

WELCOME TO OUR NEWSLETTER!



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Welcome to the first edition of our newsletter! This is the first of what is going to be a series of regular updates on network achievements and news from the Alliance for Responsible Mining (ARM). The newsletter will be published several times a year and distributed internationally among miners and local support organizations that we work with. This time we will fill you in on what has happened in 2012 and provide you with an update on our work on the market side. The market update will be a regular piece featured in every newsletter. In this edition you will also find an article by Gonzaga Mungai, Gold Coordinator of the project to extend Fairtrade & Fairmined gold to East Africa.

WHY THIS NEWSLETTER?

Because we are not able to visit all mines and projects every year and we are based in Colombia far from many of you, this is our new way of staying in closer contact with you, who are the reason behind our mission. In ARM our work revolves around three main areas. 1. We support artisanal miners in adopting responsible mining practices. 2. We develop standards like the Fairtrade & Fairmined standard and 3. We do advocacy and communications work on a global level to promote the inclusion of the ASM sector and miners participation in global decision-making. All this we do because we believe it is possible for ASM to be a socially and environmentally responsible activity that contributes to local development and wellbeing. We work closely with local support organizations and together we promote the exchange of knowledge and experiences. We also search for partners that share our vision of transforming ASM and want to support miners worldwide.

WHAT DID WE ACHIEVE IN 2012?

2012 was as every year a busy time in ARM. Our organization has grown both in terms of new staff members and projects worldwide. We have held and participated in various workshops, visited mining communities, found new partners and new projects, and launched various initiatives to facilitate the export of Fairtrade & Fairmined gold. This year we once again advocated on behalf of the world's

ASM miners in global initiatives to make sure that the voices of miners are heard when decisions are made that affect them. In the Global Mercury Partnership led by the United Nations Environmental Program (UNEP) we participated in the "Intergovernmental Negotiating Committee to prepare a global legally binding instrument on mercury". We advocated for the gradual reduction of mercury use instead of an immediate ban as sought by many countries and organizations. This month the final negotiations took place and an instrument to reduce mercury was agreed upon. It is now to be signed and implemented by the national governments.

We also participated in the OECD forums on implementation of Due Diligence in the gold supply chain. The OECD Due Diligence Guidance are recommendations for global responsible supply chains of minerals to help companies respect human rights and avoid contributing to conflict when they buy minerals. We participated to ensure that concrete implementation mechanisms are identified so that the Guidance will have the intended positive effect on ASM communities in conflict areas.

This was the very short version of the story of 2012. In 2013 we will continue our work and we thank you all for being a part of this global initiative. By sharing knowledge and experiences across continents we can help each other on the road to making ASM a good and sustainable activity for all.

An especially big thanks goes to AMICHOCÓ, ASOMIRCOL, Cumbre del Sajama, Environmental Women in Action for Development, Gonzaga Mungai, MTL Consulting, Red Social and Solidaridad Kenya for all their hard work and their help in distributing this newsletter.



We dedicate this first newsletter to the memory of miner René Mamani Pinto, President of the Cotapata Cooperative in Bolivia. René will always be admired for his commitment and dedication, and we thank him for believing in our initiative and for his hard work in Cotapata, which became the first Fairtrade & Fairmined certified miners' organization in the world under his leadership.

ACTIVITIES AND ACHIEVEMENTS 2012



October

Second Annual Regional Workshop for the Latinamerican Network.

September

The Responsible Jewellery Council (RJC) Recognizes Section A of the Fairtrade & Fairmined Standard as a "Responsible Mining Standard".



July

ARM begins collaboration with the Sustainable Artisanal Mining Project (SAM) in Mongolia.

May

Start-up Workshop in Ouagadougou, Burkina Faso, for a three year project to establish a Fairtrade & Fairmined gold supply chain and reduction of mercury use in ASM in Burkina Faso, Mali, Senegal and with UNIDO.



April

ARM participates in the OECD Forum on implementation of Due Diligence in the gold supply chain.

January

The Colombian Community Council of Tadó ASOCASAN get certified. They produce Fairtrade & Fairmined *ecological* gold and platinum which means they do not use any chemicals.

November

ARM participates in the OECD, UN and ICGLR Forum on Implementation of Due Diligence for Responsible Sourcing.

November

Fairtrade & Fairmined Gold goes on sale in Luxembourg.

August

Workshop in Nairobi for initiation of the project in Kenya, Tanzania and Uganda to extend the Fairtrade & Fairmined gold to East Africa.



June

ARM participates in the fourth session of the Intergovernmental Negotiating Committee to prepare a global legally binding instrument on Mercury (INC4).



May

The Peruvian mining company AURELSA get certified.



May

Fairtrade & Fairmined Gold goes on sale in the Netherlands.

April

First annual workshop for the Latinamerican Network in Santa Fe de Antioquia, Colombia.

February

Fairtrade & Fairmined Gold's first birthday.



UPDATE ON THE INTERNATIONAL FAIR TRADE MARKETS



by Kenneth Porter
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In 2011, the first year that Fairtrade & Fairmined gold went on sale, the Artisanal and Small-scale Mining Organizations (ASMOs) completed sales of 25 kilograms of gold producing \$123,000 USD in Premium. For the first two quarters of 2012 FLO-CERT has reported sales of 9.34 kilograms of certified gold, generating a premium of \$49 372 USD. As a result of the elevated price of gold, demand from the jewellery market has decreased significantly in recent years and in response, FLO and ARM have had to adapt their market strategies.

FLO, the organization responsible for creating the demand and managing the market side of operations (ARM manages supply side) focused their 2012 marketing strategy on expanding to new countries and targeting sales of wedding rings. In 2012 FTFM gold was officially launched in three new markets; Scandinavia, Holland and Luxembourg. Now there are over 50 licensed traders and retailers with hundreds more sharing interest. For 2013 the plan is to launch gold in the markets of the United States, Germany, Japan and Korea.

To increase market opportunities for ASMOs, ARM is developing several new strategies. We are exploring an agreement with several large jewelers, for them to buy all of the production of gold from the certified mines as part of their Corporate Social Responsibility (CSR) plans. This is a great opportunity for the ASMOs to be able to sell their gold production to the Fairtrade Fairmined system, generating income through the premium. Additionally ARM is investigating the opportunity to enter into the gold financial markets, which is a growing market and offers potentially large sales volumes.

HOW TO SUCCEED: THE IMPORTANCE OF EXPORTING AND COMMUNICATIONS

If the ASMOs want to maximize their sales opportunities in the international markets of Fairtrade they have to ensure that they have an established, efficient and reliable export route and supply chain. Below are two important aspects:

Communications: You must have someone dedicated to managing communications with potential clients. This requires someone who speaks English and can answer emails and inquiries from buyers in an efficient manner, responding within 24 hours and with clear answers to all their questions. If your ASMO does not have someone trained who can dedicate their time to this important task, you will need to identify someone else who can, but you must not neglect this important role. In the long term it would be good to empower someone within the organization with these skills.

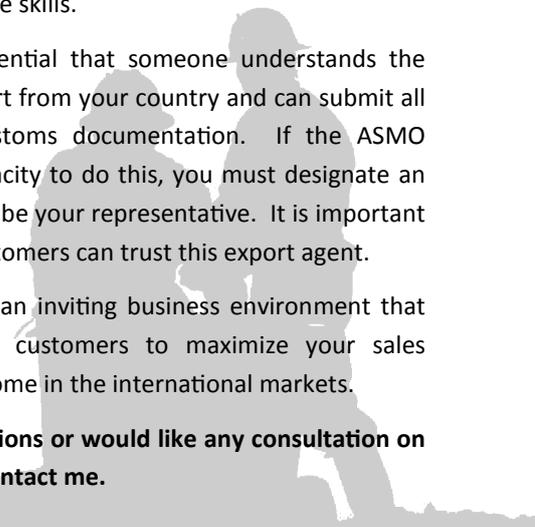
Exporting: It is essential that someone understands the requirements to export from your country and can submit all of the necessary customs documentation. If the ASMO doesn't have the capacity to do this, you must designate an export agent who can be your representative. It is important that you and your customers can trust this export agent.

The goal is to create an inviting business environment that instills confidence in customers to maximize your sales opportunities and income in the international markets.

If you have any questions or would like any consultation on these issues please contact me.



Gold from the Bolivian Mining Cooperative Rayo Rojo





by Gonzaga Mungai
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In East Africa, an initiative to promote the formalization of artisanal and small-scale mining (ASM) and extend the benefits of Fairtrade & Fairmined Gold to Africa has started in a collaborative project by Fairtrade Africa, Fairtrade Foundation UK, Alliance for Responsible Mining, Solidaridad Netherlands and 3 local support NGOs, namely Solidaridad Kenya, MTL Consulting Tanzania and EWAD Uganda.

A regional meeting was held in Kisumu in August 2012, where in attendance were all the project partners, selected ASM Leaders and representatives from East Africa, and other regions in Africa and South America. Some government representatives, mining experts and traders also attended the meeting which formed the basis of induction to the Fairtrade & Fairmined standard and inception of the project in Africa.

The project is working in 8 Mining Organisations namely: Golden Hainga Njombo & Partners, Umoja Lwamgasa Saccos (ULS) and Nsangano Gold Mine Project (NGM) in

Tanzania's Geita Region; Micodepro Development Group and Lolgorian Artisanal Miners Association in Kenya's Migori and

Transmara regions respectively; Busia United Artisanal And Small Scale Mining Group in Ugandas Busia region. The common challenges facing Artisanal Mines in these areas include: environmental and human health concerns from exposure to mercury, poor working conditions, use of child labour and lack of fair markets for their gold minerals.



By the end of the 3 year period, the project aims to bring the benefits of Fairtrade & Fairmined certification to 1100 small-scale gold miners; to create an African knowledge network that promotes responsible ASM practices; to Influence key stakeholders in governmental and non-governmental sectors to promote responsible ASM; to influence European jewelers to commit to sourcing Fairtrade & Fairmined gold from Africa; and to increase the awareness of mostly European consumers in the UK and NL on ethical and Fairtrade issues related to gold.

Thank you for reading! What do you think should be the name of this newsletter? Share your ideas by sending us an email to Siri at siriteilmann@communitymining.org.

All contributions to the newsletter are welcome. If you have a story or some photos you want to share with the network please also send it to Siri or pass it on to your local support organization, and we will try to include it in the following newsletter.

If you have any requests in terms of the content or special ARM activities you would like to know more about, feel free to suggest topics as well. The deadline for contributions is April 1 2013.

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