

CRAFT Advisory Group

December 2, 2019 Call

NEXT STEPS

- To continue the CRAFT revision process in advance of further consultations (targeted for Jan. – Mar. 2020), **Advisory Group members** will:
 - By Monday, December 16: Review the below call summary and share any input on the attached CRAFT Concept Summary (especially pp. 9-10) or concern about recommendations made on the call, with ARM/RESOLVE (nataliauribe@responsiblemines.org; tkennedy@resolve.ngo).
- **ARM** will share their site assessment tool with RESOLVE, for distribution to the full AG.
- **RESOLVE** will connect with Cristina Villegas at Pact to request contact information for potential recruitment targets/resources related to expanding the commodity scope of CRAFT.

ATTACHMENTS

- CRAFT v2.0 Concept Summary
- Slides presented

SUMMARY

CRAFT Code v2.0 Concept Summary

ARM shared an overview of the CRAFT version 2.0 Concept with the Advisory Group. This presentation included proposed amendments to address four key areas: additional medium or low risks/issues; additional commodities; feedback received on version 1.0, and other potential needs to clarify and strengthen the CRAFT Code. These amendments are based on input from Code users, implementers, trainers, buyers, and other key stakeholders. Additional details on the proposed amendments and recommendations appear in the attached presentation and concept summary.

The AG shared additional input on the following sections during the call.

3.1: Demand for addressing medium and low risks

- Version 2.0 of the Code could broaden/deepen the scope of issues covered by CRAFT, i.e., go beyond Module 5 to address medium and low risks with a Module 6 or higher. However, feedback on CRAFT indicates that Modules 1-5 are already quite demanding for artisanal producers.
- Recommendation: Due to the lack of demand to expand the scope of issues covered by CRAFT, version 2.0 should not prioritize development of Modules 6 and 7, unless explicitly requested by stakeholders.
- The AG agreed with this recommendation, noting that Modules 6 and 7 are still of interest but are not a high priority for development in version 2.0. As CRAFT is applied and implemented on the ground, the AG flagged that it will be useful to collect information on that process to inform future revisions.

3.2: Demand for broadening the commodity scope

- The current focus of the code is on gold; however, there is both interest in and opportunity to expand the code to encompass some other minerals. This could be accomplished with relative ease, as modules 1-4 of the code are based on OECD Due Diligence Guidance (which is for 3T and gold), and only the requirements on mercury in Module 5 are gold-specific.
- Recommendation: In version 2.0, the scope should expand to include 3T minerals, cobalt minerals, and colored gemstones, which could be accomplished through the addition of mineral-specific annexes. To expand the commodity scope, it will be helpful to invite initiatives/actors with commodity-specific expertise to join the CRAFT governing bodies.
- The AG agreed with this recommendation to expand the commodity scope. Further exploration is needed to identify how to make that revision; several mineral-specific annexes may be one approach but perhaps not be the most efficient. Recruitment of other initiatives/actors that have expertise in each of the above-mentioned commodities will be necessary to legitimize the Code.
- Members shared some suggested organizations for consultation/recruitment, including some current AG members (Pact – cobalt, tin; and RJC – Colored Gemstone Working Group) and some other connections (The Dragonfly Initiative and Brian Cooke). RESOLVE will connect with Cristina Villegas to request contact information for potential recruitment targets/resources related to expanding the commodity scope of CRAFT.

3.3: Adjustments for some key features of CRAFT

- **Affiliations**
 - The current Code has three types of affiliation for AMPs: Applicant, Candidate (conformant with Module 3), and Affiliate (conformant with Module 4 and above). In practice, there has been limited distinction between the Candidate and Affiliate statuses. For instance, ARM found that work with AMPs would begin with a full analysis of Modules 3 and 4.
 - Recommendation: The next version of the Code should have two status levels, combining the Applicant/Candidate criteria, rather than three.
 - Other AG members noted similar experiences when implementing the Code; the AG agreed with the recommendation to reduce the number of status levels.
- **Indicators**
 - Version 1.0 of the Code set forth some proposed performance indicators to guide users in implementing CRAFT, and noted that indicators would be incorporated in version 2.0. However, there has been limited uptake and data collection on how these indicators have been practically applied.
 - The AG recognizes the importance of indicators and aggregate, global data to measure ASM performance and CRAFT over time. However, at this time, the AG did not recommend mandating indicators for version 2.0 of the Code. Indicators could be useful to collect; however, further scoping is needed to identify specific types of indicators and their utility for various stakeholders. Some outstanding questions about data collection and transfer remain, including understanding the technical/logistical needs associated with gathering content and how data will be accessed and exchanged. These could be considered by a future working group.
- **Incentives**
 - Some feedback from stakeholders has suggested the possible inclusion of mandated incentives for AMPs (e.g., minimum prices, technical assistance, a price premium, etc.) as part of the CRAFT Code, in order to encourage AMPs to utilize CRAFT. However, AG members reflected on a range of factors, such as the small market for incentives, and the

risk that mandating incentives could limit uptake of the Code. Therefore the AG recommended not to include such a requirement.

- Though this does not need to be a formal requirement, the code can articulate the range of potential reasons and benefits related to CRAFT participation, along with examples, such as technical assistance and access to the Marketplace. AG members shared some benefits raised during current implementation efforts:
 - technical assistance is often seen as a benefit of participation, across several sites.
 - there is a significant difference in cost between the formal/informal markets in Ethiopia, which is seen as another benefit; however, this is not generalizable across all implementation sites.
 - access to new buyers is seen as a benefit to participation in CRAFT at sites in Tanzania.

ARM also shared overviews of adjustments to the structure and presentation of CRAFT Code (3.4); addressing feedback on version 1.0 (3.5), and new topics for Volume 3: CRAFT for Scheme Operators (3.6); however, there was limited time for verbal input from the AG on these sections. Additional detail appears in the attached concept summary and slides.

To continue the CRAFT revision process in advance of further consultations (targeted for Jan. – Mar. 2020), **Advisory Group members** will:

- By Friday, December 13: Review and share input on the attached CRAFT Concept Summary (especially pp. 9-10) with ARM/RESOLVE (nataliauribe@responsiblemines.org; jpeyser@resolve.ngo; tkennedy@resolve.ngo).

All of the CRAFT governance bodies (the AG, Standards Committee, and ARM Board of Directors) are requested to share additional comments for the version 2.0 revision. Based on this input, the ARM standards team will draft a proposed version 2.0 of the Code, for discussion by the governance bodies and then publicly consulted. Members flagged the OECD Forum on Responsible Mineral Supply Chains (April 2020) as a potential space for public consultation.

CRAFT Code Implementation Update

AG members shared the following CRAFT implementation updates:

- ARM is applying CRAFT in Colombia and West Africa (Ethiopia and Ghana). In Ghana, CRAFT is implemented at mines that are supported by a Solidaridad project. They are working through challenges related to self-reporting from miners.
- Pact is using CRAFT as part of their Moyo Gemstones program in Tanzania. They are using an ARM site assessment tool and noted that it may be useful to other implementers; this tool will be shared with the AG. Language has been a major barrier at the site, as most miners speak Swahili, rather than English. Pact is working to connect government and miners in the region, including introducing CRAFT.
- The Planet Gold program is in its initial stages; site selection is not yet complete for all projects. The program continues to take comments and is discussing the use of CRAFT in implementation.

PARTICIPANTS

Advisory Group Members

- Nawal Ait-Hocine, Responsible Jewellery Council
- Ludovic Bernaudat, UNEP
- Yves Bertran, Alliance for Responsible Mining
- Neil Harby, LBMA
- Susan Keane, NRDC/GEF Gold
- Boukje Theewes, Solidaridad
- Cristina Villegas, Pact

Project Team

- Felix Hruschka, Alliance for Responsible Mining
- Margaret Lee, RESOLVE
- Jen Peyser, RESOLVE