CRAFT Advisory Group

May 16, 2018 Call

NEXT STEPS

- **The CRAFT team** will circulate slides summarizing stakeholder feedback, and a proposal to include basic health care requirements (i.e., first aid) as an additional condition in Module 5 (issue #4, below) (both attached).
- By <u>May 25</u>, AG members will:
    - o Contact ARM and RESOLVE with any concerns about the proposed approach to respond to issues 1-2 (expanded minerals scope and child labor), described below.
    - o Provide reactions to inform the definition of bribery (issue #3, below) and the proposal to include basic health care requirements as an additional condition in Module 5 (issue #4, below).
    - o Contact RESOLVE and ARM about any significant questions or concerns that you foresee would prevent you and your organization from signing off on the proposed CRAFT v1, based on the earlier draft plus the 16 May AG presentation and discussion.
- **Louis** will share a link to the UN Convention relating to bribery.

SUMMARY

Natalia Uribe and Felix Hruschka of Alliance for Responsible Mining shared a presentation (PDF attached) summarizing the feedback received on CRAFT during the consultation period (February 26 – April 26, 2018).

The feedback includes some issues that are out of scope, some suggestions for consideration in implementation and future stages of CRAFT development, and several issues for consideration in a revised and final v1 for publication. Among the issues for current consideration are editorial comments (e.g., making pass/fail/progress criteria as auditable as possible), technical comments (e.g., accounting for the need to "downgrade" an affiliate or candidate if Annex 2 risks re-emerge), and strategic comments. The editorial and technical comments will be reviewed by the Standards Committee, and the CRAFT team sought Advisory Group guidance on the following 4 strategic questions:

1. **Whether to expand the scope to include non-gold commodities**, as suggested by numerous commenters. ARM reviewed its analysis of pros and cons of this proposal (see slide 7) and outlined 3 options:
    - ▪ Expand the scope to include other minerals (though other mineral supply chains were not considered in the design, and the standard was only consulted with stakeholders in the gold supply chain)
    - ▪ Leave the text as it currently is – with gold clearly referenced throughout the standard, but consider modification of the scope for the next version (which will begin development in July/August of 2018.)
    - ▪ Recognize in introductory text that the Code was developed and consulted with gold in mind, but revise the text of code to be commodity neutral.
    - o Proposed Action: The AG recommended a combination of the second and third options, and agreed to the following:

- Recognize in introductory text that the Code was developed and consulted with gold in mind;
- Also in introductory text, acknowledge the interest in expanding CRAFT to include other minerals, and invite stakeholders to pilot the current code on other minerals and engage in consultation to inform CRAFT v2, which can more explicitly account for and integrate other mineral applications; and
- Revise the text of code to be commodity-neutral, except in cases where the criteria specifically relates to gold (e.g., around mercury use).

2. **Whether to revise the requirements relating to worst forms of child labor** (WFCL; slide 8). The CRAFT team received some concerns that the current requirement is too strict, and other concerns that it is too permissive. ARM presented 3 options:
    - Keep as is (as feedback is balanced)
    - Make stricter, but risk preventing many (most) mines from reaching candidate status
    - Keep as is, but insist on attainment of child labor standard in Module 5 in order to progress beyond that.
    - o Proposed Action: The AG recognizes that important attention has been paid to this challenging and emotive issue, and does not want to undermine that. However, the CRAFT standard aims to be inclusive at the outset for the express purpose of supporting and "pulling miners along" on a path of progressive improvement. Therefore, the 1st or 3rd option is preferred. A general agreement was to:
        - Maintain the current requirements
        - Expand the guidance on specific activities that exemplify WFCL and what activities do not and would be permissible under modules 3 and 4, including a list of non-permissible activities.
        - Emphasize the notion of safeguarding and allow for nuance and judgement by the local community to recognize factors (e.g., childcare).
        - Signal in introductory documents that the CRAFT Advisory Group and Standards Committee takes this issue seriously and will continue to monitor it throughout the development of v2, including its success in moving children away from mining as well as gold buyers' engagement with mines on progressive improvement for this issue. (An AG member noted that "flagging" issues such as WFCL can be done in a code to acknowledge different views and give context for the choice made.)
        - At least one AG member supported making the Module 5 WFCL element mandatory; this was not discussed in depth, but AG members should comment further, and ARM will consider it with the Standard Committee.

3. **How to define "bribery" more definitively** (top of slide 9).
    - o Feedback: The OECD Anti-Bribery Convention could offer a definition. Louis will also share a link to the UN Convention relating to bribery.

4. **A suggestion to include "access to basic health services" as an additional requirement in Module 5** (bottom of slide 9). This was explained as primarily relating to availability of first aid services and first aid training.
    - o Feedback: the AG would like to review the proposal received for further consideration and reaction. There was agreement that clarity about the definition of "health services" and implications for requirements of the AMP (e.g., paying for the services or simply ensuring their availability) is needed.

PARTICIPANTS

Advisory Group Members

- Aimee Boulanger, Initiative for Responsible Mining Assurance
- Philippe Fornier, Swiss Better Gold Initiative
- Estelle Levin, Levin Sources
- Neil Harby, LBMA
- Louis Marechal, OECD
- Cristina Villegas, Pact

Project Team

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