

2012 Alliance For Responsible Mining Annual Report



“...We will continue to make the voices of small-scale miners heard and show the potential for sustainable development in the sector”

Lina Villa-Córdoba

Executive Director



In the Alliance for Responsible Mining we continue to be fortunate enough to link very local realities to global agendas and allies that envision a transformation of Artisanal and Small-scale Mining (ASM). I would like to extend my gratitude to all of our partners, allies and friends worldwide who work tirelessly to make a change in the sector – especially the miners whose efforts never fail to impress.

I would also like to thank Ervin Rentería, one of the first Board Members of ARM, for his support over the years. Although Ervin will be missed, we are pleased to welcome Harbi Guerrero as our newest member of the Board, and are looking forward to the expertise that Harbi will bring to the table.

In addition to institutional changes, 2012 demonstrated both positive developments and continuous challenges. Miners, jewelers, partnering organizations and governments worldwide were engaged through workshops and new cooperation in Asia and Africa, two new mining communities were certified, and access to new markets for Fairtrade & Farmined gold in Holland and Luxembourg became a reality. However, there is still a lot to be done.

To make a real transformation in the lives of the miners, and to make their hard work and investments generate a sustainable return in the long run, change needs to happen at a quicker pace and additional market access is a necessity.

In 2012, ARM continued to work for the inclusion of Small-scale miners in global agendas and demonstrate the great efforts the miners have shown to organize their communities and mining practices in an environmentally and socially conscious manner: We participated in the OECD Forum on Implementation of Due Diligence in the gold supply chain and in the mercury negotiations led by UNEP. As our efforts continue to change lives at a local level, it is of utmost importance that we continue to engage stakeholders and actors at the international governmental level to provide a broad-based support system for small-scale miners.

As the risks accompanying Artisanal and Small-Scale mining become more evident to the international community, we will continue to make the voices of small-scale miners heard and show the potential for sustainable development in the sector for small-scale miners.

This report details our accomplishments, challenges for the year, the main events ARM participated in and our invaluable team, who have ambitiously undertaken formidable challenges and together have made all of our efforts a reality.

Sincerely,

Lina Villa-Córdoba



We dedicate this year's annual report to the late René Mamani Pinto, President of Cotopata Cooperative in Bolivia. René will always be remembered for his commitment to the formalization of the ASM sector and his diligent leadership which led the Cotopata Cooperative to become the first Fairtrade & Fairmined certified miners' organization in the world.



Renovation in the Board of Directors

December 2012 brought several changes to ARMS's board of directors. Ervin Rentería, one of the first board members of ARM, resigned to dedicate his time to other projects. We thank Ervin for his time in ARM and wish him the best of luck in the future. Ervin's fearless and patient phrase "seguimos caminando" (we keep walking) will forever be a motivating expression in the organization.

In the wake of Ervin's resignation, the Board of Directors at ARM appointed Harbi Guerrero as our newest member. Harbi is a respected miner, economist and financial administrator from Nariño, Colombia. He is the president of ASOMIRCOL, Manager of COODMILLA LTDA and a devoted supporter of ARM's mission. We welcome Harbi to our Board of Directors and look forward to extend our collaboration.





Working with Miners Worldwide

International Workshops



As part of our effort to consistently provide support to small scale miners and understand their needs and challenges in 2012 ARM hosted workshops in Santa Fe de Antioquia, Colombia and La Paz, Bolivia.

For three days in Santa Fe de Antioquia, Colombia, ARM met with miners from Peru, Bolivia and Colombia to discuss standard revisions, share experiences, challenges and successes. Several of the attendees were from mining communities that are still working towards certification. The workshops proved to be some of the most fruitful activities of 2012, and the results and shared learning experiences provided the ARM network with invaluable information and encouragement.

Collaborating with Cumbre de Sajama, Solidaridad and Fundación Ayuda, the workshop in La Paz was dedicated to gender issues and training modules, and included miners and their families, NGOs, and experts from Europe and Latin America.

The workshop focused on a dialogue between men and women involved in the mining communities, creating awareness about the issues and hardships these women face. Ultimately, the workshop facilitated a fruitful, personal discussion about how to collaboratively resolve gender issues in small-scale mining.

In addition to addressing gender issues, international supply chain experts gave presentations to the miners concerning trade and development issues, environmental management and protection and a framework for promoting sustainability in their communities. The miners then broke up into smaller groups to address these problems themselves with the support of the partnering organizations.





Kenya



ARM expands responsible mining into Africa

In February 2012, the Fairtrade & Fairmined gold certification celebrated its 1st anniversary. As part of the celebration, ARM announced another important milestone: a new partnership with the Fairtrade Foundation, Fairtrade Africa and Solidaridad to begin the gold certification process for ASM communities in Africa. ARM will be working with eight communities from Uganda, Tanzania and Kenya to help them develop technical skills, to provide training to improve democratic cooperation, improve labor conditions and eliminate child labor in mining activities.

ASM is on the rise in Africa due to a multitude of factors including the decline in agricultural productivity, severe economic crisis and high global gold prices in 2012. Nevertheless, responsibly managed ASM activities have proven to be up to five times more profitable than other rural, resource-driven activities such as forestry and agriculture. With nearly eight million artisanal miners in Africa, ARM's new partnership will lay the groundwork for ASM communities in Africa to combat poverty and create sustainable, equitable livelihoods throughout the continent with the Fairtrade and Fairmined system. The project is financed by Comic Relief.

ARM collaborates on ASM project in Mongolia

As a leader of the global effort to promote sustainable ASM practices, ARM signed a Memorandum of Understanding with the Sustainable Artisanal Mining SAM project in Mongolia. The collaboration will strengthen the SAM project's goal of creating sustainable rural development in Mongolia through responsible mining practices and a broad network of stakeholders. This partnership allows ARM and the SAM project to work together to towards the certification of ASM miners, providing training, knowledge exchanges, and establishes a larger regional network to support ASM in Asia.



Mongolia





ASM Mining and the Global Agenda: Addressing Mercury and Conflict Gold

Conflict Gold

In May 2012 ARM participated in the OECD Forum on Implementation of Due Diligence in the gold supply chain. The guidelines the forum are intended to support responsible metals supply chains, help companies avoid violating human rights and prevent involvement in conflict and violence in mineral production. ARM participated to ensure that all guidelines implemented will have a positive effect on ASM communities globally - especially those in conflict areas.

Across the world in the mining industry, conflict, extortion, displacement, violence and corruption most gravely affect small-scale miners. Appendix 1 to the gold supplement aims to minimize the risk of marginalization of the artisanal and small scale mining sector while promoting conflict free gold supply chains and assuring economic and development opportunities for the miners.

Mercury

Since 2009, the Intergovernmental Negotiating Committee has deliberated the Minamata Convention on Mercury. In June 2012, the fourth session of the negotiations was held in Punta del Este, Uruguay. In the past, miners have voiced their concern about their inability to formalize on their own, which creates multiple barriers for best practices.

In the negotiations ARM defended the necessity of artisanal and small-scale miners' active and informed participation, to help the INC construct an international instrument that has a realistic approach, and can result in the reduction and, eventually, the elimination of mercury use in ASGM. This will enable the miners to commit to the implementation of responsible practices and to propose concrete and constructive measures, which can make the global mercury treaty effective for the ASM, both in the short and long term.





Fairtrade & Fairmined Gold

Two new organizations join the Fairtrade and Fairmined system

ASOCASÁN



As a member of the pioneering ecological mining project Oro Verde® since 2000, the community council ASOCASÁN of Tadó has a long history of working with sustainable certification schemes. With the support of AMICHOCÓ and the Mojarras Foundation, the founding organization that offer continued assistance to the Oro Verde® program, Tadó obtained Fairtrade and Fairmined certification in January 2012.

The community of Tadó is situated in the department of Chocó, one of the most unique and biodiverse areas in the world. Furthermore, Chocó boasts a rich cultural heritage within its Afro-Colombian communities who have practiced gold mining for over a century. For the community of Tadó, gold mining is not only a means of economic development, but a lifestyle which preserves their connection to the land and historical identity.

AURELSA



The Comunidad Aurífera Relave S.A. (AURELSA) began in the 1980s, when economic crisis and rampant violence pushed miners and their families from across Peru into the southern esert where they worked mine tailings for gold which had been left by a previous, large mining operation. In 1997 the community formed the mining company AURELSA to legitimize their operations, receive the appropriate licenses and build a formal community. Through dedication and perseverance, AURELSA built a formal town center, three schools for over 500 students, a health center and more. To provide greater security and long-term economic and social stability, they began to work towards the Fairtrade & Fairmined Standard which they achieved in May 2012.

Relave, born out of a history of violence and displacement, has developed a legitimate mining community which is committed to exceptional social advancement and environmental concern. AURELSA has many meaningful plans for their returns from the Fairtrade and Fairmined certification, and we are proud to support their efforts and sustainable development here at ARM.



Fairtrade & Fairmined Gold launched in the Netherlands and Luxembourg

On May 7, 2012 attendees from the mining sector, jewelry sector and some of the Netherlands' most recognized celebrities listened to stories about the positive impacts of certified, responsible mining at an event hosted by one of our partnering organization, Solidaridad. This was the first launch of the Fairtrade & Fairmined gold in the Netherlands, starring the work of 10 Dutch jewelers who are dedicated to using Fairtrade and Fairmined gold.

Not far behind the Netherlands, Fairtrade Luxembourg joined our initiative and is now providing Fairtrade & Fairmined gold to their well-established national jewelry market. Demand for Fairtrade & Fairmined gold is essential to the success of ARM's mission to support ASM communities globally. The expansion of the market for fair, ethical and sustainable jewelry enables us to serve miners worldwide by providing them with the necessary training and support, which allows them to adequately meet the demands of international markets.





Creating more opportunities for miners and markets: Fairtrade and Fairmined certified platinum and silver

In December 2012 the first Fairtrade & Fairmined platinum was produced by the Afro-Colombian communities in the department of Chocó. This durable and precious metal offers another important source of economic development to the certified communities of Condoto and Tadó. Platinum is much less abundant in the Chocó region than gold, but when it is discovered it is produced in the same ecologically sensitive and socially conscious manner as gold: no chemicals are used, vegetation is restored after the metals are recovered, and the Fairtrade & Fairmined Premiums received are reinvested into community development.

The first Fairtrade & Fairmined platinum jewelry was created by UK jewelers Cox and Power. The jewelry, a set of earrings with a matching ring, was revealed at their store in London in December 2012- just in time for Christmas. Commenting on their Fairtrade & Fairmined pieces, the company stated: "we have created a rare and timeless jewel with this very special platinum and the woman who wears it will be part of a unique and special story . . . [ensuring] a better deal and conditions for miners and to preserve the environment".

Fairtrade & Fairmined silver was also certified in 2012, opening up new markets for the communities of Sotrami and AURELSA in Peru. Silver has made an outstanding entrance onto the ethical jewelry market. Several reputable jewelry companies across Europe have committed to using only Fairtrade & Fairmined silver - an essential step to improve and develop the responsible mining movement globally.



Fairtrade & Fairmined Standard Review 2012

To more effectively facilitate market access for small scale miners and improve sustainable development in the ASM industry, in 2012 ARM and Fairtrade International began a revision of the Fairtrade and Fairmined standards, including the associated precious metals review. The joint Standards Committee compiled responses from the consultation process and prepared a proposal, which will be available for the second Public Consultation Round of stakeholders in 2013. We would like to thank all the stakeholders who participated in this critically important process.





Our Team in 2012

Board members

Maria Laura Barreto

Chair

Manuel Reinoso

Vice Chair

Catalina Cock

Cristina Echavarría

Harbi Guerrero

Ervin Rentería

Toby Pomeroy

Patrick Schein

ARM Staff

Lina Villa-Córdoba

Executive director

Elisa Bravo

Finance and Development

Ronald Koepke

Training and Consultancy Services

Kenneth Porter

Supply Chain and Producer Support

Maria Eugenia Calderón

Logistics and Events

Claudia Pérez

Public Policy and Research

Yves Bertran Alvarez

Project Manager, West Africa

Marcin Piersiak

Program Manager

Daniel Lafuente

Producer Support Services

Felix Hruschka

Standards Coordinator

María Andrea Calle

Executive Assistant and Administration

Siri Teilmann-Ibsen

Communications

Éva Marion

Project Coordinator, West Africa



AMICHOCÓ

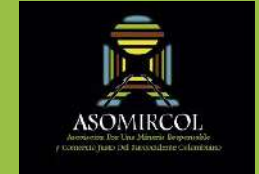
Since ARM's establishment, AMICHOCÓ has supported all of our efforts; particularly, the Oro Verde® initiative.



We would like to thank them for their dedication to ecological gold, and to protecting the cultural heritage and irreplaceable biodiversity of the Chocó bioregion.

ASOMIRCOL

The hard work of ASOMIRCOL and the positive results that it has generated in the lives of hundreds of miners in the department of Nariño continues to validate our mission here at ARM. We cannot thank the association enough for the perseverance.



Cumbre del Sajama, S.A.

The cooperation of Cumbre de Sajama has been essential to the formalizing the ASM sector in Bolivia.



We would like to express our deepest thanks to the company for dedicating their time and skills to ARM's global mission, and we look forward to collaborating with them for many years to come.

Red Social

We would like to extend our gratitude to Red Social for their invaluable cooperation.



The success of a sustainable and responsible ASM movement would not have been successful without them, and we are sincerely grateful for their collaboration.



Donors and Allies

Inter-American Development Bank

Comic Relief

Fairtrade International

Fundación Ayuda

UNIDO

Oxfam Novib

Responsible Jewellery Council

Solidaridad

STICHTING DOEN

SAM Mongolia

Tiffany and Co. Foundation

Give 2 Colombia

Volunteers

Brian Monaghan

Evan Phillippi

Kenneth Porter

Kim Marr

Stephen

Tovel Boucher

Contributors to the Producer Support Fund

JEM- Jewellery Ethically Minded

S & P Trading

Photographs

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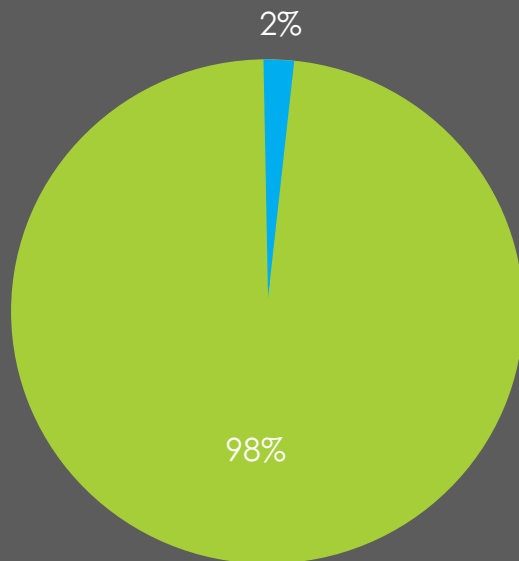
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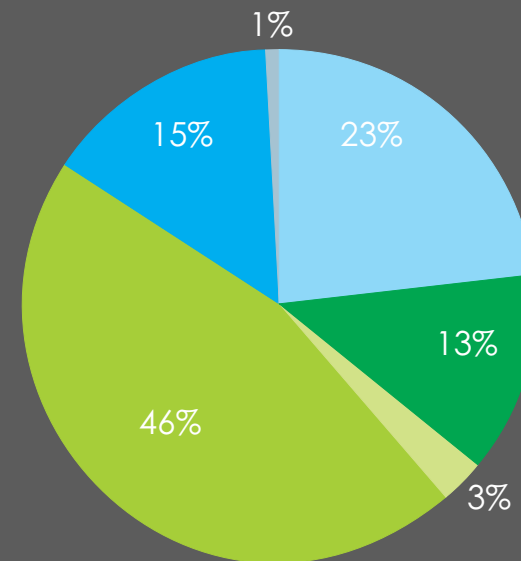


INCOMES 2012



-  Producer Support Fund
-  Donations Projects

EXPENSES 2012



-  Staff
-  Administration Expenses
-  Investments
-  Producer Services
-  Advocacy and Sector Development
-  Banking Expenses



ACTIVITIES AND ACHIEVEMENTS 2012



JANUARY FEBRUARY

APRIL

MAY

JUNE

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.

Fairtrade & Fairmined Gold's first birthday.

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

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

The Peruvian mining company AURELSA get certified.

Fairtrade & Fairmined Gold goes on sale in the Netherlands.

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.

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



JULY

AUGUST

SEPTEMBER

OCTOBER

NOVEMBER

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

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

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

Second Annual Regional Workshop for the Latinamerican Network in La Paz, Bolivia.

Fairtrade & Fairmined Gold goes on sale in Luxembourg.

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



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