



(C) : Manuela Franco

CAPAZ: Supply Chains for Peace

Context



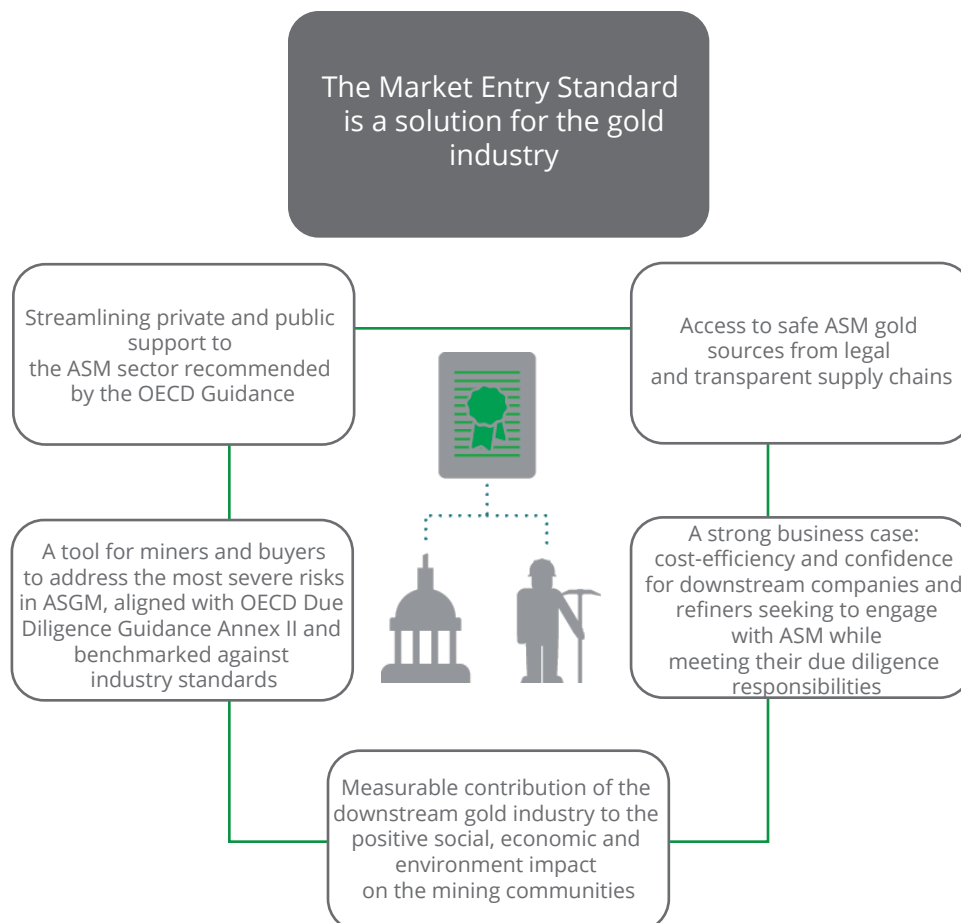
Artisanal and small-scale mining (ASM) provides jobs for an estimated 20 million people in the developing world, thus contributing to the livelihoods of more than 100 million people, many of them living in conflict-affected and high risk areas (CAHRA). Due to the lack of resources, training and support, this economic activity suffers from widespread informality and is linked to many social and environmental concerns.

Following the introduction of the OECD Due Diligence Guidance and regulations in the European Union and the United States, the industry has been adopting mandatory and voluntary responsibility frameworks related to sourcing gold from CAHRA and beyond. Although industry stakeholder have expressed interest in contributing to economic and social development in CAHRAs through responsible sourcing of minerals, a standardized and efficient mechanism, combined with capacity building, is necessary to viably manage the risks associated with purchasing from this sector.

Global Market Entry Standard: Passport to Markets Program

Most artisanal and small-scale mining organizations are far from being able to meet the performance requirements of elite standards such as Fairmined, making it difficult for them to access the global markets that could support further growth and development. There is a need for an intermediary standard guaranteeing essential due diligence and giving miners a practical tool to satisfy the demand of the global markets for transparent and conflict-free mineral sourcing.

Responding to this need, ARM and RESOLVE will develop a **Market Entry Standard** to provide an entry-point for artisanal and small-scale mining organizations toward further opportunity, improved performance and a contribution to a sustainable development of their communities.





Capaz: Passport to Markets Program



Through a grant from the European Partnership for Responsible Minerals (EPRM), the Alliance for Responsible Mining (ARM) and RESOLVE will develop the first stage of the CAPAZ program, which will be implemented from February 2017 to June 2018. This first stage has two primary objectives:

1. To develop a globally applicable Market Entry Standard and a verification system to engage with artisanal and small-scale gold mining, especially in conflict-affected and high risk areas.

The entire CAPAZ program will span at least 4 years, and is **easily scalable** to reach more mining organizations in different countries. This first EPRM-funded phase will **bring together global stakeholders** around the development of the first version of the Market Entry Standard.

This Standard aims to have a global scope, in conflict and high risk areas and beyond. In this first stage, the standard will be tested in Colombia, bringing together importers, traders and two pilot mining sites to build transparent and **OECD-conformant supply chains**.

2. To pilot supply chain models for conflict-free minerals in Colombia.

- **Identification and evaluation of mining sites** to test the CAPAZ approach.
- **Empowerment of miners to establish legal supply chains**, build tailor-made progressive improvement plans and develop a route of positive impacts.
- **Cost-effective and participatory due diligence process**.
- **Engagement with the national, regional and local institutions** to boost formalization efforts and raise awareness on conflict-free minerals regulations.
- **A business case and an incentives model** will be developed by supply chain actors participating in the pilots.
- **Gold from the pilot sites** will be delivered through a transparent, OECD-conformant supply chain.
- Environmental, economic and social improvements will be measured through a set of simple **key performance Indicators**.

Target groups:

- Mining organizations, artisanal and small-scale miners and communities.
- Domestic traders and exporters
- International refiners
- Companies and brands whose consume gold



Scaling up for broader impact

The Market Entry Standard has the potential to create opportunities for hundreds of thousands of mining organizations in developing countries. Now that the first impulse is being given to ASM's gold entry into legal markets, new allies and donors from the private and public actors are invited to join the program and widen the impact.

CAPAZ TEAM

The Alliance for Responsible Mining (ARM) is a global non-profit organization founded in 2004. Its mission is to establish standards for responsible ASM and increase the capacity of artisanal and small-scale miners to produce certified minerals and market them through transparent supply chains, thereby contributing to the transformation of ASM into a socially and environmentally responsible activity and improve the quality of life for miners, their families and their communities. www.responsiblemines.org, tel: +57 4 3324711 arm@responsiblemines.org

RESOLVE is an independent organisation, based in Washington, D.C, with expertise in multi-sector and multi-stakeholder partnerships and the development of solutions to complex social and environmental challenges. RESOLVE's knowledge of supply chain dynamics, international markets, Due Diligence Standards, as well as public-private cooperation, will be an advantage for the development of buyer networks. www.resolve.org, tel: +202-944-2300 tkennedy@resolve.org

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European Partnership for Responsible Minerals (EPRM)