

Initiatives

in Art and Culture



Follow Up: Gold Supply Chains in the Time of Pandemic

Hosted by Initiatives in Art and Culture and the Jewelry Industry Summit

The Jewelry Industry Summit and Initiatives in Art and Culture partnered to host Gold Supply Chains in the Time of Pandemic - a webinar on the current state of the gold supply chain in the face of COVID-19 and expected impacts.

The webinar was comprised of leading experts on gold supply chain issues, including Aimee Boulanger (Executive Director of the Initiative for Responsible Mining Assurance), Conny Havel (Head of Supply Chains and Markets, Alliance for Responsible Mining), Joanne Lebert (Executive Director of IMPACT), and Estelle Levin-Nally (Founder and Director of Levin Sources). The panel was moderated by Christina T. Miller (Founder and Lead Consultant, Christina T. Miller Sustainable Jewelry Consulting.)

In response to COVID-19, over 70 civil society organizations from around the globe are calling for **Emergency Action Needed for Artisanal and Small-Scale Mining Communities and Supply Chains**. [Learn, engage, and support this Call to Action.](#)

[Watch the webinar here.](#)

HIGHLIGHTS

- + **COVID-19 has caused hard-earned progress toward responsible gold supply chains to now be at risk.** In artisanal and small-scale mining (ASM), most actors are incredibly vulnerable and engage in mining to sustain themselves and their families on a day to day basis or as supplementary income.
- + **In light of COVID-19, liquidity is drying up as global supply chains are disrupted: local buying houses cannot export gold in exchange for cash when on lockdown and/or when borders are closed.** This has the potential to create a humanitarian crisis because without buyers there is no income, without income, artisanal miners and their communities can not afford daily essentials.
 - + **Miners rely on pre-financing.** With less money coming in and the presence of existing and new illegal/illicit actors seeking to profit from the current desperation especially when the international spot price for gold is so high, miners are more susceptible to exploitation and human rights abuses. During the current financial insecurity caused by COVID-19, the availability of financing for responsible ASM is also reduced. As borders close, it is also more difficult to get this gold to market. Without access to a market for their responsible gold, mining communities can lose motivations to maintain

requirements and certifications which will regress progress made towards formalisation so far.

- + **Formal sales routes are inactive.** Informal traders are paying up to 50% below market prices, which contributes to the black market, does not generate royalties, and increases chances of benefitting bad actors. Domestic lockdowns have also resulted in less oversight, creating a vacuum for opportunism by armed groups and other predatory actors.
- + **Economic shock of COVID can hinder formalization and long-term impacts.** Living in situations of extreme vulnerability, any change can significantly shift life. COVID-19 has led to higher costs for essential items like food and challenges already fragile healthcare systems, which compounds artisanal miners' vulnerability.
- + **With less oversight and lack of enforcement of regulatory policies, environmental risks become higher.** Additionally, without income from the gold trade, it is possible the miners may move on to other natural-resource based trades that degrade the environment, such as charcoal-making and poaching.

WHAT THE EXPERTS WANT YOU TO KNOW:

Aimee Boulanger - Executive Director, [Initiative for Responsible Mining Assurance \(IRMA\)](#)

“The large scale gold mining sector has an important role to play in increasing environmental and social responsibility, especially in this COVID-19 time. Leading companies are demonstrating the key role they can serve in communities to protect health first, to support vital timely communication throughout a region, to model emergency response in action, and to reassure that strong laws and regulations to protect environmental and social value and are complementary to their effort (not something which to be suspended during times of challenge).

This response reassures stakeholders that this type of leadership and service to the communities in which they operate is not just for this moment but fundamental to the mine's role in the region – it's building trust. In the gold sector, where artisanal scale mining interfaces with industrial scale mining, working to reduce conflict and violence, support formalization of ASM, and increase benefit sharing, are key pieces of best practice leadership.”

Conny Havel - Head of Supply Chains and Markets, [Alliance for Responsible Mining \(ARM\)](#)

“The current global crisis caused by Covid-19 has an impact on all the actors in the gold supply chain, from the miners to the consumers. Artisanal and small-scale miners are often living in situations of high vulnerability and Covid-19 poses additional challenges to their already complex situation. Now more than ever, they need the support of the gold industry to prevent negative long-term impacts in their communities and their environments. One of the most effective ways to do this is to source gold from responsible artisanal and small-scale miners and support their continuous improvement and development.

We invite the jewelry industry to innovate and reinvent itself to go out of this crisis with gold products with an added value; products that create an emotional connection between miners and

consumers and make a positive impact in mining communities. Offering gold products that tell the story of solidarity and support is not only the right thing to do, but is also a successful business strategy. Today, we are more aware about the impact we have on each other's lives and the environment, and consumers will support companies that act socially and environmentally responsible."

Estelle Levin-Nally - Founder + Director, [Levin Sources](#)

"ASM needs committed responsible buyers now more than ever. But from a risk management point of view, sourcing mined ASM gold is riskier right now because there is a higher risk of human rights violations and integrity issues due to the disruption to formal supply chains and to governance of the sector across producer nations. Jewellers can contribute crisis management and to post-COVID recovery in ASM communities by:

- Staying engaged with existing suppliers:
 - Seek to understand what they are doing to keep money flowing into ASM communities and to keep gold flowing out. Find out if there's something you could be doing to help tackle barriers to trade or support local COVID responses (e.g. Masks for Africa).
 - Ask your suppliers whether they see this is an opportunity to increase their ASM sourcing as other buyers are squeezed out of the market.
 - Ask them how they are innovating, e.g. whether the spread between spot and market gold prices can be used to find workable and safe transport solutions for ASM gold + fund activities to source from new mines. You may need to be in a buyers' consortium or be large enough to be able to do this.
- Seeing if you can join a convened effort to buy ASM gold through an organisation like the Artisanal Gold Council - they're looking to buy 25kg to put an immediate cash injection into ASM communities and keep them in formal supply chains.
- Being ready for when the recovery comes.
 - If business is quiet, now is the perfect time to invest in improving your supply chain management systems and responsible sourcing frameworks.
 - Whilst business is slow, use the time for research and decisions around your values, the tools you can use to minimise risk and tell your story well, to develop your responsible sourcing strategy and improve your due diligence procedures. There are lots of tools available for free online – RJC guidance and due diligence toolkit, CIBJO just released its blue books for free, etc.
 - Dust off your gold sourcing plan and see how you can buy more ASM gold. Talk to the various options out there: Fairtrade, Fairmined, Just Gold, CVCFG, ARM CRAFT gold, etc. and find out which one(s) you can back once recovery begins.
- Participating in responsible minerals initiatives, like the USAID funded Commercially Viable Conflict-Free (CVCFG) Gold project, implemented by Global Communities and Levin Sources.
 - We are presently recruiting jewellers to consult as part of our deep dive market analysis into how we get more commercially viable conflict-free gold out of DRC and into responsible markets.
 - We are also developing a Responsible Gold Innovation Fund (RGIF) and will want stakeholder input into this. The project has allocated \$1 million of its funding to it and is hoping to attract up to \$4m more co-investment into the project. We are

currently designing the scope and reach of the fund. The aim is to help finance, de-risk, subsidise and enable solutions to the barriers we have identified right along the supply chain in order to try them out on the ground in the DRC and eventually scale them. We are also beginning to develop “solutions forums” with jewellers, refiners, others on the ground to get into the detail of the barriers but also potential solutions and how the RGIF could help.

- If anyone is interested in learning more about either of these workstreams and helping develop what could be innovative solutions to long standing problems, please reach out to chloe.jacot@levinsources.com”

Joanne Lebert - Executive Director, [IMPACT](#)

- We should take advantage of the supply chain disruptions caused by COVID to challenge the status quo, because the status quo is a form of economic injustice and is highly exploitative. It is one of the reasons why these communities are so vulnerable to begin with. **Furthermore**, if well supported, the ASM community is uniquely positioned to be a vector for lasting development. We should be supporting artisanal and small-scale miners to mine better and in ways that not only contribute to development but also protect biodiversity and make communities more resilient in the face of insecurity and future shocks (conflict, pandemics but also climate change).
- We can only scale responsible artisanal gold supply chains if they are commercially viable and not just for the buyers but especially for the supply chain actors upstream. In fact, the further up the chain, the more one teeters on the knife edge of survival – all the more so if one happens to be a woman. Formalization, legalization, responsible production and trade all need to come with tangible and immediate benefits. Most importantly, it must mean comparatively more cash in one’s pocket at the end of the day because one’s survival depends on it. To change the sector, take the time to ask and to understand the operating costs for a legal artisanal miner and trader, what a transformative business model looks like (from pit to consumer), and what it takes to get it to flourish.
- For that, we need to identify and factor in all costs born by miners, traders ,exporters – all supply chain actors and make legal trade advantageous for all, particularly for those who do not have the luxury . That is currently not the case.
- Some governments have moved to restrict or shut down ASM mine sites, and in some cases the trade in minerals has not been deemed as essential despite the extent to which local economies rely on them. This has more negatively affected women, as men are prioritized to remain on site and maintain access. Economic desperation increases the prevalence of sexual exploitation and gender-based violence and there is a marked increase in the presence of children in mine sites. Mine sites are at greater risk of theft and banditry due to the decreased presence of miners on site.
- The jewelry sector primarily caters to women (or at least has done so historically). It should consistently demonstrate a deep gender equality commitment. Use this opportunity to support local women’s groups and community based organizations directly as they know best how to effectively transmit critical health and safety information to their communities.

CALL TO ACTION

Emergency Action Needed for Vulnerable Artisanal & Small-Scale Mining Communities & Supply Chains

As COVID-19 sweeps the globe, affecting the health and lives of millions, the pandemic is wreaking further economic havoc on the lives of artisanal, small scale miners and their communities. 83% of the world's mining workforce relies on these mines for their livelihood. That comes to roughly 40.5 million people. These people were vulnerable before COVID-19 and even more so now.

This Call to Action is presented by a collective of global civil society organizations and community-based associations that work to promote the advancement of human rights and due diligence in minerals supply chains in conflict-affected and high-risk areas as well as the formalization of artisanal and small-scale mining.

This Call to Action from civil-society organizations calls for immediate and concerted action from governments, financing institutions, international organizations, private sector actors and others to support artisanal mining communities and to shore up their resilience in this time of COVID-19 crisis. It is also essential that we protect hard-won gains related to human rights and due diligence in mineral supply chains in alignment with the OECD Due Diligence Minerals Guidance. At a time of heightened risks in global mineral supply chains, the carrying out of due diligence and support for on-the-ground, OECD-aligned initiatives are more important than ever.

[Read the full Call to Action HERE.](#)

RECOMMENDED ACTIONS FOR THE JEWELRY SECTOR

- Express demand for responsible mined gold to your refiners.
- There are opportunities to unblock the ASM gold supply side but only if the demand side engages by seeking to buy the material and investing in solutions. Use contacts in transportation, insurance, banking industry to get a working group started to help unblock blockages on the demand side.
- Pool donations in support of the efforts of local organizations; trust local actors to know how to get word out and how to prioritize and be effective especially where there are multiple emergencies at once (security, ebola, covid, measles... and stay tuned for locusts and destruction of crops; responsible mining can offer important livelihood security if crops destroyed & in times of food insecurity)
- Express support for, share, and promote the Call to Action by civil society organizations. Pursue the Call to Action's recommended actions for Responsible Supply Chains.

Learn More

[Alliance for Responsible Mining](#)
[Amazon Aid Foundation - Clean Gold Campaign](#)
[Amazon Emergency Relief Fund](#)
[Christina T. Miller sustainable jewelry consulting](#)
[Artisanal Gold Council - COVID Resources](#)
[IMPACT](#)
[Initiatives in Art and Culture](#)
[Initiative for Responsible Mining Assurance \(IRMA\)](#)
[Jewelry Industry Summit](#)
[Levin Sources](#)
[PlanetGold COVID Updates and Resources](#)

About the Organizers

Initiatives in Arts and Culture

ArtInitiatives.com

@initiaties_in_art_culture

Initiatives in Arts and Culture (IAC) educates diverse audiences in the fine, decorative, and visual arts. Our primary activities are conferences, publications, and exhibitions that take an interdisciplinary approach, considering issues related to fabrication, connoisseurship, cultural patrimony, cultural preservation, and the future of culture. Particular areas of emphasis include American painting, precious substances, the history of frames, the Arts and Crafts movement, the influence of Asian cultures on American fine and decorative art, and the history and future of fashion. IAC's projects have been supported by a wide array of individual, corporate, and foundation funders.

Jewelry Industry Summit

JewelryIndustrySummit.com

@responsiblejewelystories

The Jewelry Industry Summit seeks to develop collaborative approaches to solving sustainability issues and to empower businesses in the community to become more sustainable and to source more responsibly. Our goals focus on insight, guidance, tools, and community. They include: *Building awareness of the key challenges to sustainability and how to address them; Helping businesses at all stages of the jewelry supply chain develop their vision and plans for responsible sourcing and connect to the resources they need to move forward; Developing strategies and tools that enable businesses to continuously improve the sustainability of their activities; and Encouraging the industry to collaborate through summits, events and online, in ways that leverage the collective strength, resources and networks of the community.*