

CRAFT Advisory Group

July 26, 2019 Call

NEXT STEPS

- To confirm the Terms of Reference for development of CRAFT 2.0, including critical stakeholder engagement design, **Advisory Group members** will:
 - Submit any further input on the draft Terms of Reference for CRAFT v2.0 (attached) in writing by July 31.
 - Review the existing list of internal CRAFT participants (slide 11, attached) to determine whether further expertise is needed on the Advisory Group or Standard Committee. Guidance is also welcome on engaging new experts via bilateral discussions or in a subgroup structure vs. formal AG/SC membership. Comments should be sent to RESOLVE (tkennedy@resolv.org).
- In advance of a next discussion, **RESOLVE** will prepare a proposal and seek further input from the Advisory Group on initial risks to be considered for Modules 6+. A survey of downstream buyers may also inform this decision.

ATTACHMENTS

- CRAFT v2.0 Draft Terms of Reference
- Slides presented

SUMMARY

CRAFT Code v1.0, Options for v2.0 Strategy, and Stakeholder Engagement

RESOLVE provided an update on CRAFT milestones and engagement since the launch of v1.0 in July 2018, as well as key milestones and Advisory Committee engagement through June 2020. This included the following points:

- High levels of interest, with CRAFT schemes or projects in development in Burkina Faso, Colombia, Democratic Republic of Congo, Ghana, Guyana, Indonesia, Kenya, Philippines, and Peru (see slide 3).
- CRAFT milestones and Advisory Group decision points through June 2020 (see slide 4).
- Core objectives for revision of CRAFT through a second round of development and consultation (see slides 5 and 6).
- Optional objectives for refinement and advancement of CRAFT (see slides 7-8).

Advisory Group (AG) feedback is needed to determine which kinds of additions or transformations the revision process should prioritize: 1) refining modules 1-5 based on lessons learned; 2) reorganizing and expanding Module 5 to segregate and supplement mineral-specific criteria; or 3) expanding CRAFT by elaborating additional criteria for Modules 1-5. These options can be considered as building blocks and combinable.

RESOLVE shared that the Standard Committee (SC) on a prior call recommended that the current level of detail in the code is important to preserve, and that expanding the minerals or issues scope should not result in “watering down” the code in modules 5+. However, there still could be important impact in

expanding the minerals scope, and so it may be most logical to maintain modules 1-4 as a core, and incorporate additional risks and minerals through mineral-specific supplements to cover modules 5, 6, and beyond. The SC also recommended a focus on maximizing the simplicity and practicality of the code and tools for implementation, to support AMPs' engagement with CRAFT.

The AG shared suggestions and questions to consider which should inform further scoping of the content and structure of v2.0:

- The progressive element of CRAFT has very clear potential for significant impact for miners and their communities and would also be valuable to mid- and downstream organizations and other voluntary standards promoting responsible sourcing.
- Interest relating to other minerals is confirmed; some organizations are already adapting CRAFT for cobalt (Global Battery Alliance) and colored gemstones. There has also been interest from miners working in the Great Lakes Region in utilizing CRAFT as a tool to support due diligence on tin, tantalum, and tungsten as part of the ICGLR's Regional Certification Mechanism.
- AG members are interested in reviewing ARM's summary and other organizations' reports on lessons learned in implementing v1.0 of the code, as a means of informing the content and structure considered for v2.0. The code is meant to be broadly and globally applicable. If experiences to date reveal a need for strengthening or augmentation of the requirements, the AG may wish to prioritize that. Another avenue to incorporate lessons learned is via development and sharing of templates, tools, and case studies to inform CRAFT implementation, which will also support alignment and interoperability of CRAFT schemes as they develop.
- The AG is interested in understanding the methodology for scoping issue coverage for a potential module 6+, and articulating a rationale for any expansion. At the same time, a member emphasized that issue scoping should be informed by the many *existing* resources and reports which have already assessed responsible sourcing initiatives and their coverage of environmental and social issues. Members also noted the importance of considering buyer/downstream market demand for issue coverage, and the opportunity for two-way learning and alignment of issue coverage between CRAFT and mid-/downstream due diligence systems.

AG members are welcome to submit further feedback on these options by July 31 via a written response to the Draft Terms of Reference (attached). As a next step, RESOLVE with ARM will prepare a recommendation and seek further input from AG members and possibly, later, additional downstream organizations to determine which issues/risks should be prioritized in a Module 6+. AG members will also review the existing list of internal CRAFT participants (slide 11, attached) to determine whether further expertise is needed on the AG or SC (e.g., for labor criteria: ILO, IndustriALL Global Union), or via bilateral discussions or a newer work group/subgroup structure.

CRAFT Impact Marketplace

RESOLVE shared an overview of the purpose (slide 13), design considerations and recommendations (slide 14), and envisioned composition (slide 15) of the CRAFT Impact Marketplace, which is envisioned as a tool to amplify the impact of CRAFT by generating incentives and resources for miners to implement CRAFT, while increasing the efficiency and decreasing risk of artisanal sourcing and investment. In recent months, RESOLVE has scoped this concept with a range of potential users. Key takeaways from these discussions appear in slides 16-21. In coming months, RESOLVE will be further developing the business plan, initiating partner outreach and recruitment, and incubating the platform for beta-launch. The AG will be consulted throughout this process.

Participants

Advisory Group Members

- Yves Bertran, Alliance for Responsible Mining
- Aimee Boulanger, Initiative for Responsible Mining Assurance
- Andy Cooper, Responsible Jewellery Council
- Neil Harby, LBMA
- Susan Keane, NRDC/GEF Gold
- Susannah McLaren, LBMA
- Marianna Smirnova, RMI
- Boukje Theeuwes, Solidaridad

Project Team

- Felix Hruschka, Alliance for Responsible Mining
- Taylor Kennedy, RESOLVE
- Jen Peyser, RESOLVE
- Natalia Uribe, Alliance for Responsible Mining