

SPECIFIC TERMS OF REFERENCE

CRAFT CODE COMMITTEE

May 22, 2023



for the revision of the CRAFT Code Version 2.1, 2023.

based on Generic Standard Committee ToRs version 2.0 (2017) and supersedes the CRAFT Committee Specific ToR in August, 2019.

1. Introduction

The purpose of this document is to set the Specific Terms of Reference of CRAFT Code Committee (**ToR-CRAFTSC**), to be established for the governance and the interim revision process of the CRAFT Code 2.1. These Specific Terms of Reference follow the same principles as the General Terms of Reference of ARM Standards Committees. The CRAFT Code is revised in cooperation and partnership with RESOLVE. It is anticipated that the current revision is an interim revision within a full revision cycle, implying non-substantive changes. It will include small technical amendments and clarifications **without modification of scope or intent**, reflecting the need of full alignment with the OECD Due Diligence Guidance, the EU minerals regulations and other due diligence regulations. Therefore, the new version of the CRAFT Code resulting from this partial revision will be numbered 2.1.

Comments or suggestions regarding the Specific ToR-CRAFTSC may be submitted at any time by email to ARM (standards@responsiblemines.org) or RESOLVE (tkennedy@resolv.org).

2. Purpose and mandate

CRAFT Code Committee is created by the ARM Board of Directors and RESOLVE as a permanent committee for the governance and maintenance of the CRAFT Code.

The Code of Risk-mitigation for ASM engaging in Formal Trade –CRAFT Code 2.0- is intended to serve as an instrument for Artisanal and Small-Scale Mining sector and the downstream industry to validate its eligibility to sell and source minerals and metals originating from ASM in conformance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD DDG).

The objective of this targeted revision of the CRAFT Code is to fully align it with the OECD Due Diligence Guidance. While the code seeks to align with OECD's Annex II risks, it was initially written specifically for artisanal miners, and so does not explicitly cover the full suite of upstream actors who must be in scope for upstream assurance mechanisms. The partial revision will enable easier integration of CRAFT within industry initiatives' systems and will facilitate companies engaging with ASM their compliance with regulations based on OECD DDG. The principal, long-term intention of this targeted revision is to bridge the gap between upstream implementation and downstream due diligence, to mainstream and scale-up the positive impacts for the most vulnerable actor of the minerals supply chains.

Specifically, the revision will include:

- Minor changes of the form to exactly match the wording of the OECD DDG and to include language clarifying the degree to which certain criteria are an obligation rather than a recommendation, thus making the standard easier to audit.
- Clarifying the scope of responsibilities in the CRAFT Code, specifying what is expected from the upstream and what is expected from the mid- and downstream.

A more detailed rationale, description and timetable for the development of the CRAFT Code 2.1 interim revision is provided in the [ToR of the CRAFT Code 2.1 revision document](#).

For that purpose, the CRAFT Code Committee shall:

- review the ARM Standard assigned by the ARM Board of Directors, according to the Specific ToR.
- monitor the appropriateness of the ARM Standards-Setting Procedures, the Generic ToR-Standard Committee and the Specific ToR of the Standard Committee; present proposals for amendments as needed, and adopt the Specific Terms.
- agree on internal operating practices, timelines and responsibilities of the Committee and of individual Committee members.
- provide technical input for the development or revision of the assigned standard and request additional research if applicable.
- overview the standard setting and eventual standard testing procedures.
- review the proper stakeholder involvement during public consultations.
- advise ARM on all matters regarding the content of the assigned standard and related relevant supply chain, downstream and commercial issues to ensure highest quality, consistency and continuous improvement.
- approve final drafts of standards for presentation to the Board of Directors of ARM.

Additional to the Generic ToR-SC, the ToR-CRAFTSC shall:

- ensure the CRAFT Code addresses the recommendations of the third-party assessment to guarantee the alignment with the recommendations of [the OECD Due Diligence guidance and its alignment assessment methodology](#).
- advise how the standard should be used in conjunction with other existing industry initiatives and companies' due diligence systems, to strengthen their capacity to engage with and source from ASM.
- offer inputs from practical applications of the CRAFT Code to inform the rules for CRAFT Schemes.
- oversee that the CRAFT Code complements downstream management systems and brings clarity on how industry schemes can use CRAFT when engaging with ASM, to enhance their due diligence.

Additional specific mandates may be assigned to a Standard Committee by the Board of Directors, or may be recommended by the Standard Committee and approved by the Board of Directors.

3. Composition, Members and Functions

CRAFT Committee must always combine balanced expertise from different aspects of ASM and key supply chain players, such as Artisanal and Small-scale Miners; standards systems or guidance bodies representing one or more industrial sectors; minerals refiners or associations; downstream companies or associations; national aggregators or traders; non-governmental organizations (especially, working with ASM); other experts with responsible sourcing expertise and the Standard Coordinator. Other stakeholders may be invited to the Committee meetings depending on the needs and topic discussions.

The total should always be made up by an odd number of individuals. A diverse, multi-stakeholder, gender-balanced composition of the committee is crucial to ensure the legitimacy, applicability and technical quality of the Standard as per ARM's requirements.

Ideally but not mandatory in exact numbers, CRAFT Code Committee should be composed by

- 1/3 supply side (existing CRAFT miners/associations users). It is encouraged to have a participation of women miners to represent the challenges of the sector from a gender-balanced point of view.
- 1/3 demand side and supply chain (existing companies (traders, refiners, downstream companies using CRAFT code as part of their sourcing policies)).
- 1/3 thematic or sectorial experts.

- The Standards Coordinator.

The ASM sector (miners and ASM support NGOs) shall not have jointly a majority (+50%). Downstream operators (refiners and companies) shall not have jointly a majority (+50%). Experts (independent or from other standards systems) shall not have jointly a majority (+50%).

Additionally, as far as reasonably possible, a geographical balance according to the scope of the standard shall be taken into consideration.

CRAFT Code Committee Members are appointed by the Executive Director on behalf of the Board of Directors, on the basis of their specific insights and experiences with the assigned ARM Standard and their commitment to responsible ASM.

Objection against the composition of the CRAFT Code Committee can be presented, if it does not represent the required balance of interests.

Members of the CRAFT Code Committee are expected to:

- adhere to the Generic Terms of Reference (ToR) and the Specific ToR of the Standard Committee;
- share ARM's mission and vision and demonstrate high ethical commitment to convert ASM into a socially and environmentally responsible activity, and to improve the quality of life of marginalized artisanal miners, their families and communities;
- represent their stakeholder group, including but not exclusively the interest of their institutions;
- keep their respective organizations updated on the assigned Standard and to be fully aware of their participation in the Standard Committee;
- declare all conflicts of interest at nomination and before taking part of decision making processes;
- have specific interest, proven expertise¹ and broad experience² on the topics related to the assigned standard;
- contribute in a constructive way to the standard development and evolution;
- regularly participate in Standard Committee meetings;
- properly prepare for meetings and contribute to all follow-up actions as agreed and/or mentioned in the meeting minutes.

This being an interim standard revision, members to the CRAFTSC are appointed for 1 year. Any member is entitled to renounce nomination at any moment, in writing to the Executive Director of ARM, representing the Board. The Board of Directors is entitled to revoke nomination at any moment, in writing by the Executive Director to the member and the Chair of the Standard Committee. Membership is renewable.

The Chair assumes the role to support the Standard Coordinator in ensuring effective Committee meetings: timely communication before the meeting, full and inclusive participation during the meetings, and time management that allows discussing agenda items and make informed decisions.

The Standard Committee shall elect a Chair and a Vice-Chair for renewable periods of 2 years. The Vice-Chair replaces the Chair in cases of absence, conflict of interest or other grounds found necessary.

4. Meetings

CRAFT Committee shall meet as often as needed to fulfill the mandate and according to the timetable for

¹ "Broad expertise" is understood as the combination of understanding of ASM issues with not all, but several of the following relevant aspects: sustainability standards including certification, development issues, labour, health and safety, mining, mineral processing and cleaner technologies, metallurgy, manufacturing, environmental management, ecological restoration, gender and child labour issues, formalization, legal and regulatory frameworks, minerals supply chains, conflict minerals issues, minerals supply chains, due diligence requirements, traceability, commercialization and markets, or other topics relevant for the assigned standard.

² Except in case of artisanal miners, international experience is expected.

the standard revision process. For the current interim revision, ARM anticipates to convene the Committee for two online meetings.. Extraordinary meetings may be convened if necessary.

Meetings take place virtually, through a conference call facility provided by ARM and/or email consultation. Exceptionally, physical meetings may be agreed upon, subject to approval by the Executive Director.

Committee discussions will be held under the Chatham House Rule, i.e., information and outcomes will be shared without attribution to individuals or organizations. Committee members may request to share specific comments on a confidential basis.

4.1 Working languages

The primary official language of the CRAFT Code Committee shall be English.

Language support (full or partial translation) for Spanish and French Speakers Committee members will be provided by ARM.

4.2 Preparation of meetings and meeting minutes

Meetings shall be properly prepared by the Standards Coordinator by timely³ announcing the meeting to members, and preparing the agenda and all necessary background information. The chair approves the meeting agenda. Reasonable time shall be provided to members to request additional topics to be set on the agenda and to analyse the necessary background information.

All members shall carefully study the information provided and prepare their contributions to the Standard Committee. All members shall also contribute to follow-up actions after meetings as agreed and/or mentioned in the meeting minutes.

The Standards Coordinator or assigned person agreed by the Chair, will take minutes of the meeting and distribute these to all Standard Committee members at earliest convenience, however, not later than 10 working days after the meeting, for feedback and final approval.

Minutes are normally approved by consensus through non-objection during 10 working days after receipt. In case of disagreements, approval of minutes shall become an agenda item for the next meeting.

4.3 Participation

To ensure an efficient operation of the CRAFT Code Committee and guarantee a quorum for decision making, the members should assume the following commitments:

- have regular access to email or phone to allow fluent communication with the Standards Coordinator when necessary;
- respond to written communications within the deadlines stipulated;
- have reliable access to the Internet and means to get connected to the online meetings;
- attempt to delegate their vote, if unable to attend the session, and when the decision can be made based on the background information sent previous to the meetings;
- send apologies in advance whenever unable to participate in a committee session.

Members who miss three consecutive meetings will be deemed to resign unless it is due to extenuating circumstances.

4.4 Decision making

³ Ordinary meetings should be announced well in advance but with at least 10 days anticipation. Extraordinary meetings can be held ad-hoc if quorum is achieved. Optional physical meetings shall be announced with at least 1-month anticipation.

Every member has one vote. Proxy votes (delegated in writing to the Chair) are possible; however, one person may only assume one proxy vote.

Quorum for decisions exists if more than half (+50%) of the members participate in a meeting. Proxy votes count for the quorum. In case of teleconferences or exceptional physical meetings this refers to participation, in case of email-consultations this refers to an email response to the consultation.

If quorum is not reached in a meeting, the meeting shall be adjourned for a reasonable period suitable to obtain quorum. If at such adjourned meeting a quorum is not present, the members present shall be a quorum, with exception of decision-making on a final draft.

A final draft, for the submission to the Board of Directors, after having followed procedures as indicated in article 2.5 of the ARM Standard-setting Procedure can only be approved with quorum (+50%) of the Standard Committee members.

The Standard Committee shall seek to achieve unanimous decisions wherever possible, defined as decisions taken with no votes against. If unanimity cannot be reached, opponents shall be asked to propose alternative options that are more likely to reach consensus and these alternatives shall be discussed. If these discussions do not lead to any decision by unanimity, majority decision-making procedures should be used. On request to carry out additional research by a minority of at least 25% of the votes or by the Standards Coordinator, the topic in question may be postponed once for the next meeting of the Standard Committee.

If no research request is made or supported by at least 25% of the votes, or if the topic has already been postponed once, decisions can be taken by simple majority (+50%). In case of a tie, the vote of the Standards Coordinator decides; in his/her absence the vote of the Chair, the Vice-chair, or the Acting Chair in this order.

All decisions as well as a summary of deliberations shall be documented in minutes of Standard Committee meeting. The minutes will include a list of call participants but will not attribute comments. The minutes will be made publicly available on the CRAFT website (www.craftmines.org). By decision-making on a topic or approving a draft, the Standard Committee approves the content of the topic or draft. Administrative Amendments (according to article 3.5 of the standard-setting procedures) shall be carried out by the Standards Coordinator when needed and do not require approval by the Standard Committee.

4.5 Observers, guests and resource persons

Members of the CRAFT Code Committee may propose the invitation of observers, guests, resource persons or external experts to participate in meetings (entirely or partly) as deemed conducive for the purpose. Invitations may be approved by the Chair for participation in the entire meeting or certain agenda items only.

Observers, guests and resource persons have no vote. The Chair may ask observers, guests and resource persons to kindly leave the meeting during final deliberations and voting.

ARM Board Members other than those nominated as committee members may at any time participate in Committee meetings to provide responsive feedback on standard setting progress and alignment with institutional vision and mission.

5. Miscellaneous Considerations

5.1 Documentation

All records (electronic copies and paper copies) of the CRAFT Code Committee shall be kept for as long as the published CRAFT Code remains the current version, but at least five years, in particular:

- Nominations of members and updated member lists
- Invitation lists to meetings
- Meeting agendas
- Lists of participants
- Minutes
- any Standard Committee approved documents

At least member lists and meeting minutes shall be made available publicly, downloadable from the CRAFT website. Other documents may be made available per email on request of interested parties indicating the intended use. Confidentiality agreements regarding individual documents shall be respected.

5.2 Remuneration

Participation in the CRAFT Code Committee should be on a voluntary basis. While a stand-alone meeting is not anticipated and a web-based option will be provided for calls, any direct costs that may be incurred are the responsibility of members.

6. References

[CRAFT 2.1 interim revision ToR 2023](#)

[ARM Standard-Setting Procedures \(version 3.0\)](#)

[ARM Generic Terms of Reference Standards Committees \(version2.0\)](#)

[ARM Standards Complaints Procedures \(version 2.0\)](#)

[ISEAL Standard- Setting Code of Good Practice Version 6.0](#)



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