



ANNUAL 2014 REPORT



ALLIANCE FOR
RESPONSIBLE MINING



A glimpse of 2014



JULY



Our **Capacity Building Center** certifies the **first generation** of **FAIRMINED TRAINERS**

AUGUST



AURELSA renew their certification. They become the **first organization** to certify under the **FAIRMINED STANDARD V.2.0**

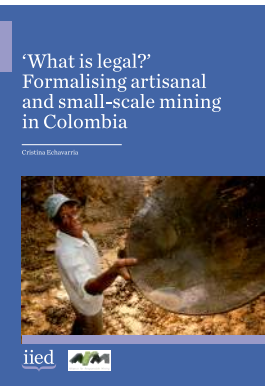
OCTOBER

Metalor joins the group of Fairmined refiners expanding the offer of **FAIRMINED GOLD** in Europe



©Eduardo Martino

OCTOBER



We release a **new publication** with the IIED: **'What is legal?'** Formalising artisanal and small-scale mining in Colombia

JULY

AUGUST

SEPTEMBER

OCTOBER

NOVEMBER

SEPTEMBER



©Bario Neal

We engage in a partnership with **Ethical Metalsmiths** to raise awareness on **FAIRMINED GOLD** in the US

SEPTEMBER



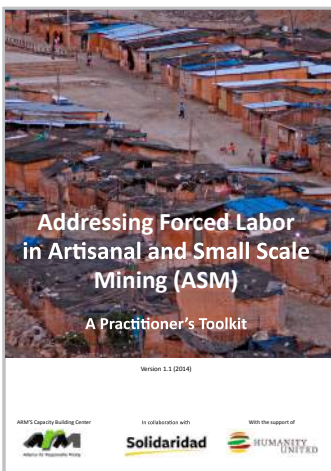
We announce a new **FAIRMINED CERTIFIED ORGANIZATION**: The **Iquira Cooperative** from Colombia.

NOVEMBER



Peruvian small, medium and large mining companies come together to discuss formalization in **the Gold Dialogues** in Lima, Peru

NOVEMBER



We publish a new toolkit to address forced labor in ASM

A glimpse of 2014

NOVEMBER



Our annual **workshop offers** testimony to the **transfer of best practices** in Colombia

DECEMBER

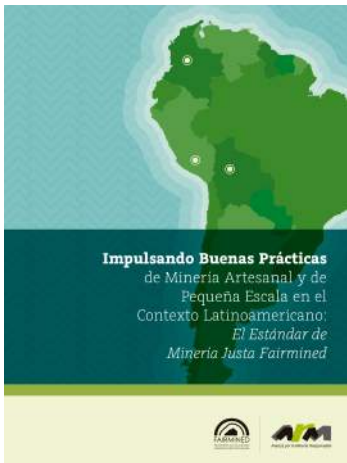


We celebrate having reached **58 brands supporting miners** through their use of **FAIRMINED GOLD**

NOVEMBER

DECEMBER

DECEMBER



We release a **new publication** inviting all actors to join the transformation of ASM through the **FAIRMINED STANDARD**

DECEMBER



We decide to give ourselves a **MAKE OVER!**



Message from the **Executive Director**



It is a pleasure for me to present this annual report for 2014. While last year we focused on pushing forward the Fairmined initiative and prioritizing our work in the market, this year was characterized by a harmonious development between the different areas of work within the organization. Two organizations certified under the Fairmined Standard v. 2.0 and sales of Fairmined Gold rose 500% compared to the last year.

In Mining Services we are actively working with mining organizations in Colombia, Peru, Bolivia, Burkina Faso and Senegal benefiting about 4,700 miners and their families. 13 mines are working towards Fairmined Certification, and we have a portfolio of 43 potential organizations. Projects such as Somos Tesoro and the ARM-IDB-MIF project have allowed us to significantly strengthen our services to the miners. We have eased the model of how we work with local allies in order to address needs for expansion and quality. We are actively diversifying local partners so as to provide specialized high-quality service to the miners who are committed to social and environmental responsibility. This approach enabled us to expand from five to 13 miners support allies, three of them in Africa.

Our Capacity Building Center continued to develop its portfolio and began validation of its learning methodologies through the training of 25 Fairmined Trainers. The coming years will require investment in the development of the social business model and active promotion of the Center as a flexible tool that can level knowledge and skills to provide technical assistance to the sector.

In 2014, we maintained a strong level of participation in the policy and voluntary frameworks that affect the sector. We actively promoted the presence of miners the OECD-organized events on conflict minerals and participated in several OECD working committees. In partnership with Resolve, we activated the CAPAZ program in Colombia, which seeks to establish traceable supply chains that contribute to peace and the adoption of industry-best practices. In the Democratic Republic of Congo, we participated in a consultancy for the International Organization for Migration and USAID to make recommendations

towards the establishment of new responsible supply chains. Our mission to stimulate constructive dialogue in the sector included activities such as introducing alternative methods to ensure the progressive reduction of mercury connected to the Minamata Convention, our Gold Dialogues in Peru and participation in the permanent round table dialogues of AVINA Colombia and EITI.

In the Standards and Certification area it is worth noting that we expect the implementation of the Fairmined Information System will simplify reporting for Fairmined miners, traders and buyers. Also, we are moving forward in the standardization of the audit processes with IMOSwiss AG and SCS Global Services.

Ultimately, all these efforts were rewarded by a significant increase in the impact of Fairmined. Throughout the year, 123.6 kilos of gold were sold from the three Fairmined certified organizations. The smaller certified mines, Iquira and AURELSA, sold about 75% of available supply under the Fairmined Label. This is key in terms of positive impact in the smaller mines. The Fairmined Premium returned to the mines amounted to about half a million dollars, all made possible thanks to the commitment of 58 Fairmined Operators and Licensees, among which Chopard and Kering should be recognized for the level of their purchases. The coordinated work with Ethical Metalsmiths and Hoover & Strong has allowed an interesting projection in the American market that should grow in the coming years.

All this was possible thanks to a team committed with their brains and hearts. We had a team of 31 people and 7 volunteers who helped with various projects in 2014. Despite a heavy workload, the rate of job satisfaction in ARM is 88.7%, which demonstrates that happy and committed employees is perhaps our greatest asset as an organization. The Board of Directors also deserves special recognition for their active presence, strategic direction and pro-bono dedication.

I hope this summary has inspired you with the same optimism we feel about the future of ARM as an organization and the opportunities for Fairmined and other projects to promote a positive transformation of small-scale mining of gold in the world.

We have done so much, but there is much more to do!

A handwritten signature in black ink, appearing to read 'Lina Villa-Córdoba'.

Lina Villa-Córdoba
Executive Director

¿What we do and why we do it?

At the Alliance for Responsible Mining, we work to transform artisanal and small-scale mining into a socially and environmentally responsible activity that improves the quality of life of artisanal miners, their families and communities. Through the Fairmined Standard and our support, miners are able to produce Fairmined certified metals and gain access to responsible supply chains. We support miners in making a real change in the way they run their businesses and support their local communities.

Transforming artisanal and small-scale mining is a complex challenges that requires holistic solutions. Our work is not about charity, but about empowering these entrepreneurs in reaching their goal of becoming a responsible, sustainable and included part of the industry. We give technical support to miners on the ground to reach that goal through projects in Latin America and Africa. Creating local capacity and support for responsible miners is fundamental if we want to multiply the effect of our work and best practices in ASM. Through our capacity building center, we develop toolkits and train professionals working with ASM.

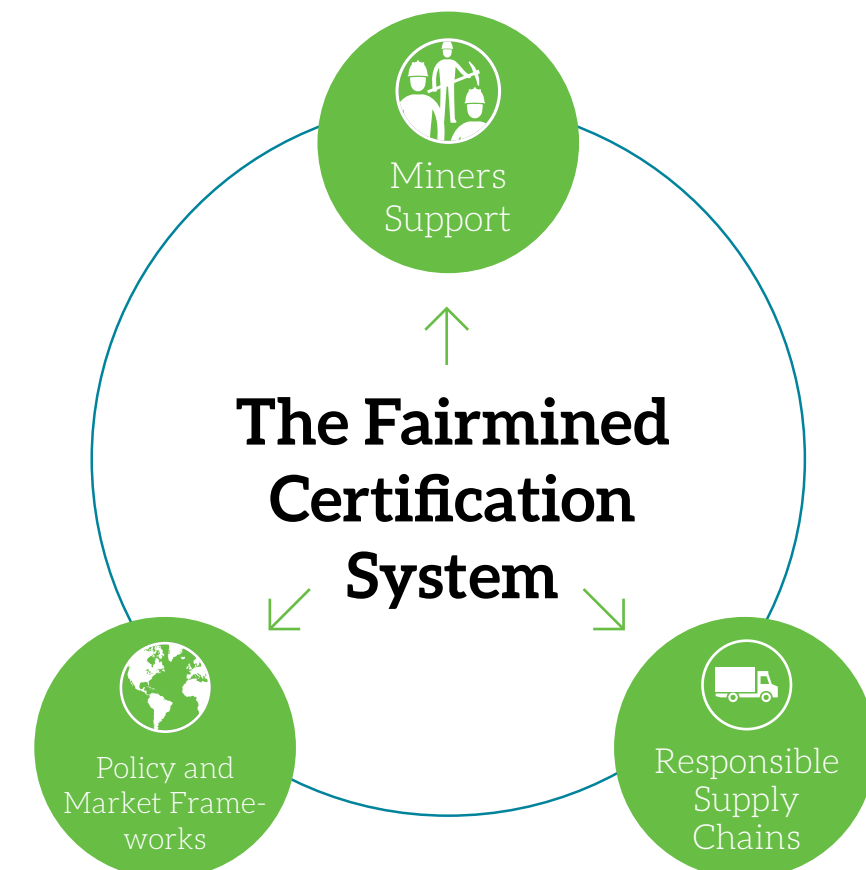
We also work for the recognition and understanding of ASM and its main challenges promoting inclusive legal frameworks on the national and global level. We believe that the voice of the miners should be heard, and we work to enable their participation in discussions and legislative processes that affect them and their activity.

The Fairmined Standard and Certification System is in the center of our efforts, to which everything else is related and supported. It is a rigorous, third party certification system that ensures that ASM miners formalize while meeting world-leading standards for responsible practices. The Fairmined Standard includes a set of requirements to guarantee legality of operations, environmental protection, fair labor conditions, social development and to assure the gold is traceable and conflict free.

In early 2014, the Fairmined Standard V. 2.0 replaced previous versions. With the changes made in 2013 based on an extensive consultation process, the Fairmined Certification System was made more accessible and sustainable for both miners and market players to increase its impact and to reach more ASM families around the world.

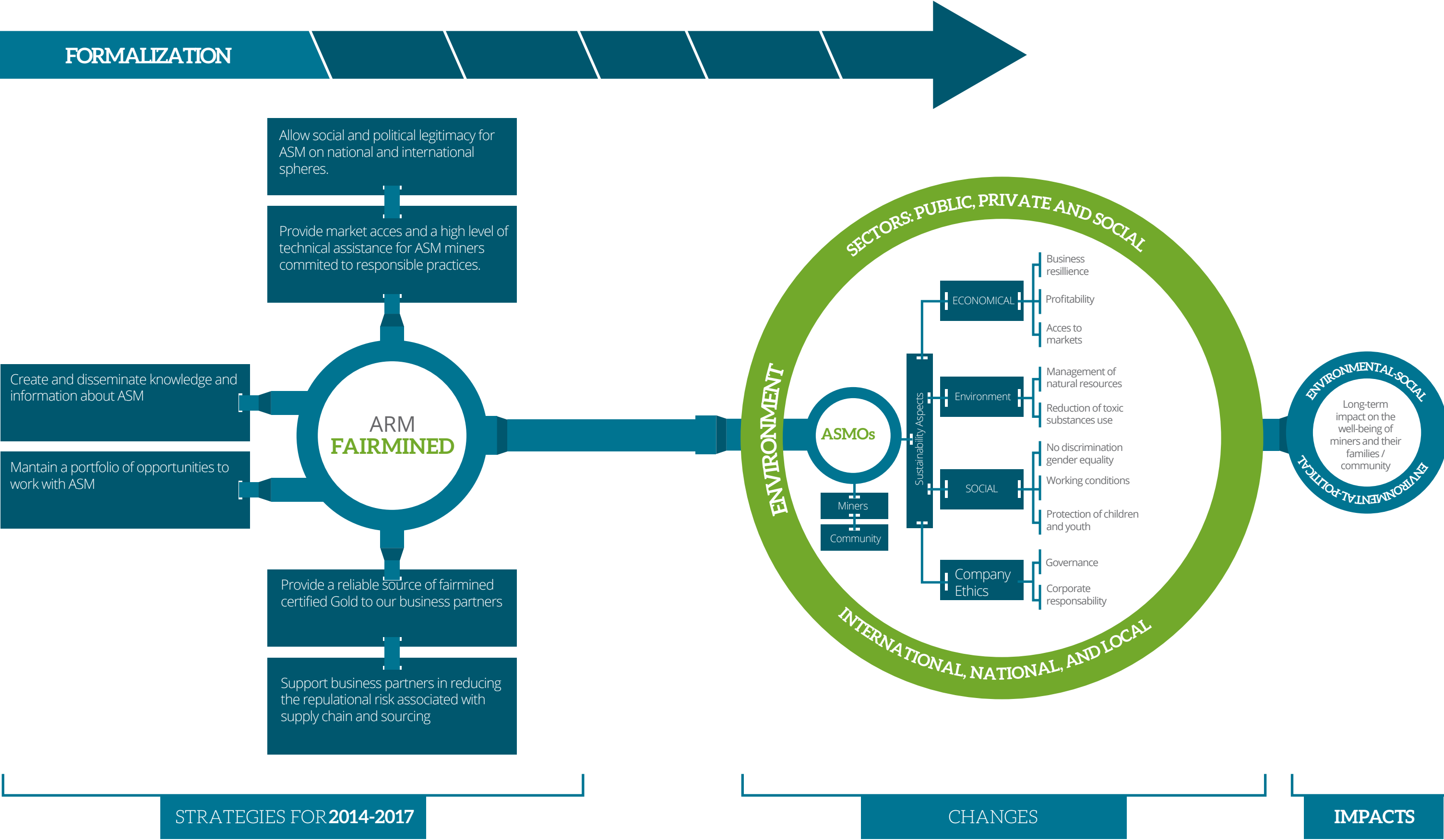
In 2014, AURELSA was the first organization to certify under Version 2 of the Standard when the company renewed its certification. They were closely followed by the Iquira Cooperative of Colombia, a mining organization new to the Fairmined System and supported by our IDB-MIF project.

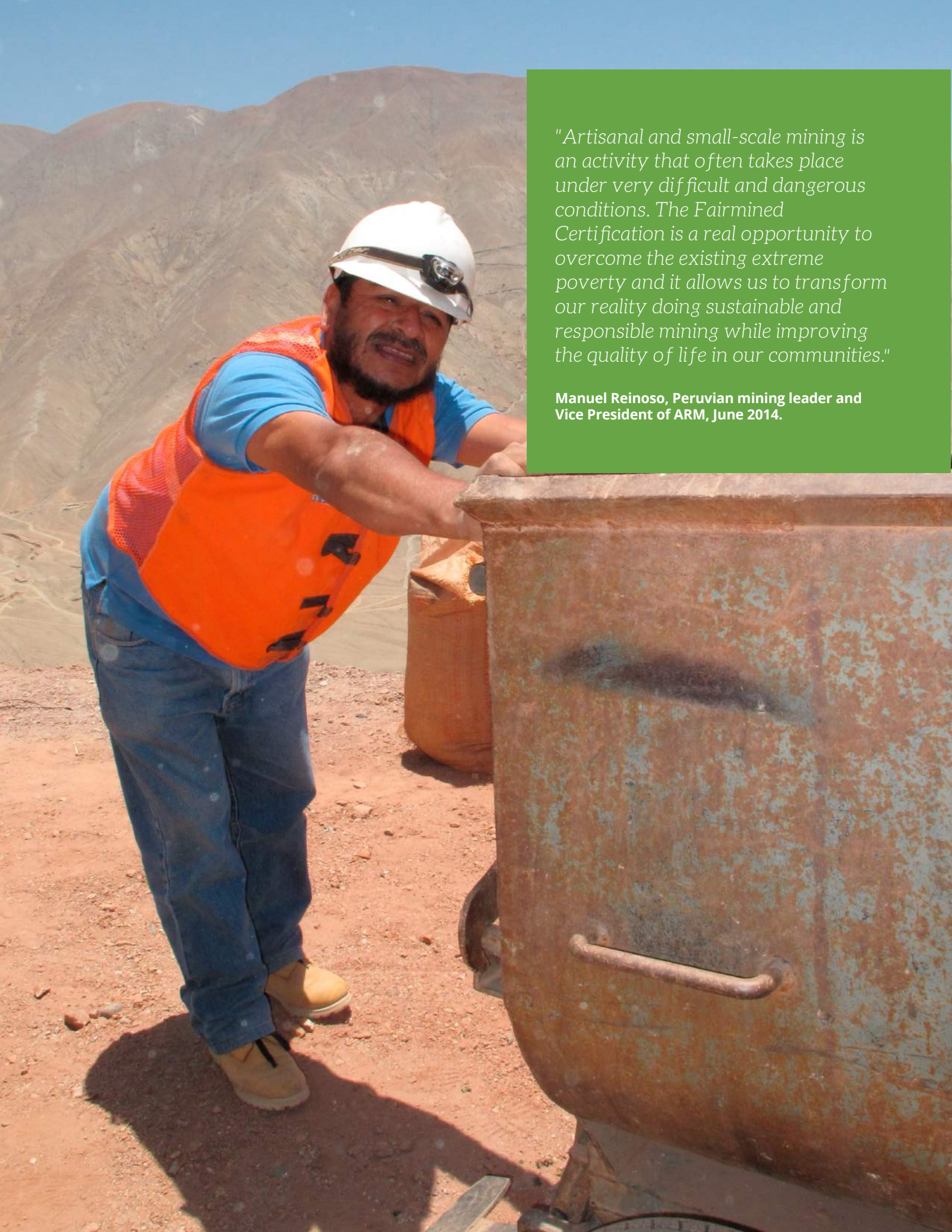
With the new version of the Fairmined Standard, and a strong partnership with two internationally recognized assurance bodies, IMOSwiss AG and SCS Global Services, ARM has continued building a robust and customer friendly certification system. An ISEAL Subscriber, ARM is aligning its procedures with the ISEAL Codes of Good Practice.





Our theory of change





"Artisanal and small-scale mining is an activity that often takes place under very difficult and dangerous conditions. The Fairmined Certification is a real opportunity to overcome the existing extreme poverty and it allows us to transform our reality doing sustainable and responsible mining while improving the quality of life in our communities."

Manuel Reinoso, Peruvian mining leader and Vice President of ARM, June 2014.

We work with:



Do you want to know more?
Check out our interactive map on responsiblemines.org



2 mining organizations working towards Fairmined Certification in Senegal



2 mining organizations working towards Fairmined Certification in Burkina Faso



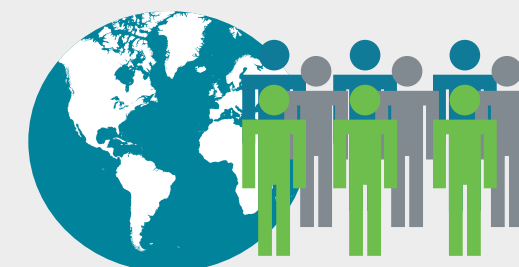
21 mining organizations working towards Fairmined Certification in Bolivia, Colombia and Peru.

13 Miners
Support Allies



58

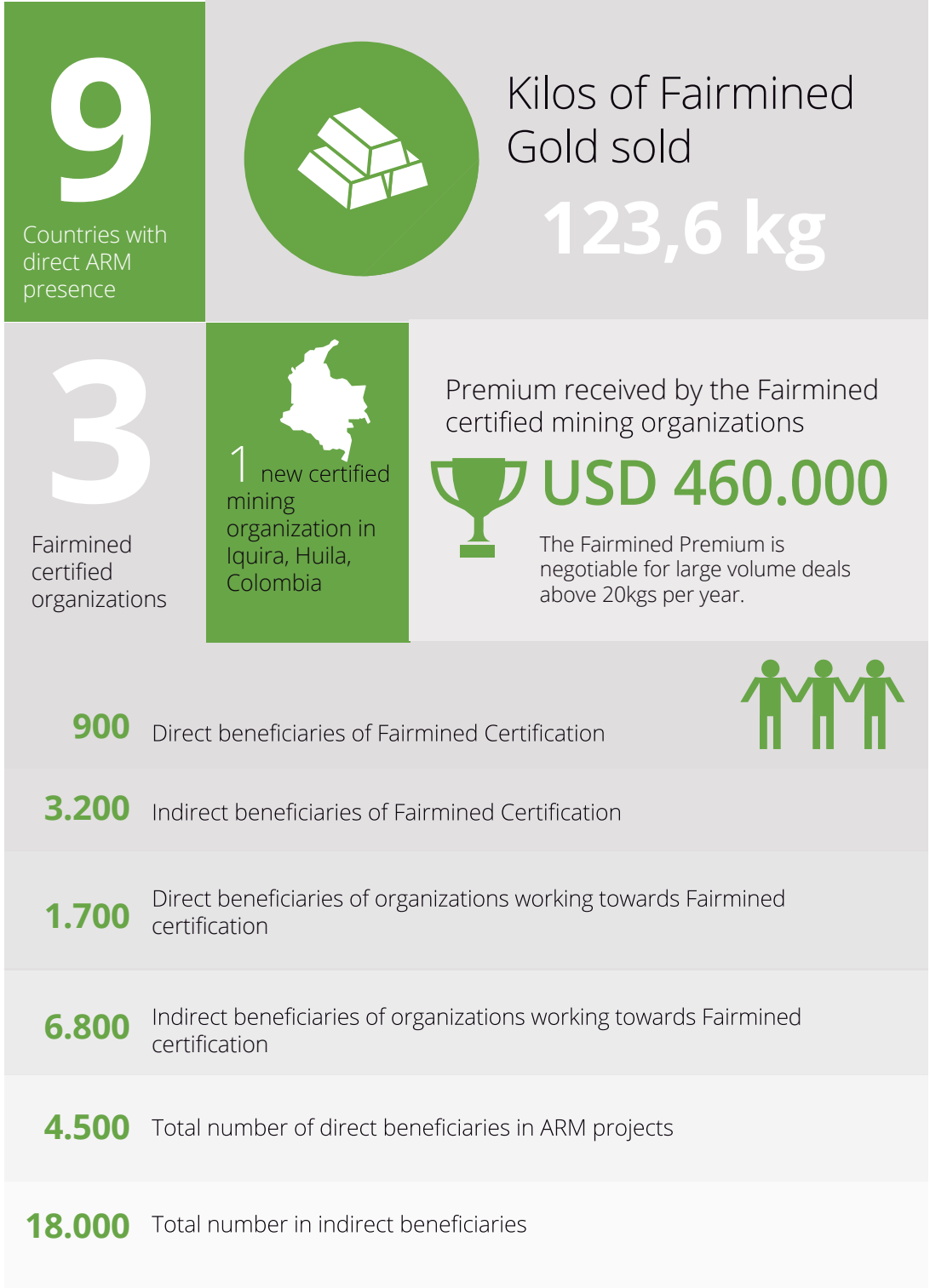
Licensees and Operators in 13 countries and 4 continents



Strategic Partners worldwide

Generating impact

2014's numbers and other important milestones on the journey towards responsible ASM



Other highlights

We successfully promoted safer mercury use in the highly contaminated Southern part of the Bolívar department of Colombia

We supported the establishment of the first artisanal mining cooperative in Burkina Faso.



HARD ROCK MINING

Certified august 2014 with the support of the IDB-MIF.

“We are very happy that we have achieved certification. A long time ago, we started organizing and making a lot of effort to be a responsible organization. I want to thank the ARM team, who has advised us very well, and the cooperative because all members did their part for us to be able to accomplish what we have achieved today.”

José Ignacio Pérez, legal representative of the Íquira Cooperative, September 2014

“The cooperative is characterized by the strength and unity of their organization and by the seriousness and timeliness they put into complying with the corrective measures within the agreed timeframe. In the closing meeting of the audit, the cooperative members accepted their shortcomings in a very honest way and pledged to correct them. This is why it was possible to grant them the certification in such a short amount of time”.

Teresa Blanco, Auditor, IMOSwissAG, October 2014

The Íquira Cooperative

27

Male members

4

Female members

57

Male employees

1

Female employees

89

Total Number of workers and/or partners



Connecting miners and markets

2014 proved to be the most successful year in the history of the Fairmined in terms of gold industry actors supporting the responsible practices of artisanal and small-scale mining organizations and generating real impact for certified miners. Sales of Fairmined certified gold grew 500% in 2014 compared to 2013. With growing awareness around the issues with gold sourcing, more businesses within the various gold industries (jewelry, electronics and finance) were looking for sources of responsibly mined gold. Still, sales represent a metaphorical drop in the bucket compared to its potential. With over 25 organizations working towards Fairmined certification and an always expanding pipeline, many more brands and business can join to increase the positive impact in responsible mining communities.

Moving in on new market sectors



2014 turned out to be the year when the financial industry for the first time showed public commitment to supporting Fairmined miners. A dream was realized with the launch of commemorative coins of certified gold from AURELSA and SOTRAMI in Peru from the Central Bank of Luxembourg in celebration of the birthday of Gran Duque Henri of Luxembourg. Throughout the history of mankind, gold coins have symbolically represented gold's role in the global economic order, and the

miners were proud of the recognition of their work by one of the financial capitals of the world.

The coin was not only a recognition of gold's economic value, but also of the social and environmental value it generates - an important achievement for the responsible ASM miners of Peru that struggle to be recognized as legitimate actors in the sector and contributors to local development. This event enabled the miners to advance on their national agenda. Leveraging on the international recognition of the Fairmined certified Peruvian mining companies they directed themselves at President Ollanta Humala through an official letter to share their success. The coin was launched in partnership with Fairtrade Luxembourg.

“For AURELSA it is a big honor that the coin of the Gran Duque of Luxembourg has been produced with Fairmined certified gold from the Peruvian artisanal miners of AURELSA. We want to be an example that motivates other artisanal miners in the world and show them that they can be Fairmined certified as well with their commitment and responsibility.”

Rosa Maria Reyes Pajuelo, General Manager AURELSA, June 2014



Our partnership with **Chopard** showed even greater results in 2014 than in its first year. The first **Fairmined Grand Complication watch** created by **Chopard** opened up a new market segment for Fairmined miners. Traditionally used in women’s jewelry, **Fairmined Gold** now broke new ground and showed watch makers of the world that using gold from responsible artisanal and small-scale miners is a real opportunity.



©Chopard

During the **Cannes Film Festival**, responsible artisanal miners were celebrated once again when Chopard presented the first Palme d’Or made in Fairmined gold.

Chopard continues to be our flagship corporate partner sourcing Fairmined Gold and supporting mining organizations on their way to certification. This holistic approach to engaging with ASM is an ideal partnership as it provides the market incentive the certified miners need to prove there is demand for responsibly mined gold with a premium, and also allows the benefits of the **Fairmined Standard** to be expanded to reach more miners.



©Chopard

La primera Palma de Oro hecha con
ORO FAIRMINED

Another milestone was achieved when Kering showed its commitment to generating change in ASM when they made the biggest single purchase of Fairmined Gold to date through one of the leading refiners in the world, Metalor, who joined the Fairmined Initiative in 2014.



Port Clinton Art Festival
FAIRMINED COLLECTION

Fairmined with the consumers

It is not only the bigger brands that make a difference. In 2014, 20 new brands of different sizes joined the Fairmined Initiative. We are lucky to engage jewelers who are committed to telling the Fairmined story to their customers and spread the word among other ethical jewelers. These jewelers are the ones that tell their customers on a daily basis why Fairmined is the best choice not only for them, but also for the miners.

We signed a formal agreement with Ethical Metalsmiths (EM) in September 2014 to raise awareness on the positive impact of Fairmined gold and connect ethical jewelers with Fairmined certified mining organizations in the US. ARM and EM

will focus on bringing more players into the Fairmined System and on working closely with jewelers to create broader awareness around responsible sourcing and Fairmined Certification. We will also actively increase jewelers' access to Fairmined Gold and build relationships between miners and jewelers to increase market access and generate positive, measurable benefits to artisanal and small-scale mining communities.



"The Alliance for Responsible Mining and the Fairmined certified miners like AURELSA are committed, professional and visionary. By qualifying responsible, formal, artisanal and small-scale miners with the capacity to access the U.S. market, ARM is mine-by-mine transforming the way we think about artisanal mining and is empowering these model communities to show the world what they are capable of."

Christina Miller, Executive Director of Ethical Metalsmiths, September 2014.



Closing **2014**, Fairmined counts 53 licensees and 5 operators working with **GOLD TO BE PROUD OF.**

Fairmined was also active in opening market opportunities for the miners and stimulating demand for certified gold. We attended various key industry events such as JCK Las Vegas, BaselWorld, and the IAC Gold Conference in New York.

Operators

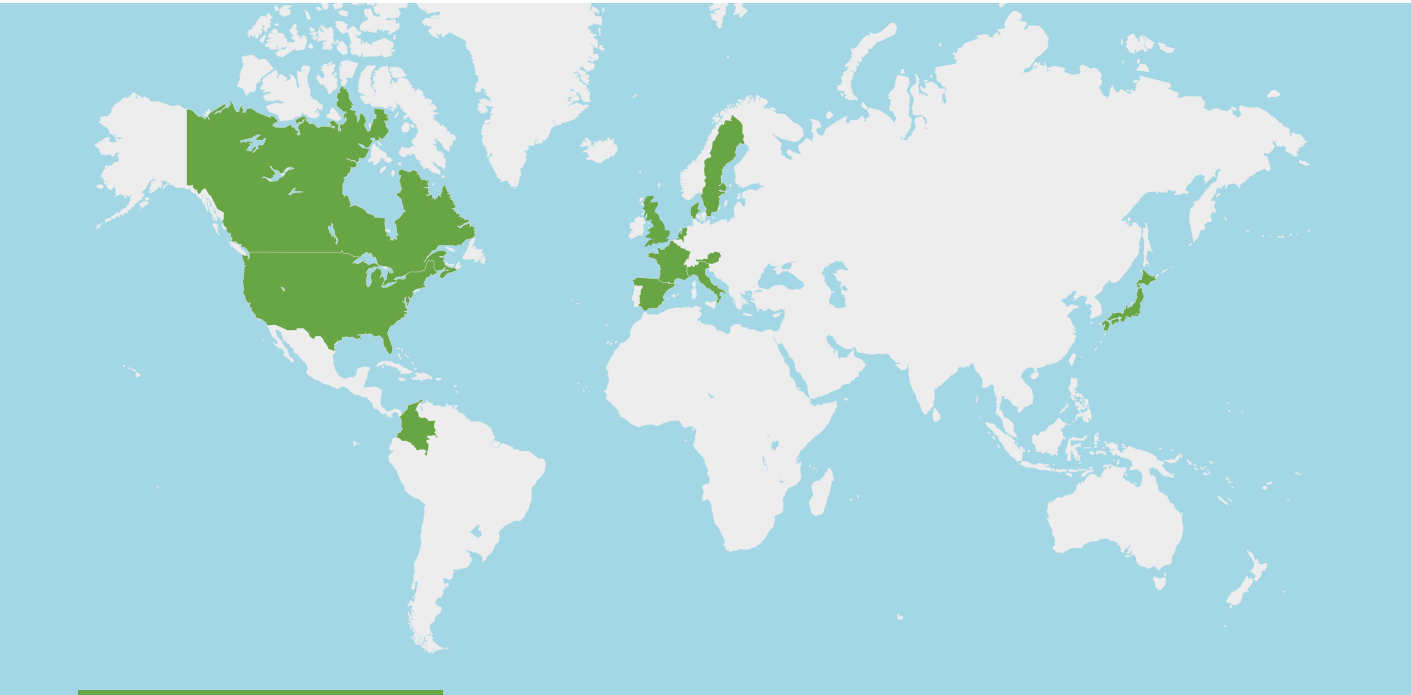
The Fairmined Authorized Operators play a vital role in providing the miners with access to markets under fair conditions and in supplying the various segments of the gold industry with the semi-finished certified gold products they demand. We would like to thank all these operators for the impact they are contributing towards and the value they add.



©Alejandro Cock

OPERATORS

- **FairSources**, Canada
- **Hoover and Strong**, USA
- **Majoral**, Spain
- **Metalor**, Switzerland
- **S&P Trading**, France



LICENSEES

Asia

- Earthrise / **Japan**
- Hasuna / **Japan**
- R ethical jewelry / **Japan**
- Saught / **Japan**

South America

- Sagrento / Infracie / **Colombia**

North America

- Alex Jay Jewellery / **Canada**
- Fair Trade Jewellery Company / **Canada**
- Fluid Jewellery / **Canada**
- Hume Atelier / **Canada**
- Allison Ullmer / **US**
- A.C Khouri / **US**
- Arabesque / **US**
- Bario-Neal / **US**
- Brilliant Earth / **US**
- East Fourth Street Jewelry / **US**

Europe

- Adoro mi oro / **Spain**
- Amalena / **Austria**
- Anna Moltke-Huitfeldt / **Denmark**
- Arabesques et Runes / **Switzerland**
- Chopard / **Switzerland**
- Emilie Bliguet / **Spain**
- Gioielleria Belloni / **Italy**
- Gundula Papesch / **Switzerland**
- JEM / **France**
- Kashka / **UK**
- Kering / **France**
- Lia Terni / **Spain**
- Majora / **Spain**
- Nanini / **Netherlands**
- Nenuphar Bijoux / **France**
- Ole Mathiesen / **Denmark**
- Paulette á Bicyclette / **France**
- September Rose / **UK**
- Zeitwinkel / **Switzerland**

- Rx Rox Jewelry / **US**
- Sarah McGuire Studio / **US**
- Schilling Studio / **US**
- Shaya Durbin / **US**
- Susan Drews Watkins / **US**
- Taber Studios / **US**
- Toby Pomeroy / **US**
- Vipaka Jewelry / **US**
- VK Designs / **US**

- Ed Lay / **US**
- Erin Shay Daily / **US**
- Kara | Daniel Jewelry / **US**
- Jan Mandel Jewellery / **US**
- Jenn Dewey Jewelry Design / **US**
- Jewelry by Blanca / **US**
- Maria Irene Weinz / **US**
- McTeigue & McClelland / **US**
- Merzatta / **US**
- Rosanne Pugliese / **US**



AURELSA Company / Peru

77

Male
members

9

Female
members

37

Male
employees

8

Female
employees

131

Total Number
of workers
and/or partners

HARD ROCK MINING

Fairmined certified since May 2012



©Eduardo Martino

Transforming ASM: technical support, training and local capacity building

Real solutions for ASM are complex and require a broad understanding of local conditions. We promote holistic solutions that have long term impact on the ground. The combination of direct technical support, training, experience exchange and local capacity building is important to ensure the impact and make it replicable by other miners in others areas or contexts.

One of our biggest strengths as an organization is our connection on the ground, and we are proud be working hand in hand with so many miners and organizations committed to responsible mining - either through the Fairmined Standard or other formalization projects.



Latin America

2014 was yet another year in which we were able to **expand our work in Latin America** and incorporate new organizations into the **FAIRMINED SYSTEM**.

This was especially true in Colombia, where our presence on the ground was strengthened through our local team of professionals working with miners and local institutions in various departments and municipalities. This was possible thanks to our collaboration with the IDB-MIF, Chopard and "Somos Tesoro" a new project funded by the US Department of Labor with the aim of reducing child labor in Colombia.



Somos Tesoro team in ARM offices in Envigado, Colombia.

Fostering formalization in Bolivia, Colombia and Peru

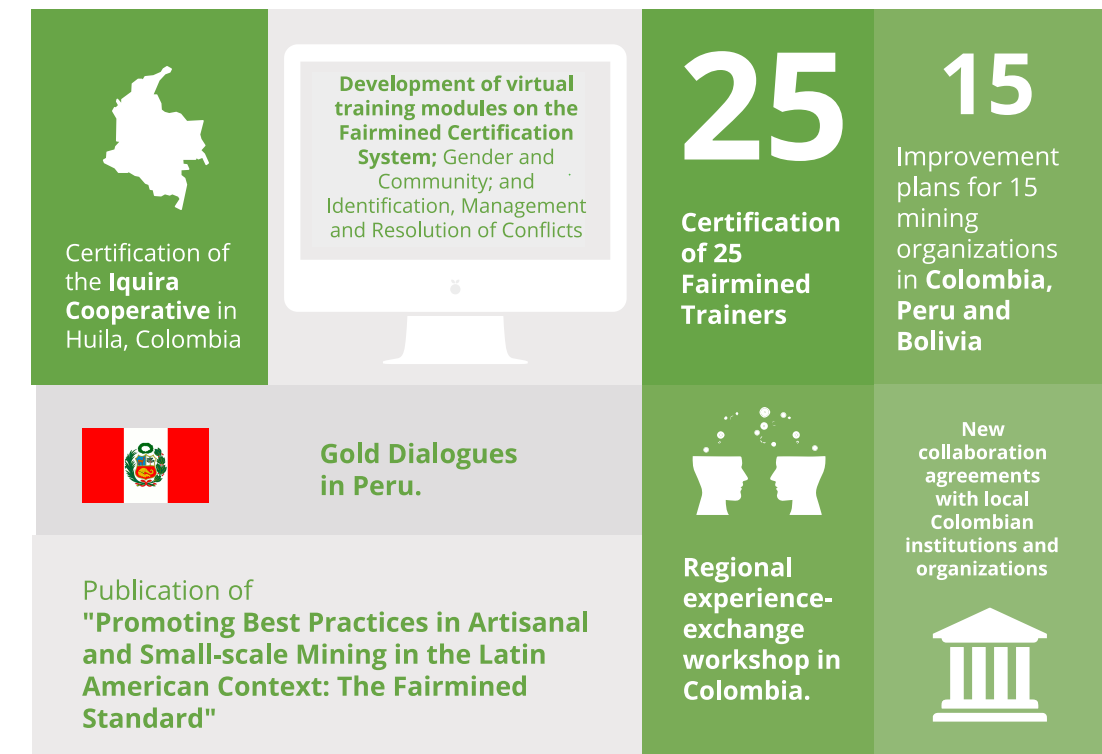
The second year of the project “Strengthening incentives for formalization and improved environmental and social performance in artisanal and small-scale mining” showed new promising results. One of them being the Fairmined Certification and gold exportation of the Iquira Cooperative – the first organization to reach certification thanks to this collaboration.

The project seeks to promote best mining practices through the Fairmined Certification System based on our organization’s overall work plan.



Cooperative Iquira members show their Mining Fairmined Certification

Achievements during 2014:



The project follows and promotes a holistic approach to support responsible miners in their formalization process. Some of the main strategic activities during 2014 included:

- carrying out a training of trainers program
- improving mining practices based on inclusive participatory methodologies and ad hoc technical support
- promoting knowledge sharing
- encouraging multi-stakeholder dialogues in the sector
- supporting Fairmined Certification processes
- developing a mechanism for the marketing of Fairmined certified gold
- raising awareness on ASM
- increasing the number of Fairmined licensees
- implementing a communication for development strategy

Although the project has mainly been financed by the Inter-American Development Bank (IDB) through the Multilateral Investment Fund (MIF), other organizations, foundations and institutions such as Fondo Acción, Chopard and Fundación Ayuda have contributed to the overall project as counterparts.



"Through the implementation of Fairmined certification, artisanal and small-scale gold mining can be transformed into a formal and environmentally sustainable activity that generates economic and social wellbeing in the communities dedicated to this work."

Carlos Novoa, Senior Specialist, IDB/MIF, Colombia, September 2014



Joint collaboration and experience-exchange at the annual **REGIONAL WORKSHOP**

As part of the IDB-MIF project, this year our traditional workshop for the Latin American ASM network had quite distinctive outcomes thanks to the joint efforts and collaboration between the Alliance for Responsible Mining, SENA Huila (a public institution that offers technical capacity-building services throughout Colombia) and the Fairmined certified Iquira Cooperative.

Held in the premises of SENA Huila, the workshop delivered a series of capacity-building sessions that focused on: technologies for the progressive reduction of mercury use; industrial safety in gold operations; and commercialization of Fairmined gold.

Furthermore, in order to share the best practices that earned them the Fairmined Certification, associates and workers of the Iquira Cooperative took the participants through a detailed tour of their mines and mineral processing plants.

Well noted throughout the event, local media coverage of the workshop also contributed to the support and promotion of the Fairmined Certification of the Iquira Cooperative as a regional achievement, recognizing their region as a producer of Gold To Be Proud Of.

Closing with the Peruvian experiences of the certified organizations AURELSA and SOTRAMI, the workshop results clearly demonstrated that through collaboration between civil society, public institutions, communities and the media, we can move a step forward towards the **transformation of ASM into a socially and environmentally responsible activity** that contributes to sustainable development at a local and regional level.



Mitigating the impact of mercury use in Sur de Bolívar

We are currently carrying out strategies and activities in collaboration with Fondo Acción, FUNCOPROMAS, COMILAN and IDB-MIF, to reduce the use of mercury in small-scale mining communities in the southern region of Bolívar, Colombia. The strategies involve data collection and analysis on mercury levels found in humans and the environment. It also considers supporting miners in adopting more efficient technologies to reduce mercury use in their operations.



Reducing child labor in Colombia

In 2014 the Alliance for Responsible Mining, along with our project partners PACT, Fondo Acción and Fundación Mi Sangre, had the pleasure of launching our project “Somos Tesoro” to reduce child labor in Colombia. The project will benefit children, workers and their families in mining areas in the regions of Boyacá and Antioquia, Colombia and is funded by the Department of Labor of the United States.



The goal of Somos Tesoro is to reduce child labor in 8 Colombian mining municipalities and to promote work safety and other formalization aspects in artisanal and small-scale mining through the following strategy:

1. Ensure more attractive education in local institutions to make sure children want to stay in school.
2. Generate greater economic stability in families, to avoid resorting to children as a source of income.
3. Promote formalization and responsible practices, implementing labor and health and safety standards in mining to protect adults and their families.
4. Strengthen public policies aimed at protecting children and the formalization of small scale mining.

ARM is leading on formalization components of the project, enabling better mining safety practices and advocating for more inclusive public policies for formalization. In doing so, ARM intends to increase the degree of formalization within mining units. The project also intends to impact public policies relating to the promotion of artisanal and small-scale mining and its formalization in Colombia as a way of reducing child labor and promoting a safer economic activity.

In the first year we signed agreements with 38 mining organizations, 32 in Boyacá and 6 in northeastern Antioquia. We started raising awareness on formalization with workshops in Boyacá. Main milestones of 2014 were setting the baseline and building trust with miners. www.somostesoro.org.

Do you want to know more? Visit the project website at
www.somostesoro.org

Exploring Farmined Certification in Ecuador

In October, we carried out a consultancy for UNIDO to test the viability of Fairmined certification of artisanal and small-scale miners in Portovelo-Zaruma, a traditional gold mining region in Ecuador. The results of the consultancy were shared at the project's annual meeting that took place in Peru, and proved to be promising. The activity is a part of a larger UNIDO project to reduce the use of mercury in the Puyango-Tumbes basin in the border area between Ecuador and Peru.



Africa

Our involvement in West Africa has enabled different partnerships at the local and global level. In Senegal and Burkina Faso, a new partnership has been agreed with APAF, an association working on reforestation and fertilization in rural areas. This program includes reforestation projects in the two countries in the framework of environmental management programs of pilot sites.

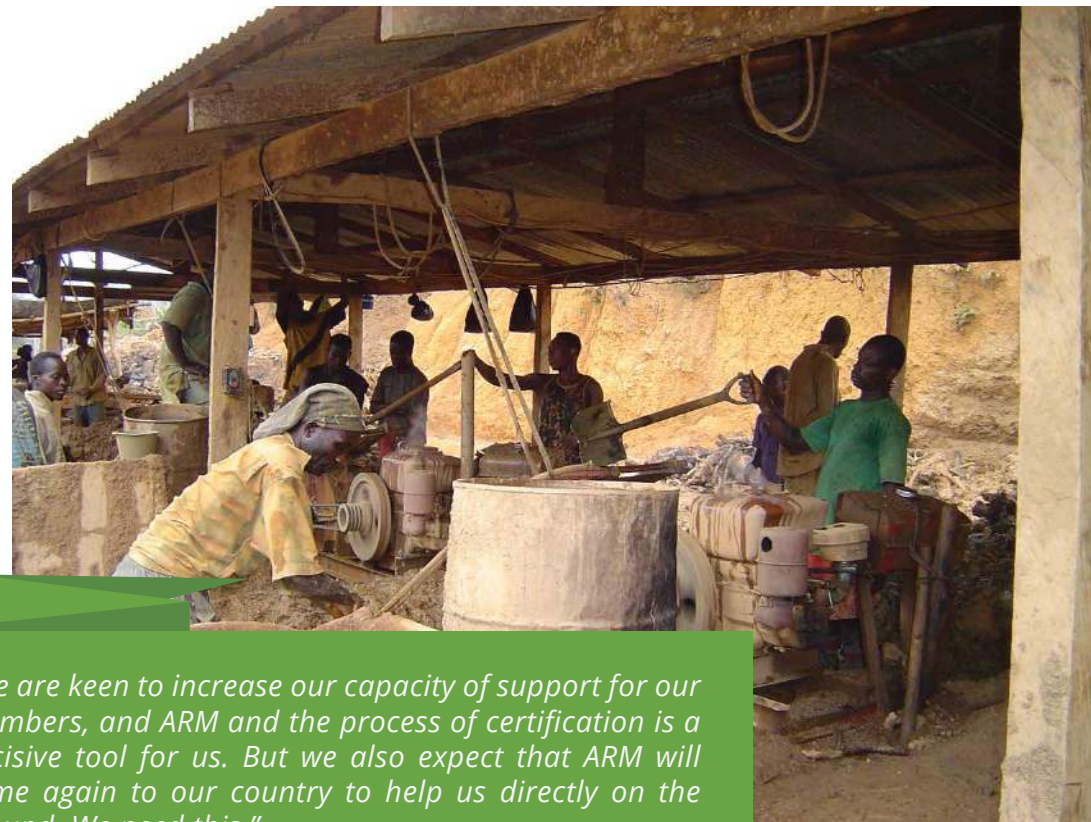
Our network of local partnerships been also extended with Réseau Afrique Jeunesse, a very active NGO in Burkina Faso that will help ARM in supporting mining organizations. ARM is currently working with three local NGOs in Western Africa.

Mercury reduction and Fairmined Certification in West Africa

The second year of our project in Senegal, Burkina Faso and Mali brought many new milestones. We selected various mines to work with. Some are already organized and have their mining permits – the first step on their way into the Fairmined System - and some are in the process. 2014 was the year Burkina Faso set up its first Mining Cooperative, which was established with our support.



The project is now working with official organizations able to endorse the responsibility of the Fairmined Certification. In Senegal the preferred organizational structure is the Groupement d'Intérêt Économique (GIE), a board managed system with clear profit orientations. In Burkina Faso we identified a special situation where miners organized themselves in an association to improve working conditions and health practices in the mining site. This completes our target of 2 pilot sites in each country. Only Mali's project has been delayed. The project team is still facing security issues for foreigners in the country. To overcome this obstacle, our support has been focusing on the national federation of artisanal miners (Fédération Nationale des Orpailleurs du Mali - FNOM), a well-structured and representative organization that could well be a good ambassador for formalization and certification processes. It has been decided on a common ground that selected members of the organization would attend training sessions and benefit from the production of didactic material in Senegal and Burkina Faso.



"We are keen to increase our capacity of support for our members, and ARM and the process of certification is a decisive tool for us. But we also expect that ARM will come again to our country to help us directly on the ground. We need this."

Ousmane Cissoko, FNOM CEO

The project team attended the Inter-Governmental Forum (IFG) on mining, minerals, metals and sustainable development held in Geneva. A special session on artisanal and small-scale mining allowed the presentation of the project and its achievements, in parallel with ARM activities in Latin America and the presentation of the new Fairmined standard.

The three year project is led by UNIDO and financed by FFEM (Fonds Français pour l'Environnement Mondial), an organization created by the French government to promote environmental protection in developing countries, and GEF (Global Environmental Facility), with participation of UNEP, NRDC, SAICM, the US Department of State and the European Union. ARM is responsible for implementing the project on the ground along with the Artisanal Gold Council.



Supporting formalization in Gabon

In 2014 we initiated a collaboration with WWF in Gabon, a small country of 1,5 million covered in equatorial forest and protected by 15 national parks. The project aims to support two mining communities in peripheral areas of these national parks. This aim is to support formalization for the communities so that – in the long term - they can work towards Fairmined Certification. As many Gabon artisanal miners do not use chemicals to separate the gold, the Fairmined Ecological Certification would be applicable for selected sites.

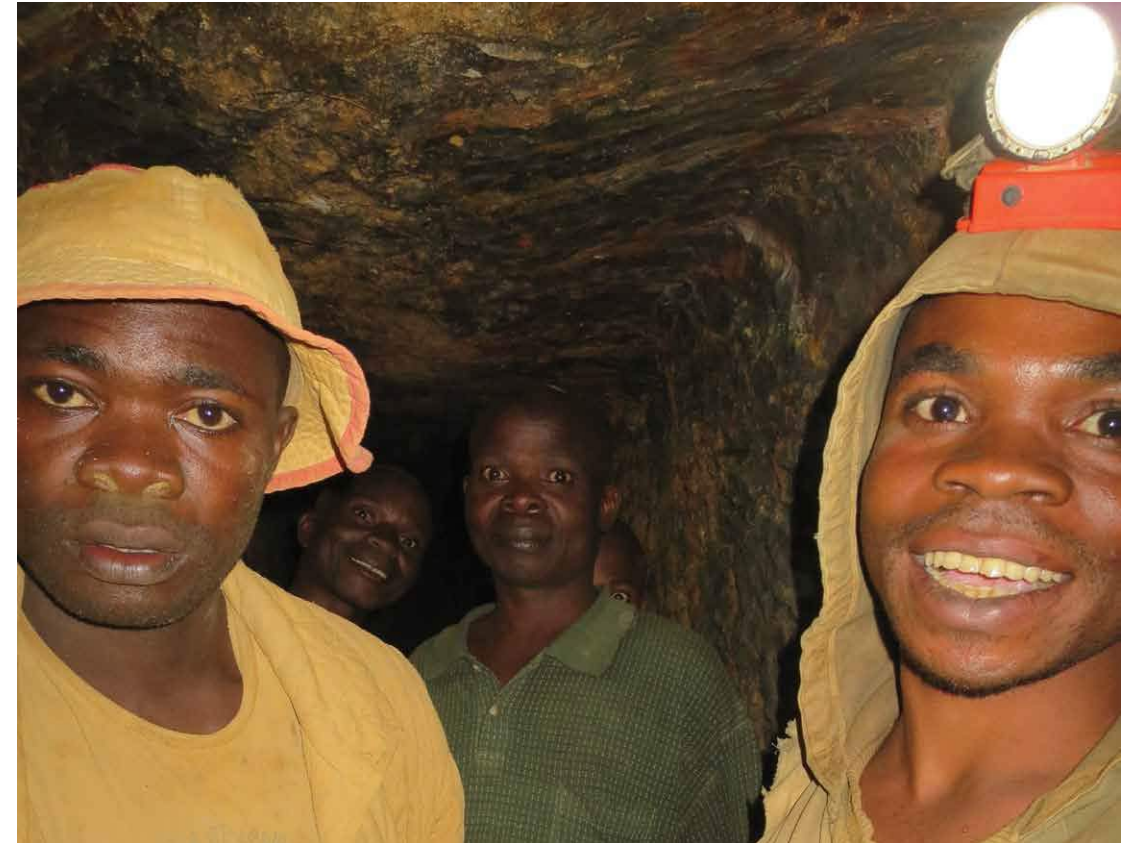


This first phase of the project, which will last until June 2015, focuses on the legal aspects of the mining organizations and technical support to implement best environmental practices. Two pilot sites have been identified and a program of action has been agreed with WWF to support miners for the first steps. As a side product, a joint effort with WWF has been started to produce a national artisanal mining database that will help identifying and selecting favorable mining sites for formalization.

This initial phase will be a vector of dissemination of good middle-environmental practices. The project is supported by the state agency that oversees the artisanal mining sector (CGCO) and the agency in charge of national parks (Agence Nationale des Parcs Nationaux – ANPN). The project also involves discussions with the governmental agencies Comptoir Gabonais de Collecte de l'Or (CGCO) and Société Équatoriale des Mines (SEM) in charge of gold purchase and collection. The discussion evolve around how the commercial and economical model could apply to be in line with the Fairmined Standard and with the fostering of formalization and legalization processes.

Conflict minerals assessment in the DRC

In the summer of 2014 ARM developed a consultancy service for the United States Agency for International Development/IOM Regional Office in the DRC. The objective of this consultancy service was to develop an assessment of conflict gold in the Democratic Republic of Congo (DRC) through:



1. A comparative analysis of the country's Mining Code vis à vis the formalization of the artisanal and small-scale gold mining sector (ASGM).
2. The development of a roadmap proposal for formalization, including a scaling up strategy of the country's gold pilot project.
3. The development of a roadmap towards a diverse and inclusive mining sector.

Following the International Organization for Migration (IOM) guidelines and priorities, our work focused on providing an analysis of the effectiveness and capacity of policies, practices, and traceability mechanisms for ASM gold supply chains.



Our Capacity-Building Center

Through ARM's ASM Capacity Building Center we developed three virtual training modules: Fairmined Standard and Certification System, Gender and Community; and Identification, Management and Resolution of Conflicts.

"The fact that this center is a network is one of its greatest strengths, because the exchange of experiences amongst miners and amongst countries is very important. We need to be able to educate trainers who understand this cultural diversity and the diversity that characterizes the ASM sector; we need trainers that know and understand mining and the mentality of the small-scale miners and that truly work to improve these fundamental aspects related to compliance with the Fairmined Standard and the legislative process for the sector's formalization."

Cristina Echavarría, international ASM expert and ARM Executive Board member, July 2014.



In **2015** we will launch the **virtual platform** with online courses in various **key ASM related topics** such as Mining Production Costs and Occupational Health and Safety

Our first certified Fairmined Trainers

2014 was the year we certified our first generation of certified Fairmined Trainers through the Capacity Building Center.

The capacity-building sessions were imparted to participants from Colombia, Bolivia, Honduras and Peru who represented regional organizations such as RED SOCIAL, Cumbre del Sajama, ASOMIRCOL, SONAMIPE and Solidaridad

Andes, as well as ARM's team members; other attendees represented noteworthy Colombian projects and programs such as Somos Tesoro and BIOREDD+. Led by distinguished experts on ASGM such as Cristina Echavarría (Fairmined Certification System); Erwin Wolff (Environmental Management) from Colombia; Cesar Mosquera (Decent Work, Jobsite Health and Safety) from Peru, and Gabriela Barriga (Methodologies with a Participative Focus) from Bolivia, participants were able to experience new visions and methodologies that may encourage a better understanding and knowledge transfer of ASM sector based on the Fairmined Standard principles.

Although a first capacity-building program of its kind, we expect that this learning experience can scale-up in the short term.

The capacity-building program was part of the expected outcomes of the IADB-MIF funded project.

Toolkit : Addressing forced labor in ASM

In response to concerns about forced labor in artisanal and small-scale gold mining, we announced the release of a toolkit of guidelines and practical measures for key players in the industry. The toolkit is designed to help miners, civil society organizations, government agencies and experts in labor and human rights identify and deal with forced labor in artisanal and small-scale mining (ASM) and was developed in collaboration with Solidaridad and Humanity United.

Download it at www.responsiblemines.org/en/resources/arm-publications





Sotrami Company

163	1	531	0	695
Male members	Female members	Male employees	Female employees	Total Number of workers and/or partners

The Sotrami Company works closely with an association of around 60 female mineral sorters known as “pallequeras”.

HARD ROCK MINING Fairmined certified since May 2011.



©Cedric Faimali

Creating global recognition of ASM

how we work with policy and market frameworks

The Alliance for Responsible Mining works to influence and promote global and national legal frameworks to recognize and understand ASM and its main challenges. To make this happen we enable the voice of the miners to be heard and promote miners' participation in all forums and processes affecting their activity and lives.

Our work focus is on the following issues:



Human rights



Formalization



Conflict minerals



Environment

To achieve our goals we:

1. Participate in global debates and decision making process linked to ASM
2. Provide support to local organizations willing to engage in local and national advocacy for ASM
3. Generate and offer updated, reliable and accurate information on ASM for all interested stakeholders

Our work in 2014

The Gold Dialogues

The Gold Dialogues are events that bring together representatives from the mining sector to discuss the main national issues surrounding ASM. This year we held a dialogue in Lima, Peru which managed to build bridges and uncover willingness to speak openly about the issues faced by all, whether they be large or small operators.

The dialogues contributed to better understanding of ASM and LSM issues and helped stakeholders see each other's challenges and problematic situations.





"We small-scale miners have not gone to the big mining companies to ask them about their experiences. Now I see that they are just miners like us"

"I thought there was an agreement between the mining industry and the state against us" another miner stated. "This meeting has allowed me to know that that is not the case. Instead of looking at each other from afar we must form an alliance"

Participating miner, Peru, October 2014

Participants also agreed on a number of priorities, including the need for social peace in order to operate. They also noted that the presence of the Peruvian government's relevant agencies will be critical for future encounters. This year the Gold Dialogues were made possible thanks to the support of the IDB-MIF.

Our participation in global and national forums

OCDE

ARM participates in the OECD Forum on the Due Diligence Guidance for Gold to promote the identification of concrete mechanisms for implementation so that the Due Diligence Guidance will have the intended positive effect on artisanal and small-scale mining communities in conflict areas

We are members of:

- The drafting committee of the OECD Due Dilligence Guidance for Responsible supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- The Multi Stakeholder Steering Group for Gold
- The ASM Hub Working Group on Child Labour
- The ASM Hub Working Group on Conflict Minerals
- The ASM Hub Working Group on Audit

Global Mercury Partnership

We participate in the UNEP led "Intergovernmental Negotiating Committee to prepare a global legally binding instrument on mercury". Where we advocate for a gradual reduction of mercury use, contribute to a proper representation of the ASM sector and support the implementation of the Minamata Convention.

EITI Colombia

We have been part of Colombia's Civil Society Table for the Extractive Industries Transparency Initiative since 2013. In late 2014 we were asked to coordinate the Table's working group on ASM.

Avina's Mining Round Table

ARM is part of Avina's Mining Round Table that brings together civil society representatives to discuss mining issues. In 2014 ARM actively participated in a policy document the table drafted to be taken into consideration for the design of Colombia's National Development Plan.

New publications

‘What is legal?’
Formalising artisanal
and small-scale mining
in Colombia

Cristina Echavarría



“¿WHAT IS LEGAL?”

Formalizing artisanal and
small-scale mining in Colombia”

This publication explores challenges and opportunities for the formalization of the artisanal and small-scale mining sector in Colombia highlighting, how now is a critical moment for Colombia’s mining sector as positive drivers align for change. The publication assesses past formalization processes, analyzing the barriers to formalization for artisanal and small-scale mining (ASM), and offers approaches to overcome them. What is legal was written by Cristina Echavarría and published in collaboration with the International Institute for Environment and Development – IIED.

Promoting best practices in artisanal and small-scale in the Latin American Context



The new publication “Impulsando buenas prácticas de minería artesanal y de pequeña escala en el contexto latinoamericano: el Estándar de minería justa Fairmined” shares the fundamental principles of the Fairmined Standard and its reach and commitment to the transformation of artisanal and small-scale mining into a social and environmentally responsible activity. This publication written by Colombian mining expert Elias Pinto and ARM’s Head of Regulatory Frameworks, Maria Luisa Villa, is part of our series on responsible ASM and was developed with funding from the Inter-American Development Bank through the Multilateral Investment Fund during 2013-2014.



©Lise Remon

Our Partnerships

We engage with partners from a number of sectors to create the projects that help us reach our common goals. Collaboration is key in this sector if we are serious about making a real change, and our donors and partners are indispensable to our work in transforming ASM.

Private Sector

- Central Bank of Luxembourg
- Chopard
- Hogan and Lovells
- Microsoft

Institutions & ONGs

- Ethical Metalsmiths
- Fondo Acción
- Fundación Ayuda
- Fundación AVINA
- Fundación Mi Sangre
- International Institute for Environment and Development (IIED)
- Inter-American Development Bank (IDB-MIF)
- Pact
- United Nations Industrial Development Organization (ONUDI)
- U.S. Department of Labor (USDOL)
- World Wide Fund for Nature (WWF) Gabon
- United States Agency for International Development USAID
- Sustainable Artisanal Mining Project Mongolia
- Responsible Jewellery Council

On the **local level** we work with a **number of partners** that provide direct **SUPPORT TO THE MINERS**

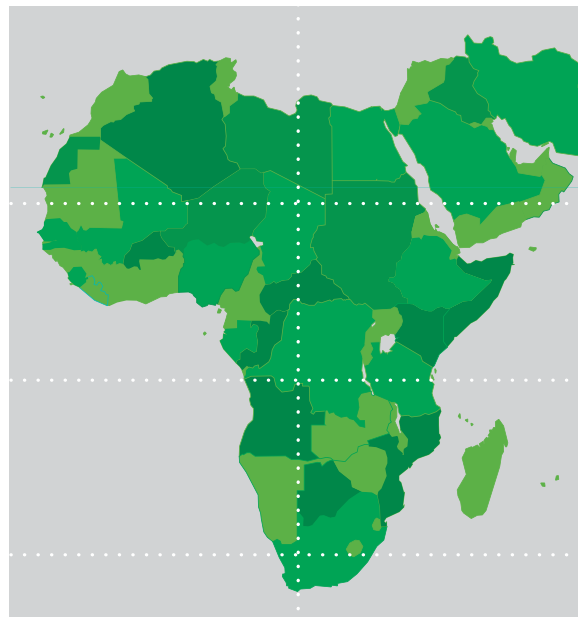


Latin America

- Cumbre del Sajama / **Bolivia**
- Asociación por una Minería Responsable y Comercio Justo del Suroccidente Colombiano – ASOMIRCOL / **Colombia**
- Centro de la Industria, la Empresa y los Servicios del Sena Regional Huila / **Colombia**
- La Fundación Comunitaria protectora del medio ambiente en la serranía de san Lucas y Guamoco - FUNCOPROMAS / **Colombia**
- Universidad de Nariño / **Colombia**
- Cámara de Comercio de Pasto / **Colombia**
- La Cooperativa de pequeños mineros de los Andes LTDA –COOMILAN- / **Colombia**
- Fundación Internacional para la promoción del Desarrollo Sostenible “Futuro Latinoamericana” (FFLA) / **Ecuador**
- Instituto Redes de Desarrollo Social – RED SOCIAL / **Perú**

Africa

- AFDC / **Burkina Faso**
- The « Réseau Afrique Jeunesse » (Youth African Network) / **Burkina Faso**
- SADEV / **Senegal**



Governance

The Alliance for Responsible Mining is governed by our board of directors which consists of seven individuals working pro-bono.

Board Members

- Maria Laura Barreto / **Chair**
- Manuel Reinoso / **Vice Chair**
- Cristina Echavarría
- Harbi Guerrero Morillo
- Toby Pomeroy
- Patrick Schein
- Catalina Cock / **Honorary member**

Executive committee

Special advisory committee to the Executive Director

- Maria Laura Barreto / **Chair**
- Manuel Reinoso / **Vice Chair**
- Patrick Schein

ARM is currently in the process of expanding its board of directors. It is our goal to include to two new members by 2017.

To learn more about our board members visit
www.responsiblemines.org/en/about-us/board-of-directors



Our team

The ARM team reflects a diverse multicultural group, committed to the institutional mission and with a solid professional training to lead the achievement of corporate goals. 2014 brought in 15 additional team members who quickly integrated themselves into our hard working team of committed employees.

Team members in 2014:

Administration

- Lina Villa-Córdoba / **Executive Director**
- Santiago Londoño / **Administrative and Financial Manager**
- Triana Tamayo / **Accounting and Administrative Officer**
- Jerlin Puerta / **Administrative Assistant**
- Paola Navarro / **Administrative Intern**
- Gloria Galvis / **Office assistant**

Partnerships

- Nick Milne / **Head of Partnerships**

Communication & Marketing

- Siri Teilmann-Ibsen / **Communications Coordinator**
- Laura Parra, / **Community Manager**

Fairmined Business Development

- Kenneth Porter / **Fairmined Business Developer**
- Conny Havel / **Fairmined Business Developer**

Standards & certification

- Ronald Koepke / **Certification Manager**

Training & advisory

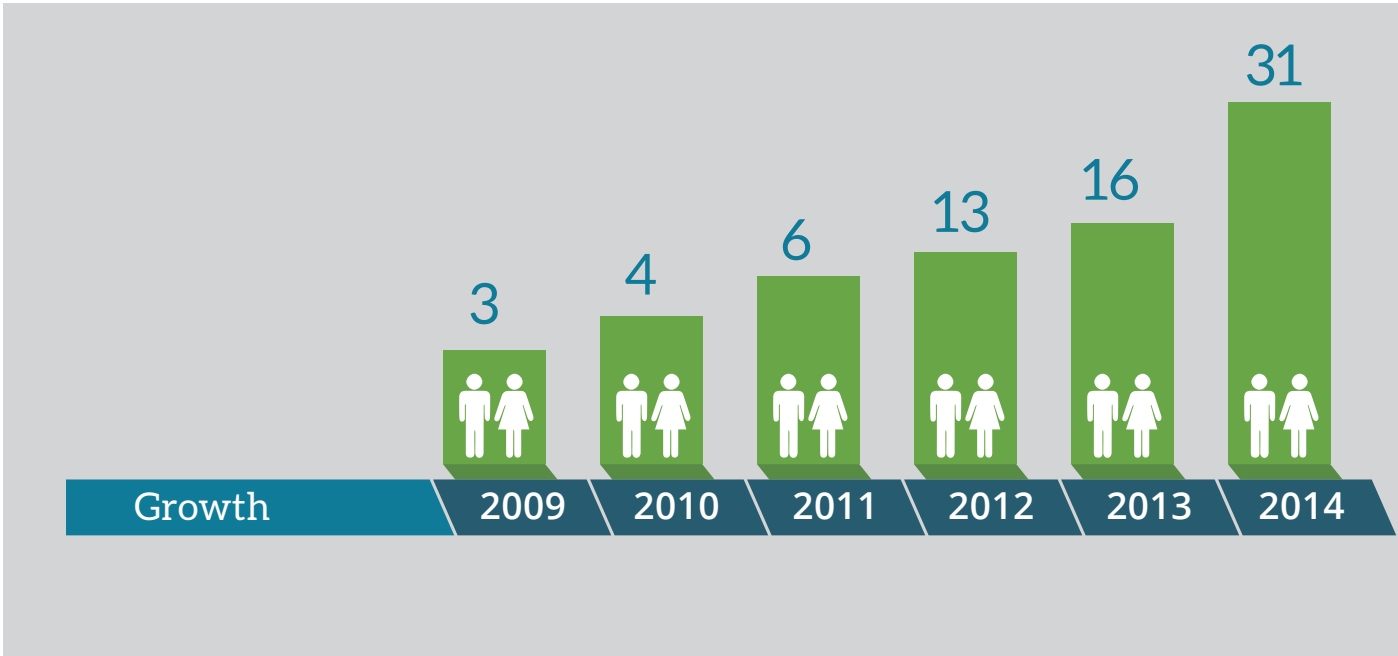
- Marta Tobón / **Capacity Building Center**

Public Policy

- María Luisa Villa / **Public Policy and Standards**
- Elizabeth Echavarría / **Public Policy Analyst**

Technical unit

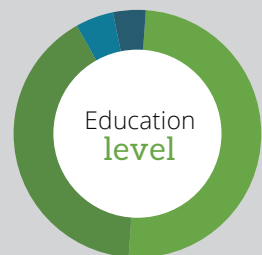
- Marcin Piersiak / **Program Manager**
- Diana Siller / **IDB-MIF Project Coordinator**
- Yves Pertran / **Project Manager, Africa**
- Eva Marion / **Project and Communications Coordinator, Africa**
- Ingrid Lozada / **Project Coordinator Somos Tesoro**
- Marc Costa / **Project Coordinator Somos Tesoro**
- Jairo Cárdenas / **Mining Specialist – Health and Safety**
- Natalia González / **Project Officer**
- Natalia Uribe / **Project Analyst**
- Andrés Cano / **Local Coordinator, Antioquia**
- César Palacios / **Local Coordinator, Boyacá**
- Tatiana Marín / **Local Coordinator, Bajo Cauca**
- Mario Yela / **Local Coordinator, La Llanada**
- Elisabet Dorado / **Local Coordinator, Nariño**
- Liliana Pérez / **Local Coordinator, Santander**
- Juan Carlos Cataño / **Local Coordinator, Bolívar**



Gender Composition



Nationality



- 58% / Post graduates
- 29% / Professionals (University graduates)
- 7% / Technicians
- 6% / High School Diploma

Financial information

88,7%

Job Satisfaction

Of the 23 people surveyed, 88.7% expressed that they felt proud of being part of the organization, that they felt integrated and autonomous, had good relationships with their colleagues and good communications with their direct managers.

Volunteers

Our volunteers deserve a special thank you. As in the previous years, we were lucky to attract highly skilled young professionals, offering their time and knowledge to support our mission.

Volunteers

- Baptiste Coue
- Helen Duffy
- Luis Gaitán
- Emily Metallic
- Guiselle Moya
- Lise Remon
- Alexander Tegelaars

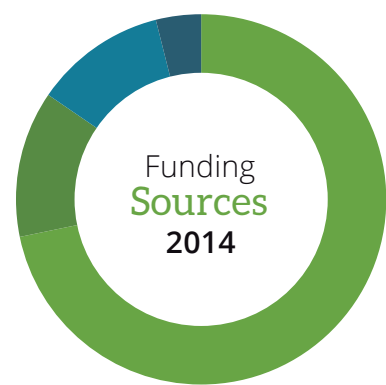
Economic and financial management

Our **financial management** in **2014** focused on efficiency in obtaining financial resources to develop our initiatives and on controlling the **responsible use of these resources**.

In total, ARM mobilized funds of around \$2,864 million pesos this last year. The highest percentage of resources came from development cooperation projects, contributing with \$1,998 million pesos, while resources received from the industry and from individuals amounted to nearly \$446 million pesos. 2014 was the first year that Fairmined licensing generated revenues, which in all totaled \$54 million pesos. We also received an income of nearly \$366 million pesos through our products and services, a notable first for the organization. All in all, 2014 delivered a 36% percent increase in the economic resources ARM manages.

Accountability

The implementation of best practices is a constant concern in our institutional management so as to ensure full compliance with the obligations and responsibilities of the organization as well as promote ethical behavior in line with our institutional principles and objectives. Our 2014 legal situation was normal thanks to the use of software products in line with current legislation and satisfactory compliance with rules on employee contributions under the General Social Security System of Colombia.



- 70% / Development cooperation projects
- 15% / Industry and individuals
- 13% / Products and services
- 2% / Fairmined Licensing





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