

SPECIFIC TERMS OF REFERENCE

MARKET ENTRY STANDARD* COMMITTEE

for the development of the Market Entry Standard
Version 1.0, May, 2017
based on Generic Standard Committee ToRs version 2.0 (2017)

*The most appropriate name will be part of one of the discussions during the first Standard Committee meeting.

Explanatory note

The following table describes the **Generic Terms of Reference for Standards Committees (ToR-SC)** in the first column and the **Specific Terms of Reference for the Market Entry Standard (MES) Committee (ToR-MESC)** in the second column. For easier readability, all the particular terms and conditions for the MES Standard Committee are detailed in front of the line of the Generic Terms of Reference otherwise it indicates “the Generic ToR-SC apply” for the ToR-MESC.

<i>Generic Terms of Reference for Standards Committees (ToR-SC)</i>	<i>Specific Terms of Reference for the Market Entry Standard Committee (ToR-MESC)</i>
<p>1. Introduction</p> <p>The Alliance for Responsible Mining (ARM) develops, as part of its mission, voluntary social and environmental standards related to responsible artisanal and small-scale mining (ASM) and the downstream value chain of its products (ARM Standards).</p> <p>ARM Standards may be developed by ARM as sole standard setter or by ARM in cooperation and partnership with other standard setting organizations or build upon other compatible standard setter’s standards with due authorization. The term ARM Standards refers to all existing and all eventual future standards developed by ARM (i.e. currently the Standard Zero, the Fairmined Standard, and the Market Entry Standard).</p> <p>The purpose of this document is to set the Generic Terms of Reference of ARM Standards Committees (ToR-SC), to be established for the maintenance of existing ARM Standards as well as for the development of new ARM Standards. The Terms of Reference seek to ensure the credibility of all ARM Standards, by incorporating the values of transparency, participation and fairness into the processes for their development, and through alignment with international best practice for standards development.¹</p>	<p>The purpose of this document is to set the Specific Terms of Reference of Market Entry Standard Committee (ToR-MESC), to be established for the governance and the development of the Market Entry Standard. These Specific Terms of Reference follow the same principles as the General terms of reference of ARM Standards Committees.</p> <p>The Market Entry Standard is developed in cooperation and partnership with RESOLVE.</p> <p>RESOLVE is an independent non-profit organization based in Washington, DC, with nearly 40 years of experience in multi-stakeholder and multi-sector collaboration and development of solutions to complex social and environmental challenges. RESOLVE's knowledge of supply chain dynamics international markets, due diligence standards</p>

¹ The document aims for compatibility with the “ISEAL Code of Good Practice for Setting Social and Environmental Standards” but does not claim any compliance with the ISEAL Standard-setting code.

<i>Generic Terms of Reference for Standards Committees (ToR-SC)</i>	<i>Specific Terms of Reference for the Market Entry Standard Committee (ToR-MESC)</i>
<p>This document shall be available publicly and free of charges in electronic format for download at the ARM website. For distribution as hard- or soft-copies through other media, ARM may charge at cost.</p> <p>Comments or suggestions regarding the Generic ToR-SC may be submitted at any time by email to standards@responsiblemines.org, or in writing to the postal address of ARM published at the ARM website www.responsiblemines.org. Comments and suggestions will be taken into account at the next revision of the Generic ToR-SC.</p> <p>The Generic ToR-SC shall be revised periodically, at least every five years, or in shorter intervals if considered appropriate by ARM in order to comply with its mission and to increase stakeholder confidence and commitment.</p>	<p>and public-private – as well as international – cooperation will support dialogue and multi-stakeholder input into the standard.</p> <p>RESOLVE’s core skill set in neutral mediation and consensus building will also support negotiation of challenging issues in the standard development, and the independent, multi-stakeholder, and open-source nature of the Market Entry Standard.</p> <p>Comments or suggestions regarding the Specific ToR-SC may be submitted at any time by email to RESOLVE (jpeyser@resolv.org) or ARM (standards@responsiblemines.org)</p>
<p>2. Purpose and mandate</p> <p>ARM Standard Committee(s) are created by the ARM Board of Directors as permanent committees for the development and maintenance of existing and new ARM Standards. For each ARM Standard a separate Standard Committee shall be established at the appropriate moment according to the ARM standard-setting procedures.</p> <p>At the moment of enactment of this document, this refers to the following standards:</p> <ul style="list-style-type: none"> ➤ <u>Standard ZERO</u> for fair trade artisanal gold and associated silver and platinum (on hold) ➤ <u>FAIRMINED Standard</u> v2.0 for gold from artisanal and small-scale mining, including associated precious metals (enacted and released) ➤ <u>Market Entry Standard</u> for artisanal and small-scale gold mining (in preparation) <p>Specific ToR for each Standard Committee (based on these Generic ToR-SC) shall be approved by the Board of Directors. The Specific ToR shall include at least the following:</p> <ul style="list-style-type: none"> ➤ The aims and objectives of the ARM Standard that the Committee is mandated to develop or revise; 	<p>Market Entry Standard Committee is created by the ARM Board of Directors and RESOLVE as a permanent committee for the governance and maintenance of the Market Entry Standard v1.0 for gold from artisanal and small-scale mining.</p> <p>The Market Entry Standard’s objective is to provide an entry-point for artisanal and small-scale mining organizations toward further opportunity, improved performance and a contribution to a sustainable development of their communities. This will be an intermediary standard guaranteeing essential due diligence and giving miners a practical tool to satisfy the demand of the global markets for transparent and conflict-free mineral sourcing.</p> <p>A detailed rationale, description and timetable for the development of the Market Entry Standard is provided in the ToR of the Market</p>

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<ul style="list-style-type: none"> ➤ The procedures to be followed; ➤ The working language(s); ➤ The decision making process; ➤ Any additional specific requirements to complete the work; ➤ Timetable for the standard development process. <p>The ToR may provide for the constitution of one or more sub-committees mandated or delegated to address specific aspects of the overall Specific ToR. These specific aspects shall be documented in specific ToR for the sub-committee.</p> <p>Each Standard Committee has a decision-making mandate regarding the ARM Standard assigned to that committee. For that purpose, the Standard Committee shall:</p> <ul style="list-style-type: none"> ➤ develop and 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-SC, and the Specific ToR of the Standard Committee, and present proposals for amendments as needed, and adopt the 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 <p>Additional specific mandates may be assigned to a Standard</p>	<p><u>Entry Standard document.</u></p> <p>Additional to the Generic ToR-SC, the ToR-MESC shall:</p> <ul style="list-style-type: none"> ➤ assure the inclusion of the Organisation for Economic Co-operation and Development (OECD) Due Diligence for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas principles in the development of the Market Entry Standard ➤ receive the recommendations from the Market Entry Standard Advisory Group and evaluate its incorporation in the Market Entry Standard development ➤ recommend on the ways of verification ➤ provide guidance and feedback to recognized certification and audit bodies (ways of verification) on the implementation and interpretation of the assigned standard, in controversial cases that require consultation

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<p>Committee by the Board of Directors, or by being recommended by the Standard Committee and approved by the Board of Directors.</p>	
<p>3. Composition, Members and Functions</p> <p>Standard Committee(s) should consist of at least 10 and a maximum of 16 members plus the Standards Coordinator. The total should always be made up by an odd number of individuals.</p> <p>Standards Committees must always combine balanced expertise from different aspects of ASM and key supply chain players, such as miners’ organizations, miners’ associations, traders, manufacturers, brands and global or national thematic and sectorial experts. A diverse, multi-stakeholder composition of the committees is crucial to ensure the legitimacy, applicability and technical quality of the ARM Standard.</p> <p>Ideally but not mandatory in exact numbers, Standards Committees should be composed by</p> <ul style="list-style-type: none"> ➤ 1/3 supply side (in case of existing ARM Standards preferably certified producers). It is encouraged to have a participation of a woman miner to represent the challenges of the sector from a gender-balanced point of view. ➤ 1/3 demand side and supply chain (in case of existing ARM Standards preferably authorized buyers or operators and consumers facing operators). ➤ 1/3 thematic or sectorial experts. ➤ The Standards Coordinator. <p>In any case and mandatory,</p> <ul style="list-style-type: none"> ➤ neither stakeholder group shall have a majority (+50%) in the Standard Committee; ➤ if ARM Board members and ARM staff (except the Standards Coordinator) are appointed to serve in the Standard Committee, their total number shall be a minority (-50%). ➤ Representatives of ASM miners must always be included. <p>Additionally, as far as reasonably possible, a geographical balance according to the scope of the standard shall be taken into consideration.</p>	<p>Different to the Generic ToR-SC, the MESC shall be composed by:</p> <ul style="list-style-type: none"> ➤ Artisanal and Small-scale Miners ➤ Standards systems or guidance bodies representing one or more industrial sectors ➤ Gold refiners or associations ➤ Downstream companies or associations ➤ Non-governmental organizations (especially, working with ASM) ➤ Other experts with responsible sourcing expertise ➤ the Standards Coordinator <p>Others stakeholders (e.g. national aggregators, etc.) may be invited to the Committee meetings depending on the needs and topic discussions.</p> <p>The ASM sector (miners and ASM support NGOs) shall not have jointly a majority (+50%)</p> <p>Downstream operators (refiners and companies) shall not have jointly a majority (+50%)</p> <p>Experts (independent or from other standards systems) shall not have jointly a majority (+50%)</p> <p>Different to the Generic ToR-SC:</p> <p>Being the initial standard drafting cycle, requiring a standard revision after 2 years, members to the MESC are appointed for 2 years.</p>

<i>Generic Terms of Reference for Standards Committees (ToR-SC)</i>	<i>Specific Terms of Reference for the Market Entry Standard Committee (ToR-MESC)</i>
<p>Standard 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.</p> <p>Objection against the composition of a Standard Committee can be presented, if it does not represent the required balance of interests.</p> <p>Members of an ARM Standard Committee are expected to</p> <ul style="list-style-type: none"> ➤ 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. Members are expected to 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 expertise² and broad experience³ on the topics related to the assigned standard; ➤ contribute in a constructive way to the standard development and evolution; ➤ regularly participate to Standard Committee meetings; ➤ properly prepare for meetings and contribute to all follow-up actions as agreed and/or mentioned in the meeting minutes. <p>Members are expected to remain on the Standard Committee</p>	

² “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.

³ Except in case of artisanal miners, international experience is expected.

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<p>for as long as a standard development or revision cycle lasts, up to a maximum of 5 years. Any member is entitled to renounce nomination at any moment, in writing to the Executive Director on behalf of 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.</p> <p>The Chair assumes the role to support the Standard Coordinator during the Committee meetings and to ensure effective meetings: full participation during the meetings, the agenda is sent on time for all members and all the issues are included during the discussions in the meetings.</p> <p>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.</p>	
<p>4. Meetings</p> <p>Standard Committee(s) shall meet as often as needed to fulfill the mandate and according to the timetable for the standard development process. During active standard development and revision phases ordinary meetings should occur, during maintenance phases at least once a year. Extraordinary meetings may be convened if necessary.</p> <p>Meetings take place electronically, by conference call facility provided by ARM and/or email consultation. Exceptionally, physical meetings may be agreed upon, subject to approval by the Executive Director.</p>	<p>The Generic ToR-SC apply</p>
<p>4.1 Working languages</p> <p>The primary official language of all Standard Committee(s) shall be either English or Spanish, to be defined in the Specific Terms of Reference of the committee.</p> <p>The Specific ToR may specify additional secondary official language(s). If additional official languages are specified, ARM will provide for translation of all documents relevant for informed decision making. Bilingual members are called upon to support monolingual peers during discussions.</p>	<p>The primary official language of the Market Entry Standard Committee shall be English.</p> <p>Basic English language skills are expected from all Committee members. Language support (full or partial translation) for Spanish speaking Committee members will be provided by ARM.</p>
<p>4.2 Preparation of meetings and meeting minutes</p> <p>Meetings shall be properly prepared for by the Standards</p>	<p>The Generic ToR-SC apply</p>

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<p>Coordinator, with support from the ARM Secretariat, by timely⁴ <u>announcing the meeting</u> to members, and preparing the <u>agenda</u> and all necessary <u>background information</u>. 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 provide the necessary background information.</p> <p>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.</p> <p>The Standards Coordinator or assigned person agreed by the Chair, will take <u>minutes of the meeting</u> 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.</p> <p>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.</p>	
<p>4.3 Participation</p> <p>To ensure an efficient operation of the Standard Committee and guarantee a quorum for decision making, the members should assume the following commitments:</p> <ul style="list-style-type: none"> ➤ have regular access to email or phone to allow fluent communication with the ARM secretariat 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. <p>Members who miss three consecutive meetings will be deemed to have resigned unless it is due to extenuating circumstance.</p>	<p>The Generic ToR-SC apply</p>

⁴ 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.

Generic Terms of Reference for Standards Committees (ToR-SC)

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4.4 Decision making

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(s) 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 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; in suitable form to be released to the public.

The Generic ToR-SC apply

Particularly for first stage of the development of the Market Entry Standard (MES), it exists the MES Advisory Group (see its ToR). This is a steering committee composed of stakeholders and funders of the CAPAZ program, responsible for providing strategic advice to the implementing partners (ARM and RESOLVE) related to the development of the MES and related programmatic elements, including piloting of the draft standard.

This body has a role between the MES Committee and ARM Boards of Director. After the approval of the draft Standard by the Market Entry Standard Committee. The Advisory Group, shall review and seek to reach agreement on a recommendation to the ARM Board of Directors to adopt the standard.

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<p>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.</p>	
<p>4.5 Observers, guests and resource persons</p> <p>Members of the Standard Committee or ARM 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.</p> <p>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.</p> <p>ARM board member's others 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.</p>	<p>The Generic ToR-SC apply</p>
<p>5. Miscellaneous Considerations</p> <p>5.1 Documentation</p> <p>All records (electronic copies and paper copies) of the Standard Committee shall be kept for as long as the published ARM Standard remains the current version, but at least five years, in particular:</p> <ul style="list-style-type: none"> ➤ Nominations of members and updated member lists ➤ Invitation lists to meetings ➤ Meeting agendas ➤ Lists of participants ➤ Minutes ➤ any Standard Committee approved documents <p>At least member lists and meeting minutes shall be made available publicly as download from the ARM website. Other documents may be made available per email on request of interested parties indicating the intended use.</p> <p>Confidentiality agreements regarding individual documents</p>	<p>The Generic ToR-SC apply</p>

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shall be respected.	
<p>5.2 Remuneration</p> <p>Participation in the Standard Committee should be on a voluntary basis. Members of the Standard Committee may be reimbursed for all reasonable expenses involved in participating in meetings.</p>	<p>The Generic ToR-SC apply</p>
	<p>6. Application-Expression of interest</p> <p>Interested individuals may submit an expression of interest (letter or email) to ARM (standards@responsiblemines.org) by later than August 6, 2017 with the following information:</p> <p>The candidate confirms that he/she has read the Generic and Specific ToR and possesses the following criteria required of MES Standard Committee members:</p> <ul style="list-style-type: none"> ➤ have specific interest, proven expertise and broad experience on the topics related to the MES (see above page 5) ➤ Expertise with artisanal mining or responsible minerals sourcing (including gold or other minerals); ➤ Support if it is the case from candidate’s organization to serve on this volunteer committee ➤ Ability to represent organization’s and broader stakeholder group’s interests in the MES development; and ➤ Availability to serve and participate for the entire period of the first draft standard, June 2017 – July 2018, including online calls. ➤ Contact information for candidate: <ul style="list-style-type: none"> ➤ Name ➤ Title ➤ Organization ➤ Email ➤ Phone number

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<p>7. References</p> <p>ARM Standard-Setting Procedures (version 3.0)</p> <p>ARM Generic Terms of Reference Standards Committees (version2.0)</p> <p>ARM Standards Complaints Procedures (version 2.0)</p> <p>ISEAL Code of Good Practice: Setting Social and Environmental Standards v 6.0.</p>	<p>The ToR-MESC (version 1.0) are based on ARM Generic Terms of Reference Standards Committees (version2.0)</p> <p>MES Advisory Group Terms of Reference (version 1.0)</p>