts (such as the HRBA), as well as the need for close monitoring. Furthermore, less-experienced counterpart staff are expected to be initially less efficient in implementing project activities.

Thematic and geographic expansion of the project's scope results in two additional components and a de facto doubling of the project size. Merging the individual components "ASM policy" and "Community mining" of Phase 3 into a single component of Phase 4 (Component 1: Human rights-based ASM policy and community mining) allows for streamlining of the project and nominally expands it by one component, albeit adding 2 additional components (Component 2: Economic strengthening of a formal supply chain; Component 3: Knowledge-sharing). De facto, and in particular considering the global outreach of component 3, this corresponds to an upscaling of the project size by a factor of two.

The increase in project size is achieved with a less-than-proportional increase in the Swiss budget contribution, corresponding de facto

to a significant reduction of costs and a demonstration of cost-efficiency. The increase of project scope by a factor of two (that is, 200 percent) is achieved with an under-proportional initial increase³⁸ of Middle Management project staff from five to six (120 percent), corresponding de facto to a cost reduction of 40 percent. The direct budget for component 1 of Phase 4 (CHF 2,338,675) compares with the direct budget of components 1 + 2 of the previous Phase 3 (CHF 3,700,000) as a de facto cost reduction of 37 percent. The increase in total costs (by +33 percent from CHF 4.5 million to CHF 6.0 million after four years) is significantly lower than Mongolia's growth in GDP (by +85 percent from USD \$6.2 billion in 2010 to USD \$11.5 billion in 2013). These benchmark parameters clearly reflect the criteria of cost-efficiency, applied during project planning.

The projects shows a clearly positive cost-benefit ratio. A total project budget of CHF 6 million Swiss and CHF 1.04 million Mongolian contributions over four years compares with the macroeconomic potential of up to five tonnes/year of gold entering the formal supply chain thanks to project support, and correspondingly up to CHF 200 million /year becoming accountable for monetary policy purposes by Mongol Bank.

³⁸ The increase is only temporary for start-up of the phase with widened scope. As implementation responsibility is gradually handed over to national implementing partners, the number of Middle Management project staff can be reduced. After year two, only five staff will be required, after year three the number will go down to four, and at end of year four, three Middle Management staff will remain.

8. Risk analysis

8.1 Assumptions and risks

Mongolia's country risk is considered stable.

In general terms, Mongolia's political-economic risk (business environment) remains stable at a medium-high level, and the risk of political violence is classified as negligible. Decreasing mineral prices and lower demand from China, and already noticeable symptoms of "Dutch disease", do however pose a considerable risk of economic downturn. The next election is scheduled for 2016 - the midway point of the project. Any potential change of political structure, due to the outcomes of the election, may potentially affect (positively or negatively) the next phase of the project.

Risks for the ASM sector have decreased.

Given the explicit inclusion of ASM in the recently approved State Policy for the Minerals Sector, political risks for ASM are considered significantly reduced in comparison with previous project phases. With Mongolia having become a signatory to the Minamata Convention, the risk that the MoEGD maintains its passive resistance against improvements in the ASM sector is considered lower than in previous phases. The decline/stagnation of the gold price reduces the risk of further gold rushes and allows for consolidation of the ASM sector at a very appropriate moment.

Risks for the project of engaging in the new topics of supply chain transparency and knowledge sharing are low.

The component of economic strengthening along a formal gold supply chain is aligned with the gold-trading amendment to the Minerals Law and with Mongolia's aspiration to increase State gold reserves through the acquisition of ASM gold. Component 3 is a direct response to the risk identified during the MTR of SDC being the only major development agency supporting the ASM sector. Minor risks remain, depending on how Mongolian stakeholders will focus on these topics.

8.2 Risk mitigation strategies

HRBA-based project planning and project implementation are the most important safeguard.

The universality and indivisibility of human rights, international conventions ratified by Mongolia, and a balanced strategy of strengthening duty-bearers and empowering right-holders reduce risks by acting in accordance with a solid conceptual framework. Integrating gender concerns in all processes of planning, design, implementation, monitoring, evaluation and budgeting will similarly ensure that the project effectively mitigates the risk of exacerbating gender inequalities.

Focusing on economic strengthening of a formal supply chain entirely mitigates the risks of becoming trapped in eventual "crackdown against smugglers" approaches.

Such approaches, apart from being unsustainable due to the high volatility of gold, are counterproductive by driving actors deeper into illegality, and would expose not only the project to risk, but also the entire staff.

The risk that knowledge-sharing is seen as a burden is mitigated by demonstrating the benefits of learning from best practice.

Component 3 not only allows for outreach globally, it foremost benefits Mongolia by learning from international experience. Linking Mongolia with international ASM policy dialogue has been shown to effectively increase ownership of the country's achievements thus far and will significantly minimise the risk of reverting back to a political climate against ASM.

At the project level, opportunities clearly outweigh risks.

9. Monitoring and evaluation

9.1 Monitoring and internal Project Cycle Management

Phasing out self-implementation puts monitoring in the centre. A progressive transition from self-implementation of the project (PIU in previous phases) towards coordination of project implementation with and by project partners (by a PCU) makes monitoring a pivotal project management task. In self-implementation, some activities may be seen as a continuum over an entire phase, whereby the “self” ensures that the project is at any moment aware of progress achieved (that is, monitoring serves mainly for reporting). By agreeing upon - or, more so, by mandating - entire activities or blocks of activities (**work packages**) with project partners, agreements and deliverable outputs need to be clearly defined in scope, approach and duration, and monitoring becomes crucial for keeping track of progress (monitoring serves for steering).

Each “work package” implemented with or by partners should be separately planned, implemented and monitored. This demands a two-tiered monitoring scheme:

- **At the project level, monitoring of each “work package” starts with its planning.** Apart from questions of relevance within the context of the project and expected efficacy (*Will the work package contribute to project outputs and outcomes?*), every work package needs to be analysed during planning and monitored during implementation:
 - o What human rights standards will be addressed?
 - o Are aspects of gender equality and equity adequately captured?
 - o How will transparent and inclusive implementation be ensured?
 - o How will active, free and meaningful participation of duty-bearers and rights-holders be ensured?
 - o Is the work package designed to enhance

empowerment and accountability?

- o Are safeguards against eventual unintended negative impacts on vulnerable groups in place?

Data from work package monitoring needs to be consolidated into overall project monitoring. The focal point of monitoring at the project level is SAM Senior Project Management.

- **At the “work package” level, appropriate activity indicators need to be established and monitored.** This is the task of the SAM management in conjunction with project partners. Indicators will be “SMART” (specific, measurable, attainable, relevant and time-bound) and attempt to measure work progress and the quality of processes, as well as contributions to output and outcome levels. SAM Middle Management is responsible for monitoring at the work package level. Depending on the characteristics of the activity, either the “key account manager” or the “lead specialist” will be responsible for assessing or obtaining data supporting the indicators. SAM mid-level managers report to SAM senior management.

All indicators require a baseline assessment within the first six months of implementation in order to ensure their suitability for measuring progress meaningfully. SAM Project Management is responsible for ensuring that the assessment of baseline data becomes an integral and mandatory part of project activities with partners. Where “SMART” baseline data cannot be assessed, measurements of progress towards target values of indicators will also be impossible.

A results-based M&E system will be integral to the project and will be established within six months of start-up. At the outset of the establishment of a M&E system, baseline values for all project indicators at the impact, outcome and output levels need to be assessed, the SMART-characteristics of all indicators need to be validated, and proposed target values have to

be critically reviewed.³⁹ The revised set of project indicators will then be approved by the Steering Committee. Following the MTR recommendation to significantly strengthen the project's M&E capacity, in combination with new monitoring challenges triggered by the institutional transition towards a PCU setup, support through external advisory services in relation to setting up a new M&E system will be needed⁴⁰, as well as backstopping support thereafter. Monitoring results, depending on their level, will then feed into annual, semi-annual, quarterly or monthly operation planning. These results are subject to periodic self-evaluation of the project in conjunction with an internal Project Cycle Management (PCM, consisting of planning, monitoring, internal evaluation and transforming into action). PCM cycles are aligned with reporting periods.

- **Project progress will be reported semi-annually.** Semi-annual reports with a focus at the output level will be submitted by SAM Senior Project Management to the Project Board; more comprehensive annual reports with a focus on the output and outcome levels will be presented to the Project Board for approval. Based on monitoring results, and taking into account the findings from the self-evaluation, annual operation plans will be elaborated and are subject to approval by the Project Board. Eventual modifications of the project's logframe (as needed to transform evaluation findings into action) at the outcome and output levels are subject to approval by the Project Board. In addition, the project will deliver a narrative results report to SDC ahead of the latter's annual report period in autumn each year.
- **Progress at the level of activities with or by partners** ("work packages") will be documented in shorter reporting periods as needed for effective project steering.⁴¹ SAM Middle Management staff is responsible for supporting partners in elaborating **quarterly or monthly reports**, including monitoring data, self-evaluation and recommendations to transform evaluation findings into action. Reports and proposed adjustments of work packages are subject to approval at the PCU level (SAM Senior Management).

9.2 Evaluation and external Project Cycle Management

An internal mid-term review will take place at the end of the second implementation year (the last quarter of 2016) and allow for active, free and meaningful confirmation and/or eventually necessary adjustments of the phase's operational plan.

An external review, taking place at the beginning (first quarter) of the last year of implementation, should be part of the planning process for the phasing out of the project and its exit and handover phase after 2018.

³⁹ Baseline assessments of proposed indicators exceeded the scope and available time frame of the planning process for Phase 4. Similarly, some of the proposed target values of indicators in the logframe (Annex 1: Logframe) are based on subjective perceptions of the planning team, but require validation with regards to their attainability and with regards to their SMART characteristics.

⁴⁰ The M&E system should build upon synergies between the SAM and the ESEC II projects, and help to avoid duplication of monitoring efforts. Ideally, it also draws on and nurtures monitoring results of other SDC projects in related topics (such as Vocational Education and Training (VET) on the professionalisation of ASM, the Governance and Decentralisation Programme (GDP) on ASM policy).

⁴¹ The frequency of required reporting will be determined by SAM Senior Management in accordance with the characteristics of the activity.

ANNEXES

Annex 1: Logframe

Hierarchy of objectives Strategy of Intervention	Key Indicators	Data Sources Means of Verification	External Factors
Impact (Overall Goal)	Impact Indicators ¹		
An economically sustainable, environmentally responsible and human rights-based ASM sector in Mongolia benefiting from, and contributing to, global best practice regarding artisanal and small-scale mining	<ul style="list-style-type: none"> Six key ministries have explicitly adopted gender and human rights standards in their work, including within amended ASM laws and/or regulations and institutional mandates by the end of Year 3. <i>Baseline 2014: 0</i> <i>Target 2018: 6</i> Increase in ASM contribution to royalties (as proxy for economic development) and formal foreign exchange (FOREX) earnings. <i>Royalties: Baseline 2014: MNT 2 billion; target 2018: MNT 6 billion</i> <i>Formal FOREX earnings: Baseline 2014: MNT 60 billion, target 2018: MNT 400 billion</i> Income of 75% of formalised ASM matches or exceeds country average by end of Phase 4 <i>Baseline 2013: Monthly country average MNT 627,200 (for establishments with less than 100 employees, NSO, 2013); monthly ASM average 2013: MNT 352,000</i> At least 10 best practice examples of environmental management measures by Mongolian ASM sites are published and recognised at international fora <i>Baseline 2014: 1 (Mercury-free gold processing)</i> <i>Yearly target : 3</i> Increased uptake of HRBA in ASM related interventions <ul style="list-style-type: none"> in Mongolia <i>Baseline: 2 (SAM, ESEC)</i> <i>Target 2018: 6</i> globally as a result of interaction with Mongolia <i>Baseline: 0</i> <i>Target 2018: 5</i> 	<ul style="list-style-type: none"> Laws and/or regulations of key Ministries for ASM: <ul style="list-style-type: none"> Mining Environment, Green Development and Tourism Finance Labour Population Development and Social Protection Health and sports and of ministries governing related ASM topics <ul style="list-style-type: none"> Justice Foreign Affairs Education and Science Industry and Agriculture Roads, Transportation, Construction and Urban Development Gender and human rights analysis report of revised laws/regulations. NSO data, including NSO Yearbook Data from Mongol Bank on ASM gold sales and royalties paid. NSO annual statistics report (NSO data on income and/or GDP per capita) National ASM Survey (eventually by NSO; baseline 2015, target 2018) Reports of <ul style="list-style-type: none"> Project (data to be monitored: Cooperation initiatives in cash or in kind with or by Mongolian institutions) Stakeholders Information from the Knowledge Hub Network Survey of knowledge hub beneficiaries as part of MTR and year 4 evaluation Expert gender and HR analysis of identified interventions 	

Hierarchy of objectives Strategy of Intervention	Key Indicators	Data Sources Means of Verification	External Factors
Outcomes	Outcome Indicators ²		Assumptions & Risks
<p>Outcome 1:</p> <p>Human rights-based ASM policy and community mining. Human rights-based approaches are embedded in all aspects of artisanal mining in Mongolia, including enhanced capacity of the State to respect, protect and fulfill the rights of ASM stakeholders, with artisanal miners claiming their rights and employing more socially and environmentally responsible practices.</p>	<ul style="list-style-type: none"> At least 50% of artisanal miners are formalised by end of Phase 4 1. <i>Baseline 2014: 5% (70% m: 30% f)</i> 2. <i>Targets: 2015: 10%; 2016: 20%; 2017: 30%; 2018: >50%</i> A year-on-year increase in the number of ASM Federation official advocacy submissions to authorities that accurately highlight relevant human rights/gender standards <i>Baseline 2014: 3 advocacy submissions (UPR, State Minerals Policy, Minerals Law Amendments)</i> <i>Targets: Year 2015: 12; Year 2016: 16; Year 2017: 18; Year 2018: 20</i> A year-on-year increase in ASM access to social and health insurance schemes for men and women <i>Baseline 2014: 4,200 (30% F; 70% M) Targets: Year 2015: 5500; Year 2016 :7000; Year 2017: 8500; Year 2018:10,000</i> The number of accidents and injuries causing lost work or fatalities [M/F] at ASM sites decreases during the project's lifetime <i>Baseline 2014:TBD</i> <i>Target: 20% decrease per year</i> 	<ul style="list-style-type: none"> National ASM Survey (eventually by NSO; baseline 2015, target 2018) MRAM mining cadastre data-base. Annual reports of ASM Federation; copies of submissions Reports of MNHRC and relevant treaty bodies Expert gender and HR analysis of submissions National ASM Survey (eventually by NSO; baseline 2015, target 2018) Annual sample surveys of ASM sites and ASM NGOs by MRAM ASM Unit. Aimag-level data from local labour offices on ASM accidents and injuries reported Data from MRS services and MRAM ASM Unit, ASM NGOs, soum hospitals. 	<p>Assumption: Regulations under the new Minerals Law, and of other laws and regulations relevant for ASM, respect and protect the rights of miners, and are conducive for formalisation</p> <p>Risk: Well-intentioned attempts of policymakers set entry levels too high and create barriers against the actual fulfilment of rights</p> <p>Risk: ASM miners increase due to economic downturn</p> <p>Assumption: The MRAM ASM Unit will be adequately facilitated to conduct sample surveys independently or in conjunction with their other field programs</p> <p>Risks: The MRAM ASM Unit will not receive adequate financial resources for monitoring, despite their mandate and initial SAM support (via a service provider) to develop an effective, rapid monitoring tool</p> <p>Assumption: The Ministry of Labour safety data will be regularly updated</p> <p>Risk: Rush ASM due to economic downturn</p>

Hierarchy of objectives Strategy of Intervention	Key Indicators	Data Sources Means of Verification	External Factors
Outcomes	Outcome Indicators ²		Assumptions & Risks
<p>Outcome 2:</p> <p>Economic strengthening of all formal supply chain stakeholders: ASM mineral commodities' contributions to economic strengthening and improved livelihoods at local, regional and national levels are enhanced and more visible, involving all actors along the entire supply chain.</p>	<ul style="list-style-type: none"> Approval of human rights-based, pragmatic regulations formalising ASM mineral trading in local areas <i>Baseline 2014: no ASM mineral trading regulations for local areas.</i> <i>Target: Approval by 2015</i> Officially accounted ASM gold production increases by at least 0.5 t/a <i>Baseline 2014: 0.98t/a</i> <i>Target 2018: > 3.0 t/a</i> The number of formalised miners and changers who invested part of mining profits into complementary business opportunities has doubled by end of year 3, and at least one-third of these are female <i>Baseline 2014: 87 miners (38% m;62% female)</i> Recognition of ASM's human rights-based contribution to sustainable economic development through local government economic policies shows an increase. <i>Baseline 2014:TBD by survey</i> <i>Targets:</i> <i>Year 2015: 2 aimags: 4 soums</i> <i>Year 2016: 4 aimags: 8 soums</i> <i>Year 2017: 6 aimags: 12 soums</i> <i>Year 2018: 8 aimags: 20 soums</i> 	<ul style="list-style-type: none"> Official Gazette Gender and human rights analysis report Data from <ul style="list-style-type: none"> Mongol Bank (volumes bought and/or registered exports) MRAM and ASM Federation (production figures of formalised ASM) National ASM survey (eventually by NSO; baseline 2015, target 2018) Annual sample surveys of ASM sites, ASM NGOs and changers by MRAM ASM Unit Media monitoring by project Surveys and research data from soum authorities. Expert HR analysis of ASM perception Baseline survey will be conducted among at least 10 aimags and 50 soums on the role of ASM in their economic development strategies 	<p>Assumption: The GoM implements the State Policy on Minerals</p> <p>The framework for gold trading needs to be inclusive and enable existing market players</p> <p>Assumption: Trading regulations allow for the formalisation of changers</p> <p>Assumption: Mongol Bank and assay lab address technical obstacles for trading in local areas</p> <p>The public ASM discussion is not politicised in the campaigns of political parties</p>

Hierarchy of objectives Strategy of Intervention	Key Indicators	Data Sources Means of Verification	External Factors
Outcomes	Outcome Indicators ²		Assumptions & Risks
<p>Outcome 3:</p> <p>Knowledge-sharing and global ASM policy dialogue: Stakeholders in Mongolia contribute to, learn from and apply global and national best practice regarding ASM; Mongolia's achievements garner national and international recognition; and Mongolia and SDC take prominent leadership roles in ASM internationally.</p>	<ul style="list-style-type: none"> At least 4 national and 4 international partners are taking on or supporting KH functions or activities in Mongolia and abroad by year 3. <i>Baseline 2014: 0</i> <i>Yearly targets: 2 national; 2 international per year</i> Year-on-year increase in global ASM projects sharing reports/ studies, etc., via SAM KH websites, and year-on-year increase in partner websites that feature Mongolian ASM projects <i>Baseline 2014: 1 UNEP Global Mercury Partnership features SAM Project</i> <i>2015: 4 projects and 5 websites</i> <i>2016: 6:8</i> <i>2017: 8: 10</i> <i>2018: 10:12</i> By end of year 3, the GoM has formalised the use of mercury-free alternatives in ASM to address clandestine mercury use through other means than then current "banning and ignoring" as a result of engagement with actors through the KH (<i>proxy indicator for adopting lessons learnt</i>) <i>Baseline 2014: 1 processing plant environmental impact assessment (DEIA) approved</i> By end of Phase 4, at least 1 other ASM project of SDC in another country and 2 ASM projects of other donors in Mongolia have explicitly integrated HRBA in their project design and implementation, identifying SAM as a contributory factor in this development <i>Baseline 2014: 0 SDC ASM projects in other countries</i> <i>0 ASM project in Mongolia</i> 	<ul style="list-style-type: none"> Partnership agreements, MOUs or equivalent and strategy documents or action plans of partner. Monitoring of SAM KH and partner websites by SAM Project staff Strategy documents, action plans or similar reports from Mongolian ministries and/or government agencies Project documents; information obtained from SDC and other donors or publicly documented 	<p>Assumption: Knowledge-sharing enables decision-makers to understand the lessons learnt from other countries that the outright prohibition of mercury drives its use into clandestine spaces</p>

Hierarchy of objectives Strategy of Intervention		Key Indicators	Data Sources Means of Verification	External Factors
Outputs (per outcome) and costs		Output Indicators ³		Assumptions & Risks
For outcome1: Human rights-based approaches are embedded in all aspects of artisanal mining in Mongolia, including the enhanced capacity of the State to respect, protect and fulfill the rights of ASM stakeholders, with artisanal miners claiming their rights and employing more socially and environmentally responsible practices. (<i>Human rights-based ASM policy and community mining</i>)				
Output 1.1	Legalisation and formalisation: ASM-related regulations, for which project partners are the competent authorities, have been revised and explicitly recognise human rights	<ul style="list-style-type: none"> New/amended ASM regulations explicitly recognise human rights and gender and clearly define the roles of government in service delivery, by end of year 1 <i>Baseline: 0</i> Number of central and local government officials whose capacity has been strengthened on ASM roles and HRBA <i>Baseline 2014 for central and local officials 120; Targets for central and local officials: At least 100 officials per year.</i> 	<ul style="list-style-type: none"> Official Gazette: ASM regulations Expert gender and HR analysis of revised regulations Project annual report 	Relevant expertise /resources available to conduct the necessary analysis
Output 1.2	Empowerment: Artisanal miners and their representative organisations have enhanced capacity to advocate for their rights	<ul style="list-style-type: none"> The proportion of both women and men members of at least 20 ASM NGOs who can identify ways that their member organisations are advocating for their rights has doubled by the end of Year 2 <i>Baseline 2015: TBD by survey</i> At least 20 ASM NGOs and entities are regularly paying dues to the ASM Federation, by end of Year 2 <i>Baseline 2014: 3 ASM NGOs fully paid for 12 months; 12 ASM NGOs: paid 1-6 months Target: 20 ASM NGOs fully paid for 12 months by end of Year 2, and 30 by end of Phase 4.</i> Advocacy submissions to authorities by ASM organisations in response to human rights issues increase every year <i>Baseline 2014: 5 submissions Targets: Year 2015:10; Year 2016: 20; Year 2017: 30; Year 2018: 40</i> 	<ul style="list-style-type: none"> ASM NGO training reports National ASM survey (eventually by NSO; baseline 2015, target 2018) Annual sample surveys of ASM sites and ASM NGOs by MRAM ASM Unit. Financial report of ASM Federation NHRC records. ASM NGOs and ASM Federation reports 	

Hierarchy of objectives Strategy of Intervention	Key Indicators	Data Sources Means of Verification	External Factors
Outputs (per outcome) and costs	Output Indicators ³		Assumptions & Risks
Output 1.3	<p>Professionalisation and accountability: Clear coordination, communication and capacity building structures and processes are formalised in key institutions and effectively advance the professionalisation of ASM</p> <ul style="list-style-type: none"> A gender and human-rights responsive curriculum for a vocational skills development training for women and men miners has been developed and adopted by at least 1 VET school in an ASM area by the end of year 2 <i>Baseline 2014: 0; Target 2016: 1</i> The number of women and men miners completing the ASM vocational skills development training from year 3 onwards in the pilot VET school <i>Baseline: 0 Target: 3 courses per year with at least 15 students each, out of which at least 5 are women</i> The roles and functions of key government departments (such as MRAM ASM Unit, MoL) have outlined duties specific to the professionalisation of ASM, by end of year 3 <i>Baseline: 0 Year 2015: 2 government institutions Year 2016: 4 Year 2017: 6 Year 2018: 8</i> 	<ul style="list-style-type: none"> Approved report on vocational training action plan. Report on gender and human rights analysis of draft curriculum. Vocational training/certificate program MOUs, approvals and reports Approved gender and human rights responsive curriculum Enrolment and completion records Institutional organigram. Staff list and job descriptions 	<p>Assumption: The MRAM ASM Unit will be adequately facilitated to conduct sample surveys independently or in conjunction with their other field programs</p> <p>Risks: The MRAM ASM Unit will not receive financial resources for monitoring, despite their mandate and initial SAM support (via a service provider) to develop a reasonable, rapid monitoring tool.</p> <p>Assumption: A partner is confirmed from the number of options identified</p> <p>Risks: Inclusion of ASM in the formal vocational training system is not possible, requiring a modified certificate-based approach.</p>
Output 1.4	<p>Health, welfare and equity: Programs of project partners for improving workplace safety, social welfare and access to health and child care are operational</p> <ul style="list-style-type: none"> The MRAM ASM Unit and corresponding departments in MoH, MPDSP, MoL and NHRC have developed participatory work programs and budgets for ASM service delivery in the areas of improving workplace safety, social welfare and access to health and child care, by end of year 2 <i>Baseline 2014; MRAM Unit has work programs and budgets on ASM only</i> All 50 ASM soums have in place medical personnel trained in measures for prevention, diagnosis and treatment of ASM-specific illness and injuries by year 3 <i>Baseline 2014: 0 Target: 2015:25; 2016:50; 2017:75; 2018:100</i> The number of women and men miners trained in human rights based ASM health and safety increases annually <i>Baseline 2014: 6,000; Targets 2015: 7,000; 2016: 8,000; 2017:9,000; 2018: 10,000</i> 	<ul style="list-style-type: none"> Government entity work programmes and budgets <i>Annual sample surveys of ASM sites and ASM NGOs by MRAM ASM Unit</i> Reports of MoH and WHO Annual sample surveys of ASM sites and ASM NGOs by MRAM ASM Unit Reports by School of Public Health Project annual report Annual sample surveys of ASM sites and ASM NGOs by MRAM ASM Unit 	<p>Assumption: The MRAM ASM Unit will be adequately facilitated to conduct sample surveys independently or in conjunction with their other field programs</p> <p>Risks: The MRAM ASM Unit will not receive financial resources for monitoring, despite their mandate and initial SAM support (via a service provider) to develop a reasonable, rapid monitoring tool</p> <p>Assumption: The WHO will incorporate ASM within their local health sector-strengthening program.</p> <p>Risks: Implementation does not proceed as anticipated</p>

Hierarchy of objectives Strategy of Intervention		Key Indicators	Data Sources Means of Verification	External Factors
Outputs (per outcome) and costs		Output Indicators ³		Assumptions & Risks
Output 1.5	Grievances and conflict remediation: Mechanisms to remedy human, mineral and property rights conflicts are established in accordance with international conventions and best practice	<ul style="list-style-type: none"> A gender and human-rights responsive assessment of grievance and conflict remediation mechanisms has been completed in partnership between the ASM Federation and NHRC, by end of year 1 <i>Baseline 2014: no grievance and conflict remediation mechanism in place</i> Number of ASM NGOs trained on formal conflict resolution and grievance mechanisms by the ASM Federation in partnership with NHRC <i>Baseline 2014: 0</i> <i>Targets 2016: 10; 2017: 20; 2018: 30</i> By the end of the phase, all aimag NHRC officers are able to identify the ways they more effectively respond to ASM issues following ASM training. <i>Baseline: 0</i> <i>Target: 2015: 25%; 2016: 50%; 2017: 75%; 2018: 100%</i> 	<ul style="list-style-type: none"> Approved assessment report Reports and list of participants of training, job descriptions National ASM Survey (eventually by NSO; baseline 2015, target 2018) Annual sample surveys of ASM sites and ASM NGOs by MRAM ASM Unit National ASM Survey (eventually by NSO; baseline 2015, target 2018) Annual sample surveys by the ASM Federation among ASM NGOs Pre and post-training questionnaire by project 	<p>Assumption: The MRAM ASM Unit will be adequately facilitated to conduct sample surveys independently or in conjunction with their other field programs</p> <p>Risks: The MRAM ASM Unit will not receive financial resources for monitoring, despite their mandate and initial SAM support (via a service provider) to develop a reasonable, rapid monitoring tool</p>
Costs of outputs for outcome 1: CHF 2,338,675				
For outcome 2: ASM mineral commodities' contributions to economic strengthening and improved livelihoods at local, regional and national levels are enhanced and more visible, involving all actors along the entire supply chain. («Economic strengthening of all formal supply chain stakeholders»)				
Output 2.1	Supply chain formalisation: There is a consensus among key stakeholders about the need for, and the shape of, a viable legal and fiscal framework for a formal ASM supply chain	<ul style="list-style-type: none"> An ASM gold regulation reflecting supply chain stakeholders' aspirations, national priorities and international best practices has been developed and approved by the end of year 1 <i>Baseline 2014: No gold trading regulation</i> Gold supply chain interventions (private, public and responsible markets) to formalise commercially viable ASM supply chains increase to 5 by end of Phase 4 <i>Baseline 2014 : 1 NTR metals</i> <i>Yearly targets: 1</i> At least 60% of both women and men participants of meetings on gold trading regulations report that the regulations adopted provide achievable requirements for women and men miners and gold traders, as well as government <i>Baseline 2015: TBD</i> At least 1 local trading entity is registered or established in ASM aimags and soums as follows: <i>Baseline 2014: 0</i> <i>End year 2: 5 aimags, 5 soums</i> <i>End Year 3: 15 aimags, 30 soums</i> <i>End Year 4: all ASM aimags; 80% of ASM soums</i> 	<ul style="list-style-type: none"> Official Gazette: ASM gold regulations Expert analysis of ASM gold regulations Minutes of meetings Post-meeting participant survey Consultative meeting report Data from registration authority (TBD) Opinion surveys before and after the regulation meetings 	Assumption: It is assumed that project partners are the competent authorities to enact the legal and fiscal framework for a formal ASM supply chain

Hierarchy of objectives Strategy of Intervention		Key Indicators	Data Sources Means of Verification	External Factors
Outputs (per outcome) and costs		Output Indicators ³		Assumptions & Risks
Output 2.2	Supply chain resiliency: Artisanal miners are integrated into formalised, responsible and commercially viable supply chains	<ul style="list-style-type: none"> • There is a year-on-year on increase in the number of both women and men ASM miners and changers who pay income tax and social insurance <i>Baseline 2014: 4,200 (30% F; 70% M);</i> <i>Yearly target 2015-17: 1,450</i> <i>Cumulative Target 2018: 10,000</i> • Over 80% of miners and traders who have undergone training on formal and responsible mining have formalised activities and over 90% have introduced measures to improve the economic, social, and/or environmental performance of their operations. Of these, at least one-third are female <i>Baseline 2014: 20% of trained miners (30% female)</i> <i>Target: 20% per year (30% female)</i> • A 30% and 50% increase of both women and men ASM miners and traders who access laboratories certified by Assay Inspection Office for arbitrage by the end of years 3 and 4, respectively. <i>Baseline 2014: 216 miners and traders</i> 	<ul style="list-style-type: none"> • Data from GASI • National ASM Survey (eventually by NSO; baseline 2015, target 2018) • Annual sample surveys of ASM sites, ASM NGOs and changers by MRAM ASM Unit • National ASM Survey (eventually by NSO; baseline 2015, target 2018) • Annual sample surveys of ASM sites, ASM NGOs and changers by MRAM ASM Unit • MRAM mining cadastre • Records of certified laboratories 	<p>Assumption: The MRAM ASM Unit will be adequately facilitated to conduct sample surveys independently or in conjunction with their other field programs</p> <p>Risks: The MRAM ASM Unit will not receive financial resources for monitoring, despite their mandate and initial SAM support (via a service provider) to develop a reasonable, rapid monitoring tool</p>
Output 2.3	Economic choice and freedom: Different mining-related business models are made available for ASM NGOs	<ul style="list-style-type: none"> □ At least 5 ASM NGOs have converted into business entities by end of year 2, reaching more than 10 by end of phase <i>Baseline 2014: 0</i> □ At least 3 ASM entities have been certified by responsible supply chain initiatives (like Fairmined, Fairtrade, BGI or RJC) and are exporting part of their production by end of phase <i>Baseline 2014: 0</i> □ An annually increasing number of LSM mining operations offer commercialisation of gold ore as an economically attractive alternative to ASM processing <i>Baseline 2014: 0</i> <i>Target: 1 per year</i> 	<ul style="list-style-type: none"> • Project records • Project records <i>Certificate status of ASM entities published by responsible supply chain initiatives</i> • Baseline assessment of commercial resilience of miners and traders, and annual assessment thereafter 	

Hierarchy of objectives Strategy of Intervention		Key Indicators	Data Sources Means of Verification	External Factors
Outputs (per outcome) and costs		Output Indicators ³		Assumptions & Risks
Output 2.4	Rural economic strengthening: ASM organisations and traders are strengthened to increase their contributions to rural livelihoods and economic diversification and resilience and stakeholders are aware of these contributions and their impacts	<ul style="list-style-type: none"> By year 2, more than 500 miners and traders have participated in and completed business training courses for ASM, and at least one-third of these are female <i>Baseline 2014: 48 miners (38% m, 62% f), 0 traders</i> The total value of investments made by both women and men miners and traders into other economic sectors increases by 20% year-on-year <i>Baseline 2015: TBD by survey</i> Economic growth in ASM mining-dependent aimags continues to exceed the national average (in any year) by at least 40% of that average (<i>for example, if national growth is 10%, ASM soum growth will be 14%</i>) <i>Baseline 2014: TBD in 2015</i> 	<ul style="list-style-type: none"> Course statistics Baseline assessment of commercial resilience of miners and traders, and annual assessment thereafter <i>(to be established through an ASM income diversification and investment survey in 10 selected soums)</i> Economic growth figures from soum and aimag governments and NSO ASM-dependent aimags are Bayankhongor, Dundgobi, Dornogobi based on the following criteria: Large number of ASMs, large number of ASM-type mineral deposits, an absence of other large economic activities besides livestock rearing 	
Costs of outputs for outcome 2: CHF 1,476,875				
For outcome 3: Stakeholders in Mongolia contribute to, learn from and apply global and national best practice regarding ASM; Mongolia's achievements garner national and international recognition; and Mongolia and SDC take prominent leadership roles in ASM internationally (<i>Knowledge-sharing and global ASM policy dialogue</i>).				
Output 3.1	Knowledge management and dissemination: A best practice knowledge hub is operationalised	<ul style="list-style-type: none"> A multilingual website on Mongolian and international ASM is operational by end of year 1, hosted either by SAM or a partner organisation <i>Baseline 2014: Non existent</i> A long-term business plan for the knowledge hub is developed and has started implementation by the end of year 1 The content, number of registered users, anonymous visitors and cross-links of the KH website increase quarter-on-quarter to the end of Phase 4 	<ul style="list-style-type: none"> KH website's physical presence Project annual report KH business plan document Server statistics 	

Hierarchy of objectives Strategy of Intervention		Key Indicators	Data Sources Means of Verification	External Factors
Outputs (per outcome) and costs		Output Indicators ³		Assumptions & Risks
Output 3.2	Best practice sharing: Mongolian stakeholders share knowledge, experiences and skills through meaningful communications and engagement in the national and international ASM arena	<ul style="list-style-type: none"> The KH hosts at least one international learning event and at least two national learning events every two years, and human rights and gender are explicitly addressed within the agenda of the event in the majority of events held <i>Baseline 2014: 0 events</i> Both male and female SAM project members and/or partner or stakeholder organisations in Mongolia have speaking or formal participation roles in at least 4 international ASM events in Asia and beyond each year <i>Baseline 2014: 1 event</i> All publications produced or enabled by SAM are produced in Mongolian and a second language, are freely accessible to the public and are distributed to targeted training institutions and other relevant consumers <i>Baseline 2014: Publications available mainly in Mongolian on SAM website</i> At least two national or international academics and/or students each year conduct research on the SAM Project or the issues it is working on, resulting in at least 2 articles accepted for publication in a peer-reviewed journal or book in years 3 and 4 <i>Baseline 2014: 0</i> 	<ul style="list-style-type: none"> Meeting reports and publications Project activity log and trip reports KH publications available on the website Project activity and publications log 	
Output 3.3	Peer to peer learning: A South-South platform for peer-to-peer learning of artisanal miners, regulators and ASM-relevant civil society organisations (CSOs) is created	<ul style="list-style-type: none"> Each annual study tour of Mongolian stakeholders to other ASM countries (with at least 25% of participants female) and lessons learnt therefrom are communicated through the KH network to national and international KH users <i>Baseline 2014: 0 study tours</i> Mongolia hosts at least 1 visit by regulators, civil society and/or miners (separately or together) from another country per year, and lessons learnt are communicated through the KH network for each visit <i>Baseline 2014: 0 visits</i> The KH has hosted a global miners-only conference by end of year 3, and at least 25% of participants are female 	<ul style="list-style-type: none"> Published study tour reports Published study tour reports Conference report 	

Hierarchy of objectives Strategy of Intervention		Key Indicators	Data Sources Means of Verification	External Factors
Outputs (per outcome) and costs		Output Indicators ³		Assumptions & Risks
Output 3.4	Process sustainability: A positive feedback mechanism between past achievements and future challenges is operationalised	<ul style="list-style-type: none"> • ASM communication and sensitisation strategies for both local and international audiences have been developed during the first year and are updated annually • A public national competition and award ceremony on best practice implemented by ASM miners has been organised annually together with the competent government partners, including for awards relating to gender and human rights performance <i>Baseline 2014: 0 awards ceremony</i> • SAM has hosted at least 1 visit to ASM sites by foreign diplomats and dignitaries and/or international governmental or non-governmental organisations each year <i>Baseline 2014: 2 visits</i> 	<ul style="list-style-type: none"> • Approved strategy document • Records of media clippings and publication of results • Project documents and related news items 	
Output 3.5	Repeatability: Mechanisms for international replication of lessons learnt are operationalised	<ul style="list-style-type: none"> • Male and female Mongolian and international experts related with the project have presented at a minimum of 10 international knowledge-sharing and capacity building events dedicated to responsible ASM, sourcing from ASM and fulfilment of ASM stakeholders' human rights by the end of phase <i>Baseline 2014: 1 event (WHO)</i> <i>Target: 3 events per year</i> • The project has supported (in cash or kind) at least 5 international initiatives dedicated to improving knowledge on responsible ASM, sourcing from ASM and fulfilment of ASM stakeholders' human rights by the end of phase. Where cash is the basis for support, it is given as matched funds <i>Baseline 2014: 2 initiatives</i> <i>Target: at least 2 initiative per year</i> • Each year at least 1 month's staff time (SAM or counterpart) is seconded to support ASM projects or programmes elsewhere, and at least 1 international ASM person is invited by SAM to learn from the project and transfer research results to their own project or programme (all inbound and outbound staff exchange requires matching funds.) <i>Baseline 2014: 0 staff exchanges</i> 	<ul style="list-style-type: none"> • Annual reports • Presentations accessible through KH website (published on website of KH or event organiser) • Annual reports • Mission reports • Research reports 	
Costs of outputs for outcome CHF 3: 1,650,640				

Hierarchy of objectives Strategy of Intervention	
Activities (per output)	Inputs
List of activities for output 1.1: 1.1.1: Support the dialogue on regulatory reforms through repeated engagement and consultation of key sector stakeholders. 1.1.2: Strengthen the capacity of the MoM, MRAM and their central government partners while improving coordination between them. 1.1.3: Strengthen the capacity of central, aimag and soum government while improving coordination between them. 1.1.4: Support aimag and soum government in formalisation of institutional roles for extension service delivery. 1.1.5: Support sustainable delivery of extension services through mechanisms for financing key government functions and increasing accountability.	SDC and counterpart resources
List of activities for output 1.2: 1.2.1: Support implementation of the ASM Federation's Human Rights Advocacy Strategy while strengthening their capacity to form and strengthen local and regional ASM organisations. 1.2.2: Support sustainability of the ASM Federation, regional and local ASM organisations through progressive transfer of responsibilities. 1.2.3: Facilitate development of leadership, advocacy and practical organisation management skills with strong consideration of succession planning and gender equity. 1.2.4: Promote local, regional and national dialogues between miners.	SDC and counterpart resources
List of activities for output 1.3: 1.3.1: Assess and develop opportunities for vocational training. 1.3.2: Explore and cultivate entry points in government, academia and the private sector. 1.3.3: Build upon existing initiatives for micro- and small- enterprise development. 1.3.4: Promote formalisation of professionalisation roles.	SDC and counterpart resources
List of activities for output 1.4: 1.4.1: Strengthen campaigns for social and health insurance. 1.4.2: Support existing programs to improve local health service delivery. 1.4.3: Develop technical capacity of duty bearers in occupational safety and health and provide expertise where necessary. 1.4.4: Assess and promote models for childcare near to ASM sites. 1.4.5: Ensure all activities are effectively engendered and develop gender capacity of duty bearers.	SDC and counterpart resources
List of activities for output 1.5: 1.5.1: Support assessment of appropriate grievance and conflict mitigation mechanisms. 1.5.2: Build requisite capacity of duty bearers. 1.5.3: Strengthen the ASM Federation, regional ASM organisations and ASM NGOs to support members in conflict remediation. 1.5.4: Highlight best practices in cooperation and conflict remediation.	SDC and counterpart resources
List of activities for output 2.1: 2.1.1: Support policy dialogue on formalised gold supply chains with factual arguments based on international best practice. 2.1.2: Support policy dialogue on formalised gold supply chains through informed public communication on the contributions that formalised ASM supply chains can make to the macroeconomic development of Mongolia. 2.1.3: Support supply chain stakeholders in their advocacy work for a legal and fiscal framework that enables commercially viable, formalised supply chains. 2.1.4: Support state agencies and private sector actors adapt their mandates to enable a greater proportion of ASM minerals to be traded through commercially viable, responsible, and formalised supply chains.	SDC and counterpart resources

Hierarchy of objectives Strategy of Intervention	
Activities (per output)	Inputs
List of activities for output 2.2: 2.2.1: Support supply chain stakeholders in their advocacy work for varied routes to markets. 2.2.2: Promote conventional and non-conventional export routes that provide added value for Mongolia. 2.2.3: Facilitate field testing of potentially viable supply chain formalisation models.	SDC and counterpart resources
List of activities for output 2.3: 2.3.1: Ensure the provision of appropriate and quality training to ASMOs and traders oriented at improving the commercial viability of their enterprises, whilst minimising their ecological footprint, enhancing their positive social and economic impacts, and mitigating any negative impacts on third parties that may typically arise. 2.3.2: Identify, assess and promote how different stakeholders can enable responsible mining and sourcing to unleash the development potential of ASM. 2.3.3: Up-scale and promote replication of successful «working together» cases that are win-win options for ASM and LSM. 2.3.4: Strengthen the capacity of mineral processors and buyers (processing plants, changers, subsidiaries of refiners like NTR, commercial banks and others) to operate formally, legally and viably.	SDC and counterpart resources
List of activities for output 2.4: 2.4.1: Identify and promote complementary and alternative business opportunities related with ASM in ASM households and communities. 2.4.2: Cooperate with GIZ to develop ASM value chains and promote additional business opportunities for ASM communities. 2.4.3 Conduct capacity building of miners and supply chain operators to capitalise upon their businesses' success. 2.4.4: Assess and mainstream the concept of economic strengthening through ASM as rural development policy. 2.4.5: Enable third parties to capture and publish information through appropriate, impactful communications channels at a range of scales (soum, aimag, national), on how ASM contributes to rural economic strengthening, being sure to balance the positive and negative impacts of the activity to promote reasonable assessment of ASM's impacts.	SDC and counterpart resources
List of activities for output 3.1: 3.1.1: Procure external advisory services to advise on the creation of a knowledge hub. 3.1.2: Confirm the mandate and form the knowledge hub should take at the outset, throughout the project duration and at the exit point. 3.1.3: Develop a business plan for the knowledge hub, including considerations of low-cost options, financial sustainability, definition of ownership and usage rights, and a communications strategy tied to Outcome 1 and 2 activities and Output 3.4. 3.1.4: Establish the repository and recruit the KH coordinator. 3.1.5: Establish the network and interfaces for facilitating learning, exchange of information and communications generally 3.1.6: Identify and engage potential partners who can (co)-implement key functions and activities of the knowledge hub. 3.1.7 : Ensure a broad range of international ASM stakeholders and all Mongolian ASM stakeholders understand how the knowledge hub works and how they can contribute, use it, leverage it, and engender a sense of ownership and pride in its existence.	SDC and counterpart resources

Hierarchy of objectives Strategy of Intervention	
Activities (per output)	Inputs
List of activities for output 3.2: 3.2.1: Prioritise key opportunities for building ASM knowledge sharing into existing initiatives, and facilitate participation by relevant Mongolian and international stakeholders. 3.2.2: Host international forums and publish information on issues where Mongolia can demonstrate best practice or where Mongolia may benefit from international best practice. 3.2.3: Strengthen formal and informal engagement and information sharing between sub-national groups with shared interests on ASM. 3.2.4: Facilitate study trips by international students and academics to Mongolia and vice versa to support more research on ASM in Mongolia that will be published and nurture the professional development of aspiring experts with an interest in ASM.	SDC and counterpart resources
List of activities for output 3.3: 3.3.1: Identify how the Knowledge Hub can incorporate a platform for enhancing peer to peer learning of artisanal miners, regulators and CSOs in the South. 3.3.2: Host miners only conferences to bring together miners from each country to share common experiences, challenges, and solutions in the spirit of empowerment and innovation for improvement. 3.3.3: Arrange exchanges for Mongolian miners, regulators and CSOs to visit another ASM nation. Arrange and host educational visits for miners, regulators and CSOs from other countries to Mongolia.	SDC and counterpart resources
List of activities for output 3.4: 3.4.1: Develop a strategy for national sensitisation on Mongolia's achievements (and outstanding challenges) on ASM for outreach to ASM-impacted communities, and ASM duty-bearers (local governments, parliament, and ministries). 3.4.2: Facilitate an annual awards ceremony to recognise leaders in sustainable ASM in Mongolia, and leaders in innovations for sharing lessons with other stakeholders. 3.4.3: Identify Mongolia's achievements, unique offerings and opportunities for making broader international impact, including those related to gender and human rights, and identify avenues for promoting these findings internationally. 3.4.4: Promote Mongolia's unique ASM sector and its achievements to international visitors by hosting ASM site visits and ASM events.	SDC and counterpart resources
List of activities for output 3.5: 3.5.1: Support international initiatives dedicated to responsible ASM, sourcing from ASM, and the fulfilment of ASM stakeholders' human rights. 3.5.2: Coordinate engagement between and learning by international stakeholders working to engender economically sustainable, environmentally responsible and human rights based ASM sector. 3.5.3: Support new ASM projects and initiatives through the exchange of project staff and back-stopping. 3.5.4: Systematise lessons learned from taking an HRBA approach on ASM. 3.5.5 : Create coordinating mechanisms for entities working at the strategic and policy level in ASM to create the financial, political and social capital for the sustainability of the ASM Knowledge Hub and its partner entities, and ASM initiatives in Mongolia and internationally.	SDC and counterpart resources

Annex 2: Terms of reference of key project/programme staff and experts

Senior Management

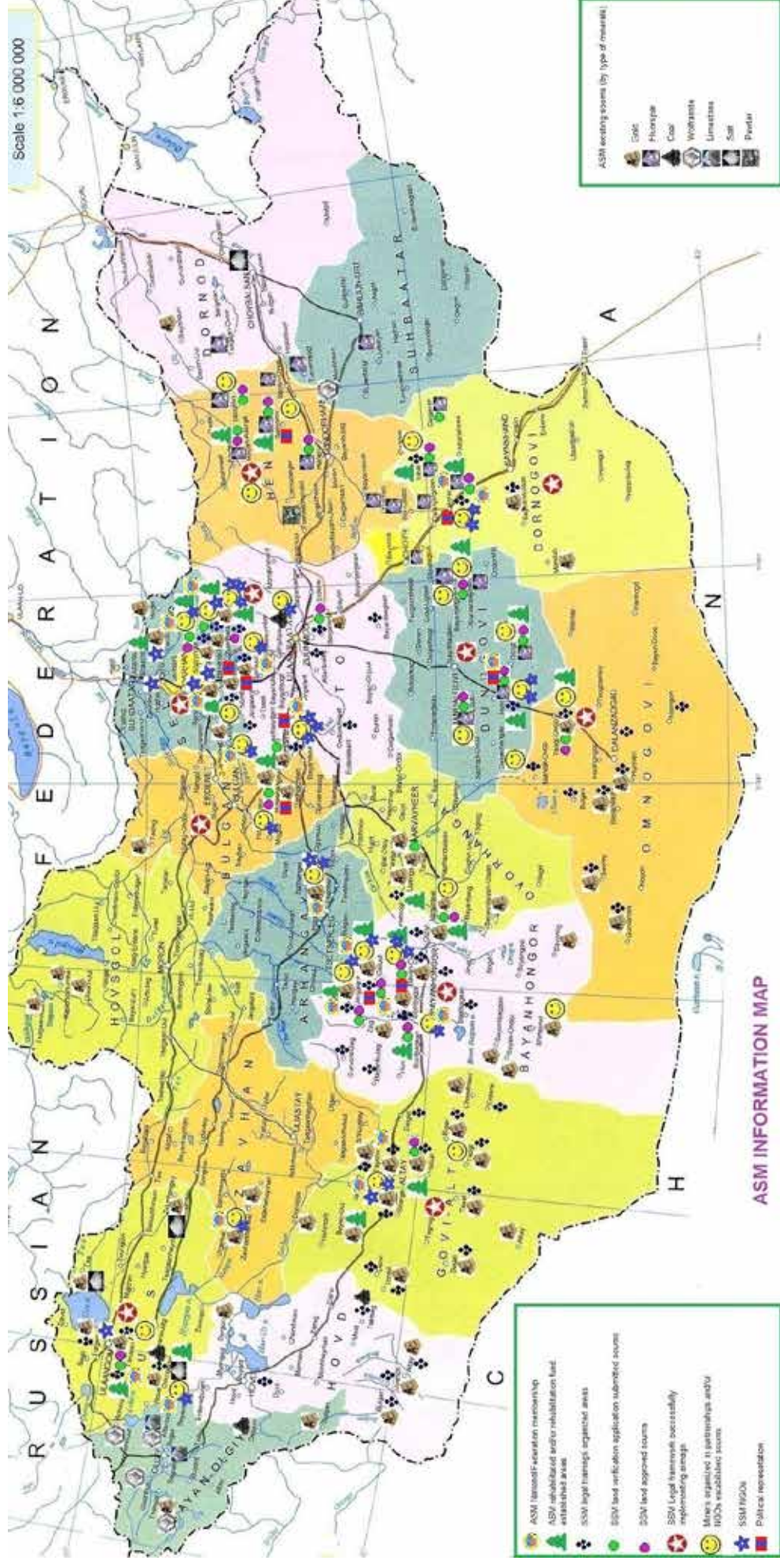
Position	Job Description
International Project Director (years 1-2)	<p>The International Project Director is responsible for overall strategic and conceptual management and implementation of the project according to the Project Document, decisions of the Steering Committee and instructions from SDC.</p> <p>The International Project Director is expected to bring to the table senior-level, in-depth, in-house ASM sector expertise as well as proven experience in managing major donor-funded ASM projects and coordinating with stakeholders internationally and at higher policy levels, and to transfer this expertise to national stakeholders and project staff, in particular the National Project Coordinator.</p> <p>Responsible for: Overall project implementation, keeping the project on track and proposing strategic or conceptual changes for the project, including those in line with gender and human rights priorities, monitoring at the outcome and output levels, identifying risks and opportunities, building and maintaining national and international linkages and relations, supporting coordination of the knowledge hub and related networking.</p> <p>Reports to: SDC and Steering Committee</p>
International Advisor (years 3-4)	<p>The International Advisor is responsible for advising and providing recommendations to the National Project Coordinator, SDC and the Steering Committee on strategic and conceptual management.</p> <p>The International Advisor is expected to possess senior international ASM sector expertise, a capacity to advise and strengthen linkages with high-level decision-makers and strong international relations in the ASM sector.</p> <p>Responsible for: Providing advisory support on overall strategic and conceptual management and implementation, providing guidance and supporting necessary linkages between national and international stakeholders for the advancement of the knowledge hub.</p> <p>Reports to: SDC and Steering Committee</p>
National Project Coordinator	<p>The National Project Coordinator is responsible for the management and operative implementation of the project according to the Project Document, decisions of the Steering Committee and instructions from SDC.</p> <p>The National Project Coordinator leads, motivates and integrates the interdisciplinary project team, brings sound experience in efficient and effective project management to the table, and focuses on coordination, administration, planning and monitoring. He/she also must necessarily play a leadership role in ensuring gender and human rights are sufficiently addressed in all activities, including in planning, design, implementation, budgeting and monitoring and evaluation.</p> <p>Responsible for: Project implementation, keeping components running, aligned and synchronised, and coordination and monitoring at the output and activity levels of project implementation with and by project partners. He/she will progressively take on more responsibility for decision-making and financial management, including full signatory powers by mid-term.</p> <p>Reports to: International Project Director during years 1-2, and directly to SDC and the Steering Committee during years 3-4.</p> <p>Acts as deputy to the International Project Director during years 1-2.</p>

Middle Management

Position	Job Description
Key account manager <ul style="list-style-type: none"> • MoM • MRAM • NHRC • Civil society organisations • Others as assigned 	<p>Primary operational contact for assigned institutions.</p> <p>Responsible for the transfer of SAM expertise through part-time secondment to the assigned institutions. (The extent of secondment is to be agreed with each project partner, in total not exceeding 75 percent of work time.)</p> <p>Responsible for project management (identification, planning, implementation, documentation, monitoring, evaluation, closure) of all project activities with or by the assigned organisations in all three components. He/she will ensure that gender concerns and HRBA are sufficiently considered.</p> <p>Reports to: National Project Coordinator</p> <p>Act as lead specialist in assigned areas of ASM expertise and support knowledge hub development in related thematic areas.</p> <p>Act as deputy lead specialist in assigned areas of ASM expertise.</p> <p>Act as deputy to one other key account manager.</p>
Key account manager <ul style="list-style-type: none"> • ASM Federation • ASM organisations • National service providers • Others as assigned 	<p>Primary operational contact for assigned institutions.</p> <p>Responsible for the transfer of SAM expertise through part-time secondment to the assigned institutions. (The extent of the secondment is to be agreed with each project partner, in total not exceeding 75 percent of work time.)</p> <p>Responsible for project management (identification, planning, implementation, documentation, monitoring, evaluation, closure) of all project activities with or by the assigned organisations in all three components. He/she will ensure that gender concerns and HRBA are sufficiently considered.</p> <p>Reports to: National Project Coordinator</p> <p>Act as lead specialist in assigned areas of ASM expertise and support knowledge hub development in related thematic areas.</p> <p>Act as deputy lead specialist in assigned areas of ASM expertise.</p> <p>Act as deputy to one other key account manager.</p>
Key account manager <ul style="list-style-type: none"> • MoL • MoHS • MPDSP • MoEGDT • OSH SubCom • Others as assigned 	<p>Primary operational contact for assigned institutions.</p> <p>Responsible for the transfer of SAM expertise through part-time secondment to the assigned institutions. (The extent of the secondment is to be agreed with each project partner, in total not exceeding 75 percent of work time.)</p> <p>Responsible for project management (identification, planning, implementation, documentation, monitoring, evaluation, closure) of all project activities with or by the assigned organisations in all three components. He/she will ensure that gender concerns and HRBA are sufficiently considered.</p> <p>Reports to: National Project Coordinator</p> <p>Act as lead specialist in assigned areas of ASM expertise and support knowledge hub development in related thematic areas.</p> <p>Act as deputy lead specialist in assigned areas of ASM expertise.</p> <p>Act as deputy to one other key account manager.</p>
Key account manager <ul style="list-style-type: none"> • Mongol Bank • Supply chain operators • Supply chain initiatives • Private sector • Others as assigned 	<p>Primary operational contact for assigned institutions.</p> <p>Responsible for the transfer of SAM expertise through part-time secondment to the assigned institutions. (The extent of the secondment is to be agreed with each project partner, in total not exceeding 50 percent of work time.)</p> <p>Responsible for project management (identification, planning, implementation, documentation, monitoring, evaluation, closure) of all project activities with or by the assigned organisations, in all three components. He/she will ensure that gender concerns and HRBA are sufficiently considered.</p> <p>Reports to: National Project Coordinator</p> <p>Act as lead specialist in assigned areas of ASM expertise and support knowledge hub development in related thematic areas.</p> <p>Act as deputy lead specialist in assigned areas of ASM expertise.</p> <p>Act as deputy to one other key account manager.</p>

Position	Job Description
Key account manager <ul style="list-style-type: none"> • Aimag governments • Soum governments • Local service provider • Others as assigned 	<p>Primary operational contact for assigned institutions.</p> <p>Operating from an office hosted by a local government (for example, Bayankhongor); outreach to local governments country-wide.</p> <p>Responsible for the transfer of SAM expertise through part-time secondment to the assigned institutions. (The extent of the secondment is to be agreed with each project partner, in total not exceeding 75 percent of work time out of home office location; i.e. a minimum 25 percent of work time with the hosting local government.)</p> <p>Responsible for project management (identification, planning, implementation, documentation, monitoring, evaluation, closure) of all project activities with or by the assigned organisations in all three components. He/she will ensure that gender concerns and HRBA are sufficiently considered.</p> <p>Reports to: National Project Coordinator</p> <p>Act as lead specialist in assigned areas of ASM expertise and support knowledge hub development in related thematic areas.</p> <p>Act as deputy lead specialist in assigned areas of ASM expertise.</p> <p>Act as deputy to one other key account manager.</p>
Key account manager <ul style="list-style-type: none"> • National and international projects and KH partners • Media • Academic institutions • Research institutions • Others as assigned 	<p>Primary operational contact for assigned institutions.</p> <p>Requirement: Fully bilingual, ideally with a second foreign language. Excellent communications skills.</p> <p>Responsible for the transfer of SAM expertise through part-time secondment to the assigned institutions. (The extent of the secondment is to be agreed with each project partner, in total not exceeding 25 percent of work time.)</p> <p>Responsible for project management (identification, planning, implementation, documentation, monitoring, evaluation, closure) of all project activities with or by the assigned organisations in all three components. He/she will ensure that gender concerns and HRBA are sufficiently considered.</p> <p>Responsible for working closely with the International Project Director (Y1, Y2) and International Advisor (Y3, Y4)</p> <p>Reports to: National Project Coordinator, and during Y1 and Y2 to the International Project Director on international partners</p> <p>Act as lead specialist in assigned areas of ASM expertise.</p> <p>Act as deputy lead specialist in assigned areas of ASM expertise.</p> <p>Act as deputy to one other key account manager.</p>

Annex 3: Geographical intervention areas



Annex 4: Detailed assessment of global ASM context

This annex extends the analysis of global trends, challenges and international policies relevant for ASM introduced in chapter 2.3, and provides references for the corresponding key documents.

Climate change and the failure of traditional livelihoods, economic transition and collapse, conflict, and high mineral prices have led to a doubling of the ASM population in 15 years to a total of about 30 million worldwide.⁴²

Internationally, inspired mainly by rising prices for mineral commodities, the number of people directly engaged in ASM has increased from 6 million to 30 million, which is equivalent to more than 150 million people indirectly dependent on this activity. About half of the world's ASM miners extract gold, resulting in 90 percent of all employment in the gold sector and generating 12-15 percent of all worldwide gold production, about two-thirds of which is refined in Switzerland. In this same period, a range of mega-trends have created challenges and opportunities for fulfilling the human rights of artisanal miners and their stakeholders.

The protection of human rights is a more prominent feature of governance of the ASM sector, although it is far from mainstreamed.

John Ruggie's 2011 Protect, Respect and Remedy Framework and the accompanying UN Guiding Principles for Business and Human Rights (UNGPs) have established the duties of governments and the responsibilities of businesses (ASMOs, LSM and gold buyers) in fulfilling the human rights of stakeholders

by private sector actors. As businesses, Mongolian ASMOs must address how their activities impact upon the human rights of third parties; and the Mongolian state, as a signatory to the UNGPs, must support the ASM sector in fulfilling the human rights of its stakeholders.^{43, 44}

The acceptance of the UNGPs as a mandate for action has led to strong attention being paid to responsible sourcing by downstream companies that consume minerals produced by ASM.

Supply chain due diligence - and in particular application of the OECD Due Diligence Guidance⁴⁵ - is now expected as standard practice for preventing the worst abuses and ensuring the responsible sourcing of minerals. Particular attention is being paid to sourcing, particularly from artisanal and small-scale miners, since significant risks of human rights violations and environmental damage exist in this sector, leading some buyers to disengage from this sector altogether. This is an opportunity for Mongolia to position itself as a source of responsible ASM on the back of the SAM and ESEC projects' achievements on the one hand, and to promote its achievements and lessons learnt on ASM formalisation to other countries as to what is possible on the other hand.⁴⁶

Responsible sourcing initiatives offer opportunities for Mongolia's ASM sector.

42 Seccatore, J. et al 2014: An estimation of the artisanal small-scale production of gold in the world. Science of the Total environment: <http://www.ncbi.nlm.nih.gov/pubmed/24867677> (25/7/2014).

In 1999, Norman Jennings estimated the ASM population to be 13 million, with 80-100 million further people dependent upon it: Jennings, N. 1999: *Social and labour issues in small-scale mines*. Report for discussion at the Tripartite Meeting on Social and Labour Issues in Small-scale Mines. International Labour Office, Geneva: http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_007929/lang-en/index.htm#note1 (25/07/2014)

43 UN OHCHR 2011: Guiding Principles on Business and Human Rights. Implementing the UN 'Protect, Respect, Remedy' Framework: http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf (25/07/2014).

44 Ruggie, R. 2008: Protect, Respect, Remedy: A Framework for Business and Human Rights. Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, John Ruggie; 07/04/2008: <http://www.reports-and-materials.org/sites/default/files/reports-and-materials/Ruggie-report-7-Apr-2008.pdf> (25/07/2014).

45 OECD 2013: OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas: Second Edition: <http://www.oecd.org/daf/inv/mne/GuidanceEdition2.pdf> (25.07.2014).

46 Particularly in line with achieving the goals set out in Appendix 1 of the Gold Supplement of the OECD DDG (see above).

Fairtrade⁴⁷ and Fairmined⁴⁸ standards certify that a gold-producing ASMO complies with a set of performance-based standards on a diverse range of risks. Fairmined is expected to start operating in Mongolia shortly, and could expand its activities. The RJC Code of Practices⁴⁹ and Chain of Custody Standard⁵⁰ set requirements for responsible sourcing from ASM, and engagement with ASM by LSM on whose concession the ASM may be operating. The Swiss Better Gold Initiative and Solidaridad's Gold Program⁵¹ are also targeting ASM producers. These initiatives could also engage Mongolian miners.

Due diligence on ASM is not only a concern of buyers from ASM, but also of investors in large-scale mines. Financial investors (such as the International Finance Corporation, banks, investment companies) and mining industry associations (such as the Property Developers' Association of Canada, the International Council for Mining and Metals) pay attention to ASM as a critical risk for LSM profit and resilience. ASM and LSM relations are particularly important for exploration and junior mining companies, who typically are the first to engage ASM albeit with limited resources and uncertainty as to future mining activities. This trend is encouraging LSM to engage constructively with ASM on their concessions, a common occurrence - and one supported legally - in Mongolia.

On the other hand, **the exploration boom, which has been taking place on the back of rising mineral prices in the past decade, is leading to widespread disenfranchisement of ASM as corporate mining companies** appropriate mineral rights and thus land. ASM are being forced to re-skill or relocate to more marginal sites with consequential impacts on their productivity, community, and environment. Revisions to the IFC Sustainability Framework in 2012 have provided some headway for protecting artisanal miners' rights to a livelihood, but meaningful engagement of ASM and the fulfilment of their rights is a rare achievement in the world of ASM-LSM relations. Consideration of ASM-LSM relations in the context of *cooperation* rather than *co-habitation* is an important step in the right direction, and an area in

which Mongolia is breaking new ground.

Internationally, the formalisation of the ASM sector and the management and eventual eradication of mercury remain the subject of continued focus. Ongoing and recent legal and policy work in China, DRC, Mozambique, Colombia and Peru, as examples, all present opportunities for shared experiences, both good and bad, with Mongolian counterparts on good governance of the ASM sector. A huge leap forward for mandating the intensification of efforts to formalise ASM occurred on 10 October, 2013, when the Minamata Convention was adopted and opened for signature in Kumamoto, Japan. Today, 100 countries, including Mongolia, have signed; the first ratification was by the US on 6 November, 2013.⁵² This convention includes provisions to control and, where feasible, reduce mercury emissions, including from the informal ASM sector. It was SDC's experience which convinced participating governments at the Third Intergovernmental Negotiation Committee (INC) meeting about the pivotal role of formalisation in eliminating mercury use.⁵³

The encouragement and enablement of responsible ASM also remain high on the international agenda, with the issues of child labour and child protection, forced labour and environmental impacts in the limelight.⁵⁴

52 UNEP, n.d.: Minamata Convention on Mercury – Countries: <http://www.mercuryconvention.org/Countries/tabid/3428/Default.aspx> (25/07/2014)

53 SDC: SDC's experiences with Formalisation and Responsible Environmental Practices in Artisanal and Small-scale Gold Mining in Latin America and Asia (Mongolia). Bern 2011. (http://www.deza.admin.ch/ressources/resource_en_216063.pdf)

54 For example, work on child labour by Pact in DRC has demonstrated the diversity of cause and impact within the issue of child labour, including a view on the most vulnerable children (children of/with children) as well as the relationship between child labour and occupational health and safety: Pact 2013: Breaking the Chain - Ending the Supply of Child-Mined Minerals: <http://www.pactworld.org/sites/default/files/PACT%20Child%20Labor%20Report%20English%202013.pdf> (25/07/2014)

See also: Blacksmith Institute, n.d.: Artisanal Gold Mining - A Dangerous Pollution Problem: <http://www.blacksmithinstitute.org/artisanal-gold-mining.html> (25/07/2014);

Human Rights Watch 2011: A Poisonous Mix - Child Labour, Mercury, and Artisanal Gold Mining in Mali: http://www.hrw.org/sites/default/files/reports/mali1211_forinsertWebUpload_0_0.pdf (25/07/2014)

Human Rights Watch 2013: Toxic Toil – Child Labour and Mercury Exposure in Tanzania's Small-Scale Gold Mines: http://www.hrw.org/sites/default/files/reports/tanzania0813_ForUpload_0.pdf (25/07/2014);

Verité 2013: Risk Analysis of Indicators of Forced Labour and Human Trafficking in Illegal Gold Mining in Peru: <http://www.verite.org/sites/default/files/images/IndicatorsofForcedLaborinGoldMininginPeru.pdf> (25/07/2014)

And for issues in Mongolia itself, also various reports to be found at www.ohchr.org/en/countries/asiaregion/pages/mnindex.aspx

47 Fairtrade Labelling Organisation 2013: Fairtrade Standard for Gold and Associated Precious Metals for Artisanal and Small Scale Mining. Version: 08/11/2013: <http://wordpress.p20126.webspaceconfig.de/wp-content/uploads/2014/04/Gold-and-Precious-Metals-from-Artisanal-Mining-Standard-EN.pdf> (25/07/2014).

48 Alliance for Responsible Mining 2014: Fairmined Standard for Gold from Artisanal and Small-scale Mining, including Associated Precious Metals. Version 2.0, April 2014: http://www.communitymining.org/images/sampledats/EstandarFairmined/Fairmined%20Std%202%200_2014%20ENGLISH.pdf (25/07/2014)

49 RJC 2013: Code of Practices: http://www.responsiblejewellery.com/files/RJC_Code_of_Practices_2013_eng.pdf (25/07/2014).

50 RJC 2012: Chain-of-Custody Standard: http://www.responsiblejewellery.com/files/S002_2012_RJC_CoC_Standard_PM.pdf (25/07/2014)

51 Solidaridad 2014. Sustainable Gold: <http://www.solidaridadnetwork.org/gold>. (25/07/2014)

Renewed attention to slavery and human trafficking in western legislation and media is likely to position forced labour (included indebtedness) as an emerging “hot topic” in the world of ASM analysis and action.⁵⁵ NGOs and UN agencies are also shining a light on managing ASM in protected areas, as exemplified by the work led by IUCN and the governments of the SADC region in 2014 to establish best practice guidelines for extractives (including ASM) in protected areas, as well as work under the ASM-PACE programme.⁵⁶

55 Verité 2013: Risk Analysis of Indicators of Forced Labour and Human Trafficking in Illegal Gold Mining in Peru: <http://www.verite.org/sites/default/files/images/IndicatorsofForcedLaborinGoldMininginPeru.pdf> (25/07/2014)

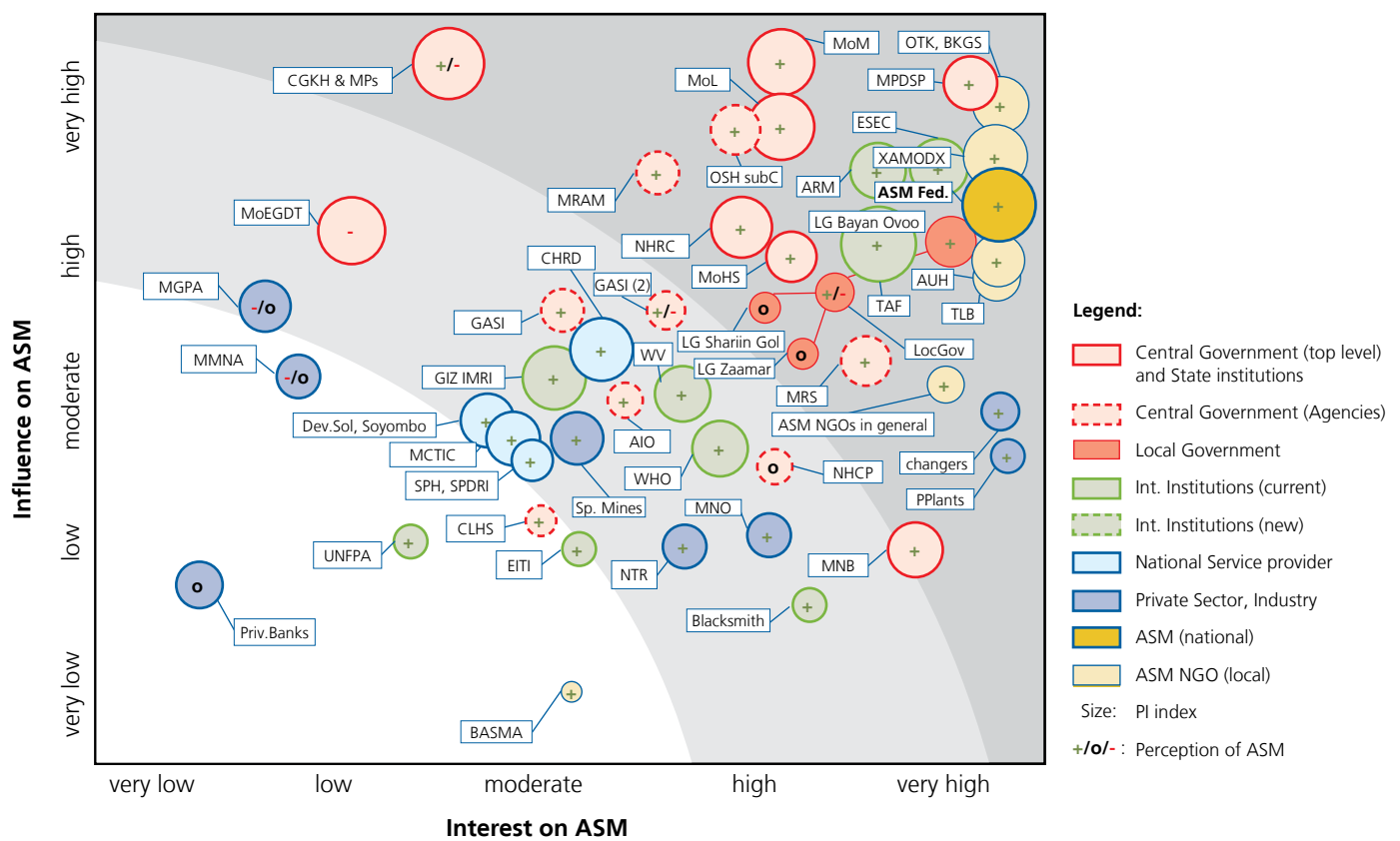
UK Parliament 2014: Modern Slavery Bill 2004-05 to 2014-15: <http://services.parliament.uk/bills/2014-15/modernslavery.html> (25/07/2014)

US Congress 2014: Business Supply Chain Transparency on Trafficking and Slavery Act of 2014, Bill H.R.4842: <https://beta.congress.gov/bill/113th-congress/house-bill/4842/text> (25/07/2014)

56 ASM-PACE, n.d.: Projects: <http://www.asm-pace.org/projects.html> (25/07/2014)

BIOPAMA 2014: Developing Negotiation Skills to Support Protected Areas Decision-Making in Eastern and Southern Africa: http://www.biopama.org/learn_more/?16082/Developing-negotiation-skills-to-support-protected-areas-decision-making-in-Eastern-and-Southern-Africa (25/07/2014)

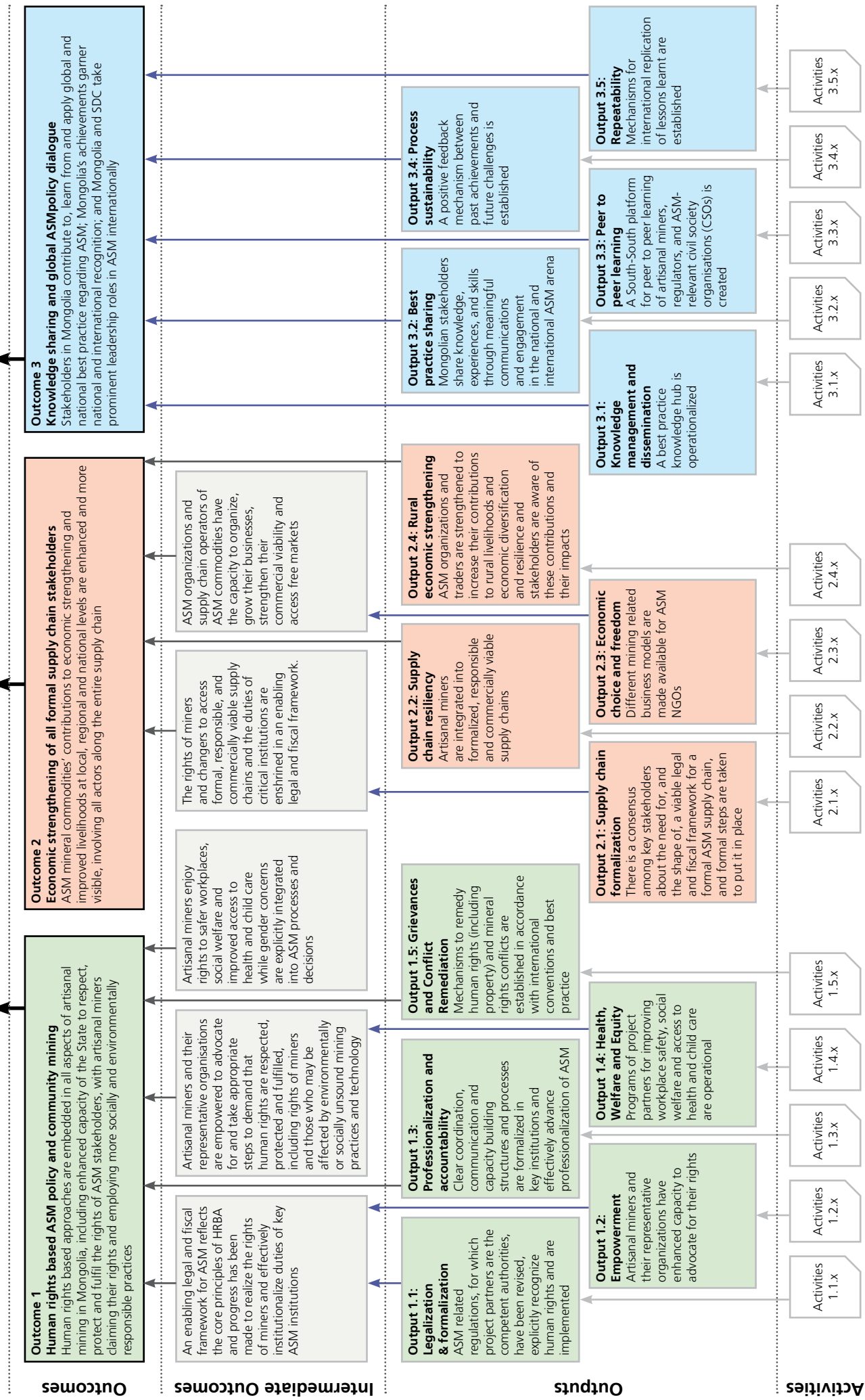
Annex 5: Stakeholder analysis



Linear logic model / Theory of change

Development Goal

An economically sustainable, environmentally responsible and human rights based ASM sector in Mongolia benefiting from, and contributing to, global best practice regarding artisanal and small-scale mining



Annex 6 Benchmark analysis of SAM Phase 4 vs. SDC Cooperation principles

The project is strongly aligned with the Cooperation Principles of the Swiss international cooperation and Swiss foreign policy.⁵⁷ In particular,

- *“Promoting structural conditions and global policies conducive to development”*: A strong emphasis on HRBA will promote increased responsibility by authorities and civil society. The SAM Project endeavours to obtain fair and favourable legal conditions for artisanal miners as part of the private sector and their representative non-governmental organisations. It promotes the sustainable management of non-renewable natural mineral resources and lobbies for green economic growth through environmental best practice.
- *“Ensuring maximum efficiency”*: Since its inception, the SAM Project has achieved real improvements in the living conditions of artisanal miners and their families at the receiving end of international cooperation. Phase 4 will consolidate social, economic and environmental sustainability, as well as governance and gender issues.
- *“Adding value, developing and sharing know-how and experience”*: Switzerland lends its support in those areas where it possesses substantial knowledge and expertise. SDC’s unique know-how and experience in the ASM sector inspired the MTR to express concerns regarding a “possible “collapse” in case of a withdrawal by SDC. Phase 4 will address this concern in the broadest possible sense by focusing on regional, and even global, knowledge-sharing.
- *“Working as partners in mutual respect”*: By initiating a virtuous circle, with responsible ASM miners and an enabling legal framework being mutually reinforcing, the SAM Project has contributed to the implementation of rule of law principles in the previously informal ASM sector. A stronger focus on human rights, through project planning and implementation under a HRBA approach, will strengthen project outcomes. Transparency in the ASM sector and its downstream supply chain aims to build relationships of trust between stakeholders.
- *“Working with public authorities”*: Since its inception, SAM has worked in close cooperation with State authorities such as MRAM and other competent state bodies at national and local levels. A sharpened focus on HRBA in Phase 4, as well as tighter integration of the project with existing country systems, is expected to leverage the impact of the project.
- *“Good governance”*: Phase 4 will revisit the current empowerment approach in favour of an explicit “human rights-based approach”. The SAM Project Phase 4 is designed to contribute to good governance through the promotion of a fair regulatory framework for artisanal mining and transparency in the supply chain, therefore curbing tax evasion and money-laundering in the black market of gold trading. This approach is aligned with the OECD guidance on transparency in the minerals supply chain.
- *Equality between women and men*: Switzerland’s efforts towards poverty reduction go hand in hand with its commitment to gender equality. Promoting gender equality is particularly important in the ASM sector, where - according to a survey of the Mongolian National Statistical Office in 2013 - 30 percent of artisanal miners are female but unpaid work in family businesses is still predominant. The project will adopt an approach that carefully considers cultural and contextual specificities, but strongly promotes gender equality at all levels.

⁵⁷ SDC: Cooperation Principles: https://www.deza.admin.ch/en/Home/About_SDC/Strategy/Cooperation_principles

(Footnotes)

- 1 As an initial task of setting up the M&E system within six months of start-up, baseline values need to be assessed, the SMART-characteristics of proposed indicators needs to be validated and proposed target values have to be critically reviewed.
- 2 As initial task of setting up the M&E system within six months of start-up, baseline values need to be assessed, the SMART-characteristics of proposed indicators needs to be validated and proposed target values have to be critically reviewed.
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