



Better Gold Initiative for Artisanal and Small-Scale Mining

An innovative project promoting the responsible extraction of artisanal and small-scale gold

Switzerland is the world leader in gold refining and processing. Through this public-private partnership SECO and the Swiss Better Gold Association (SBGA) promote the creation of value chains for responsibly sourced gold from artisanal and small-scale mines in three countries in Latin America.

Rationale

Whereas only 10-20% of the globally mined gold is produced in artisanal and small-scale mining (ASM), it makes up 90% of the workforce employed in the gold mining sector. The environmental (uncontrolled use of mercury, deforestation, water contamination) and social problems (child labor, source of income for criminal groups) in the ASM gold sector in these countries are massive. Workers are exposed to risks of accidents and injuries as well as to health problems. Gold and extractive commodities can also give rise to and feed conflicts in regions suffering from political instability.

With four of the largest gold refineries in the world, Switzerland is the world leader in gold refining and processing. It is estimated that approximately two thirds of gold worldwide is refined in Switzerland. Due to this role with regard to the refining of gold, Switzerland has a particular responsibility to show leadership in promoting sustainability in the gold sector.

Objectives and activities

Arising from the objective to reduce poverty and to improve the social and environmental conditions in artisanal and small-scale mining, the Better Gold Initiative for Artisanal and Small-Scale Mining (BGI for ASM) was set up in 2013 for Peru. For this second phase, which started in January 2017, the project was extended to Colombia and Bolivia and a scaling-up of responsibly sourced ASM gold is expected to take place. The project activities follow 3 components:

1. Production and certification

With the aim to expand the production of responsibly mined gold in the ASM sector, the Initiative supports ASM mining operations with good potential in their certification process by improving their performance in technical, organizational, social and environmental terms and by advising them in the administrative tasks related to certification. Thus, the BGI supports the Fairtrade, Fairmined and Responsible Jewellery Council certification systems. Through the

SECO country/region
Peru, Colombia, Bolivia

Implementing partner
Project-Consult GmbH

Duration
2017-2020

Total budget
CHF 8,000,000

SECO contribution
CHF 8,000,000



introduction of minimum criteria, a substantial higher number of gold miners as well as their families and communities shall benefit from better living and working conditions in the second phase.

2. Policy Dialogue: Simplification of formalization framework

The BGI for ASM provides technical support to policy-makers in the simplification of the formalization framework in Peru, Colombia and Bolivia. Tackling the framework conditions for formalization is crucial for scaling-up the supply of responsibly sourced ASM gold, since formalization is a pre-condition for mining operations to become certified.

3. Demand: Establishment of value chains through collaboration with private sector

The Swiss Better Gold Association (SBGA) channels the demand for Better Gold among industry stakeholders in Switzerland: refiners, brands (watchmakers, jewellery) and investors. Members of the SBGA are committed to buying the production of Better Gold and reinvesting through the Better Gold Fund a contribution of \$1 per gram into social and environmental projects.



Project organization

The BGI for ASM is a public-private partnership between SECO and the SBGA. The Initiative is being implemented by Projekt-Consult GmbH, whose project basis is in Medellin, Colombia. Projekt-Consult collaborates with the following local implementation partners: ABR Grupo Consultor y Asociados (Peru), BSD Consulting (Colombia) and Fundación MEDMIN (Bolivia).

Results so far

Thanks to the Better Gold Initiative several value chains for gold produced by small Peruvian mining operation using responsible methods were created since 2013. Between 2013 and 2016, a total of approx. 1500 kg of gold from certified mines was exported from Peru to Switzerland. The project has directly worked with 8 mining operations with a total of 1500 miners. Including their family members, the estimated number of beneficiaries is 7500, who benefit from better working and living conditions. In the second phase, the project has directly worked with about 40 mining operations with a total of 3'000 miners. Including their family members, the estimated number of beneficiaries is 15'000. During 2018 a total of approx. 1'700 kg of responsibly produced gold was exported into Switzerland.

Further information and contact details

Website BGI for ASM: www.bettergold.org

Website SBGA: www.swissbettergold.ch

SECO HQ: info.wehu.cooperation@seco.admin.ch

Swiss Better Gold Association: diana.culillas@sbga.ch

Projekt-Consult (Implementing Agency): thomas.hentschel@projekt-consult.de