

AMIGOS DEL CHOCÓ FOUNDATION

ANUAL REPORT 2006



In 1997, a group of youngsters and their relatives created the Amigos del Chocó Foundation, with the hope of promoting nationally and worldwide a region of great natural and cultural wealth. They placed their bet on a local development leveraged on the sustainable use of natural resources, and one in which communities would play starring roles.



This proposal was materialized in productive programs like those of Green Gold and Analog Forestry, processes that are accompanied by strategies of environmental communication and education and skill building, always with a vision of sustainability and local empowerment.



Our purpose has been to have a bearing on the local reality while we launch the Biogeographical Chocó across the national and international scenarios. Asocasan, Cocomacoiro, Fundamojarras and the Existir Foundation have placed their bets on constructing with us alternatives for development with dignity for Afro-Colombian communities of the Pacific region. In Colombia we have become articulated with social, public and private organizations to advance in the fulfillment of our mission. Likewise, active participation in global networks has allowed us to articulate local communities and their products and processes with global dynamics and markets.

As this report reflects, 2006 was a year of programmatic and institutional strengthening. In the programmatic field, our efforts concentrated in fine-tuning the conceptual coherence of our work and advancing in the tracking, monitoring and impact-measurement processes. Concerning our institutional challenges, Amichocó demonstrated that it has constructed an institutional identity that nourishes itself from individual leaderships, but that transcends into a civil society proposal. We have now embarked upon a serious growing and maturing process.



We welcome 2007 with clear strategies and a competent human team that is committed to contributing to the development of the Biogeographical Chocó. This is the commitment that we assume towards the Pacific region communities, our allies and donors, and with the overall society. We expect to spread thought contagion to each time more communities, persons and institutions in a common bet for a region that we ought to be sensitive to as Colombians and inhabitants of a world threatened by social exclusion and environmental devastation.

Lina Villa-Cordoba
Executive Director



GREEN GOLD PROGRAM

The Green Gold Program is a unique pilot experience in the world aimed at reverting processes of devastation of strategic ecosystems that originated in uncontrolled large-scale mining in the communities of the Chocó, Colombia. It is based upon a certification scheme for responsible artisanal mining. Extracted gold and platinum are commercialized under the Oro Verde™ brand name in specialized niches, thereby improving miners' livelihoods through the access to global markets.

The Green Gold program is implemented through the Green Gold Corporation, an organization comprised of the Foundation Amigos del Chocó, The Mojarras Foundation, and the Community Councils of Condoto and Tadó.



The Green Gold criteria are acknowledged to create the major guidelines for developing a green jewelry label.

Dutch certifier Stichting Mileukeur SMK, a Foundation working for the promotion of green and fair trade markets, acknowledged in the Green Gold certification criteria the fundamental guidelines to certify jewelers who find in the responsible jewelry trade a business alternative that responds to their entrepreneurial social responsibility policies. The certification that SMK grants comprises jewelry products made from Oro Verde™ metals, or that meet their extraction criteria.

Green Gold Certified Miners

Over the past year, the Green Gold program widened its scope of action and to this date includes one hundred and ninety four miners and their family productive units certified as users of metal extraction techniques that are socially and environmentally responsible. This means that more than thirteen hundred persons, inhabitants of the Condoto and Tadó municipalities, are direct beneficiaries of the program and around 19,520 acres (7,900 hectares) of tropical rain forest are being protected.

Implementation of the Quality Management System (QMS)

The QMS (known as SGS by its Spanish acronym) was created in 2005 as an internal control mechanism for the Community Councils to oversee the compliance with the certification criteria and ensure the purchase of metals exclusively from certified miners. Through their implementation, the Community Councils standardize processes and become familiar with the use of control procedures. In addition, the documentation produced through this system enables for monitoring metals across the productive chain, thus guaranteeing complete traceability of metals. Each lot of metal is identified with a code through which the metal can be traced down to the mines where it was extracted.

In 2006, advances were made in data gathering and systematization, the information is being systematized in a data base and each miner has both physical and virtual files. When analyzing the miner's information from the data base, results tell the real impact of the program and therefore, clear parameters are established for intervention in the communities. The systematized information allows for agile analysis on the participation of women in production, the output capacity, purchases by the Green Gold Corporation from each miner, his/her needs to increase the use of technology, and the implementation of Analog Forestry, among others.

Green and Fair Trade Markets

In 2005, the inception of the Biodiversa social marketing company has strengthened the commercialization of Oro Verde™ metals; in the year the work force has grown and concentrates its action in the management of channels in the fair trade sector.

In 2006, it was accomplished to almost double metal purchases in relation to 2005. This was thanks to the great effort conducted by the Community Councils, constant monitoring by the General Coordination of the Green Gold Corporation, the inclusion of an economic incentive for buyers starting from the month of April, the commercial workshops performed with representatives of the certified Family Productive Units, and specific investments to provide new points of sale with necessary supplies. The later two efforts in particular made it possible to increase purchases in the last quarter. Both in Condoto and Tadó, the fourth was the strongest quarter, and even though this responds to a regular trend, it is important to underline that gold purchases in Condoto almost tripled with respect to the other quarters.

In terms of sales, an increase of 79% regarding 2005 was achieved. 18% of those were domestic sales (compared with 54% in 2005). The increase in exports (82% of sales in 2006) was because of an increase in sales to our clients in the United Kingdom and the United States, and to the market incursions made in Holland and Canada. During the year, sales to the United Kingdom increased significantly (from 10% of total sales in 2005 to 22% in 2006). Sales to Holland and to Canada accounted for 6% and 2%; a good participation considering that these are quite recent clients.

Interest in Oro Verde™ metals increases every day. Each time more requests for information are received from jewelers around the world and this year 70% of the quotes issued were approved. The Green Gold Program and its clients are both growing and this reflects in fewer purchases of greater volumes.



Community and Ethnical Organizational Strengthening

One of the guidelines of the Green Gold program is its appropriation by Community Councils and certified mining communities.

Thanks to the cooperation of CRED JEWELRY, the First Workshop for Certified Miners took place. During the workshops, held in the headquarters of the Condoto and Tadó Councils, issues discussed included the productive chain of Oro Verde™ metals, miners' expectations regarding the program, difficulties facing miners, the needs to invest in improving technology for extraction processes, and the growing demand for Oro Verde™ metals, among others.



Likewise, Medellín was the venue for the First Workshop of Green and Fair Trade Markets for Leaders of the Community Councils of Condoto and Tadó. In this first version, emphasis was made on the new global trends of fair trade, in the challenges of the current system of the Green Gold program, in the advances of responsible mining, technology and applicability of this practice, and the social commitment that we have in developing a quality product and service, that will be able to compete in national and international markets.

Sustainable productive alternatives for the development of the Condoto and Tadó communities

The Green Gold program aims at having an integral impact on the communities of the Chocó, and has thus promoted Analog Forestry over 5 years as a food security strategy and as a technique for the recovery of areas degraded by uncontrolled mechanized mining.

Within the framework of the Green Gold Environmental Integration Analog Forestry project carried out by the Green Gold Corporation, 18 sustainable productive parcels have been sown to date with the Analog Forestry technique, thereby directly benefiting more than ninety persons. The establishment plan encompasses species dedicated to the conservation of the region's biodiversity and to guarantee food security for the families; furthermore, the plan was designed as a production strategy to develop economic alternatives for the communities.

ANALOG FORESTRY

Analog Forestry is an alternative for rehabilitation of forests and biodiversity using species that are ecological, economical, socially and culturally compatible with the environment and local culture. It restores the environmental services of the forest; while at the same time it guarantees food security and marketable products of the forest that bring direct economic benefits to the population.

The communities of Condoto and Tadó are carrying out in the restoration of areas degraded by mining through the implementation of Analog Forestry

The 194 Productive Family Units certified as having met the certification criteria for green metals have plantations of fruit and vegetable trees in their mines for their food security and independence.



TUTUNENDO RIVER

The project also proposes sowing sample parcels exclusively dedicated to the restoration of areas degraded by the practice of mining. For 2006, we have 5 parcels and in the process it is possible to see a significant change in the topsoil where there are already small accumulations of organic residues in decomposition and greater humidity retention, thanks to the presence of shadow cast by the vegetation that has developed.

To guarantee an analysis of the importance and efficacy of Analog Forestry, a Monitoring System has been designed. During the project, changes have been obtained in ground-layer vegetation of the intervened parcels, regarding the number and diversity of species. Likewise, synergies have been identified between the pioneering species and the established ones; this process validates the importance of Analog Forestry, given that when introducing new species with this technique, results are observed over a shorter period than through the natural succession process. Similarly in 2006, several soil analysis have been conducted which deliver clear data on the advance of the process and the relevance of Analog Forestry.

Pilot program for the implementation of Analog Forestry Techniques in the community of Tutunendo, Chocó.

Foundation Amigos del Chocó (Amichocó), as leader in the implementation of Analog Forestry in Colombia, and with the intention of extending its coverage, has established a strategic alliance with the Existir Foundation, an organization from Chocó that promotes man-nature integration and the conservation of natural resources. Existir has experience in the development of production processes with the communities of Chocó, especially in the Tutunendo rural community.

The project has the objective of developing Analog Forestry pilots with 3 Family Productive Units (FPU) of Tutunendo in the municipality of Quibdó in the Chocó; a region characterized by the strength in natural resources, especially as this is high pluviosity area and it has one of the purest rivers in Colombia.

In 2006, 3 sample parcels were sown in the community with the objective of improving the livelihoods and food security of the 3 beneficiary FPUs. The establishment plan has been designed bearing in mind that the economy of Tutunendo is primarily based on agriculture and ecological tourism, which indicates integration between productive species and species dedicated to the conservation of biodiversity. It is important to note that this is an area which has not yet been exploited by mining, and that guarantees that results of the process will become visible in a shorter time, as soils do not require biological recovery.

Second National Workshop on Analog Forestry

Amichocó, National Node of the International Analog Forestry Network (IAFN), held in March 2006 the Second National Workshop on Analog Forestry. Over 40 national environmental organizations participated in this workshop, which was designed with the purpose of making known Analog Forestry as an efficient tool for recovery, conservation and management of natural resources.

COMMUNICATION AND ENVIRONMENTAL EDUCATION

Healthy Childhood and Environments in Tadó, Chocó

The Healthy Childhood and Environments program, performed by Amichocó, Cinde and Asocasan, completes its first phase of implementation after 18 months of work with families in the communities of Manungará, Corcobado, Angostura, Playa de Oro, El Tabor and Carmelo, attached to the municipality of Tadó. The program reached the proposed objectives and more than 143 families were trained in the construction of adequate environments for the healthy development of childhood in the region. In addition, community Leaders, youngsters, teachers and community mothers received formation workshops to become replicating agents of the program in their communities.

In response to the results obtained by the executing organizations Amichocó, Cinde and Asocasan have joined forces to continue with the second phase of the program. In 2006, the Bancolombia Foundation joined in the proposal as an active donor and we are in the process of constructing a pool of donors that would support this initiative.

Program of Environmental Education for families that would promote the sustainable use of the biodiversity of the Biogeographical Chocó.

With the objective of contributing to the construction of a responsible population, aware of and concerned over the problems of irrational use of natural resources, we designed in 2006 an environmental education program which is participative, flexible, recreational and provides skills, knowledge, commitment and motivation to the family for working individually and collectively for the sustainable use of the biodiversity of the Biogeographical Chocó.

In September 2006, in alliance with Asocasan, the First Workshop on Environmental Education was held in Manungará, Tadó, aimed at 13 promoters and 7 community leaders participating in the Healthy Childhood and Environments program. The general objective of this workshop was to train promoters and leaders in the sustainable use of natural resources and as replicating agents of the program.

A Tree for Peace International Day Session

For a second consecutive year, the Amigos del Chocó Foundation joined this initiative along with the Medellín Botanic Garden, the Medellín Observatory for Childhood, and the AICACH, and we led a day session during which boys and girls of the city of Medellín were the starring performers. As special guests, 23 indigenous trees from Chocó, donated by ASOCASAN, were planted as a symbol of cultural and environmental integration between both departments, Antioquia and Chocó.

As the central axis of that day session, workshops were given on Environmental Education at 14 Educational Institutions of the 1, 2, and 3 social strata of Medellín, involving more than five hundred boys and girls, who planted trees in their School Institutions as symbols of their commitment to the environment. To end that day session, boys and girls shared their thoughts on the environmental problems of their communities with the Observatory for Childhood of Medellín, thus turning into active agents of public policy.

Communication and Environmental Education

Sensitize local, national and international population by communicating the importance of Biogeographic Choco and the problems it faces to incentive the rational use of natural resources, recuperate native values of the region and foster harmony between man and nature.



Library



The experience that Amichocó has gathered over 10 years positions us as a source of information to know the reality of the Biogeographical Chocó. In 2006, we systematized all of our documents, books, research papers, and other articles of interest in a library. Our objective is to strengthen ourselves as a center of information and documentation for the communities and our allies to be able to access all the knowledge that we have attained over the years. By contacting the Communications Area of the Foundation, it can be learned about the existing literature and on how to access it.

Participation of the Green Gold program in the II International Mining Show

In September, the II International Mining Show was held in Medellín. Our allies, the Green Gold Corporation, were invited to participate, and thanks to that, contacts were established with national and international jewelers, with environmental and public institutions that acknowledge in the Green Gold program an alternative to improve the livelihoods of mining communities and as a platform for the development of green and fair trade markets at the global level. The Association for Responsible Mining ARM was also present at the Show establishing contacts and presenting the Standard Zero project.

Institutional Strengthening

Amichocó has strengthened its participation in the national and international networks, always with the objective of promoting the importance of the Biogeographical Chocó and the initiatives that are being led.

ARM: Contributes to the improvement of the quality of life of mining communities and promotes viable alternatives for their development; generates awareness about the current problems of the mining sector in diverse political, economic and social contexts.

RESPOMIN: Promotes the development of responsible artisanal and small/scale mining (ASM) and aims at spreading knowledge as a fundamental strategy in the taking of responsibility and awareness of the key actors of ASM.

SENK: Promotes the practice of social understanding through research, shared knowledge and strengthening of skills. It is a network for cooperation that integrates several Iberoamerican business schools.

IAFN_RIFA: Leader in development of Analog Forestry subject matters; it administers alliances and projects that promote the importance of AF.

THE PRODUCERS NETWORK: Promotes the development of green products and fair trade.

WDI: Promotes the exchange of entrepreneurship experiences of the social sector.

Mission

Amigos del Chocó Foundation is an environmental NGO that fosters the sustainable use of natural resources and the improvement of life quality of Biogeographic Chocó population. We do this through the implementation of productive projects, communication and environmental education and capacity building; linking local communities with the national and international community.

Vision

In 2010 Amigos del Chocó Foundation will be recognized by its dynamism in the execution of solid and sustainable environmental programs that improve the quality of life of Biogeographic Chocó population, projecting this region at the national and international levels.

FINANCIAL REPORT

Income and Expenditure (in COP)

| AMIGOS DEL CHOCO FOUNDATION 811.022.219-2 | |
|--|--------------------------|
| INCOME: | |
| CONTRIBUTION FPAA | \$ 118.298.623,00 |
| CONTRIBUTION BOTH ENDS | \$ 19.274.587,00 |
| CONTRIBUTION TIFFANY | \$ 224.684.600,00 |
| TOTAL: | \$ 362.257.810,00 |
| OPERATIONAL COST: | |
| | \$ 37.361.673,86 |
| PROJECT IMPLEMENTATION COST : | |
| | \$ 198.375.875,80 |
| TOTAL: | \$ 235.737.549,66 |

Biodiversa Foundation, NGO which was created by Amichocó to strengthen the access of communities to green and fair markets, manages the commercial aspects of the Green Gold Program.

| BIODIVERSA FOUNDATION 830.514.995-0 | |
|--|--------------------------|
| PURCHASES: | \$ 180.815.768,00 |
| SALES: | \$ 174.454.959,00 |

The Green Gold Corporation (COV) is a strategic alliance between Amigos del Chocó Foundation, Las Mojarras Foundation and the Greater Community Councils of Condoto and Tadó. At present, the COV implements the Green Gold program and Analog Forestry in the municipalities of Condoto and Tadó.

| GREEN GOLD CORPORATION NIT 818.001.617-6 | |
|---|--------------------------|
| INCOME: | |
| GREEN GOLD PROGRAM - ANALOG FORESTRY | |
| CONTRIBUTION OXFAM NOVIB | \$ 81.945.758,00 |
| CONTRIBUTION C.I. | \$ 123.683.938,00 |
| CONTRIBUTION FPAA-OV | \$ 136.788.066,00 |
| | \$ 342.417.762,00 |
| ARM | |
| CONTRIBUTION OXFAM NOVIB - A.R.M. | \$ 180.165.233,00 |
| CONTRIBUTION FLO | \$ 48.896.625,00 |
| CONTRIBUTION CRED FOUNDATION | \$ 22.759.262,00 |
| CONTRIBUTION BOTH ENDS | \$ 2.636.008,00 |
| | \$ 254.457.148,00 |
| TOTAL: | \$ 596.874.910,00 |
| OPERATIONAL COST : | |
| | \$ 44.948.004,46 |
| PROJECT IMPLEMENTATION COST : | |
| | \$ 433.166.376,00 |
| TOTAL: | \$ 478.114.380,46 |

In 2006 Amichocó procured \$ 1.139.948.488,00 in favor of the communities of Condoto and Tadó.

Board of Directors

Sitting Members:
Jorge Eduardo Cock Londoño
Nicolás Cock Duque
Catalina Cock Duque
Santiago Londoño Uribe
Alejandro Cock Peláez
Federico Arango
Luis Eduardo Mejía

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Maria Isabel Valencia

Staff:

Executive Direction - Lina Villa Córdoba
Catalina Cock Duque Until June / 2006
Green and Fair Trade Markets Clara Hidrón Botero
Planning and Development Maria Teresa Betancur Echavarría
Administration Jerlin Puerta Cartagena
Statutory Auditor Pastora Restrepo
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Fabián García (Student at Esumer)
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Nathalia Franco
Alejandro Cock Peláez

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