



The Trafigura Foundation

TRAFIGURA FOUNDATION-SDC COLLABORATION IN MONGOLIA - CASE STUDY
27th June 2019



ABOUT THE TRAFIGURA FOUNDATION (TF)



- **Grant-making corporate foundation** created by Trafigura, a leading independent commodity trading and logistics house
- **Our action (2018):**
 - 42 programmes funded in 30 countries
 - USD 6.5 M disbursed
- **Our strategic focus** : Fair And Sustainable Employment & **Clean and Safe Supply Chains**

ARTISANAL MINING IN MONGOLIA & ASM-NF

CONTEXT

- 1999 – 2002 : three dzud hitting Mongolian herders
- 11 Million animals were lost and herders lost their incomes
- Artisanal Mining (ASM) became main alternative source of income in rural areas
- 2003: Gold price entered an upward trend
- Even more people were lured into ASM
– up to **100,000 people (20% of rural population)**



GENESIS

- SDC to establish Sustainable Artisanal Mining Project (SAM Project) in 2005
- SAM Project built on SDC's experience in ASM projects in Ecuador, Bolivia and Peru
- SAM Project to establish ASM-NF in 2013
- ASM-NF (NF) to help formalise Artisanal and Small scale Mining (ASM) and develop their practices.

ASM-NF SITUATION IN 2018

- Strong legal expertise ASM sector in Mongolia
- Important network of members organisations and individual miners
- Active in the field of environmental remediation, human right issues, HSE, development of new business models (Fairmined) and alternative livelihoods
- Fully funded and operationally supported by SDC
- SAM Project reaches an end, and therefore progressively phasing out in 2019

BEGINNING OF A PARTNERSHIP

HOW WE CAME IN

- Early 2018: we reached out to SAM Project to evaluate needs in the ASM fields in Mongolia
- SAM Project executive team introduced us to NF
- Site visit of ASMers and evaluation and the National Federation needs and capacity
- Co-design of a programme proposal with 3 parties: National Federation, SAM Project and Trafigura Foundation



TF GENERAL STRATEGY

- 2 to 3 phases defined:
 - Phase 1 – 12 Months - TF phase in and evaluation of relevance and attractiveness
 - Phase 2 - 24 to 36 Months – core support
 - Phase 3 – 12 to 36 Months - TF phase out
- Each phase is subject to proper evaluation and validation from TF Board
- Objectives for new incomes strategies (donors, membership fee, services etc..) to be defined
- Each phase is associate with a “tail” to allow the NF react in case we decide not to proceed forward

CURRENT STATUS

PHASE 1 – Phase in Trafigura Foundation

- Core activities
- Development of outreach capacity through funding of a *“Donor Relations and Fundraising Manager”*
- Administrative costs (12 + 6 months)
- External consultancy (Levin Sources) to evaluate relevance and attractiveness of the organisation and give strategic guidelines for future developments.

BENEFITS (SO FAR)

- Strong structure and documentation
- Limited risk during phase 1
- On site “eyes and hears”
- Progressive empowerment of the organisation

PHASE 1 – Phase out SAM Project

- National Federation capacity building
- Development of outreach capacity through Participation to key conferences.
- Administrative costs
- Seed funding for microfinance fund → future additional service & source of income for the National Federation

DIFFICULTIES (SO FAR)

- Strategic leapfrog for the organisation (to go from one single donor highly implicated on the operation to several type of income with remote donors with limited operational support)
- Amalgam of ASM-NF and SAM Project by local authorities
- Staff turn-over



The Trafigura Foundation

www.trafigurafoundation.org

