

Better Gold Initiative

Creating a Sustainable Gold Value Chain from Mine to Market

**Meeting of the OECD-hosted forum on implementation of
due diligence in the gold supply chain**

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Better Gold Initiative


- Private-Public-Partnership between the Swiss Better Gold Association (SBGA) and the Swiss State Secretariat for Economic Affairs SECO
- SBGA is a non for profit organization with different stakeholders from the Swiss gold value chain that wants to support development in mining communities by enabling linkages to finance and markets
- SECO is the Swiss Agency responsible for Economic Development Cooperation, promoting among other objectives, a sustainable export economy strengthening competitiveness and sustainable supply chains
- Initiative is seen in the context of the OECD DD, implementing the recommendations of the ASM Appendix; SECO is a donor for the implementation phase

Better Gold Initiative

- Switzerland has a wide range of experience contributing to the development of sustainable ASM in Ecuador, Bolivia, Peru and Mongolia; 2 of 3 FT/FM certified operations have been environmentally/technically supported by the Swiss projects
- Main objective of the BGI is to generate development in mining communities through market driven incentive payments and enabling transparency/traceability to ensure future fair prices for ASM Gold in the market
- BGI builds on previous experience and existing initiatives, strengthens the supply chain by creating demand in Switzerland and links certified or certified willing producer with the Swiss market
- BGI has realized stakeholder meetings in Switzerland and in Peru; it is now in the final design phase and recommendations are still welcome

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Peru is selected as a country for pilot implementation:

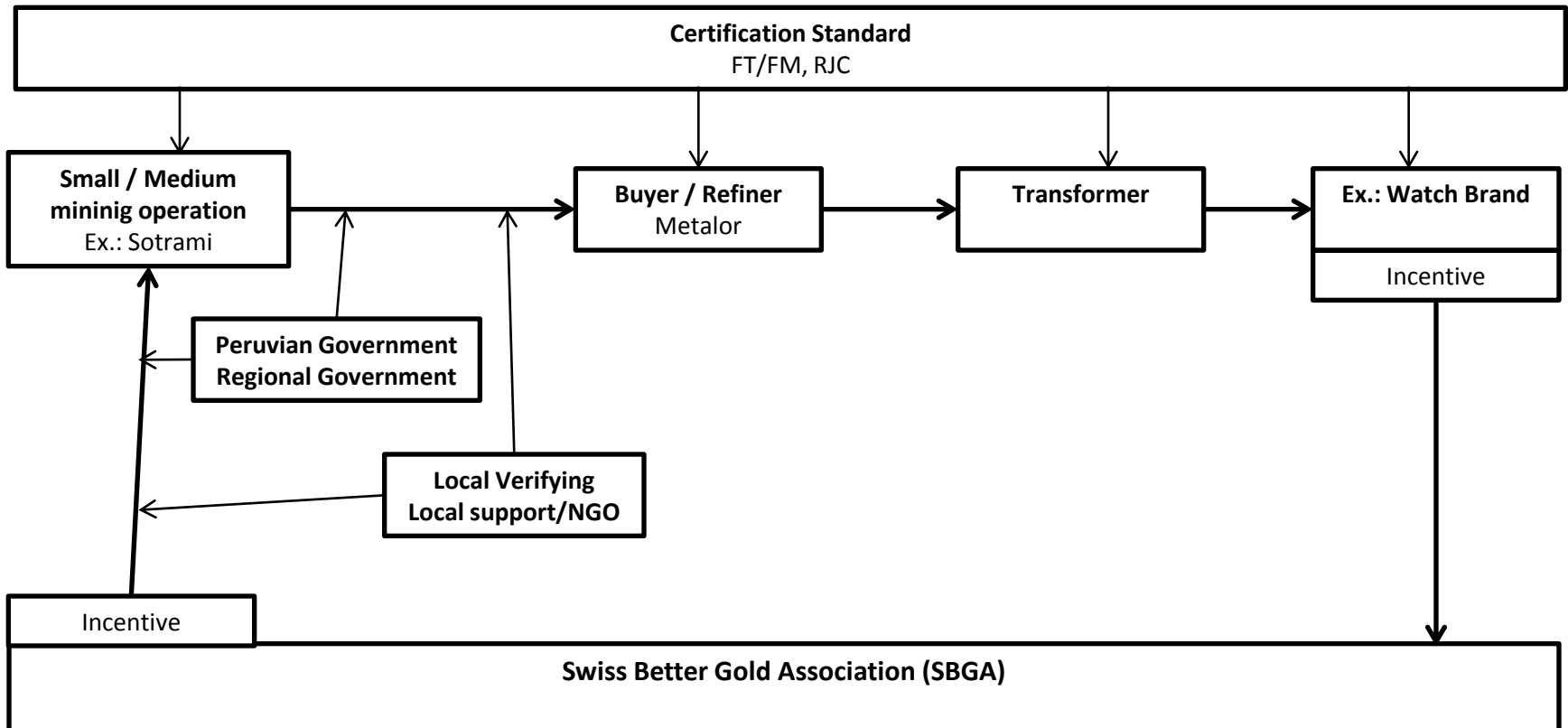
- Peru has a wide range of artisanal, small-scale and medium-scale gold mining distributed all over the country
 - ASM and informal/illegal mining is on top of the political agenda
 - A legal package of national relevant decrets have recently been approved: definition and regulation of illegal and informal mining; simplification of the formalization process (one stop window); confiscation and destruction of illegal mining equipment; environmental control; control of chemicals; money laundering and organized crime
-  a good balance between control and incentive
- The implementation of these measures is still pending, but the conditions are favorable
 - Switzerland has a long tradition with Peru in cooperation and trade
 - Existing first experiences with certification systems (FT/FM and RJC)

BGI Components

1. Consolidation of a simplified supply chain from mine to market
2. Support of the relevant certification systems (FT/FM and RJC) and their implementation
3. Policy dialogue in Peru
4. Support to the organization of the demand in Switzerland with the Swiss Better Gold Association

Component 1 – Supply Chain

Simplified Supply Chain



Component 1 – Supply Chain

- Creation of the simplified, inclusive supply chain to create more transparency and traceability
- Metalor is committed as a partner with ongoing negotiations to define their participation and contribution to the project: advanced due diligence practices, pre-finance, transport and export are the main gaps to fill
- Initially starting with SOTRAMI, a FT/FM certified operation; in a second step including formalized ASM with traceable and „conflict free“ gold; condition for participation is the commitment for future certification
- Together with Peruvian partners implementation of technical assistance (among others best practice, clean technologies, environmental management, training, direct support to formalization) to producers to prepare for further certification

Component 2 – Certification Schemes

- Build on existing initiatives (FT/FM and RJC)
- Support the FT/FM system, especially to enlargement of certified ASM supply, including dissemination of best practice
- Support the creation of a RJC „Code of Practice“ certification case, especially where a medium scale mine can integrate ASM
- Support the implementation of the RJC „Chain of Custody“ certification in collaboration with Metalor

Component 3 – Policy Dialogue

- Policy dialogue with the national Government
- Advisory service to the National and selected Regional Governments
- Support Government and mining associations in the planning and local implementation of the formalization process
- Ongoing coordination with Government and donor organizations
- Partnering with Peruvian National and Regional Governments, OECD and other multilateral organizations to get international, national and regional support for a country-specific „Gold for Peace“ project
- Participation in national and international events for dissemination of experiences

Component 4 - Demand

- Support to the organization and consolidation of the Swiss Better Gold Association (strategic plan, business plan, corporate identity, sustainability)
- Organize the demand and match with the supply; link brands, retailers and investors with the sustainable sourcing options
- Watch brands and investors are the defined priority sectors for the demand side
- Define the functioning of the incentive payments

Support to Implementation of ASM Appendix

- In country national and local stakeholder commissions
- Legalization and formalization process
- Establishment of traceability/chain of custody
- Providing financial support to multistakeholder commissions and traceability schemes/ CoC initiatives
- Promoting directly ASM Gold to Switzerland, including incentive/premium payments
- Cooperation with customs authorities