THE ACCELERATOR FOR RESPONSIBLE GOLD

We invite you to join us!

CHANGE THAT MATTERS
The goal of the Accelerator is to more rapidly scale up best practices in the small-scale mining sector by improving the quality and availability of services that the miners need to operate responsibly.

We invite you to join us!

Importantly, the Accelerator will build the business case at small-scale mines and among service providers for responsible practices that are well aligned with the interests of gold buyers, credit providers and investors.

During this design phase of the project, Solidaridad is inviting partners to support us in the project implementation. We are looking for visionary partners who want to accelerate good practices in the sector by thinking big and applying innovative models—and who believe that a market approach is the best long-term solution.
WHY THE ACCELERATOR IS INNOVATIVE

To date, most improvement projects in the small-scale mining sector have focused on interventions at the mine level. This is essential because it’s where the biggest impacts and opportunities for improvement are.

However, often the inputs, like knowledge, equipment and credit, that are needed by miners to improve their practices are not available in the local market.

Once miners who depend on support from grant funding complete an improvement programme, they may be left with no alternative but to turn back to local service providers and informal middlemen, who too often use exploitative terms.

So, when a grants-based improvement project ends, there’s a big chance that the improvement will end, too.

SOLIDARIDAD WANTS TO CHANGE THAT

We want to target our efforts on the main barriers to scaling up good practices in the small-scale sector to date: the lack of local services tailored to the miners’ needs and lack of access to long-term capital. If Solidaridad and our partners focus our attention here, together we can accelerate the speed and scale of good practices that are sustainable in every way.
Local entrepreneurs develop successful businesses to deliver the equipment, knowledge and financing to help small-scale miners work safer, cleaner, and more efficiently.

Small-scale miners operate responsibly in a formal sector because it is safer and more profitable to do so. They are willing to pay a fair rate for advisory services and cleaner equipment because they understand that these investments lead to higher revenue. They can operate responsibly into the future, independent of grants-based support.

Financial institutions give favorable terms to miners and service providers who commit to responsible practices because they see the potential for lower risks and higher returns. They like the fact that partnering with civil society and committed gold buyers reduces their risk.

They may invest first on a blended finance basis and then, over time, on regular commercial terms and via impact investment.

International gold buyers co-invest with civil society and public donors and as a result, can tap into a growing supply of verified, responsibly-produced gold from trusted business partners. Together, companies are able to align their purchasing for greater uptake and impact.

Civil society organizations like Solidaridad and its partners set up the framework and tools to support these changes. As the local market for better services develops, they can step back with confidence, knowing that with these market-based incentives in place, the improvements have the best chance to continue.

This leads to not only good practices at the mines, but also creates the context and drive for lasting, scalable change in mining regions and internationally.
UNTAPPED BUSINESS OPPORTUNITIES FOR RESPONSIBLE SERVICE PROVIDERS

### TECHNICAL SERVICES
- Licensing
- Access to land
- Estimation of reserves
- Financial management
- Basic management skills
- Certification

### EQUIPMENT FOR
- Exploration
- Extraction
- Mercury-free processing
- Transport

### SUSTAINABLE INPUTS
- Tools to measure resource use, impact
- Land use planning
- Environmental impact assessment
- Restoration / remediation / reclamation
- Information on shared value for ASM - LSM cooperation
- Recovery and processing of abandoned tailings
- Reforestation and timber for supports

### MARKET INFORMATION
- Introduction to buyers
- Apps / information technology
- Knowledge of buyer know-your-customer needs
- Off-setting negative social and environmental impacts
- Gold aggregation and trading
- Financial products

### WHAT DOES IT LOOK LIKE?
Solidaridad has proposed a working model of the Accelerator based on our experience in other sectors, such as oil palm and cocoa, where we have used similar approaches. The exact design is open to discussion among the partners up until July 2018, when we expect a full launch.

We propose that the Accelerator operate on two main levels:

1. **Incubators on the ground in gold-producing countries**
2. **An international platform for cooperation, linking, learning and knowledge exchange**
THE INCUBATOR: CORE OF THE ACCELERATOR APPROACH

Think of the incubator as a gold sector business academy. It will provide targeted business advisory services to promising entrepreneurs who match criteria set by the Accelerator team. The team and the entrepreneurs will work together to co-develop or grow an ongoing business.

In mining countries, the Accelerator will set up an incubator to deliver:

- Idea generation
- A laboratory for promising business concepts, including review of a business case
- A tailored package of business advisory services for participating entrepreneurs
- Capacity-building for small scale miners provided by the entrepreneurs
- Tailored assistance for women entrepreneurs
- Introductions between entrepreneurs and mines that have committed to responsible practices, for instance those that have participated in Solidaridad’s programme
- Introductions to third-party credit providers, such as impact investors and responsible mining funds

The incubator will operate on a grants basis to start, but over time it will shift to a blended finance model and eventually operate on an independent, for-profit basis.

The first incubator will be launched in Ghana in mid-2018, after this design phase is complete.

WHAT IS AN INCUBATOR?

Business incubators are organizations geared toward speeding up the growth and success of startup and early stage companies. They’re often a good path to capital from impact investors, and economic development coalitions using blended finance.

WHAT IS BLENDED FINANCE?

The complementary use of grants (or grant-equivalent instruments) and non-grant financing from private and/or public sources to provide financing on terms that would make projects financially viable and/or financially sustainable.
With additional investment, the Accelerator can also be piloted in other countries, starting in 2018 and beyond. Tanzania, Colombia and Peru are good options! In keeping with our ambitions for speed and scale, we plan to introduce incubators in a total of three countries by 2020.

Starting in 2019, other civil society organizations and private sector partners will be invited to join the Accelerator platform.

These organizations may work in other regions or with other mined materials.

Solidaridad plans to develop tools to guide participants in understanding the expectations and needs of international business partners. Our local and international partners will play an important role by sharing their expectations with us and by networking to help us tap into new resources.

The specific support that entrepreneurs will receive will depend on a skill profile that we develop together with them after reviewing their business plans. During the initial phase, the managers of the incubator will hire experts (local or international, if needed) to build the local capacity of the entrepreneurs on specific skills. Entrepreneurs may receive training on, for example, the following:

- Principles of responsible mining
- Best processing techniques
- Business case development
- Market expectations, including for international buyers
- Leadership
- Financial management and expectations of lenders
- How to market their services

**WHY GHANA?**

4 THE FOURTH LARGEST GOLD PRODUCER IN AFRICA

GHANA IS HOME TO OVER 1.1 MILLION SMALL-SCALE MINERS

TOGETHER THEY PRODUCE A THIRD OF THE COUNTRY’S GOLD EXPORTS

IT IS INVESTING IN BETTER MINERALS POLICIES FOR THE SMALL-SCALE SECTOR

GHANA IS ALSO A HUB FOR SOCIAL INNOVATION AND IMPACT FINANCE IN AFRICA

30 SOLIDARIDAD HAS SUPPORTED CLOSE TO 30 MINES IN GHANA SINCE 2012
INTERNATIONAL ACCELERATOR PLATFORM: AN OPPORTUNITY FOR LEARNING, LINKING AND EXCHANGE

At the international level, the Accelerator will include a platform for learning, linking and exchange among the partners. It will be a space to discuss points such as:

- How the Accelerator can facilitate gold purchasing
- Challenges and opportunities that might still need attention
- The best way to communicate with peers and the public about the Accelerator
- Progress and results

The exact structure of the platform will be open for discussion among co-founders of the Accelerator. We propose that it will be lean and flexible, initially operating together in 2017 - 2018 as a working group to refine the design of the Accelerator, primarily via email and quarterly calls.

To foster cross-sector cooperation, the working group will include Solidaridad plus one company each from each of the following sectors:

- Jewellery
- Electronics
- Financial
- Refining

We will also invite representatives of the participating entrepreneurs and miners to join at certain points. The founding partners may decide to invite other civil society organizations and knowledge institutes depending on the needs identified.

We plan to expand that group over time to reach even greater impact with speed and scale.

Starting in 2019, the working group could broaden into a “platform” that will be open to new participants, minerals and geographic scope. This may include, for instance, organizations working in other areas of the world that see potential to apply the Accelerator model.
Why focus on the services sector?

Many small-scale miners are dependent upon processors, local traders and other middlemen for the financing and equipment needed to start mining. It’s in the interests of the middlemen to foster the dependency and too often they use unfair and even exploitative terms. While the networks and relationships that middlemen bring are important, their work should add value and be done under fair terms. If it is, they can be good candidates to participate in the Accelerator.

Whether existing or new, if these local service providers receive support through the Accelerator, they have a virtually unlimited number of miners whom they can reach as they grow their businesses—greatly increasing the potential for scale and return on investment!
JOIN US!

THE ACCELERATOR IS AMBITIOUS. **WE CAN’T DO IT ALONE.**

WE NEED PARTNERS THAT WANT TO **BE PART OF THE NEXT GENERATION OF IMPROVEMENT FOR THE SECTOR.**

THE ACCELERATOR CAN SUCCEED ONLY IF OTHERS IN THE SECTOR JOIN US TO BUILD AND REFINE THE MODEL, MAKING SURE THAT IT MATCHES WELL WITH THE EXPECTATIONS OF THE MARKET.

IT IS AN OPPORTUNITY FOR VISIONARY PARTNERS WHO WANT TO DIRECTLY CONTRIBUTE TO THE MODEL BECAUSE THEY BELIEVE IN ITS POTENTIAL.
BENEFITS TO JOINING

- Be part of the next wave of innovation in sector improvement
- Develop lasting partnerships with responsible mines
- Greater access to a supply of gold that contributes to meaningful development
- Minimize the risks in your supply chain
- Develop communications around this compelling and innovative model

This is how you can help:

THOUGHT LEADERSHIP AND DIALOGUE

A lot of thought and learning has gone into the initial design of the Accelerator. Still, there are key areas where we need thought partners and co-designers.

The Accelerator is a market-based initiative, so it needs to work for the market. We want to hear what you need as a partner to make the Accelerator work for you.

The primary responsibility for regular management of the Accelerator will be with program staff. Partners will be asked at key milestones to contribute their thinking on high-level vision and strategy.
BUSINESS OPPORTUNITIES

Supply chain partners may be interested in co-investing in new ideas and businesses or possibly in licensing a promising new technology.

CO-INVESTMENT

Many stakeholders are frustrated at the slow pace of pilot projects in the sector and want to move faster. This requires targeted investment. Grants from governments and private foundations alone are not enough to build the speed and scale needed for real impact.

The Accelerator aims to combine funding from three sources during the first phase: public grants from governments; matching contributions from the private sector; and credit or investment via financial vehicles set up by third parties. The use of blended finance, plus the emphasis on proving a business case for responsible operation, means that your contributions lead to greater impact.

Solidaridad has already secured funding of €400,000 from the Dutch government. We plan to raise additional public and foundation funding that will leverage this amount. First, we need secured commitment from our partners.

How much are we talking about?
Depending upon the scale that the partners want to achieve, the investment may range from €75,000 - 250,000 per year over the next three years. Importantly, in-kind contributions of time do count, and they are an essential ingredient in the Accelerator.

COMMUNICATIONS

When timed well, spreading the word about the work that we are doing together is important. It helps to increase the likelihood of gaining greater support, whether from customers, policymakers or peers in the sector. There are many creative ways to tell this compelling and innovative story. We expect to develop key messaging and agree on guidelines with partners in 2018.
ABOUT SOLIDARIDAD

Solidaridad is an international civil society organization with more than 45 years of global experience in transitioning supply chains from conventional to fully responsible production. Solidaridad works across 13 supply chains and operates through 9 regional offices on 5 continents. Solidaridad is already using models like the Accelerator in the cocoa and palm sectors, so we bring a lot of experience.

Since 2006, Solidaridad’s global Gold Programme has been active in over 50 mining communities across 8 countries: Peru, Bolivia, Colombia, Ghana, Argentina, Tanzania, Kenya, and Uganda. Our team brings a twelve-year track record and was one of the earliest supporters of Oro Verde, the Alliance for Responsible Mining, and the development of the Fairtrade and Fairmined standards for ASM.

www.solidaridadnetwork.org