



ALLIANCE FOR
RESPONSIBLE MINING

Annual Report 2017



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At the Alliance for Responsible Mining (ARM), we strive to communicate using an inclusive language that promotes gender equality and therefore believe it is important to emphasize this approach in all of our communications. However, at times, a specific gender term will be used to facilitate readability or for aesthetic purposes. In such cases, the word should be understood as referring to both genders, unless explicitly stated otherwise.



Reflections

from our president

2017 was a very special year for our organization. 2017 was the year in which the Alliance for Responsible Mining (ARM) was **able to fulfill its promise of developing basic standards for groups of miners who live under apparent situations of vulnerability**, and who have low production and training levels, but aspire to improve their working conditions.

The CRAFT, **Code of Risk-mitigation for Artisanal and small-scale mining engaging in Formal Trade**, fosters the conditions so that these groups may enter the international markets of legal minerals in order to break the cycle of informality. The importance of this change is that the Code directly addresses informality as one of the main factors responsible for the invisibility of the economic contribution of the artisanal and small-scale mining (ASM) sector. This invisibility, in turn, disempowers and perpetuates poverty among vulnerable groups and communities. The CRAFT Code was developed under ARM's new global reach program, CAPAZ (Supply Chains of Peace), which seeks to **promote better practices in the poorest rural mining communities and facilitate their access to legal markets**, in collaboration with their communities, as well as with public and private allies.

In 2017, ARM also increased its efforts for the **Fairmined Program**, focused on the certification of new mines. The result of this initiative was that roughly **more than twice as many mines were certified compared to the previous year**, reaching a total of nine mines in the system. In addition, eight mining organizations were identified and received technical support to obtain the certification through ARM's Mining Services area. This effort also resulted in

approximately **\$7,275,000 in sales of Fairmined certified gold** by the certified mines, leaving them with **\$719,000 dollars in paid premium** - used to improve their operations and fund community projects. The following report will provide more detailed information on how the Fairmined Premium was invested in each certified mine.

Last year, Fairmined Gold also gained international and market recognition since it was used to create the 2017 Nobel Peace Prize medal and the Palme d'Or of the Cannes Film Festival. In 2017, the Nobel Peace Prize was awarded to the International Campaign for the Abolition of Nuclear (ICAN) and the winner of the Palme d'Or was "The Square" by the Swedish director Ruben Östlund. In addition, **Chopard launched its first collection under the name of, "Rihanna Loves Chopard", created exclusively with Fairmined certified gold.**

All of the aforementioned achievements were made possible thanks to the hard work and dedication of our team of dedicated professionals and volunteers, as well as our partners and donors, who are crucial in implementing our mission. We sincerely hope that we can continue creating successes and expand our relations in 2018 with partners and donors who are willing to contribute, along with our professional staff, to implement ARM's vision in the artisanal and small-scale mining sector.

In this brief introduction, I have mentioned a few headlines from last year, so I invite everyone to read this report and to further inquire into the important and inspiring details of our activities in the various territories.

Laura Barreto, President of the Board





The vision of our executive director

"Our goal is to build a permanent presence in the territories"

As it is common at the start of a new year, at the Alliance for Responsible Mining (ARM) we reflect on our performance of the previous year and **commit ourselves to further improve our practices** in the upcoming year. An important objective for 2018 is to measure more efficiently how our activities generate a positive impact at the local community level as well as to **establish more efficient processes**. We prepared ourselves throughout 2017 to be able to implement them and are now ready to do so.

2017 was a challenging transition period for ARM, with large multi-year projects coming to an end and new smaller and diverse projects being started. This situation required us to reflect on our methods, organization and management. 2018 begins with several projects being funded by a diverse number of donors including foundations, private sector companies and bilateral cooperation, with some of them prioritizing the same funding areas. Therefore, our work and organization has been **globally adapted to maintain a consistent set of activities at the territory level**. By adopting such a focus, we intend to completely center our vision on the territory, which is constructed **together with the miners and the local communities** and supported by strategies discussed with and adopted by other stakeholders. This approach allows us to be less dependent on the deadlines corresponding to each project and to **combine different funding sources to optimize the impact** on mining organizations and communities. The territorial approach also strengthens our position with miners and other groups interested in the projects, thus harmonizing activities and reducing confusion.

A territorial approach of our activities also allows us to better visualize our development in new countries, such as Honduras, where we have started a project with the community of Macuelizo, financed by the Lundin Foundation; or to diversify our activities in **Africa**, where we will expand our intervention in **Burkina Faso, Peru and Colombia**, where we have been working for many years, will be the "laboratory" territories in which this new approach will be fully executed. To do so, four new projects will be implemented throughout various locations in Peru and Colombia, many of which include new mining environments and types of organizations. Our goal is to build a **permanent presence in the field to support mining communities in the long term** and build a solid foundation for sustainable development.

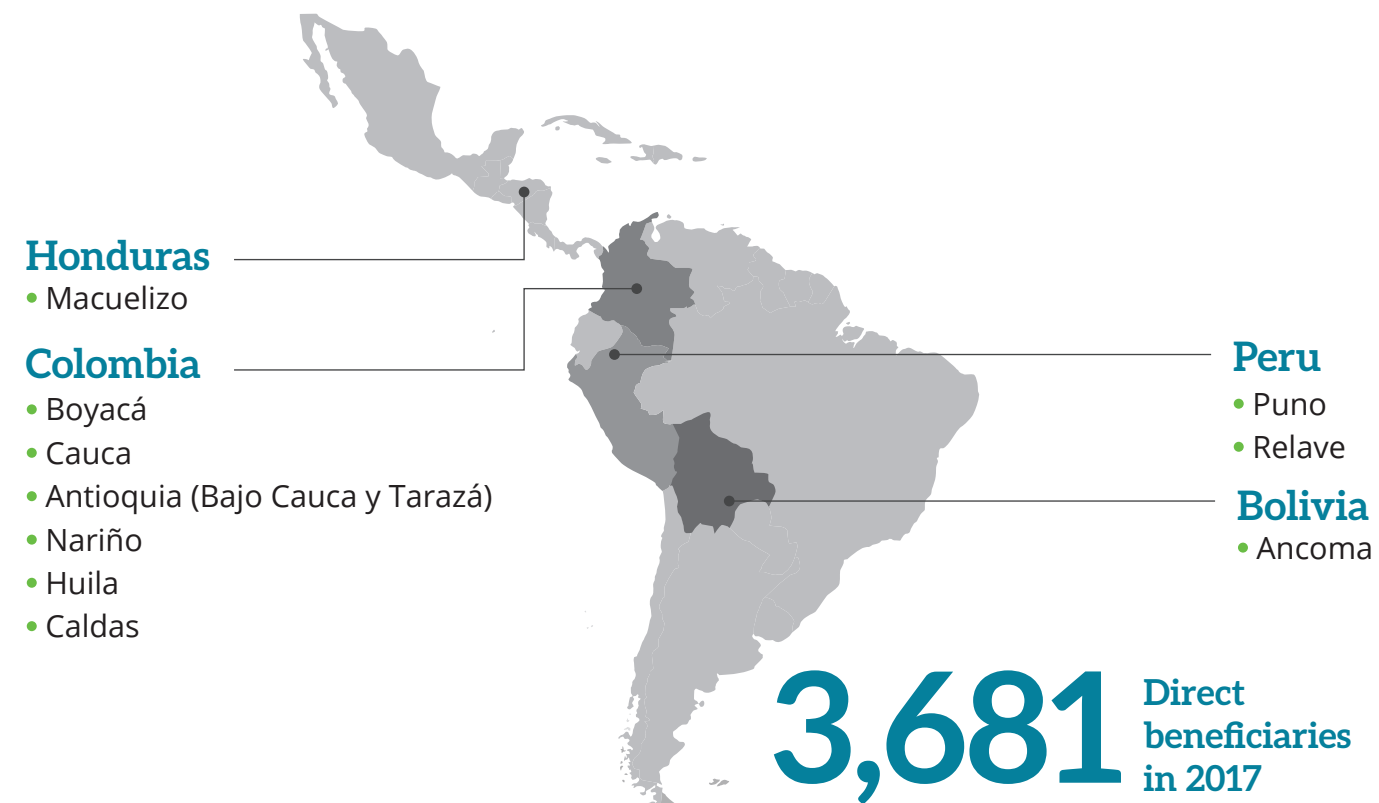
As a corollary of this reorganization and refocusing, we will develop a **very solid monitoring and evaluation system** to analyze the quality of our actions, correct approaches that do not adapt to the territory and, above all, improve the flow of information between our organization, the territories, other interested parties and our partners and allies. In terms of governance, this strategy will help us establish **a firmer basis to facilitate a dialogue on public policies** at the regional and national levels, given that our proposals will be inspired by the real situation of the territories.

We look forward to this exciting journey which begins with the beginning of a new year and we hope that all of our partners will want to join us to **contribute to a sustainable transformation of the artisanal and small-scale mining sector!**

Yves Bertran, Executive Director

2017 by the numbers

8 projects implemented in



Honduras
1.395



Colombia
1.240



Peru
254



Bolivia
792



5 consultancies performed in 7 countries

(Burkina Faso, Colombia, Ecuador, Kenia, Democratic Republic of the Congo, Rwanda and Uganda)



9 artisanal and small-scale mining

organizations with Fairmined Certification, representing

1.383 direct beneficiaries

(direct beneficiaries)



Colombia

- Iquira (from 2014)
- Coodmilla (from 2017)
- Fortaleza (from 2017)
- La Cascada (from 2017)
- La Coqueta (from 2017)



Peru

- CECOMIP (from 2016)
- MACDESA (from 2017)



Bolivia

- Yani (from 2017)



Mongolia

- Xamodx (from 2015)



8 mining organizations

working towards Fairmined Certification

180 kg

of Fairmined Gold sold

US\$719,000

Fairmined Premium paid to certified mining organizations

150

Fairmined licensees

17

Fairmined Authorized Suppliers



A **unique Fairmined Palme d'Or**, set with diamonds certified by the Responsible Jewelry Council, to celebrate the 70th anniversary of the Cannes Film Festival and two decades of collaboration with Chopard, the award manufacturer.



Since 2015, the world's most important peace symbol — **the Nobel Peace Prize** — is made of Fairmined Gold. In 2017, the International Campaign to Abolish Nuclear Weapons received this prestigious recognition.



2017 saw the first mass produced collection made with Fairmined Gold: **"Rihanna Loves Chopard"**.



Launch of new website

In 2017, we renewed our virtual presence with the new website - have you explored it? Search:

- Our work, services, programs, and projects
- News
- Blog
- Capacity building material for miners
- Community stories
- Newsletter
- Publications
- Impact figures

www.responsiblemines.org

2017 New publications and didactic booklets



Latin-American Forum for Responsible Small-Scale Mining

Artisanal and small-scale miners from Latin America met in Colombia to share their experiences on responsible mining.



More than 100 responsible mining players from Colombia, Bolivia, Peru and Honduras met in Colombia to exchange experiences and learnings about the Fairmined Certification process. At the forum, representatives from mining organizations and companies shared their experiences on the progressive implementation of best mining practices in economic, social, and environmental issues. Learning

exchanges were held on the management of mercury, associativity and cooperatives, mining safety and management systems, marketing, training, and child labor. The forum was organized in order to encourage participants to continue implementing responsible practices that promote local development and that support the social development of mining communities while protecting the environment.

"We are very thankful for the enormous effort they have made. The event and the initiatives are very valuable for us. They allow us to learn from and exchange experiences from small mining in Latin America with our brothers from Bolivia, Colombia, and Honduras"

Cesar Chambi Masco, representative of Chama, a small-scale mining organization in Peru.



Strategic

programs



The Fairmined Program

Since 2012 and together with the participation of 130 players from Latin America, Africa, the United States and Asia, ARM has been developing and verifying the success of the Fairmined model. This model has made it possible to **support the sustainable development** of organizations and communities in the artisanal and small-scale mining sector, driven by the demand for ethically produced and marketed minerals and metals.

Through the Fairmined program, ARM supports advanced mining organizations **in the training process** to reach the most demanding international standards. In addition, the program goes beyond training and certification of mining organizations. It seeks **to foster a local environment of mining governance** through the creation of spaces for dialogue at the local level with public and private

actors, civil society organizations and the miners themselves, to design and execute a joint action plan. The objective is **to anchor the Fairmined model in the territories where we work**, through the growth of the number of organizations committed to responsible mining practices.

Fairmined Certification more than ever is a viable process with very good perspectives for development and expansion in the world. In 2017, **the demand for ethical gold in international markets exceeded the gold supply** of certified mining organizations. To expand the number of certified mining organizations and the availability of Fairmined Gold, we collaborate with partners such as Solidaridad and the Better Gold Initiative, with its implementing partners in Colombia, Peru and Bolivia.





9 artisanal and small-scale
mining organizations with
Fairmined Certification



603 kg

Fairmined Gold sold since 2014

US\$ 2,194,000

of Fairmined Premium paid since 2014



Territories

where the Fairmined program
was implemented in 2017

Ananea, Peru

1,383 Direct beneficiaries

of the Fairmined Certification in 2017

associates and employees of certified organizations



17 Fairmined
Authorized Suppliers

150 Fairmined Licensees
(brands working with Fairmined)

Awards made of Fairmined Gold

- Golden Palm of the Cannes Film Festival since 2014
- Nobel Peace Prize since 2015
- Olympic Laurel in 2016

The CAPAZ Program – Supply Chains of Peace

One of the important lessons learned from implementing the Fairmined program in recent years has been that for many mining organizations it is difficult to meet the demanding requirements of the Fairmined Standard in the short term. If the journey towards certification is long and complicated, mining organizations are likely to lose motivation during the process. On the other hand, the costs and rigor of certification can make it unviable for groups of miners with small production and low levels of training. Therefore, ARM has advocated for years **the creation of a more progressive standard, which can facilitate the entry of vulnerable groups to legal markets**, either as an end in itself or as part of the long-term path towards Fairmined.

Additionally, with the introduction of the Due Diligence Guide of the Organization for Economic Co-operation and Development (OECD), the US Dodd-Frank Act (DFA) and the new European Union Conflict Minerals Regulation, **the industry is adopting mandatory and voluntary responsibility frameworks** related to the supply of minerals. If small-scale miners are not prepared and do not meet the minimum requirements of the industry and international regulations, their participation in legal supply chains may be jeopardized, hence reinforcing their informality and exclusion.

To accompany artisanal and small-scale miners **in complying with due diligence and supplying gold free of conflict and bad practices**, ARM has been developing a new global program: CAPAZ (Supply Chains of Peace). The program seeks to link and empower artisanal and small-scale miners with low levels of formalization, and support them in critical

issues such as due diligence, mercury management, associativity, health and safety, child labor, as well as the commercialization of its mineral.

Alongside, the program creates the foundation to **promote and enable an environment for discussion, decision-making and search for multi-stakeholder solutions** at the local level, to promote the equitable use of mining resources. Finally, **advocacy work at the regional and national levels** will allow to highlight the lessons learned at the pilot sites and obtain feedback from the national authorities to make the program viable.

The tool that will support this process will be the **CRAFT Code** - the "Code of Risk-mitigation for Artisanal and small-scale mining engaging in Formal Trade", which ARM, together with its ally, RESOLVE, began to develop in 2017.

CRAFT

The CRAFT Code is a tool that ASM can use to access legal markets, understand the needs of buyers in terms of due diligence and undertake a path towards progressive improvement, beginning with the mitigation of the most critical risks of the mining activity. Read more about CRAFT on page 18.



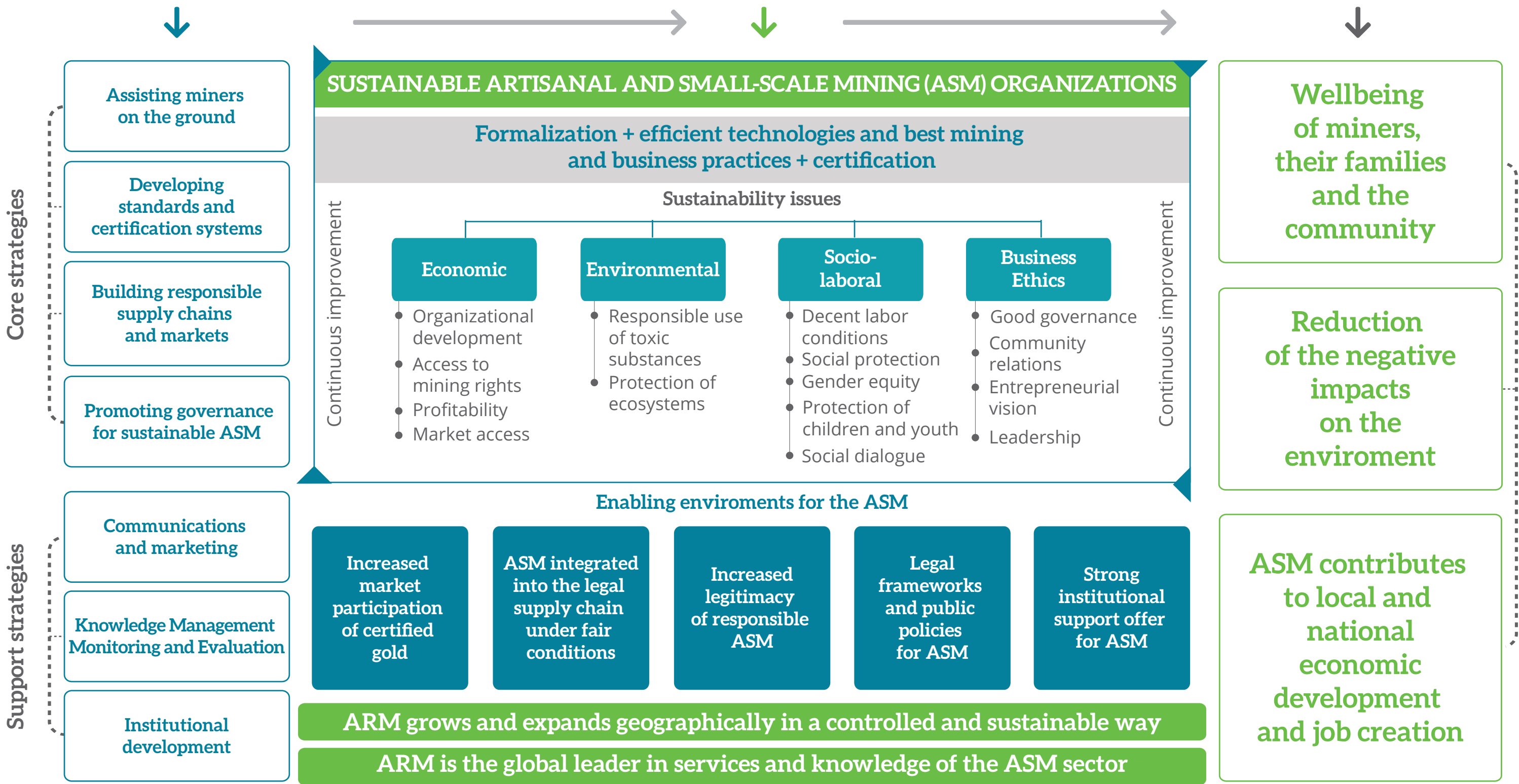
305 miners in the CAPAZ program in 2017

48 other people benefited directly from the program

Territories where the program was implemented in 2017:

- La Llanada, Colombia
- Suárez, Colombia
- Tarazá, Colombia

The strategies we implement facilitate short and medium-term change to generate long-term impacts



Milestones and results in the

core strategies of the theory of change

Assisting miners on the ground

The main strategies of the area

Organizational and social strategy

- Solidarity mining entrepreneurship models
- Strengthening of internal governance: consolidated mining organizations
- Organization and Internal Control System
- Labor conditions
- Advice on the management of the Fairmined Premium



Technical and environmental mining strategy

- Analysis of mining resources: feasibility and planning
- Mining plan: optimization of technical-productive processes
- Environmental management system
- Remediation of environmental liabilities
- Diagnosis and improvement plans
- Reduction and elimination of mercury
- Support in health and safety work processes

Priorities, achievements and significant events

- **Support of a group of 66 women involved in mineral sorting** located in the municipality of Suárez - Cauca. The women began capacity building both in the technical part, receiving training in personal protective equipment, mercury handling and reduction, and in the organizational part in the development of teamwork, learning the principles, values and management of an organization. These trainings allowed them to work on the development of statutes and regulations for their future organization.
- Execution of **22 gap analysis** and action plans for mining organizations in Colombia, Peru, Bolivia and Honduras.
- Support of 10 mining organizations in the **development of a traceability system and identification of risks** in the value chain to mitigate them.
- Joint work with two **communities that live in territories with a post-conflict situation** in Colombia (Suárez - Cauca and Tarazá - Antioquia), where it was not possible to work before due to security issues.
- **Intervention in Honduras with 7 mining communities** and approximately 307 associates who work for the Minas y Cuevas mining organization. Training in mining work, opening of mining fronts, personal protection elements, waste management, document management and supply chains were created.
- Support of two mining organizations in Bolivia in the **improvement of concentration processes to reduce mercury use**.

Developing standards and certification systems

The main strategies of the area

- Development and continuous improvement of standards
- Management of certification systems
- Due diligence and verification
- Recognition and cooperation with other standards and certification systems



Priorities, achievements and significant events

- **Development of the CRAFT Code** (more information included on the next page).
- Participation in the **Organization for Economic Co-operation and Development (OECD)** Forum where conversations related to the Code were initiated; in the **Annual Conference of the Responsible Minerals Initiative (RMI)**, where the development of the CRAFT was presented; and in the **ISEAL Conference**, a global movement of sustainability standards with which we shared achievements and Fairmined experiences.
- **Publication of a case study** which came from the collaboration between RJC and ARM to reduce the burden of auditing for actors who participate in both initiatives. In addition, the University of Queensland published the case study entitled **"Leveraging greater impact of mineral sustainability initiatives"** where the results of the collaborative efforts between the RJC Standard and the Fairmined Standard were showcased.
- **Maintenance of the quality of the audit process for Fairmined Certification of artisanal and small-scale mining organizations and of audits** for the renewal of the permits and licenses of Fairmined suppliers and licensees. This is done through training, continuous monitoring of results and adjustments according to needs.




The CRAFT Code

Code of Risk-mitigation for Artisanal and small-scale mining engaging in Formal Trade

Since February 2017, the development of the Market Entry Standard was initiated, which later evolved to be known as the **CRAFT Code**. This process, along with our RESOLVE ally, has been possible through the financing of the European Partnership for Responsible Minerals

(EPRM). CRAFT **builds upon the OECD Due Diligence Guidance** and facilitates its application in the artisanal and small-scale mining (ASM) sector.

To develop CRAFT, best practices from the ISEAL Code were followed for the development of standards:

- 
1. The **procedures** which ARM had already established for the development of the Fairmined Standard were updated.
 2. Terms of reference were drawn up to convene two **instances of governance** of the CRAFT Code: the Advisory Group and the Standard Committee.
 3. Since July 2017, an important coalition was formed comprised of standard developers, gold industry associations, miners from **Colombia, Peru, Bolivia, Senegal and Burkina Faso**, support organizations, buyers, organizations such as **RJC, IRMA, LBMA, EICC, SBGA, Solidaridad, PACT, Valcambi, Argor, Intel**, experts such as **UNEP**, experts in environmental and mining issues in Colombia and Peru and initiatives such as **Levin Sources, Dragonfly Initiative** and **CSR** from the University of Queensland. An important element was having the OECD as an observer.
 4. After continuous meetings and discussions regarding the content of the CRAFT, between July and December 2017, **a very consolidated version was ready at the end of the year** to be reviewed and to be able to be opened for public consultation at the beginning of 2018.

After consulting with different actors, **CRAFT Code version 1.0 is expected to be published in June 2018**. This will integrate the comments of the interested parties and the lessons learned from the pilots with miners who will apply CRAFT in Colombia.

CRAFT

Is developed under the open source license to promote the adoption by other initiatives and supply schemes.

CRAFT has a dual purpose:

1. Offer **a tool that facilitates the involvement of the industry with ASM** and the supply of gold in accordance with the OECD Due Diligence Guidance. CRAFT allows the industry to contribute to risk mitigation and the improvement of the conditions in the sector, thus contributing to the development of mineral-producing countries.
2. Provide an **instrument so that ASM can access legal markets**, understand the needs of buyers in terms of due diligence and undertake a path of progressive improvement, starting with the mitigation of the most critical risks of the activity.

Read more about CRAFT [here](#) 

Building responsible supply chains and markets

The main strategies of the area

- Development of markets to increase the participation of Fairmined certified gold.
- Facilitate market access with fair conditions for mining organizations through established and efficient supply chains.
- Consolidated pre and post certification support for gold trading for mining organizations.



Priorities, achievements and significant events

- **180 kg of Fairmined Gold** were sold, generating **\$719,000 US of Fairmined Premium** paid to certified mining organizations.
- **Demand for Fairmined Gold** increased significantly in 2017, demonstrating that there is a market for certified gold from artisanal and small-scale mining.
- **150 jewelry brands and mints** work with Fairmined Gold.
- **17 authorized suppliers** offer gold from certified mining organizations in the market.
- Chopard launched the **first mass produced collection** made with Fairmined Gold: *"Rihanna Loves Chopard"*. Consumer demand exceeded expectations.
- Fairmined was presented as a positive market solution at events and conferences such as the World Money Fair Berlin, Jewelry Industry Summit (USA), IAC Gold Conference (USA) and Fair Luxury (UK).



Governance for sustainable artisanal and small-scale mining

The main strategies of the area

- Diagnosis and understanding of the territory
- Transfer and strengthening of capacities
- Promotion of inclusive local governance models
- Advocacy bottom-up



Priorities, achievements and significant events

- In a reflexive manner a **new strategy of the area** was developed, adapted to the theory of change and with a new **territorial approach**.
- Significant advances were made in the **positioning** of artisanal and small-scale mining (ASM) in national and international advocacy platforms such as EITI Colombia, where steps have been taken to include it in the transparency initiative reports, which we hope will contribute to visualize and legitimize the sector.
- Promotion of the **creation of local dialogue platforms for action** that seek to achieve good governance of ASM from the local to the global level.
- The creation of the first local **Management Committee** in Suárez, Cauca, to improve the governance of the sector in the territory.
- Active participation in **forums** organized by the Organization for Economic Co-operation and Development (OECD) in the Ivory Coast and Burkina Faso, the **IGF assembly (Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development)** and **UNECA (United Nations Economic Commission for Africa)**.

Creation and accompaniment of Management Committees

To promote the multi-actor dialogue for the sustainable governance of ASM

The experience of ARM in working with mining organizations demonstrates that the most successful results are attained not only when there is strong support and organizational structures on the miner's side, but when there is a favorable environment of dialogue, listening and collaboration between authorities, institutions, national and international buyers and the community. To encourage the creation of this type of

environment, the "Local Management Committees" methodology in the territories was designed to create spaces for dialogue and local participative management. It seeks to facilitate multi-stakeholder interaction in the areas in which ARM works. Consequently, it will facilitate the coordination of shared visions of the territory around ASM that aim at its sustainable development through concrete actions and commitments.



PRECAUCION
VAGONETA
EN LA VIA

PRECAUCION
UTILICE LOS ELEMENTOS
DE PROTECCION PERSONAL

BOCAMINA TRÓMPETERO LTDA.
PROHIBIDO EL PASO
A PARTICULARES

Activities and achievements

in the main territories

Colombia, Bajo Cauca



● **Territory:** El Bagre y Zaragoza



Beneficiaries

511 female gold panners

275 male gold panners

165 young men

308 young women (13 to 25 years)



Context

The Somos Tesoro project is being implemented in this territory, a leading project for the reduction of child labor in mining areas of Colombia. ARM's approach focuses on improving the safety of mining practices and labor issues. The vast majority of the beneficiaries are mining families from 18 villages who depend on gold panning to make a living.

Priorities, achievements and significant events

- **Trainings** on safety and mercury were carried out.
- An **exchange of experiences** was organized between an artisanal miner from Chocó, who is knowledgeable about alternatives to mercury, and an association of artisanal miners.
- A **mercury test** was done and several people passed the permissible level. In cooperation with the municipal authorities of El Bagre, affected people were given the medical prescription to obtain their medicine.
- A **self-care campaign** was organized in which people were given hats to protect themselves from the sun when working.
- A **practical guide was created on the formulation, management and monitoring of productive projects** and a productive project was formulated with a community approach with 75 gold panners.
- **857 young people participated in workshops** on responsible mining and vocational guidance.

Colombia, Boyacá



● **Territory:** Boyacá



Beneficiaries

1,151 male miners

56 female miners

77 young men

103 young women (15 to 17 years old)



Context

The coal mining with which ARM works in Boyacá within the Somos Tesoro project is carried out in a family environment, on a very small scale, employing few personnel, little technification, low production, and high levels of informality. Since many of them were working minors, many miners from Boyacá did not have the opportunity to study and, therefore, they require training in order to implement best practices in safety issues, regulations, environmental aspects, among others, in order to advance in formalization and improve their resilience. These mining communities experience child labor, which may fuel the vicious circle of poverty in the region.

Priorities, achievements and significant events

- **4 mining innovation projects** were conducted: a digital point, reforestation and landscape remediation of a mining area, a capacity building space for miners and a windmill for reusing water.
- Safety diagnostics and trainings were held and support was given for **developing and implementing Occupational Safety and Health Management Systems**.
- Over 700 mine visits were held, where advisory services were provided and training was given on mining health and safety, child labor and other aspects pertaining to formalization.
- **181 young people** between 15 -17 years old were **sensitized on responsible mining** and vocational guidance. A series of 4 workshops led by psychologists provided teenagers an opportunity to learn how to distinguish informal, formal, and responsible mining. In addition, they were able to create a **life project** so that they could be informed on how to access higher education, motivating them to stay in the educational system.
- **Courses were organized with the SENA** (National Service of Education) regarding security and administrative aspects which resulted in the certification of 301 miners.
- 8 interviews, 3 focus groups and 205 questionnaires were held to understand the **perception of miners regarding child labor** and their way of perceiving childhood, adolescence and adulthood.



● **Territory:** Suárez



Beneficiaries

66 women miners
and mineral sorters



Context

The municipality of Suárez presents a great resource potential in promoting the development of mining in the Department of Cauca. Suárez is a territory which experiences various mining challenges in terms of mercury use, health and safety at mines, working conditions and aspects pertaining to environmental protection. In addition, it is a territory which has been heavily affected by the armed conflict. Suárez is characterized by its ethnic diversity: 58% of the population identify themselves as Afro-descendant and 22% as indigenous.

There are opportunities to improve mining practices and business conditions and there is a concern in the community in developing mining activities in a traditional and responsible manner. These reasons explain why the municipality was chosen as part of the pilots for the CAPAZ project.

Thus, the strategy is being developed in coordination with the Community Councils of the Afro-descendant communities, which are the traditional local ethnic authority. The community decided to focus the project activities on a group of approximately 66 mineral sorters (who are commonly referred to as chatarreras or ripieras), who were identified as living under more noticeable situations of vulnerability compared to other groups of miners in the municipality.

Priorities, achievements and significant events

- **Establishing and generating trust in the territory** to gain project approval from the local Community Councils, which resulted in obtaining approval by the Community Councils of Aganche and Mindalá.
- Mapping out of a plan for material processing which provides an **alternative for eliminating the use of mercury**.
- Facilitating the **creation of the association of mineral sorters** "ASOMUSELUPAZ: Association of Women Sorters and Peace Fighters" to empower women and facilitate the processing and collection of gold.
- Offering **training** on solidarity economy, health and safety at the workplace, trade and the negative effects of mercury use. As a result, the female sorters stated that they felt that they managed to gain respect by other groups of miners.
- The women were accompanied in the process of **obtaining the "SI.MINERO" certificate** (mining information system in Colombia) which legalizes their mining activity.
- Creating the **first local management committee** to align efforts with local actors for the application of a Due Diligence Protocol.



Colombia, Nariño



● **Territory:** La Llanada



Beneficiaries

38 female associates and workers

215 male associates and workers



Context

We worked with the mining cooperative of the district of La Llanada, Coodmilla. 10 of its work fronts managed to obtain the Fairmined Certification. On its path towards responsible mining, Coodmilla has managed to improve its organization, allowing to expand the possibilities of certification to additional fronts. ARM is accompanying them on this journey.

Priorities, achievements and significant events

- Implementing an **internal control system** that guarantees the physical and documentary traceability of gold from extraction to sale.
 - All workers were given assistance in the **process of creating employment contracts**.
 - Activities to further **improve comfort conditions** for workers at mines (rest area, bedrooms and dining room).
 - The workplace **health and safety management system** was socialized along with its implementation and follow-up.
 - Holding **workshops** on the prevention, mitigation and management of forced labor, gender violence, child labor and abusive and violent labor relations.
- These resulted in the design and implementation of an **internal regulation** where it was established that minors under the age of 18 are not allowed to carry out mining activities and no practice or behavior can be carried out which are considered forced labor.
- Each production system was recognized as an organization with natural legal status, facilitating all types of processes with the law.
 - The organization was accompanied in the **administrative and accounting processes**, in accordance with the regulation requirements.
 - Designing **strategies for compliance with Due Diligence**.

Honduras, Macuelizo



● **Territory:** Santa Barbara



Beneficiaries

46 female associates

261 female associates



Context

From the 90's until 2004, the industrial company Geomaque performed gold mining in the municipality of Macuelizo. When the organization withdrew from its environmental and mining permits in the area, it began a closure process which consisted in the rehabilitation and treatment of environmental liabilities. However, given the lack of economic opportunities, many people from the communities and villages of Macuelizo entered the sector to carry out mining activities in an artisanal way, which led to conflicts between locals and company officials. When the company noticed that people in the communities were interested in continuing searching for gold through artisanal practices, it began to assess the transferring of the concession to the communities so that the artisanal exploitation of the mining site could be carried out in a legal, social and environmentally responsible way. Through a project funded by the Lundin Foundation, ARM has been supporting this process.

Priorities, achievements and significant events

- A **feasibility analysis** was carried out against the Fairmined Standard and the CRAFT Code.
- Supporting the **creation of the Minas y Cuevas company**, which consists of 7 communities and 307 partners. The objective of the creation of this company was to generate local development with mining, agricultural and livestock activities, employment, economic benefits and contributions for all of the communities involved.
- **14 training sessions** were held on mining, 7 on the environment and 14 regarding safety, building capacities of 35 associates and workers.
- The extraction of mine material began with the **opening of a gallery and a new work front**.
- Activities were carried out on the **management of waste and runoff waters**.
- A **GAP analysis** was carried out in order to evaluate the initial state of Minas y Cuevas, seeking to support them in the application of activities that would favor compliance with the different regulatory requirements, as well as the requirements of Fairmined Certification.
- Providing **technical and organizational support** in order to build upon the capacities in the organization.



New Fairmined

certified mines

Coodmilla, Nariño, Colombia

In 2015, 5 mines pertaining to the Coodmilla cooperative achieved Fairmined Certification individually. These partners were **an example** for the rest of the cooperative in demonstrating that meeting the requirements of the Fairmined Standard is attainable and valued nationally and internationally. In January 2017, **COODMILLA obtained Fairmined Certification as a cooperative** with a production system comprised of 10 mines (5 pioneers and 5 new ones).

[More information here](#) 



Macdesa, Arequipa, Peru

MACDESA is located near the former Cuatro Horas Small Town Center, where mining has always been present in the lives of **500 families that make up the community**. Since its inception, the company has provided basic services such as electricity, health services and support for education. In May 2017, they obtained Fairmined Certification and thus are able to further show their commitment to responsible mining.

[More information here](#) 



Congratulations to MACDESA, the mining organization who obtained the highest sales of certified gold in 2017, their first year with Fairmined Certification!

La Fortaleza, Nariño, Colombia

Obtaining Fairmined Certification was an 8-year effort for the Agro-Mining Association of Los Andes, La Fortaleza, a non-profit association comprised of displaced families from the armed conflict. Their efforts were paid off with the certification in January 2017. For Rolberto Álvarez, the legal representative, the certification is not the result but **the beginning of a long-term improvement plan** which will become a model to be replicated by other artisanal mining organizations.

[More information here](#) 



La Cascada, Manizales, Colombia

La Cascada had its origins more than 50 years ago. During that time they had simple and handcrafted processes, but the mining project started growing along with the idea of having a more effective and responsible mining. **More than 8 years ago, La Cascada eliminated the use of mercury and opted for more environmentally friendly recovery processes.** Thanks to their commitment and the support of entities such as the Better Gold Initiative (BGI), Corpocaldas, the Formalization Directorate of the Ministry of Mines and the Government of Caldas, the organization obtained Fairmined Certification in November 2017.

[More information here](#) 



La Coqueta, Manizales, Colombia

La Coqueta already has achieved **great progress** when they started their path towards obtaining Fairmined Certification, both in the technological and in the organizational aspects. This was due to the formalization processes that were carried out for years together with local and national institutions. Especially due to the efforts and commitment of the organization and support of the Better Gold Initiative, they were able to achieve certification in December 2017. **The mine works daily to improve the management of environmental resources through training and workshops.**

[More information here](#) 





Fairmined

Premium use

US\$719,000
of Fairmined Premium paid in 2017

A summary of the projects
how the premium was invested in
the different certified mines



Xamodx

- Built **guards and fences** for processing plants.
- Built **three residential areas** with bathrooms and an area for waste management.
- **Medical check-ups and laboratory tests** for 151 members.
- **137 members of the Xamodx NGO were affiliated to the health system.**
- Provided **training on legal regulations** of artisanal and small-scale mining, gender equality and mine rescue for 86 members.
- Supported economically the **environmental development** of the region.

CECOMIP

- Built a **kitchen-dining room** at the mining site to offer an adequate area for workers.
- Purchased and installed a Raschel mesh in the elementary school in the community of Ananea. The objective of this investment was **to provide children with a safe environment and protection** from harmful sunrays. The Peruvian high plateau is one of the 10 places in the world with the highest solar radiation.
- Paid the cost of the **audit** for the renewal of the Fairmined Certification for the first year.





Iquira

- **Improved the road** which benefits the communities of El Cedro, Damitas, Buenos Aires and San Luis.
- Acquired a **property for a plant project** of crushed and sterile handling.
- Hired professionals to promote a **workplace safety management system**, the management of legal and administrative consulting and the implementation of an environmental management plan.
- Organized **trainings** for workers regarding the following topics: first aid, mine rescue and the use of explosives.
- Supported sportsmen workers to **participate in the Olympics** in Paipa.
- **Purchased chairs and shirts** for the cooperative.
- Offered **financial support** to people in the community who were ill or were affected by the death of a family member.
- Supported the **purchase of a lot** for the construction of a home shelter for the Amor y Vida Social Foundation for children with special educational needs.
- Supported the **renovation of a wall** in the community.
- Organized the **end of the year celebration**, children's day and school graduations in the community.

Coodmilla

- Purchased a **compressor** which will increase its work and production capacity.
- Improved the **unloading area and roads**.
- Purchased **sign-postings to be placed at the mines** (80 signaling kits with 33 signals each).
- Financed **20 first aid kits** (stretcher, first aid kit and fire extinguisher).
- Construction of the Mina Cisne cable car with resources from ARM, Fairmined and associates.
- Supported workers so that they could **improve their homes**.
- Purchased **200 self-rescuers**.
- Support was given to the areas of the community that live in situations of more vulnerability and to miners suffering from serious health disorders. They were **given assistance** in shopping, equipment, bonuses, medicines, coverage of diagnostic tests and transfers.

The Macdesa premium report is still being development at the time of writing the Annual Report, and the 15 de Agosto and Yani organizations have not yet invested their Fairmined Premium.





Overview

of projects

| Objective | Territory | Donors and partners | Year | Results |
|--|--|--|-------------|---|
| Extend the Fairmined Certification model to respond to the increased demand for ethical gold from artisanal and small-scale mining. | Ananea, Puno, Peru | Microsoft | 2017 | Elaboration of 5 gap analysis and improvement plans. Selection of the mining organization best positioned to comply with the Fairmined Standard. |
| Strengthen the capacities of artisanal miners by supporting the adoption of best mining practices at the environmental level and promoting collaborative models of women in mining entrepreneurship. | Ancoma, Bolivia Relave and Ananea, Peru | USDOS Subcontractor: Colorado School of Mines | 2016 - 2019 | Commissioning of a metallurgical laboratory at the Yani Cooperative (Bolivia). Awareness campaign on mercury and health and safety in the mining community of Relave (Peru). Characterization of women miners in Ananea for identifying their needs as well as analyzing gender gaps. |
| A responsible mining model in Honduras: Strengthen the mining practices of the communities to achieve responsible artisanal and small-scale mining. | Macuelizo, Honduras | Lundin Foundation | 2017 - 2019 | Detailed on page 27 |
| Somos Tesoro: Reduction of child labor in mining areas. | Boyacá and Antioquia, Colombia | USDOL Allies: Pact, Fondo Acción, Fundación Mi Sangre | 2013 - 2018 | Detailed on pages 22 & 23 |

Overview

of projects

| Objective | Territory | Donors and partners | Year | Results |
|--|--|--|-------------|---|
| ASM Laboratories: from dialogue to action. Empower rural communities and vulnerable populations engaged in artisanal and small-scale mining and pilot a model of mining governance at the local level. | Suárez, Cauca Tarazá, Antioquia, Colombia | Ford Foundation | 2018 | Detailed on page 24 |
| CAPAZ: Supply Chains of Peace; Encourage best practices in mining communities to facilitate their access to legal markets, in coordination with the community and public and private partners. | Suárez, Tarazá, La Llanada, Colombia | European Partnership for Responsible Minerals Ally: Resolve | 2017 - 2020 | Detailed on pages 13, 24 - 26 |
| Strengthen the capacities of 3 women miners associations in the formulation, management, monitoring and evaluation of productive projects. | Zaragoza, El Bagre, Antioquia, Colombia | Fundación Ayuda | 2017 | Detailed on page 22 |
| Improving the social, economic and environmental performance of artisanal and small-scale mining in Latin America and the Caribbean. | Colombia, Peru and Bolivia | BID- FOMIN | 2013 - 2018 | Closing workshop in Manizales with artisanal miners from Bolivia, Colombia, Peru and Honduras and strategic partners to exchange experiences on responsible mining. |

Overview

of consultancies

| Objective | Territory | Donors and partners | Year | Results |
|---|---|--|-------------|---|
| Analysis of actors, cartography of the supply chain and evaluation of educational needs for the artisanal and small-scale gold mining sector. | Portovelo/ Zaruma, Ecuador | Canadian International Resources and Development Institute (CIRDI) | 2017 - 2018 | <p>Analysis of stakeholder groups of national rank and in the south of Ecuador.</p> <p>Assessment of influence and interests of stakeholder groups in terms of the TransMAPE project.</p> <p>Socio-economic and technical analysis of mining groups at the local level.</p> |
| Understand the economic contribution of artisanal and small-scale mining. | Uganda, Ruanda, Kenia | DFID Ally: Pact UK | 2016 - 2017 | Report including case studies. |
| Reduce the environmental, social and health impact of artisanal and small-scale mining. | 3 municipalities of Burkina Faso: Zorgho, Méguet and Boudry | CIEDEL & F3E Ally: Eau Vive | 2017 - 2018 | <p>Reference study on the context of artisanal mining, in order to identify mining sites, mining and community leaders, as well as characterize the main needs of miners to achieve a cleaner mining.</p> <p>Selection of two technical alternatives free of mercury and economically viable.</p> |

Overview

of consultancies

| Objective | Territory | Donors and partners | Year | Results |
|---|-------------------------------|---|------|--|
| Study of artisanal gold mining in Garamba National Park | Garamba National Park, DRC | Donor: European Union Subcontractor: Levin Sources | 2017 | Development of a research methodology for field diagnosis. Comparative analysis of best practices in artisanal and small-scale mining at the international level and in the DRC. Provide inputs for the development of a concerted public-private action plan. |
| The impact of artisanal and small-scale mining on forests | Chocó and Manizales, Colombia | Donor: Fondo Profor Subcontractor: Levin Sources | 2017 | Case studies on good and bad practice of local governance to promote artisanal mining with reduced environmental impacts and improvement of economic and social welfare. |

Allies

and donors

| Donors | Allies |
|--|---|
| Lundin Foundation | Colorado School of Mines |
| Inter-American Development Bank | Pact US and Colombia |
| Microsoft | Resolve |
| Fondo Sueco-Noruego de Cooperación para la Sociedad Civil Colombiana | Universidad de Catalunya |
| Fundación Ayuda | Levin Sources |
| Fundación Ford | UNDP - Colombia |
| Department of Labor of the United States (USDOS) | Better Gold Initiative (BGI) and Swiss Better Gold Association (SBGA) |
| United States Department of State | ABR Consulting |
| Centro Internacional de Estudios para el Desarrollo Local | CIEDEL (Centre International d'Etudes pour le Développement Local) – Eau Vive |
| European Partnership for Responsible Minerals | Transparencia por Colombia |
| | Samlerhuset & Mint of Norway |

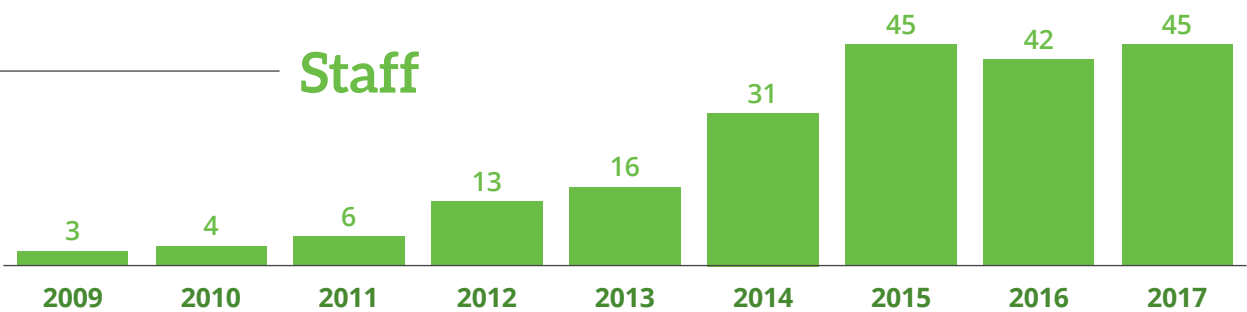


Our team

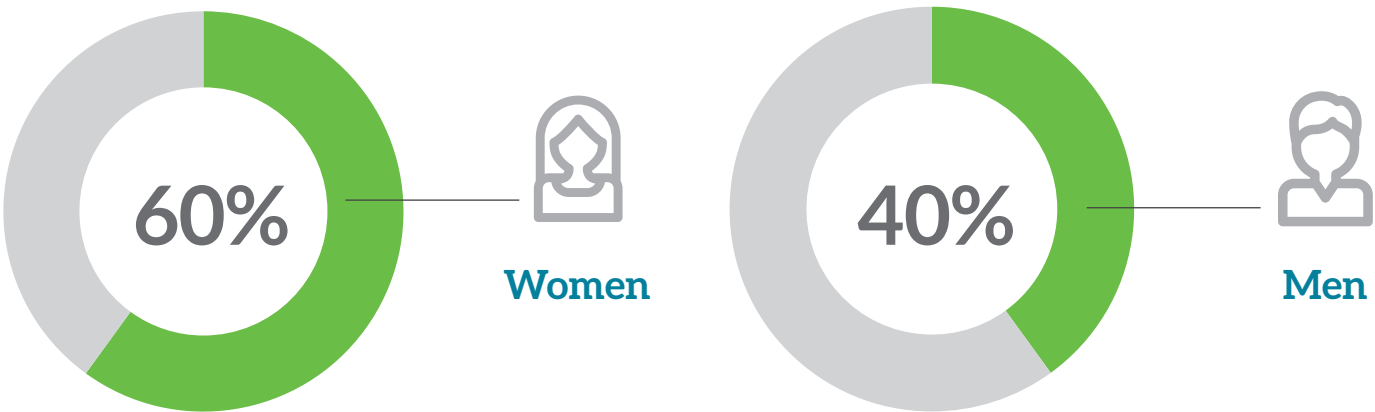


85% of job satisfaction

85% of the respondents expressed **being proud** to be part of the organization. They stated that they felt integrated and autonomous, that they had a **good working relationship** with their colleagues and good communication with the leaders and directors of their areas. In addition, they felt **identified with the mission, growth, and continuous learning of the organization**. There is a decrease with respect to the result of the previous year, which stood at 86%.



Composition by gender

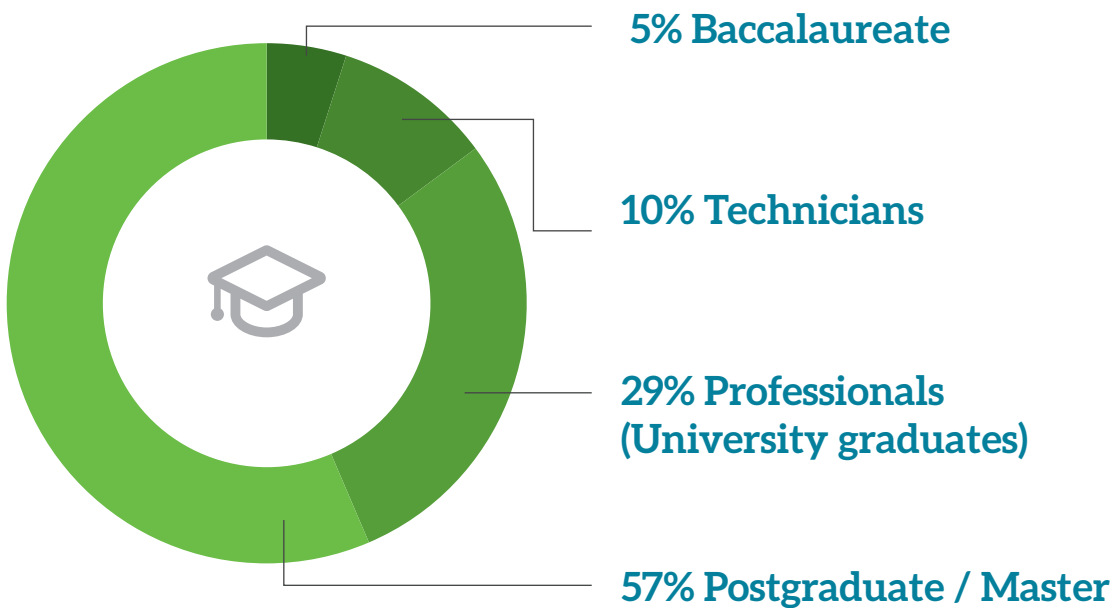


Volunteers

As always, the volunteers in our organization deserve a **special thank** you. We are a very fortunate organization to have had the support of:

- Adrián Ramirez
- Natalia Arias
- Audrey Gendrand
- Austin Everet

Education Level



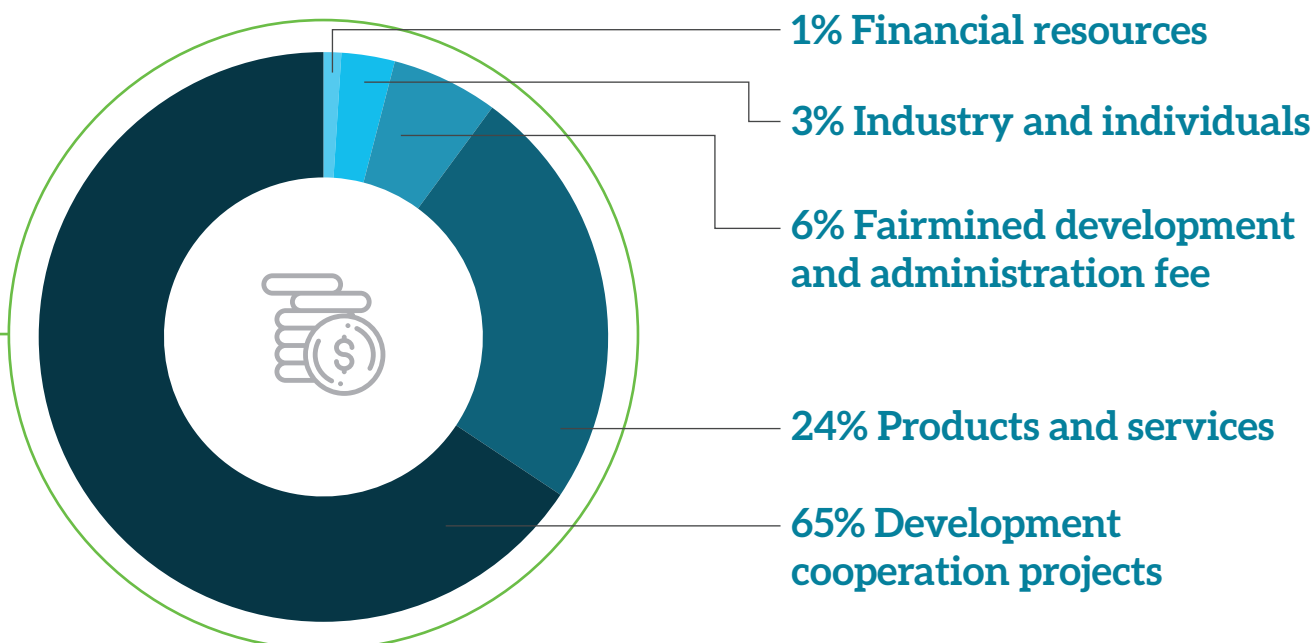
Economic and Financial Management

In 2017, the total mobilized financial **resources amounted to \$1,300,106 USD (\$3,880 million pesos)**, 65% of these resources came from development **cooperation projects** that contributed \$846,226 USD (\$2,525 million pesos). We also received \$ 15,574 USD (\$942 million pesos) in revenue from our **products and services**.

2017 was the fourth year in which **Fairmined licensing** generated revenues totaling \$ 79,125 USD (\$ 236 million pesos), which directly contributes to supporting the certification scheme. We received contributions from the **industry and individuals** close to \$ 40,366. USD (\$ 120 million pesos). \$18.815 USD (\$56 million pesos) in revenue were obtained by the management of financial resources.



Financial resources



Financial Resources

COP

US Dollars

| | | | | |
|--|----------------------|-------------|------------------|-------------|
| Development cooperation projects | 2.525.137.501 | 65% | 846.226 | 65% |
| Products and services | 941.672.742 | 24% | 315.574 | 24% |
| Fairmined development and administration fee | 236.110.096 | 6% | 79.125 | 6% |
| Industry and individuals | 120.452.071 | 3% | 40.366 | 3% |
| Management of financial resources | 56.144.223 | 1% | 18.815 | 1% |
| | 3.879.516.632 | 100% | 1.300.106 | 100% |



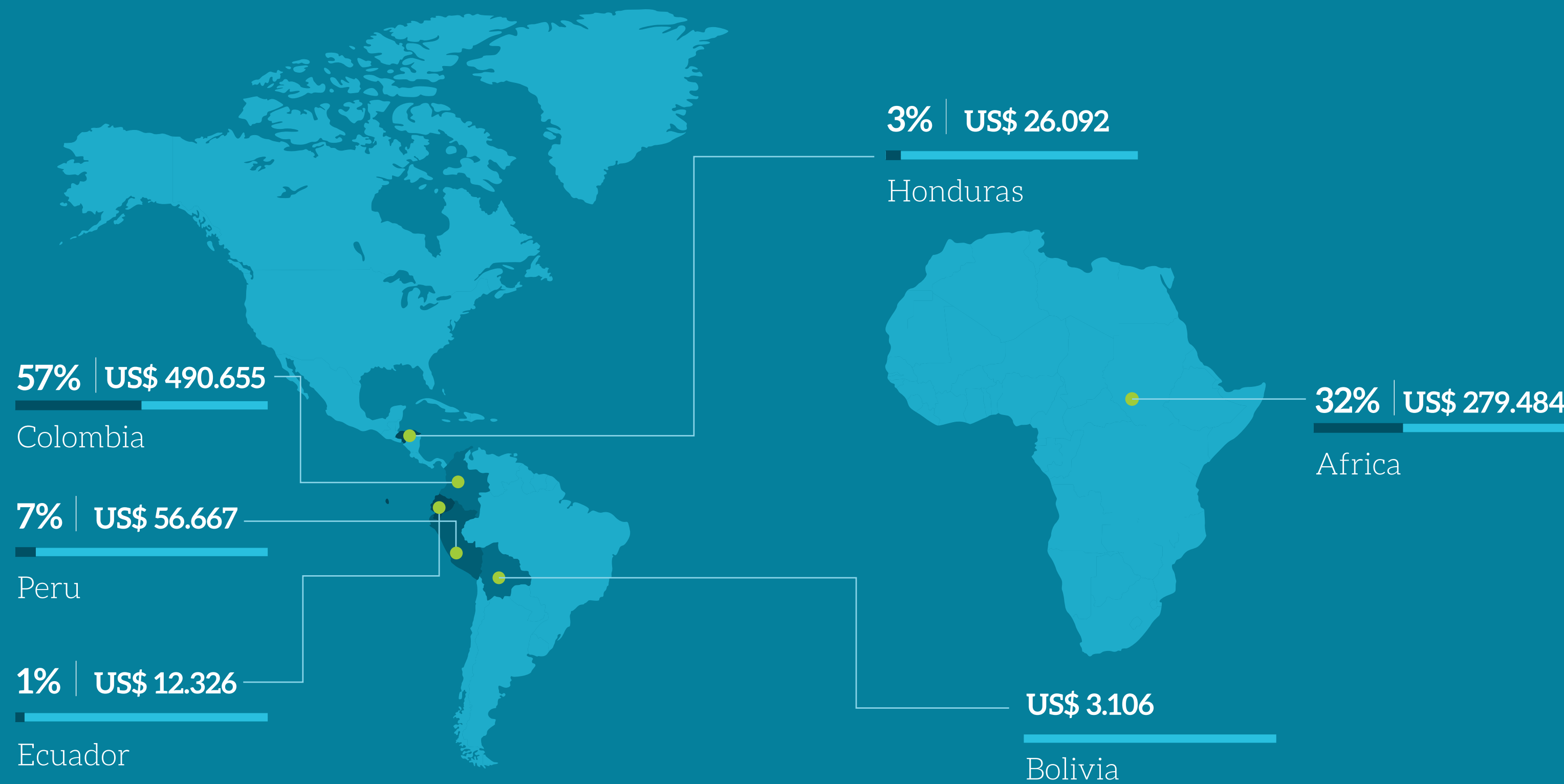
©Manuela Franco

Funds mobilized in dollars

| | | |
|--------------------------------|------------------|-------------|
| Mining services | 868.330 | 67% |
| Standards and Certification | 68.714 | 5% |
| Fairmined Business Development | 40.663 | 3% |
| Governance | 46.058 | 4% |
| Management and Administration | 160.001 | 12% |
| Fundraising | 49.932 | 4% |
| Communications | 45.530 | 4% |
| Financial expenses | 18.377 | 1% |
| | 1.297.607 | 100% |

Funds mobilized

for mining services by region





Funds invested in dollars

| | | |
|---------------------------------------|------------------|-------------|
| Mining Services | 868.330 | 67% |
| Mining services Colombia | 490.655 | 38% |
| Mining services Peru | 56.667 | 4% |
| Mining services Bolivia | 3.106 | 0% |
| Mining services Africa | 279.484 | 22% |
| Mining services Honduras | 26.092 | 2% |
| Mining services Ecuador | 12.326 | 1% |
| Standards and certification | 68.714 | 5% |
| Staff | 26.938 | 2% |
| Infrastructure | 41.777 | 3% |
| Fairmined Business Development | 40.663 | 3% |
| Standards and certification | 29.226 | 2% |
| Activities and travel | 11.437 | 1% |
| Governance | 46.058 | 4% |
| Staff | 15.667 | 1% |
| Infrastructure | 27.737 | 2% |
| Consultancies, activities and travel | 2.654 | 0% |
| Management and administration | 160.001 | 12% |
| Fundraising | 49.932 | 4% |
| Communications | 45.530 | 4% |
| Subtotal | 1.279.230 | 99% |
| Financial expenses | 18.377 | 1% |
| Total | 1.297.607 | 100% |

Funds invested in COP

| | | |
|---------------------------------------|----------------------|-------------|
| Mining Services | 2.591.098.001 | 67% |
| Mining services Colombia | 1.464.115.702 | 38% |
| Mining services Peru | 169.093.779 | 4% |
| Mining services Bolivia | 9.267.612 | 0% |
| Mining services Africa | 833.979.171 | 22% |
| Mining services Honduras | 77.859.740 | 2% |
| Mining services Ecuador | 36.781.998 | 1% |
| Standards and certification | 205.043.850 | 5% |
| Staff | 80.382.000 | 2% |
| Infrastructure | 124.661.850 | 3% |
| Fairmined Business Development | 121.338.750 | 3% |
| Standards and certification | 87.210.000 | 2% |
| Activities and travel | 34.128.750 | 1% |
| Governance | 137.438.400 | 4% |
| Staff | 46.751.400 | 1% |
| Infrastructure | 82.766.850 | 2% |
| Consultancies, activities and travel | 7.920.150 | 0% |
| Management and administration | 477.443.400 | 12% |
| Fundraising | 148.998.000 | 4% |
| Communications | 135.862.350 | 4% |
| Subtotal | 3.817.222.751 | 99% |
| Financial expenses | 54.836.969 | 1% |
| Total | 3.872.059.720 | 100% |





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