OUR IMPACT

ARM’s impact on artisanal and small-scale mining from 2014 to 2016.

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GENERAL IMPACT

In 2014 the Alliance for Responsible Mining launched the Fairmined Standard 2.0 for artisanal and small-scale mining. Two years later we are happy to reach a major milestone: Fairmined certified mining organizations have received:

More than $1,000,000 USD in Fairmined Premium to invest in their development!

The Fairmined Initiative promotes an additional economic benefit that artisanal mining organizations receive for their Fairmined certified gold - the Fairmined Premium. It is up to $4,000 USD per kilogram of gold, with an additional $2,000 USD for Fairmined Ecological Gold. From 2014 to the first trimester of 2016, 265 kg of Fairmined Gold was sold worldwide, resulting in a milestone of $1,025,226 USD of Fairmined Premium paid directly to certified mining organizations.

265KG of Fairmined Gold sold / $1,025,226 USD in Premium

The Fairmined Premium is the primary incentive for miners to meet the standard requirements and the means by which they can aspire to attain their organizational and developmental goals to provide a better life for themselves and their families.
The certified mining organizations comply with multiple requirements to assure the adequate management and governance of the received Fairmined Premium. They need to establish a Premium Committee which equally represents all social groups of the ASMO, identify needs and plan investments, transparently manage the resources and realize annual reports which explain in detail the management, investments and results. This report needs to be shared with all interested parties.

Management of - as well as compliance with - the Premium plans and reports is evaluated through independent auditors during the annual certification audit.

The objective of these mechanisms is to assure that the Premium equally benefits all participants in the certification, as well as promote a management style that facilitates a well-planned and responsible development of the ASMO.

In these 2 years the Fairmined Premium was, amongst others, used to:

- Improve mining operations, organizational structures and processes of the certified mining organizations
- Build and improve roads and energy infrastructure
- Improve safety, health and hygiene services
- Support local medical centers and schools
- Training and education
- Culture, music and sports

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10 mining organizations in Colombia, Peru, Bolivia and Mongolia achieved Fairmined Certification by complying with the rigorous requirements of the Fairmined Standard, aiming at:

- Organizational strengthening and formalization
- Social development
- Environmental protection
- Better working conditions

Around 20 mining organizations are working towards Fairmined Certification, having already achieved important positive improvements even before becoming certified, for example:

- From informal to formalized businesses
- Significant reductions in mercury use
- Mitigated negative environmental impacts
- Improved safety and security in the mines
- Empowered small entrepreneurs

But that’s not all that’s needed to make responsible artisanal and small-scale mining a reality. It also needs dedicated businesses that value and use Fairmined certified gold.
More than **120 businesses in 20 countries** are already working with **GOLD TO BE PROUD OF**, having the assurance that their gold is mined responsibly, and that their purchases make an impact in mining communities contributing to local development in producer countries.

The positive impact with miners along with credibility, traceability, assurance and risk mitigation are all reasons why these international awards were proudly made out of Fairmined Gold: the Cannes Film Festival Golden Palm since 2014, the Nobel Peace Prize in 2015 and the Olympic Laurel in Rio 2016.

But the Alliance for Responsible Mining is much more than Fairmined Standard and Certification! With artisanal and small-scale miners at the heart of our mission, we implement a holistic strategy to promote a responsible and sustainable artisanal and small-scale mining sector: **engaging with institutions** on a global, national and local level, **producing applied research, facilitating responsible supply chains** and most importantly **working on the ground with more than 90 mining organizations**, empowering their leaders and building their capacities to implement good practices and strengthen their small businesses.

Through projects and consultancies ARM has been present in 13 countries: Bolivia, Colombia, Ecuador, Peru, Brazil, Senegal, Burkina Faso, Mali, Gabon, Cameroun, Kenya, Uganda and Rwanda.

**In 2015 ARM has directly benefited around 5000 people and impacted in total around 15,000 lives.**
FAIRMINED PREMIUM USE IN 2014 AND 2015

In 2014 and 2015 three certified mining organizations invested their Fairmined Premium:

- Minera Sotrami S.A, Peru
- Cooperativa Multiactiva Agrominera del Municipio de Iquira, Colombia
- Comunidad Aurífera Relave S.A. Aurelsa, Peru

Below find the details on how the Fairmined Premium was invested in these mining organizations and communities:
Since the 80’s Sotrami has been working with multiple local and regional organizations to improve their activities and become a pioneer in the formalization of artisanal and small-scale mining (ASM) practices. Sotrami is proof that ASM can be a decent form of livelihood that generates positive social development when organized and formalized.

Since they achieved Fairmined Certification in May 2011, Sotrami’s performance has been improving continuously. They are the economic nexus of the community, directly and indirectly supporting 1500 families.

Since the launch of the Fairmined Standard version 2.0 in 2014 and the success of the Fairmined Initiative, Sotrami has been able to sell higher volumes of Fairmined certified gold which resulted in significant premium payments.
Sotrami introduced a policy that intends to allocate 70% of the Fairmined Premium on projects within the mining organization and 30% to benefit the community. In 2014, Sotrami invested 33% of their Premium. One of the biggest projects (around 40%) was the construction of an artificial grass sports field including a recreation area for the miners and workers of Sotrami.

22% was spent on management training and safety talks for miners and workers. More than 37% of the Fairmined Premium was invested in community projects. A large portion was used to support the municipality in leveling out streets and the stadium in the center of Santa Filomena and to elaborate a plan to provide drinking water for the mining communities in Santa Filomena, San Luis Alta and Nueva Jerusalen. Around 7% was spent on activities and needs of educational institutions.
In 2015, Sotrami invested 50% of the obtained Fairmined Premium. The remaining 50% was saved to invest during 2016 according to their premium investment plan.

Around 43% was used for the improvement of health posts and camps for workers (rooms, sanitary facilities, water treatment well).

Sotrami spent around 15% to financially support miners and community members to receive medical assistance to deal with issues related to health, accidents and psychological treatment.

The company also supported educational institutions by:

- Providing material to enlarge the sports ground.
- Constructing 10 rooms for teachers.
- Buying footballs and trophies for events.
- Installing an electricity system and crafting tables and chairs.
- Organizing transports for students to participate in events.
Furthermore Sotrami provided security services to the community and supported the municipality in various projects.

5% of the Fairmined Premium was invested in capacity building on occupational health and safety for workers.
The Cooperativa Multiactiva Agrominera del municipio de Iquira achieved Fairmined Certification on the 27th of August in 2014, driven by the motivation to obtain international recognition for being an exemplary small-scale mining organization in Colombia, complying with all mining regulations and being socially committed. A further incentive was the Fairmined Premium to help grow the cooperative, complying with regulations and offering wellbeing for associates, miners, workers and their families.

Due to their motivation and confidence in the certification process they overcame important challenges, such as:

- Eradication of dumping mercury into water, ground or air.
- Establishing a plan to further gradually reduce mercury.
- A management system for security and health to reduce risks associated to mining activities.
IQUIRA SELLS 100% OF ITS GOLD UNDER THE ADVANTAGEOUS FAIRMINED TERMS

“As a mining organization we have been growing and are a good example for other miners. We could see improvements immediately after becoming certified. Thanks to the Premium we could improve 80% of our mining activities. We also received support from many local organizations, public institutions and authorities; as well as national institutions such as the ministry and the national mining agency. This has empowered us and our members are very proud of that.”

Alfredo González, Legal Representative

One year after certification the positive effects were already evident. 3 months after becoming certified the cooperative had established commercial relationships with buyers from Europe and North America and they sold 100% of their gold into Fairmined supply chains.

With the Fairmined Premium they could invest in better administrative facilities for the associates and workers of the cooperative. Furthermore, Iquira was able to reduce 80% of its mercury use.
IQUIRA WAS ABLE TO REDUCE 80% OF ITS MERCURY USE

“The program benefited all of the associates and strengthened the organization in general. A special achievement was developing the ability to export. Our first exportation was done upon our first sale of Fairmined certified gold. It was difficult because we didn’t know how to export, but we learned and now we do it without any problems. Furthermore, we didn’t have an office for two years, but thanks to the Fairmined Premium we received after selling our certified gold we could buy one, including computer equipment. Now we have a foundation to work on, to strengthen the organization and all that makes part of it, the associates and the workers, because a company’s organizational capacity is important for it to function.”
PREMIUM RECEIVED BETWEEN AUGUST 2014 AND 2015: 
$60,365 USD

With the Fairmined Premium Iquira was able to establish its own office to improve the governance of the cooperative; improved the roads leading to the mines, purchased 2 gas detectors, and leased a truck. The Premium Committee decided to allocate the Premium as follows: 60% for investments in processing plants to be able to completely eliminate mercury, 20% for education, 10% for health and 10% for social causes.

“The cooperative generates a total of 56 formal jobs and therefore directly improves the quality of life for workers, their families as well as stimulates the local economy. It’s a quality job for the workers at the mine, plant and office, they are motivated because we have been realizing activities like family day, so that people identify themselves with the cooperative. Furthermore additional bonuses exist for the workers which incentivize them to work with more enthusiasm.”

In 2015, the Palme D’Or from the Cannes Film Festivals and the Nobel Peace Prize were fabricated with Fairmined certified gold from Iquira, acknowledging them nationally and internationally as a responsible cooperative.
For many years Aurelsa had been working to get all the permits and licenses that are required to operate and was officially established in 1997. During the 4 years of hard work to comply with the Fairmined Standard, the miners of Aurelsa learned a lot about responsible social and environmental practices. The management of Aurelsa highlights some keys to achieving it:

- Motivation to understand the system, standards and benefits.
- Following the compliance criteria.
- Technical assistance, training and commitment to continuous learning.
- Implementing effective strategies and good practices.
- Complying with national regulations.
- Dedication of time, effort and commitment.
- Support and assistance from ARM and local and Peruvian support organizations through regional workshops. Support from international cooperation.

These were the positive changes and success stories they achieved through certification:
- Strengthening of the mining company.
- Better trade terms.
- Access to international markets via direct and indirect exports.
- Obtaining the Fairmined Premium.
- Job creation.
- Inclusion of informal miners.
- Success in obtaining funds from an international social finance institution.
- Being able to support the development of the community schools and medical facilities.
- Campaigns on health and recycling.
USE OF THE FAIRMINED PREMIUM IN 2014

Premium received in 2014: $47,888, 30 USD

Aurelsa has a demand of 100% for its Fairmined certified gold. In 2014 $47,888.30 USD in Fairmined Premium were generated and invested in the following way:

- Around 58% were used to construct a road to include associates and third parties into the process of formalization and increase the production of the processing plant. Furthermore machinery was bought to improve the efficiency of the processing plant and to be able to process higher volumes.

- 25% was used to implement accounting systems and perform audits to improve the internal control system.

- Furthermore Aurelsa invested 10% in security and health; security equipment, safeguards at the desorption plant and trainings to comply with regulations were provided.
ARM thanks all partners and stakeholders who have supported us in generating positive impact in these mining organizations. A special acknowledgment to the Inter-American Development Bank (IDB), the Multilateral Investment Fund (MIF) and Swiss watch and jewelry manufacturer Chopard for their support, thanks to these allies we were able to make an impact on this scale.