

# PERU:

## IMPROVING MINING PRACTICES

Impact of the Alliance for  
Responsible Mining  
intervention in Peru.





## PERUVIAN CONTEXT



### Peru is the biggest gold producer

in Latin America, and **the sixth worldwide**. In 2019, the country produced **135 tons**.\*\*

**About 1 million people** depend on artisanal and small-scale gold mining for their own livelihood.\*



### There are approximately 250.000 artisanal miners

who mine at small-scale in the country, producing around **a quarter of gold exports coming from Perú**.\*

**145 tons of mercury** are emitted by artisanal and small scale gold mining, which also produces **38.7 tons per year**.\*\*



The main regions with an artisanal and small-scale gold production are:

**Madre de Dios, with 70%, Puno with 15%; and the rest of the country makes 15% of the national production**.\*\*



**The sector's main challenge** is its **informality**, due to the difficulties and problems that miners have in order to comply with **State requirements**.\*

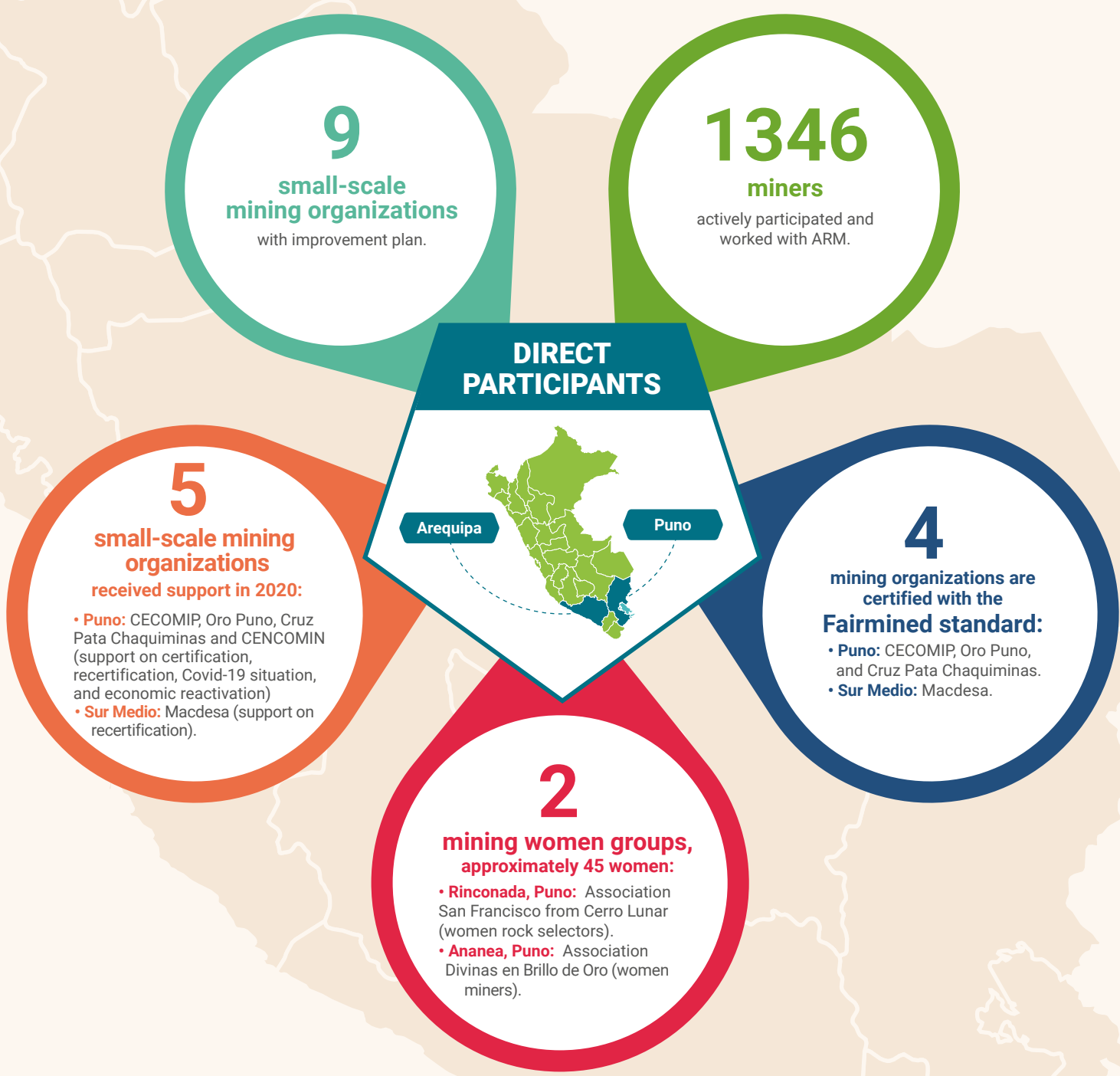
\*Source Planet Gold

\*\*Source: Ministerio de Energía y Minas



# GOALS OF INTERVENTION

- ✓ To set on course a transparent and inclusive model of governance, thus facilitating inter-institutional interaction towards the **development of a responsible artisanal and small scale mining.**
- ✓ To **encourage the implementation of better mining practices** from vulnerable communities as well as artisanal and small-scale mining organizations.
- ✓ To **facilitate access into formal and responsible markets** through CRAFT and Fairmined standards, sustainable mining programs from Alliance for Responsible Mining.
- ✓ To **spread and systematize** lessons learned and good practices in the territory.





## IMPACT

### Promotion of responsible production and consumption:

- ✓ **Three small-scale mining organizations** kept their Fairmined certification between 2016 and 2020 (CECOMIP, Oro Puno, and MACDESA), and a new one got certified in 2020 (Cruz Pata Chaquiminas), thanks to the continuous support on their improvement of mining practices.
- ✓ **The first 100% Fairmined national supply chain was established with gold produced**, commercialized, melted and turned into jewelry pieces in Peru.



### Reduction of poverty, promotion of decent work, and inequalities decrease:

- ✓ **Promotion of formal productive activity with job contracts**, income not below the minimum set by law, fair prices and access to social security. These conditions allow men and women miners to reduce poverty breach in territories and improve their work quality.



### Environmental protection, health and wellbeing:

- ✓ **Two mining organizations (CECOMIP y Oro Puno) stopped using mercury**, and integrated gravimetric technology.
- ✓ **Implementation of good mining practices** (revegetation and organic residues composting) and the new gold processing technologies lead to be more responsible with the environment.





## Strategic partnerships:

- ✓ **Inter-institutional articulation**, connections and support from several sectors to create awareness about the work of men and women miners.
- ✓ **Development of a national plan of action** to mitigate formalization barriers of the sector and facilitate formal commercialization of ASM gold. These actions are possible thanks to the joint vision of key men and women miners.



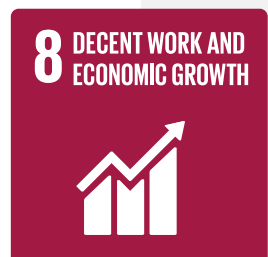
## Promotion of gender equality:

- ✓ **Accompaniment in the empowerment of women miners** through awareness campaigns, in the case of mineral collectors (pallaqueras) of Rinconada, to improve their mining and personal practices (first aid, food safety, etc.).
- ✓ **Identification and promotion of side businesses in addition to mining**, participation in regional and national events to make mining women visible, in the case of "Las Divinas en Brillo de Oro" from Ananea.



## Economic growth:

- ✓ **3 Fairmined certified mines** have exported their gold to responsible markets. When mining organizations develop responsible practices, they can have access to formal markets and get fair prices for their metals, higher than those of informal market.
- ✓ **4 Fairmined premium committees** manage the investment of this economic incentive in every mining organization, emphasizing on social and environmental aspects in their corresponding locations.



## FAIRMINED PREMIUM

Over **1,2 TONS** of Fairmined gold has been sold to the market, generating more than **4.4 MILLION USD** as Fairmined premium.



### IMPROVEMENT OF MINING ORGANIZATION **ORO PUNO**

Enlargement of the dining room to improve workers conditions.



### WELLBEING OF WORKERS **CECOMIP**

Supply of personal protection elements to guarantee good working conditions.



### COMMUNITY **MACDESA**

Medical campaigns for workers and Chaparra community.

Get to know more about the impact of the Fairmined premium in mining organizations in Peru:

[rebrand.ly/FairminedPremium](https://rebrand.ly/FairminedPremium)



## ACTIVITIES



### 2013-2017

- **ARM works in Peru between 2013 and 2017** using funds from the Inter-American Development Bank. The goal was to support small-scale mining organizations on the way to their Fairmined certification and acknowledge the seal in the country.
- Thanks to the work of Better Gold Initiative (BGI) and the consulting firm ABR, the mining organization **CECOMIP obtained the certification with the Fairmined standard in August 2016, becoming the first certified mine from Puno region.**
- **MACDESA mining organization, located in Arequipa, achieved its Fairmined certification** in 2017, thanks to the support of ARM.



## 2018

- **Approaching and building trust with small-scale mining organizations and institutions from Puno**, as well as analyses of territorial dynamics with a gender focus for selecting intervention groups.
- **The first management committee in Ananea takes place**, where the challenges of artisanal and small-scale mining organizations are identified, in order to commercialize and export gold. A local plan of action to help them is also created.
- **Oro Puno Mining Company obtains Fairmined ecological gold certification, becoming the first organization with this type of certification.** This mining organization was supported by BGI and ABR.
- CECOMIP and Oro Puno get a diagnose and recommendations **to improve mercury use** and/or increase productivity of processing plants.
- Some CECOMIP partners formally create the **Asociación Divinas en Brillo de Oro (Divine Women in Gold Shine) to build the foundations of an artisanal jewellery business, with the support of Peruvian Jewellery Sissai.**
- First approach with **pallaqueras (women rock collectors) of Rinconada**, through which is possible to make a needs analysis and propose an improvement plan.



## 2019

- **Promotion of dialog spaces and exchange of good mining practices at regional and national level** to identify barriers for the sector of artisanal and small-scale mining and specify actions of the main actors in gold formalization and commercialization processes. Events and interchanges were organized in Chala (July), and Lima (National Committee – October).
- **Solutions to facilitate and reduce costs related to exports from organizations of Puno are sought**, thanks to the coordination with logistic agents and value transport companies.
- **All mining organizations remain certified (CECOMIP, Oro Puno and Macdesa)**, thanks to the efforts of miners to comply with the Fairmined standard requirements and the post-certification support given by ARM.
- **Installment and adaptation of the jewellery workshop of “Divinas en Brillo de Oro” (Divine Women in Gold Shine) Association.** Also, training on creation and design of artisanal jewellery for the partners, which let them make over 50 silver pieces.
- Alliances with universities and local NGOs to make workshops targeted to women miners on first aid, food safety and women empowerment.
- Rock women collectors (pallaqueras) improve their health and safety at work practices and mercury use. A cost – benefit ratio analysis shows that **their income is around 300 Peruvian soles a month.**
- **ARM office opening in Juliaca.** This generates more confidence and proximity with men and women miners, as well as an enforcement of the local team in Peru.



## 2020

- **New mine diagnoses are carried out** in the Middle South and Ancash zones.
- **Second National Committee in Lima**, co-organized with the Ministry of Mines and Energy, which provided funds to create a **National Plan of Action** (March).
- **Fairmined certification for Cruz Pata mining organization** (Puno), the fourth one in Peru to be granted the certification.
- **Francisco Uno concession from CECOMIP mining stops using mercury** and it is in progress of reducing gas-fueled water pumps, in addition with new technology implementation: higher mercury-free mineral treatment capacity, with lower water consumption and without using fuel.
- Support to mining organizations to establish a **reactivation plan facing the sanitary crisis due to Covid19**. Self-protection kits, quick tests and signs to resume work in the mine were also given.
- The "Divinas en Brillo de Oro" (Divine Women in Gold Shine) Association continues in **process of building its business and branding plan**, intending to consolidate the foundations of the business in artisanal jewellery.
- The women rock collectors (pallaqueras) of Rinconada live in higher vulnerability conditions due to the informality of their work. They were given a **handbook that describes economic or work alternatives to improve their life quality** such as clothing manufacture, cattle raising, or food sale.
- To mitigate impacts of Covid19 onto the groups that live in higher vulnerability situations, **food baskets, self-protection kits as well as warm clothes were given to women (rock collectors and miners)** in Puno and Arequipa.

### ALLIES AND DONORS



### MINING ORGANIZATIONS



### ARTISANAL AND SMALL-SCALE PRODUCERS

Divinas en Brillo de Oro

Pallaqueras de la Rinconada