



REPORT

FROM MINE TO MARKET - A VALUE
CHAIN OF RESPONSIBLE GOLD

2017-2021



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Departamento Federal de Economía,
Formación e Investigación DEFI
Secretaría de Estado para Asuntos Económicos SECO

SBGA
SWISS
BETTERGOLD
ASSOCIATION

A photograph of a mining tunnel entrance. In the foreground, a worker wearing a blue hard hat with a headlamp, a blue respirator mask, and a dark blue work jacket is looking towards the tunnel. The worker is standing next to a large, rusted metal container filled with grey rock. The tunnel entrance is a large, arched opening with a yellow and black striped pattern around the top. The background shows the rough, rocky interior of the tunnel.

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WELCOME



Olivier Demierre
President SBGA

The gold industry recognizes supporting gold artisanal and small-scale mines (ASMs) as critical to their responsible sourcing responsibilities because (a) the ASMs have a very important economic role for the surrounding communities and (b) their social and environmental footprint can be greatly improved for their own benefit and for the benefit of the gold industry as a whole. SBGA and BGI, with the support of the Swiss Government and the Swiss Gold industry, have been working for the past seven years to help a growing number of participating ASMs improve working conditions and practices as well as minimizing their environmental impact, this with a metal throughput of 6800 kg and impact premium of US\$ 5 million generated to date. SBGA and BGI look forward to continuing to expand their reach and support to ASMs over the coming years.



**Marie-Gabrielle
Ineichen-Fleisch**
State Secretary SECO

Switzerland is a major actor in gold worldwide, importing and exporting vast amounts of the metal every year. The reasons for Switzerland's major role in global commodity trading can be traced to the country's long tradition and to the favourable economic conditions it offers to business across all sectors. However, the growth of the sector brings with it additional responsibilities in connection with the phenomenon of the 'resource curse' in commodity-exporting countries, in protecting human rights, environment, and in the fight against corruption. Fully aware of these challenges, the Swiss Federal Council has recommended different measures to strengthen transparency, competitiveness, innovation, sustainability and dialogue in the sector.

The Better Gold Initiative (BGI) is one such measure. It is unique because it's neither a pure development project, nor a pure market approach project. It allows the creation of sustainable value chains from mine to market with a special focus on artisanal and small-scale mining. The recent outbreak of COVID-19 has demonstrated that the already fragile artisanal and small-scale mining communities are particularly exposed to its detrimental effects. I have observed with satisfaction that the partners of the Better Gold Initiative have remained by the side of the producers even in this difficult moment, demonstrating trust and solidarity and hence underscoring the importance and effectiveness of the Better Gold Initiative.



Thomas Hentschel
Global Program
Director BGI

Due to the rise in the price of gold over the past 20 years, the activities of artisanal and small-scale mining (ASM) have grown in importance worldwide, not only in Bolivia, Colombia and Peru. Unfortunately, this growth has been accompanied by multiple related problems. Thanks to the intensive work of BGI with miners in the field, it has been possible to create value chains stretching from the mines themselves to the market in Switzerland. In this way we can contribute to positive impacts on the social, environmental and economic development of the sector and the surrounding communities. Lessons learned from the three pilot countries will assist us in contributing towards future challenges. Together with the miners, the governments of the implementing countries and our Swiss partners we seek to maintain and augment the value chains for responsible gold in a sustainable manner, expand our experiences to other regions and countries and include emerging issues such as climate change, aligning our work with the ASMs to the fulfilling of the United Nations' Sustainable Development Goals.



Better Gold Initiative

Oro Responsable

What is the Better Gold Initiative

The Better Gold Initiative BGI is a public-private partnership between the Swiss Better Gold Association SBGA and the State Secretariat for Economic Affairs of Switzerland, SECO. It brings together the most important actors of the gold industry in Switzerland and the miners who are using good practice to guarantee production that is both formal and responsible. Currently, BGI is working in Bolivia, Colombia and Peru within the framework of official bilateral agreements between Switzerland and the three countries. National teams from BGI, from each of the countries, provide integral technical and business assistance to the mining organizations and the value chains for responsible gold.

¿What are the objectives of the Better Gold Initiative

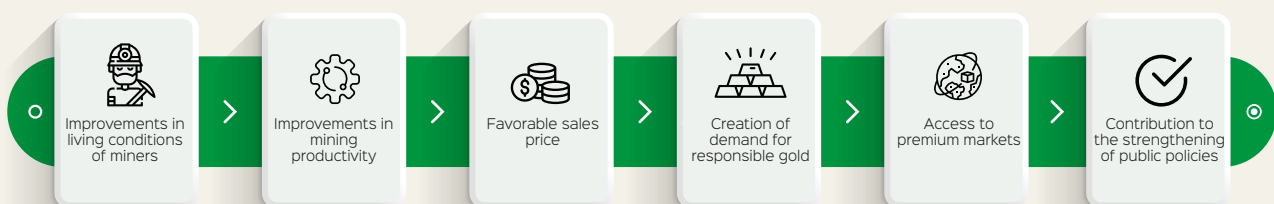
The Initiative's objective is to improve the environmental, social and working conditions in artisanal and small-scale mining (ASM), guaranteeing the sourcing of the chain of production between the mine and the market. It supports artisanal miners, both male and female, in reaching the standards that will allow them to sell their production at favourable prices to international buyers who value gold that is responsibly produced. In this way, the Initiative seeks to convert the ASMs into an engine for sustainable development with the aim of achieving better living conditions for miners and their communities. BGI contributes positively towards achieving the United Nations' Sustainable Development Goals (SDGs).

 [Video: Desde la mina hasta el mercado](#)

Who can take part?

Participation in the Better Gold Initiative is open to companies, cooperatives or individuals that are legally constituted and considered part of small and medium-sized mining and artisanal mining. In order to participate, they must comply with the legal requirements in line with the laws of each country.

Benefits of Better Gold Initiative





Schweizerische Eidgenossenschaft
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Confederazione Svizzera
Confederaziun svizra

Departamento Federal de Economía,
Formación e Investigación DEFI
Secretaría de Estado para Asuntos Económicos SECO

SBGA SWISS
BETTERGOLD
ASSOCIATION

What is SECO?

The Swiss Government's State Secretariat for Economic Affairs (SECO) is the body charged with planning and putting into practice trade and economic policy measures in developing countries and those in transition: it operates within the ambit of the Federal Department for Economy, Training and Research. SECO helps to integrate member countries into the global economy through activities which include the interchange of Swiss know-how and the facilitation of technology.

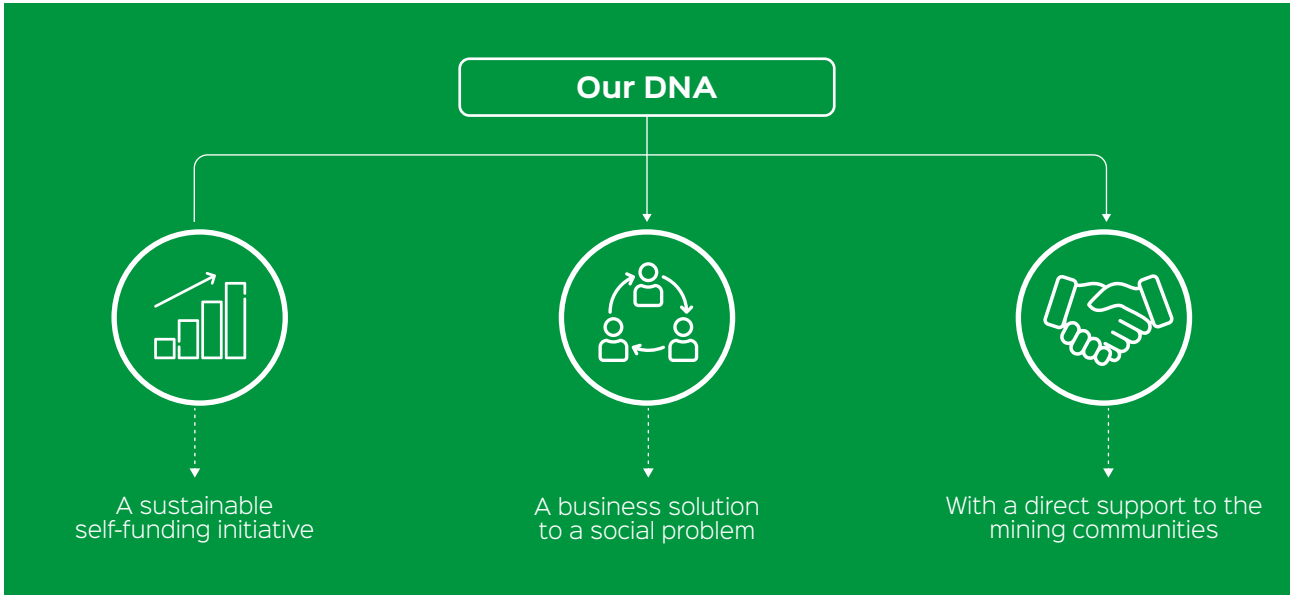
Who is SBGA?

The Swiss Better Gold Association SBGA is a non-profit organization set up by Swiss businesses across the gold supply chains. The main aim of SBGA is to provide support to improve working and living conditions for those communities working in artisanal and small-scale gold mining (ASGM); in addition, to develop effective, sustainable and responsible value chains reaching from these producers to their partners. In order to achieve these aims, the SBGA has partnered with SECO, the Swiss State Secretariat for Economic Affairs in a pioneering public-private alliance known as BGI for ASM – or the Better Gold Initiative for Artisanal and Small-scale Mining.



Core activities defined by the SBGA are to

- Promote the purchase of responsibly produced ASM gold;
- Create sustainable value chains from mine to market;
- Expand the network of eligible mining operations;
- Increase the flow of responsibly produced ASM gold;
- Invest through the Better Gold Fund in social & environmental improvements within the network of eligible ASM producers;
- Raise awareness and maintain open dialogue with the civil society on ASM challenges;
- Attract new SBGA members.



Motor of Sustainable Economy

Artisanal and Small-Scale Gold Mining



Artisanal and Small-scale Mining (ASM) generates employment and income for over 44 million workers worldwide feeding around 100 million people, including families and various service providers. Artisanal and small-scale gold mining (ASGM) provides a livelihood for more than ten million men and women and, being the source of 20% the global gold production, has the potential to act as an economic engine to drive the sustainable development of mineral-endowed communities.

The sector, however, does not come without its challenges, often characterised by informal operations, wide-spread use of mercury, hazardous working conditions, child

labour and, in some cases, conflict financing and money laundering. Many of the ASGM producers are marginalised and must endure a precarious financial situation: they are particularly affected by fluctuations in gold prices and unfavourable sale conditions imposed by intermediaries, and have limited or no access to basic financial services.

Fully aware that disengagement from ASM sources would fail to address the root causes of these challenges, together with the Swiss State Secretariat for Economic Affairs (SECO), the SBGA and its members have set up the Better Gold Initiative for Artisanal and Small-Scale Mining (BGI for ASM).

The Better Gold Initiative for Artisanal and Small-Scale Mining purpose is to collectively turn ASM producers into a force for good by:

1. Providing technical support and training;
2. Channeling direct financial investment in mine safety and improving productivity;
3. Offering fair business terms and an additional incentive for community development projects.

GOLD AROUND THE GLOBE



44 million people depend on ASGM



ASGM produces **20%** of gold output worldwide



30% are **women**



ASGM generates **90%** of jobs in the gold mining industry

ASGM's Contribution to the Development of Bolivia, Colombia and Peru



Colombia

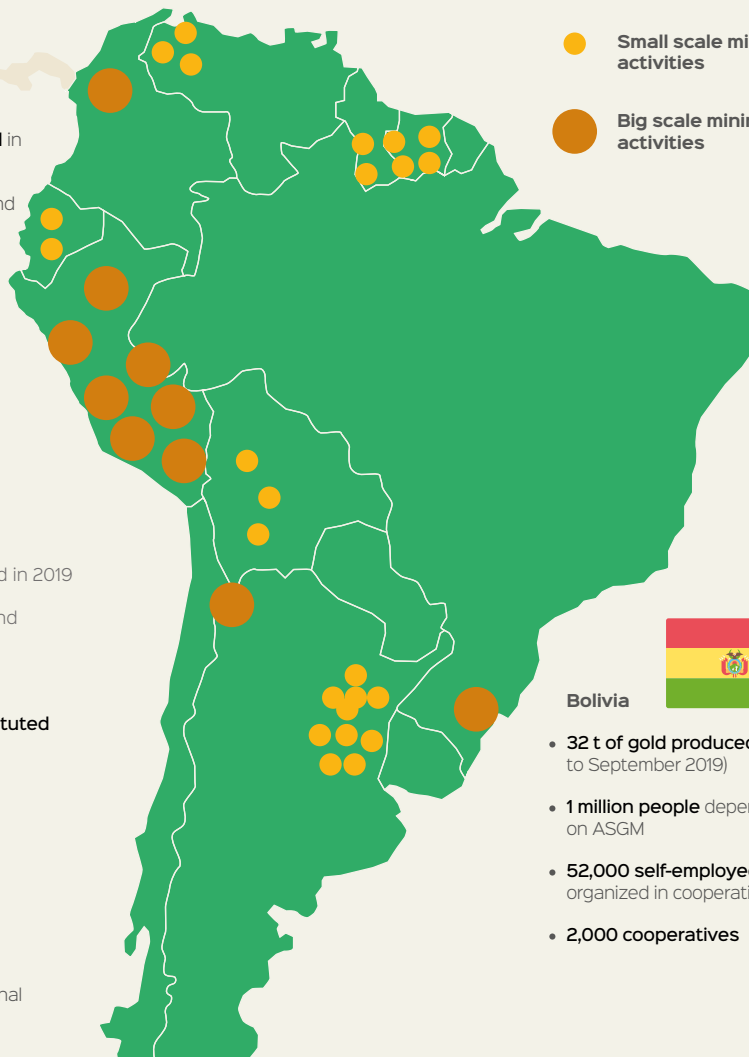
- **37 t of gold** produced in 2019
- **1 million people** depend on ASGM
- **350,000 jobs** created



Peru

- **159 t of gold** produced in 2019
- **1 million people** depend on ASGM
- **575,000 jobs** created
- **9,000 formally constituted companies** ASGM

- **Small scale mining activities**
- **Big scale mining activities**



Bolivia

- **32 t of gold** produced (January to September 2019)
- **1 million people** depend on ASGM
- **52,000 self-employed** miners organized in cooperatives
- **2,000 cooperatives**

Source: Global Initiative against Transnational Organized Crime

Main achievements of Better Gold Initiative BGI



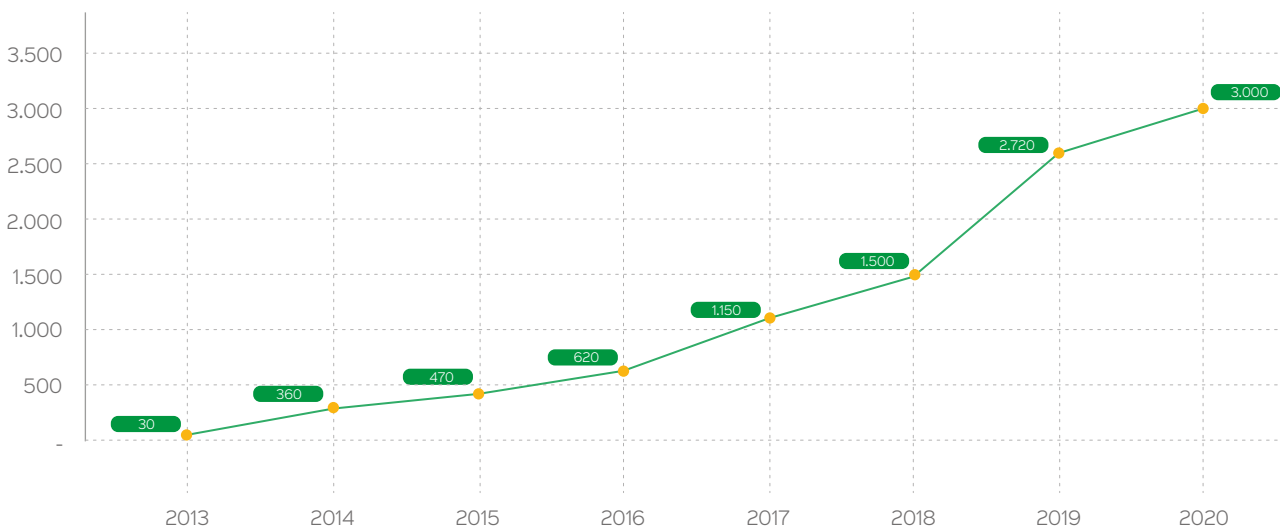
- 1 Since its foundation in 2013, the BGI has widened its sphere of influence from Peru to Colombia and Bolivia. It has proved that the focus of learning through doing is the correct path to achieve sustainable exports of the gold produced by small producers.
- 2 Eight years have been spent building an alliance between the responsible gold-producing ASM and their associated partners of the SBGA in Switzerland. In this period, almost 10 tons of gold worth more than US\$450mn were exported.
- 3 Some 6,200 miners, both men and women, have benefited from the BGI, by complying with the SBGA criteria or its certification systems. In addition, 31,000 people have been helped indirectly thanks to improvements in the incomes of mining families and their communities.
- 4 Communities within the zone of influence of the ASGMs, including the poorest of all, have strengthened their ties to the local economy thanks to the multiplier effect of a large share of the USD\$450mn in income generated by the exports of responsible gold.
- 5 More than a million dollars in royalties has been paid to local and regional governments in production zones, strengthening their capacity to budget for public services, for health and education.

- 6 ASGM has invested close to four million dollars in high-impact social and environmental projects: the money being received in the form of incentives for exports that have met SBGA criteria. These projects contribute to better use of, and access to water, thus encouraging a revolving economy. In addition, measures to improve energy efficiency have been incorporated, countering the effects of climate change and, in this way, bringing the ASGMs into step with the achievement of the United Nations' Sustainable Development Objectives. The various ASGMs supported by BGI that have won certification from Fair Trade or Fairmined have received a similar amount as an impact premium.
- 7 Technical Assistance via the ASGMs. Some 80 ASGMs in Bolivia, Colombia and Peru have received Technical Assistance to comply with SBGA criteria, thus committing themselves to responsible gold production. Social, environmental and labour measures have been successfully incorporated. At least 30% of the participating ASMs have managed to export their production to the Swiss market.
- 8 Thousands of miners living in precarious conditions in the Andean countries have succeeded in exporting by a more direct route their responsible gold production to buyers in Switzerland and have received premium prices as an incentive.
- 9 ASGMs and "Barequeros" (subsistence miners in Colombia) – until recently barred from the financial system – have succeeded in opening bank accounts. They have demonstrated to financial institutions that they are a potentially promising group of clients both as savers and as borrowers.
- 10 Thanks to the strong connections and the mutual support between BGI's productive partners and members of the SBGA, the principal obstacles posed by the pandemic have been overcome, while medium and long-term trading links between producers and buyers have been strengthened. This has proven that public-private alliances work even under extraordinary conditions.



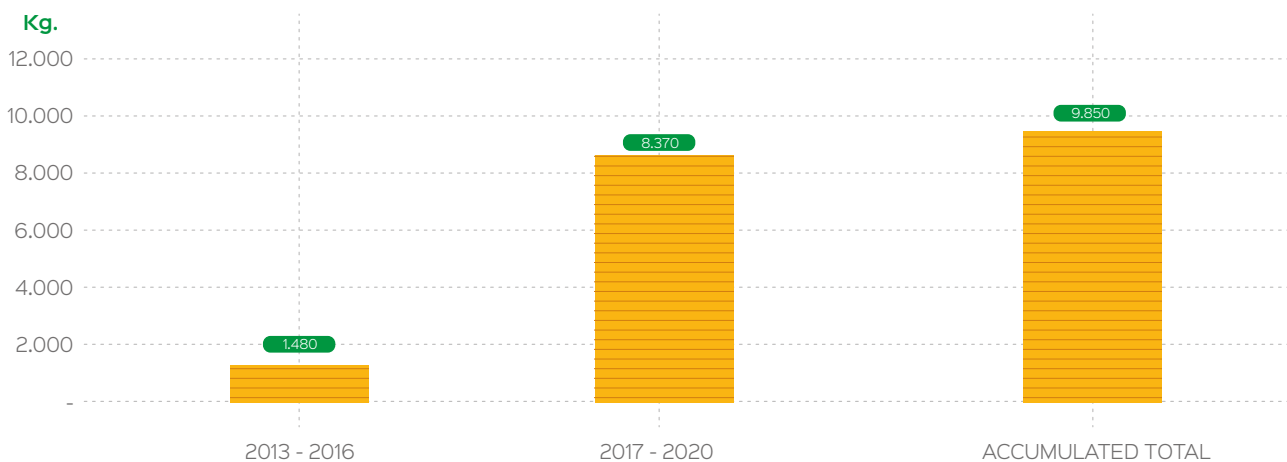
Economic Impact of the Better Gold Initiative

Exports on the rise. Exports of responsible gold are rising continuously. We began in 2013 with 30kg and ended 2020 with 3,000kg.



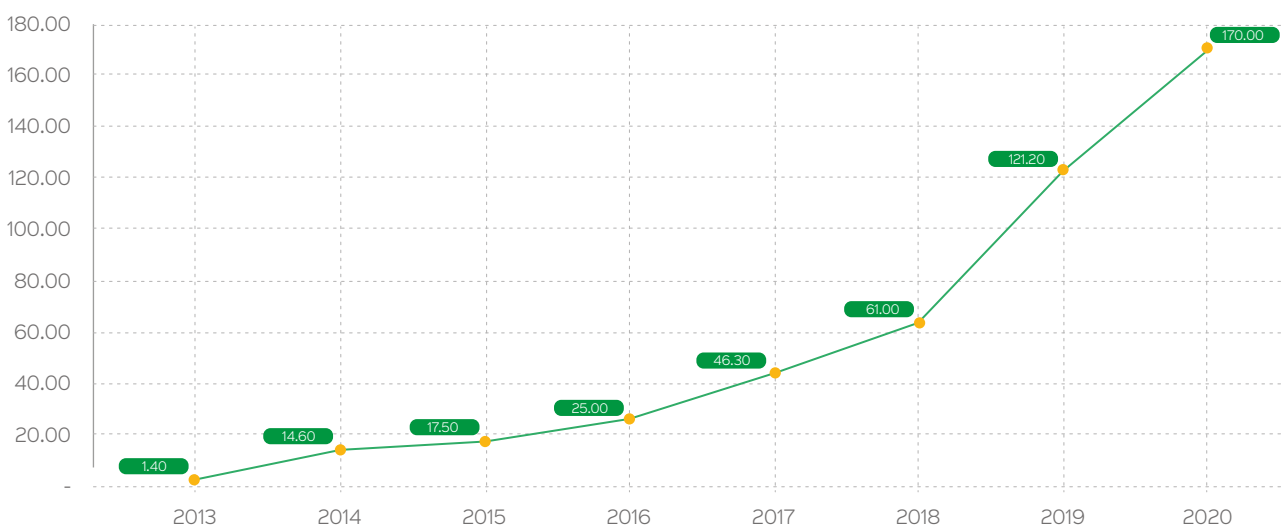
Graph 1. Kilograms of responsible gold exported annually

10 tons of responsible gold exported. In the first phase of the Initiative, almost one and-a-half tons of responsible gold found their way from Peru to the market in Switzerland. From there, over eight years, Swiss importers have bought almost 10 tons of gold responsibly produced by small-scale producers in the Andean countries.



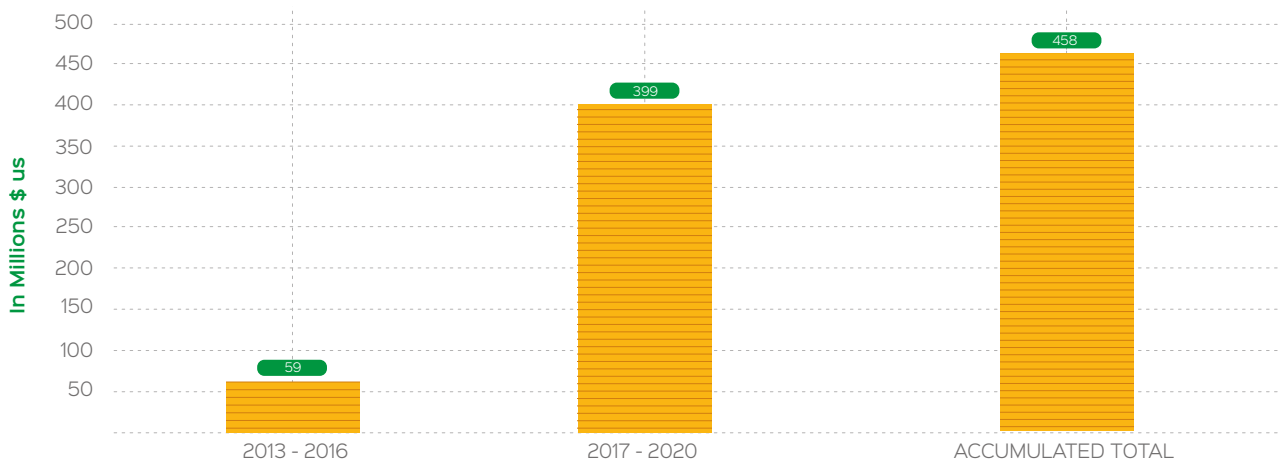
Graph 2. Accumulated responsible gold exported in kilograms

Sustained growth of exports. The value of responsible gold exports produced by ASGMs that are members of BGI has risen year on year from a modest US\$1.4mn in 2013 to US\$170mn in 2020.



Graph 3. Millions of dollars per year
(calculated using the average annual gold price)

Almost US\$460mn in eight years. Since the start of the Initiative, the participating ASGMs have obtained revenue of close to US\$460mn, with consequent benefits to the mining communities in terms of standards of living and quality of life.



Graph 4. Millions of dollars accumulated by exports of responsible gold
(calculated on the basis of the average annual gold price)

How the system of BGI Impact premium works





Better Gold Initiative

Oro Responsable

The Better Gold Fund (BGF) seeks to deliver the greatest possible social and environmental impact in artisanal and small-scale mining, building on the successes already achieved in compliance with the SBGA criteria. The SBGA's BGF is funded through the collection of the Responsible Gold premium equivalent to US\$1 per gram of eligible responsible gold sold by the ASM to the member buyers of the SBGA.

This premium of US\$1 per gram is allocated to the following three sub-categories of the BGF:

- **70%** for social and/or environmental projects of the supplier ASM;
- **15%** for a fund for Technical Assistance for the ASMs in the initial stages of the process of continuing improvement;
- **15%** for expenses incurred by the SBGA and for on-site inspections of the participating ASM.

In addition, the BGF creates viable foundations that are sustainable in the long term to ensure that the motivation of the supplier ASMs is maintained through investments in their social and environmental projects. The SBGA/BGI also makes great efforts with the ASMs that are still in the early phases of their journey towards responsible production.

Since the start of the initiative in 2013, the export volume of better gold has grown from modest 30 kg in year one to an overall volume of 6 tons at the end of 2020. The continuous demand for responsibly produced ASM gold has allowed the SBGA to generate an overall US\$4.8mn for the Better Gold Fund, which is being re-invested into different ASM communities through technical, social and environmental development projects on the ground.

Among our most prominent examples, we can cite the water project built by the Peruvian mine Sotrami S.A. It consists of pumping and bringing water to a reservoir at 2,500 meters above sea level that will serve the population of Santa Filomena community. Water pumping will save at least 60 tons of diesel since until now water is transported by trucks, equivalent to a reduction in CO2 emissions of 150 tons and provide drinking water to around 5,400 villagers (2,500 families) in the communities of Santa Filomena and Santa Ana.



Better Gold Fund



Environmental impact

Extension and repair of contention walls at Sotrami

[Learn more](#)



Social impact

Artisanal miners receive their second premium and access bank accounts

[Learn more](#)



Social impact

Water pipelines for Santa Filomena

[Learn more](#)



Environmental impact

Improvements in cyanide management

[Learn more](#)



Environmental impact

Gabion walls to protect the Santa Rosa ravine

[Learn more](#)



Social impact

Electrification of Santa Filomena

[Learn more](#)



Environmental impact

Electrification of Minera Sotrami

[Learn more](#)



Social impact

Artisanal panners receive their first premium

[Learn more](#)



Environmental Impact of the Better Gold Initiative



GETTING RID OF MERCURY

"The use of mercury is dangerous and we want to minimize its use for the sake of my co-workers' health. We are running a pilot project to avoid using mercury. At the Nueva Teresita Cooperative we're going to minimize mercury use with gravimetric tables so we can export Responsible Gold".

Pilar Vilca Jove
Cooperative member
Minera Nueva Teresita (Peru)



RESPONSIBLE AND CAREFUL USE OF CYANIDE

Cyanide is used for the chemical leaching of gold in the form of untreated minerals, concentrates or tailings. The process is being employed increasingly in small-scale mining thanks to the high rate of gold recovery it achieves.

When chemical leaching with cyanide is used, it is important that miners handle the chemical product correctly, and that they ensure it is properly stored and employed so as to avoid health and environmental problems. Cyanide is often the preferred chemical for use in leaching. It is a highly toxic substance and requires great care when used. However, unlike mercury, cyanide is bio-degradable and does not remain in the environment.

"Great responsibility must be used in the handling of cyanide. At EMCOISA, all operators working in processing plants must undertake a course entitled Lets' talk about cyanide. In addition, we provide all the necessary information on proper handling and care of this reagent so that operators are prepared to respond correctly in case of an emergency."

Edgar Nuñez Crespo,
Operations Manager of EMCOISA (Bolivia)



TREATING TAILINGS – PROTECTING WATER SOURCES

The efficient and responsible management of the entire mining operation is a key objective of the BGI in its work with its ASM partners. To achieve this, the whole process in the mines is evaluated by Technical Assistance which receives recommendations made by BGI engineers who in turn assist in, and monitor, the implementation of improvements.

In general, the miners are primarily interested in producing large quantities of gold. Since this is their priority, they often overlook the final part of the mining process, which is the management of the tailings heaps that might produce environmental contamination. Responsible management of tailings is of the greatest importance, not only from an environmental point of view but also because of its impact on the budget of the mining operation.

Where a process of gravimetric concentration is used, recovery of gold rarely surpasses 50%. This means a significant quantity of gold is lost in the tailings heaps. Losing tailings in rivers and water basins would not just mean environmental contamination but also an important amount of gold lost. Among the technical proposals put forward by BGI, creating sedimentation pools, retention of the mineral treated in the plant and recovery of the water used, are all important elements. When this is done, the mineral tailings can be reclaimed and subsequently sold to cyanidation plants. In this way, the mining operation can obtain additional income, even as it avoids environmental contamination.

Social Impact of the Better Gold Initiative

“WE ARE BAREQUEROS”

Colombia



Bogota (Colombia), 16 December 2019. A total of 721 artisanal miners, both men and women, from the towns of Istmina, Quibdó and Condoto on the Pacific coast of Colombia, are gaining access for the very first time to the formal financial sector to receive an incentive payment. They have succeeded in exporting to Switzerland gold that complies with social and environmental responsibility criteria. Each miner receives US\$0.70 for each gram of gold exported to Switzerland, handed over by Chopard's Responsible Gold Initiative, a company affiliated to the Swiss Better Gold Association (SBGA). The financial incentive will be distributed among the artisanal miners in accordance with the production in the first half of the year. In total, the “barequeros”, as they are known, will receive around US\$52,000 via a digital transaction: at the same time, this represents their entry into the Colombian financial sector.



Video:
Entrega premio Oro Responsable

The barequero system being developed in Colombia is unique. In a very short period of time, the Initiative we are promoting together with our international and national partners has successfully consolidated a value chain that starts with the barequeros and ends in the Swiss gold market. The gold that arrives in Switzerland for its final refining process is produced by hand, without any mechanization, without causing environmental damage and without using mercury. Traditionally, purchases of gold from barequeros are made in cash since there is no-one able to open a bank account for them. BGI, the Better Gold Initiative, seeks to formalize the chain and ensure the traceability of both the gold and the transactions. Thus we have formed an alliance with the fintech MOVii to make provision for alternative financial products for the barequeros we are working with. We are also embarking on financial education activities since, for many, this is the first time that they have used a banking product. We are depositing payments for locally produced gold and also the stimulus into the MOVii bank accounts.

Thomas Hentschel,
Global Program Director BGI



Caroline Scheufele
Co-President Chopard

Successfully sourcing responsibly mined gold to craft our watch and jewellery collections has been one of the greatest milestones on Chopard's Journey to Sustainable Luxury. The Journey involves many challenges along its path as building sustainable supply chains requires long term efforts and close collaboration with our partners. In this regard, our ongoing partnership with the SBGA, which started in 2017, has been essential to implementing our ethical gold strategy in three key areas: traceability, transparency for our clients, and impact. As part of this collaboration, since 2019, we have been sourcing gold from responsible artisanal gold panners in Colombia, 'the Barequeros'. This group of panners, composed 50% of women, uses local traditional alluvial mining techniques without any chemicals, protecting the region's biodiversity. For the first time, the Barequeros have entered a formal financial system and have access to bank accounts. These successes make us a proud partner of the SBGA and reinforce our belief that sustainable luxury is not only possible but necessary.



Michael Mesaric
CEO Valcambi

The "barequeros" are the ancestors of our industry, and ought to be fully part of it. The El Chocó programme provides recognition and legitimacy of formal, legal and responsible traditional artisanal miners and their ancestral livelihoods. Valcambi is proud to have, in collaboration with our partners, opened the door to the "barequeros" and provided them with stable access to international markets.



GENDER EQUALITY

Women are an important part of the ASGM's workforce. This is evidenced by the fact that, aside from the prospectors of discarded ore or those who work feeding the miners, there are today women who are partners, professionals and technicians and those who provide a wide range of services such as engineers, nurses, accountants and security personnel.



Here at the Better Gold Initiative, BGI we consider not only the "pallaquera" women as part of the ASM, but we also include the other women in the sector: we consider that they contribute significantly to artisanal and small-scale mining. There are many women who have studied at university and are now pursuing their careers by working in these areas. They suffer other sorts of violence – not just to

do with stereotyping or sexual discrimination in the workplace but they must also respond to more sexist appraisals, more violence. This often goes unmentioned, unremarked. In view of these situations, BGI has assumed a more active role. Women have been put on payroll and earn the same salaries as men. Progress has been made within the organization in human resources to identify and

prevent issues related to the sexual harassment and bullying which exists our country – not only affecting women but also young men. At the very heart of our work at BGI is the determination to apply a gender focus right across all the areas of the ASMs. This is one of the principal requirements if they are to comply with international standards.

Lidia Sihuacollo
consultant for BGI in Peru, Master in Public Policies from FLACSO México.

Setting up Value Chains: From Mine to Market





Anouchka Didier-Mansour
**Head of Corporate
Responsibility at Cartier**

At Cartier, we have always believed that our responsibility encompasses not only our own operations and supply chain, but also involves a broader contribution to make a lasting impact in the jewellery industry at large. Becoming an active member of the Swiss Better Gold Association in 2014 and a Board member since 2018 is key to pursue better practices in the gold supply chain. Based on an innovative model connecting local artisanal and small-scale miners (ASM) with international actors, the process also provides support and capacity-building as well as a premium reinvested at the local level. Since 2014, we have been able to contribute by buying more than 4.5 tons of gold from a responsible mine - this amounted to close to 4 million dollars of funds reinvested locally and used for the mine's RJC certification, lowering its environmental impact and providing new services to the community. Through this partnership, Cartier wishes to support ASM towards the best environmental and social practices and guarantee the full traceability of mined gold.



Escalator of Continuous Improvement for Responsible Gold

SBGA participant

ASM is compliant with key SBGA criteria



- ASM Legitimacy
- ASM Enterprises
- Worst Form of Child Labour
- Forced Labour
- Human Rights
- Armed Conflict
- Areas of High Ecological Value
- Worst Form or Mercury
- Continuous improvement Plan

SBGA supplier

ASM is fully compliant with SBGA criteria



- National Legal Obligations
- Organisation ´s Structure
- Bribery and Corruption
- Child Labour
- Minimum Wage
- Right to Organise
- Safe Work
- Gender Equality
- Security and human Rights
- Conflict Due Diligence
- Waste Management
- Tailings Management
- Mercury Management
- Cyanide Management
- Community Relations

Optional certification

ASM is fully compliant with SBGA criteria and can opt for a Volunteer Sustainability Standard (VSS)



- Fair Trade (FT)
- Fairmined (FM)
- Responsible Jewellery Council (RJC)

12 to 24 months

Technical assistance

Social and environmental projects

Access to VSS market

Access to SBGA Market  No incentive

Access to SBGA market  With incentive





This Escalator for the ASM consists of three steps which lead from the initial selection of ASM operators to their graduation as certified suppliers of Responsible Gold; for some operators who aspire to obtain access to specialist markets, this means certification according to recognized standards.

The SBGA Escalator motivates ASM operations to climb it, thus progressing towards the achievement of higher standards and greater organizational capacity, as well as carrying out their mining operations in a safer, more productive, efficient and clean manner. It also offers financial incentives for the ASM producers.



The Key Factor: Traceability of gold

Since 2013, BGI has been encouraging the legality and legitimacy of gold produced by mining operators, providing technical support to set up traceability systems in each and every organization. Traceability is an extremely important element at international level for the recognition of production of responsible gold as proposed by the Organization for Economic Cooperation and Development (OECD).

What is traceability of gold?

Traceability comprises a series of procedures that permit the registration and identification of gold at each stage of the entire production chain (extraction and processing) and through commercialization (local sales, export). The process requires comprehensive information about the production chain, with complete knowledge of where the product has come from, where it is at this precise moment and the route it takes through every stage of production and commercialization using various tools to monitor it.



Christoph Wild
**Delegate of the Board
of Directors and CEO of
Argor-Heraeus**

Stakeholder engagement is at the heart of our business philosophy: We truly believe that in order to guarantee responsible and sustainable conduct, all stakeholders in the supply chain must be directly committed, not merely involved. We are thus proud to be a founding member of the Swiss Better Gold Association (SBGA). Initiatives such as the ones promoted by the SBGA, foster the type of public-private partnerships that are much-needed to establish more sustainable supply chains, allowing the inclusion of artisanal and small-scale miners (ASM). In this sense, formalization of ASM miners and promotion of responsible mining – with all of its challenges – has always been important to us. Thanks to our constant presence in Latin America, we partner with local stakeholders and work together to help ASM in establishing more sustainable extraction practices and access the formal markets. Overall, this creates positive “win-win” dynamics, benefitting local societies and ultimately the whole precious metals sector.

Lessons Learnt

1. BGI is much more than a development initiative.

It is about an inclusive approach connecting ASGM producers with the end market. Building a gold supply chain all the way from an ASGM producer to an industrial end-user in Switzerland is a long and challenging process. This connection is not automatic and linking the upstream and downstream ends from mine to retail represents a significant amount of collaboration and support efforts from all value chain stakeholders: miners, refiners, logistic and trading companies, monitoring and evaluation teams (BGI/SBGA) and finally end clients as users of this gold. The link between the actors in the responsible gold chain is not simply a question of the volume of gold traded and the revenues from export: rather, a relationship between suppliers is fostered that develops step by step from the ASM producer to the market in Switzerland. We seek to consolidate and support that relationship in the long term, strengthening a mutual collaboration that, on the one hand, rewards the ASM and its surrounding mining community through improvements in their environment and quality of life. On the other hand, it permits the end users to benefit from a supply of responsible gold for its products and creations. Understanding and establishing all these complex inter-related mechanisms is a long process and helps BGI to achieve important milestones and also enables us to consolidate and further grow the Initiative in the future.

2. Equilibrium between ASGM development and growth of responsible gold exports.

The main goals of the SBGA and its BGI are to contribute to improvement of working and living conditions in artisanal and small-scale mining communities, and facilitate the creation of responsible supply chains from ASM operations to the Swiss market. This dual objective entails from one side to provide support to artisanal and small-scale gold miners (ASGM) who need technical assistance in order to improve their working practices towards responsibility, as well as developing effective, sustainable and responsible supply chains from these producers to the market from the other side. It is important to find the right equilibrium/balance between support activities to very small producers (social impact) and willingness to achieve significant export volumes (market impact). Indeed, the two objectives should match and never overwhelm each other. Finding and maintaining this right equilibrium/balance is one of the main lessons learned in the last years of the initiative.



3. Continuous improvement – building and consolidating responsible practices.

Continuous improvement is a core principle of the SBGA and is fundamental to the success of BGI. Participating artisanal and small-scale mining operations are incentivized to continuously improve their practices and, step-by-step, demonstrate conformance with responsible sourcing expectations of the market. Indeed, very often ASGM producers lack knowledge and understanding on the evolving environmental, social and governance expectations of their downstream partners. In this context the Swiss Better Gold Continuous Improvement Escalator allows to support continued improvements and learnings necessary both for developing responsible mining practices, while maintaining appropriate market incentives for the ASGM producers at each step of the process.

4. ASGM financial inclusion = economic growth.

The experience gained from recent years confirms that there is a real challenge about ASGM financial inclusion. Indeed, the sector comes with its own challenges and is often associated with informal operations, inadequate use of mercury, environmental problems, hazardous working and labour conditions, and, in some instances, conflict financing and money laundering. As a result, formal financial structures largely see the ASGM as too high risk and are not willing to increase engagement. Therefore, a significant share of ASGM producers are marginalized and endure a precarious financial situation: they are particularly affected by fluctuations in gold prices, unfavourable sales conditions imposed by intermediaries and have limited or no access to basic financial services. Raising awareness of responsible ASGM producers who are part of the BGI network, improving their recognition level vis-à-vis different financial institutions and, therefore, tangibly contributing to de-risking the ASGM is one of the most important and most impactful results we achieved during the BGI implementation.



5. Building resilient & reliable value chains.

The ongoing pandemic situation is undeniably challenging to all stakeholders. For SBGA and BGI this period has served to achieve new learnings on how to maintain the ASGM supply chains. Indeed, from the very start of the coronavirus outbreak, we have put all our efforts and energy on maintaining existing ASGM supply chains operational, despite all logistic and sanitary obstacles resulting from the pandemic. The commitment and partnerships relations created prior to the pandemic between upstream and downstream partners have been maintained despite all difficulties. This is an impressive demonstration of how to build up long-term relationships and that stakeholders engaged in BGI value chains are committed to support each other through these difficult circumstances. The result of this is a confirmation that ASGM producers can definitely be the reliable, responsible and resilient business partners that the downstream gold industry can count on.

6. Ensuring governmental participation.

Policy Dialogue is an integrated and very important component within the BGI approach. In all three implementing countries the ASGM sector is highly relevant from the socio-economic and thus development perspective. This is not necessarily reflected in the political importance of the sector. BGI plays an important role in trying to improve the framework conditions to enable and facilitate a legal, formal, sustainable and responsible development of the ASGM sector. Important aspects of the Policy Dialogue include among others formalization, environmental-legal aspects, financial inclusion, implementation of Minamata Convention, aspects of commercialization and export. Therefore, BGI strives to ensure that Policy Dialogue conducive to responsible ASGM sector takes place on a national, regional and local level.

7. Successful partnerships.

The BGI implementation during the last years has confirmed the importance of partnerships. The BGI itself is a partnership between the Swiss public sector – SECO – and the Swiss private sector – SBGA. Without such a strategic partnership a traditional project in the ASGM sector would never have been so successful. The created and consolidated “business partnerships” that linked up businesses between small-scale producers from the Andean countries with industry leaders in Switzerland is the key for success. On a political level BGI is acting under bilateral agreements – “partnerships” – between the Governments of Bolivia, Colombia, Peru and Switzerland. On an operational level, BGI has created partnerships with miners and their associations, international traders, international projects and programs like USAID-Oro Legal in Colombia, Planet Gold in Peru and UNIDO in Bolivia, NGOs and the VSS like Fairtrade, Fairmined and - increasingly important in recent years - the collaboration with RJC.



Jose Camino
**General Counsel at Metalor
Technologies S.A.**

Metalor stopped doing business with ASM and mining collectors back in June 2019. After more than two decades of working in this sector, the increased resources to secure compliance all along the entire ASM supply chain coupled with the challenging conditions of the mining regions, forced Metalor to abandon this business. It was clear at that time that only on the basis of a concerted and structured dialogue with all stakeholders, governments, development organizations, NGOs, local communities and experts was it possible to re-consider engaging again with ASM. In this framework, BGI has been the partner Metalor was looking for to pave the way to the comeback to ASM in 2020.

Metalor being a founder member of SBGA, we were able to build a solid mutual knowledge and trust to go for a concrete project. A critical aspect was - and continues to be - that BGI has deployed very skilled and technical teams to work and supervise ASMs on the ground. On this basis we started to work on a new project with a Peruvian company called MYSAC in the Yanaquihua Mine. BGI has been the linchpin between Metalor, MYSAC and the artisanal mines that work in the concession. The experience accumulated by BGI, the support of SECO, the deployment of best practices and the ongoing monitoring have been the cornerstone of the success of the project. We are now exploring other projects in Latin-America, but always working hand in hand with BGI. This has been the way to make the difference to the ASM communities.

Building Responsible Gold Platforms in Bolivia

The challenges of artisanal and small-scale mining (ASM) are large and diverse. Alliances are needed to confront them. In September 2018, in Bolivia, the BGI and five partners set up the Interinstitutional Working Group for Responsible Gold (GIT-OR). The GIT-OR is a joint initiative by academic institutions and civil society intended to build a space for reflection, coordination, research and action in the area of responsible gold mining. Since the establishment of GIT-OR, its most important action has been the organization and holding of events on "Responsible Mining". However, the simple existence of a platform where ideas and initiatives can be exchanged in itself contributes to the coordination of actions leading to responsible mining. Currently, 14 institutions have committed themselves to GIT-OR's objectives.

What are the SBGA criteria for Responsible Gold?




Mercurio




Cianuro




Relaciones con la Comunidad



Trabajo Infantil



Igualdad de Género



Conflicto



Residuos y Relaves



Salud y Seguridad Ocupacional



Seguridad y Derechos Humanos



Cambio Climático



Soborno y Corrupción



Derecho de Asociación



Capacidad Organizacional



Condiciones Laborales



Cumplimiento Legal

The Initiative encompasses a process of continuing improvement using 15 criteria. These criteria developed by SBGA are voluntary, but must be complied with if the operator wishes to attain the status of producer of Responsible Gold.

ÁREA	CRITERIO
OPERACIÓN MINERA Y BENEFICIO	Mercurio
	Cianuro
SOCIAL	Relaciones con la comunidad
	Trabajo Infantil
	Igualdad de Género
	Conflicto
MEDIO AMBIENTE Y SALUD	Residuos y Relaves
	Salud y Seguridad Ocupacional
	Seguridad y Derechos Humanos
	Cambio Climático
LEGAL Y ADMINISTRATIVA	Soborno y Corrupción
	Derecho de Asociación
	Capacidad Organizacional
	Condiciones Laborales
	Cumplimiento Legal

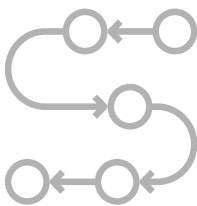
Challenges for the Future

1. Digital transformation



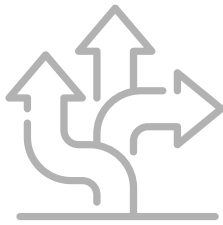
The pandemic has forced BGI, among many others, to make drastic changes in its way of operating, moving from intensive travelling and field work towards virtual methods of work, using new technologies that include video-conferences, webinars and social media. BGI has also developed a study on the possibility of long-distance auditing: this also includes recommendations on long-distance methods of supplying technical assistance. New training modules using “e-learning” have been successfully activated through pilot programmes. In general, the experience has been positive for BGI and its beneficiaries. Thus, in future, we foresee that the tools of technical assistance and training will be supplied through mixed models employing both virtual and real-life methods: this will turn out to be more efficient and appropriate for the way our current workplace is evolving.

2. Maintaining value chains



The first two phases of BGI’s Initiative have concentrated on creating value chains for responsible gold from the mine to the market. Much emphasis has been placed on reaching a critical mass with a defined volume of exports. Although, in future, work will continue on expanding the volumes of responsible gold passing through our chains, special emphasis will be placed on maintaining already-existing chains. BGI’s experience to date shows that the job of keeping the value chains functioning requires a great deal of effort. In this way, not only shall we maintain export levels but we shall guarantee responsible production, ongoing improvement in mining operations and the efficient and effective implementation of the Better Gold Fund with its social and environmental investments destined to benefit miners and their communities.

3. Dissemination of experiences



Over its years of activity, BGI has accumulated great experience and learned many lessons. In future, BGI will include a special component to make other mining operations aware of good practices so that they may benefit from our experience. This diffusion will have a particular national focus within the countries and regions where we operate, reaching out to other countries of the Americas and also to countries in other continents. BGI will coordinate the spread of knowledge through a series of international platforms. In addition, BGI will develop proposals and carry out pilot activities using its own technical assistance tools in the creation of value chains in other countries, all in close collaboration with its SBGA partners.

4. Leadership and commitment within countries



Creating and improving a favourable framework for the appropriate development of the ASGM sector has been a vital element in BGI's ongoing activities. In future, this focus will be emphasized in order to ensure political commitment to the development of the ASGM sector. We shall work more closely and directly with and from the authorities that are relevant to the ASGM sector, both at national and regional level. Among emerging issues, we have already identified financial inclusion, environmental inspection and a better control/ environmental management of occupational health in the cyanidation process.

5. Confronting climate change



The issue of climate change is growing in importance, for Switzerland as a donor country, for the governments and countries where we operate and also for the private sector and the market. In future, BGI will place special emphasis on this issue which cuts across all areas. We foresee focusing on in-depth analysis of the impact, or footprint, of greenhouse gases in ASGMs, the development of a tool for the swift analysis of this footprint for the ASGMs, and the inclusion of climate change as a new criterion in SBGA's supply policy. As for the projects to be implemented through the Better Gold Fund, special emphasis will be placed on the application of a variety of measures to mitigate greenhouse gases: this will represent a contribution to the resolution of a problem that is so important to all.

The Global Pandemic – an Extraordinary Challenge for BGI

In the collective memory, 2020 will remain as the starting year of a global pandemic that caused immense impacts and disturbance across the planet. Amongst other sectors, the outbreak of the Coronavirus exposed the already vulnerable ASM group even more. Poverty, amplified insecurity, health issues and limited access to governmental services marked the year for many ASM miners. The value chains were massively disturbed. Production, as well as the demand for responsible gold, have both been affected by the health and economic crises. Reacting to the threats from the Corona outbreak in ASM, the Better Gold Initiative (BGI) has immediately responded with several emergency measures, thereby demonstrating not only the continued engagement for the ASM, but also its flexibility, driven by mutual trust established among the stakeholders.

From the very start of the coronavirus outbreak, BGI and SBGA have put all their efforts and energy on maintaining existing ASM supply chains operational, despite all logistic and sanitary obstacles resulting from the pandemic. Further, the SBGA and BGI co-implemented a range of extraordinary ASM support measures to mitigate the impact of the Covid-19 crisis on ASM miners.

In Colombia, eight small mining operations participating in the Better Gold Initiative received US\$100,000 to alleviate the economic difficulties resulting from lockdowns. These funds covered two main aspects: implementation of biosecurity protocols at operations and safeguarding jobs while facing this difficult period. A similar support action was also deployed in Peru,

where the Initiative focused on helping the small-scale gold mining operations to safely resume their activities, within the challenging COVID-19 context.

Further, the Initiative also urgently delivered 1'300 food parcels to the traditional artisanal gold panners or 'barequeros', from Chocó in Colombia and 570 parcels to small gold operations in Bolivia. Indeed, the negative effects of this crisis on local economies where artisanal mining activities are impacted due to lockdown and logistics restrictions brought the Initiative to the conclusion that this type of urgent action is needed to support our ASM partners.

To conclude, SECO and SBGA confirm that both partners are committed to support Artisanal and small-scale mining through their common Better Gold Initiative despite all challenges and difficulties of the year 2020. Indeed, current social, economic and political circumstances illustrate that there is a growing public and consumer expectation in embracing and reinforcing corporate sustainability practices and, without any doubt, the Better Gold Initiative clearly illustrates that ASM producers can definitely be the reliable, responsible and resilient business partners that the downstream gold industry can count on.



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SUPPORTING RESPONSIBLY PRODUCED GOLD FROM ARTISANAL AND SMALL-SCALE MINING



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BGI

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- Ministerio del Ambiente (MINAM)
- Agencia Peruana de Cooperación Internacional (APCI)
- Dirección Regional de Energía y Minas de Puno (DREM Puno)
- Autoridad Regional de Medio Ambiente de Arequipa (ARMA Arequipa)
- Gerencia Regional de Energía, Minas e Hidrocarburos de Arequipa (GREM Arequipa)
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COLOMBIA:

- Ministerio de Minas y Energía
- Agencia Presidencial de Cooperación Internacional

BOLIVIA:

- Ministerio de Minería y Metalurgia (MMM)

STRATEGIC PARTNERS BGI:

PERÚ:

- Planet GOLD / PNUD
- RUMMO - GIRH - TDPS / PNUD
- PREVENIR / USAID
- Solidaridad
- Alliance for Responsible Mining (ARM)
- Fairtrade / Max Havelaar Suiza
- Fairmined

COLOMBIA:

- Oro Legal de USAID
- Fundación Atabaque
- C.I. Anexpo S.A.S.
- Planet GOLD/PNUD
- Alliance for Responsible Mining (ARM)

BOLIVIA:

- Grupo Interinstitucional de Trabajo en Oro Responsable GIT – OR
- Wildlife Conservation Society WCS
- UNIDO



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Lima, August 2021

BGI is
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**ACRONYM**

- **ASGM**
Artisanal and Small-scale Gold Mining
- **ASM**
Artisanal and Small-scale Mining
- **BGF**
Better Gold Fund
- **BGI**
Better Gold Initiative - Iniciativa Oro Responsable
- **RJC**
Responsible Jewellery Council
Certificación
- **SBGA**
Swiss Better Gold Association -
Asociación Suiza de Oro Responsable
- **SDGs**
Sustainable Development Goals
- **SECO**
State Secretariat for Economic Affairs
- **VSS**
Voluntary Sustainability Standard


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