Terms of Reference (ToR)

Baseline Study for ‘I.M.P.A.C.T – Investment in Miners Potential through Access to Capital and Transparent Markets’ Project

July 2016

Fairtrade Africa is seeking expressions of interest from qualified research teams to undertake a baseline study with Artisanal and Small Scale Mining Organisations (ASMOs) in Kenya, Uganda and Tanzania. The data collected will form the baseline study for the aforementioned project. The project is being implemented by Fairtrade Africa, Solidaridad (SECAEC) in Kenya, Environmental Women in Action for Development (EWAD) in Uganda and MTL Consulting in Tanzania, The Fairtrade Foundation and The Dragonfly Initiative.

1. CONTEXT AND BACKGROUND

As the second largest employer in Africa after agriculture, artisanal and small-scale mining (ASM) offers a crucial livelihood to some of the most vulnerable and historically marginalised people. Over 100 million people worldwide depend on ASM for survival. 16 million of these are artisanal and small-scale gold miners, accounting for 15% of the global gold supply and 90% of the labour force. Despite producing one of the world’s most valuable commodities, most artisanal and small-scale miners lack the financial capital and legal security to improve their incomes or working conditions. ASM can have serious environmental and social consequences, often involving the use of mercury and other toxic substances, deforestation, child labour and poor working conditions, exacerbated by unfair terms of trade in informal and exploitative supply chains.

Fairtrade Gold and Precious Metals Programme (hereafter ‘Fairtrade gold’) is the newest product category to be introduced by Fairtrade International, and the only non-agricultural product to date. The programme was established in 2009 and has a Fairtrade Standard and corresponding consumer label was that was launched in 2011. From the inception of the programme, ASMOs have been certified in Bolivia, Colombia and Peru, supplying Fairtrade certified gold, silver and platinum to international markets. The programme also started a pilot in East Africa in 2012, aimed at extending benefits of Fairtrade Gold to ASMOs in Africa.

Fairtrade gold (more information available at www.fairgold.org) seeks to empower miners to improve their livelihoods and contribute to the social, economic and environmental development of their communities. They do this by becoming certified under the Fairtrade Standard for Gold and Associated Precious Metals for Artisanal and Small-scale Mining and selling their gold on Fairtrade terms (minimum of 95% of LBMA fix plus $2,000/kg Premium for conventional gold and 15% Premium for ecologically produced gold) to Fairtrade markets including the UK, Netherlands, Switzerland, Germany, Austria, Hong Kong, among others.

I.M.P.A.C.T (Investment in Miners Potential through Access to Capital and Transparent Markets) Project

Funded by a 4-year grant from Comic Relief, starting in March 2016 – Feb 2020, the ‘I.M.P.A.C.T’ project (hereafter ‘the Project’) has the overall objective of enabling artisanal
and small scale mining organisations (ASMOs) to invest in their own development from strengthened capacity through improved access to finance to achieve higher productivity levels and greater sales into international markets.

The design of the Project builds on a Phase I intervention Comic Relief’s support for the “Extending Fairtrade Gold to Africa” (2012-2015) which saw the application of support towards Fairtrade standards among 9 Artisanal Small-scale mining groups (ASMOs) from Tanzania, Kenya and Uganda. During this project, ASMOs demonstrated high levels of motivation and commitment to addressing the social, environmental and economic issues characterizing their poverty. However, a number of fundamental challenges continued to confront ASMOs which combined to limit their financial performance. These can be collated into four main areas:

- Problem 1: ASMOs have low levels of productivity and are unable to access finance to invest in more effective and environmentally friendly technologies.
- Problem 2: ASMOs are unable to access lucrative international markets for gold, despite market demand.
- Problem 3: ASMOs have low governance and financial capacity to attract investment and manage increased financial flows.
- Problem 4: The enabling environment (ASM development initiatives, policy and consumer demand) for fairer gold remains weak.

The approach outlined in this project seeks to deliver a range of interlinked solutions which respond to these challenges. To this effect project activities have been planned according to four broad outcome levels and underlying outputs that reinforce one another:

1. Increased productivity and safer, cleaner and more responsible workplaces at ASM sites:
   - Support the creation of a pioneering investment-model, enabling a selection of target groups (6 out of the 9 ASMOs during the project’s life) to access finance and invest in capital equipment to improve the processing and extraction of gold
   - The investment-led model will establish immediate higher financial returns (with productivity increases of up to 40%) allowing groups to re-invest in improved mining practices.
   - Through proof of concept and establishment of the operational infrastructure to deliver the investor-model, we will link in further investment commitments from industry and social investors; generating a solution which endures beyond the life of the project.

2. Enhanced access and sales into international markets for gold:
   - Lead in the development of a sourcing criteria for ASMOs to meet due diligence requirements needed to access international markets
   - Support the creation of an aggregation platform for the consolidation and purchases of gold from participating ASMOs to generate direct sales into international markets

3. Improved organizational governance and business practices:
   - Deploy a diagnostic tool to identify gaps in the thematic areas of group governance and financial management strength.
   - Support target ASMOs with a range of capacity building trainings to elevate the governance and financial management capacity of target sites in advance of
capital being received, with additional backstopping services on hand after initial investments are received.

4. Supportive enabling environment for legitimate ASM and for verified ASM gold:
   • Share learnings from our project on national, regional and international levels – with governments, NGOs and the private sector; showcasing the impact that can be delivered through an invest-led approach for supporting ASMOs.
   • Support activities at the market level which back the strengthening of an enabling environment for the sustained sale of gold from Eastern African into export markets through capacity building trainings for jewellers and awareness raising campaigns reaching consumers.

2. OBJECTIVES

The aims of this baseline study are:
   1. To establish the current status (a benchmark) for the sampled ASMOs with respect to the agreed upon indicators. This will facilitate monitoring and project progress and evaluation in future.
   2. To come up with a country specific context analysis with respect to ASM gold and scope of intervention areas.

3. SCOPE AND METHODS

3.1 Geographical scope of the study
The project covers 9 ASMOs in three countries (2 in Migori and Transmara Counties respectively in Kenya, 4 in Busia District in Uganda and 3 in Geita Province in Tanzania) which will form the basis for this study. The ASMOs have been clustered into two groups: A¹ (These have distinguished themselves as potential model ASMO sites; exhibiting improved mining practices, strong leadership and high proximity to the achievement of Fairtrade standards); and group B² (The ASMO sites continue to aspire to improve their mining practices and their performance as business units but are materially less developed and sophisticated than their Group A counterparts).

3.2 Methodology
The research team is kindly invited to submit a detailed sampling methodology in their proposal. The baseline study should adopt a mixed methods approach, integrating quantitative and qualitative methods for triangulation of data. It will also ensure that data collected can be communicated, explained and contextualized. It is expected that the research team will combine ASM surveys with in-depth interviews and focus-group discussions with ASMO and Key sector specific experts. The research team should also demonstrate how it will deal with the counterfactual situation in each research context.

The baseline study shall use the Fairtrade Theory of Change (ToC) for Small Producer Organizations as its conceptual framework. The Fairtrade Theory of Change is a generic theory which visually expresses how Fairtrade’s interventions ultimately lead to the three Fairtrade Goals: Make Trade Fair, Improving Sustainable Livelihoods and Empowerment of workers.

¹Nsangano Small Scale Miners, Syanyonja Artisanal Small Scale Miners Association (SAMA) and Micodepro Development Group
²Lolgorian, Tiira Small Scale Miners Association (TISMA), Buteba Artisinal Small Scale Miner Association (BASMA), Busia United Small Scale Miners Association (BUSMA), Umoja Lwagas Saccos and Mpovu Gold Processing Cooperative Society
3.3 Sampling Strategy
A final representative selection of ASMOs organizations will be made against an agreed set of criteria between Fairtrade and the selected research team. The research team will also have to design a sampling method that ensures that the study generates country specific data and represents group A and B of the ASMOs. The team also has to propose how to ensure that a sufficient number of individual members participate in the study and also how to collect counterfactual data. The final methodology will be agreed upon between the selected form and FTA.

The study will collect data from the sampled ASMOs. Some of this data may be available at the level of the management/staff of the producer organization, while others will need to be collected through a worker level sample survey or focus group discussions across all participating producer organizations (and comparison groups).

3.4 Indicators
The study will be guided by the project indicators and any relevant ones from the Fairtrade’s Theory of Change. Further indicators specific to the requirements of this study will be identified by the research team in collaboration with FTA. The project specific indicators can be accessed by emailing g.mungai@fairtradeafrica.net or i.rewa@fairtradeafrica.net.

4. RESEARCH QUESTIONS
The baseline study will in addition to the indicators seek to answer the following questions:
1. What is the current productive output of ASMOs?
2. Which are the enabling /hindering factors to ASMOs accessing international markets?
3. What is the current state of the policy-level support for FT Gold in the different countries?
4. What opportunities for engagement/advocacy on ASM gold exist in the countries?

5. OUTPUTS
The expected project outputs to be submitted to FTA are:
1. Detailed narrative report in a format agreed between the research team and Fairtrade Africa. The report should have clear graphical presentation and narrative discussions.
2. Brief report of methodology and data analysis tools used and research ethics and protocol followed.
3. Executive summary, giving a clear overview of the principal findings per country presented in a concise manner preferably in brochure format.
4. PowerPoint presentation summarizing the main findings and key recommendations per country as well as a presentation for the project sites and a presentation of overall key results.
5. Photographs and/or video footage from the research with consent forms of people photographed.
6. All raw data and interview protocols collected through the research process are made available in an agreed format to Fairtrade Africa, allowing for future analysis on the data.
6. CONSULTANCY TEAM EXPERTISE

The project will be awarded to a recognized research institution which can propose a research team with the following criteria:

- Experience of conducting evaluations across countries.
- Fluency in English and where possible knowledge of local languages especially Kiswahili.
- Experience of conducting impact assessments, baseline studies or other types of programme evaluation studies/ research.
- Existing research networks, partnerships and experience in the focus regions. Previous experience in the mining sector especially within ASM and with community based enterprises will be an advantage.
- Expert knowledge of evaluation techniques and participatory research methods as well as of quantitative methods.
- Ability to present data concisely and clearly.
- Demonstrable policy on research ethics including protection and respect for privacy.
- Understanding of Fairtrade principles, key tools and approaches.
- Disclosure of conflict of interest.

The tender documents submitted should include:

- Detailed research proposal based on the ToR provided that includes a clear description of the intended scope and methods to be used, work plan, potential risks, research policy and ethical standards to be followed and a detailed timeline.
- Detailed budget for this study which must be inclusive of VAT.
- Description of the tendering party/parties highlighting relevant experience in undertaking similar studies.
- Detailed CVs of all members the proposed research team highlighting research experience relevant to the study.
- References: Names and contact details of two organizations for which similar work has been conducted in the last two years.
- Submission of two examples of recent research work undertaken by the tendering part/parties in a related field.

7. APPLICATION

Send your application to recruitments@fairtradeafrica.net by 12th August 2016 referencing “Baseline Study for the I.M.P.A.C.T Project” in the subject line, and including support documents as outlined above. Note that qualified consultants may be subjected to a background check as a condition of engagement.