1. Opening remarks and roll call
2. Progress update (5 min)
3. Presentation and discussion of MES working draft:
   • Standard structure (5 min)
   • Module: Scope and affiliation (20 min)
   • Module: Legitimacy of the AMP (20 min)
   • Module: Risks requiring immediate disengagement (30 min)
4. Next meetings and any other business

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1. Opening remarks and roll call

Artisanal and Small-scale Miners
- **Nimer Rivera**- Miner representative (Peru). *(SC Vice chair)*
- **Romain Kani**- Miners representative spokesman (Burkina Faso).
- **Tabara Cissokho** – miners representative spokeswoman (Senegal).
- **Urca Primus**- Guyana Women Miners Organization (GWMO) president.
- **Daniel M Riascos**- Colombia Coodmilla coop representative.

Standards systems or guidance bodies representing one or more industrial sectors
- **Michele Bruelhart** - EICC Technical Director
- **Anne Marie Fleury** - RJC Standards and Impact Director
- **Lisa Sumi** - IRMA Standard Coordinator

Gold refiners or associations
- **Neil Harby** - LBMA Head of Good Delivery
- **Simone Knobloch** - Valcambi COO *(SC Chair)*
- **Mariana Smirnova** - RMI Project Manager

Downstream companies or associations
- **Sveta Morris**- Apple

Non-governmental organizations (especially, working with ASM)
- **Yaw Britum** - Solidaridad Ghana Programme Manager, Gold *(SC Vice chair)*

Technical consultants and experts
- **Mauricio Cabrera** - WWF Mining Policy Coordinator
- **Assheton Carter** - The Dragonfly Initiative Director
- **Fabiana Di Lorenzo** - Levin Sources Due Diligence Manager
- **Renzo Mori Junior** - Researcher at Centre for Mining Sustainable Minerals Institute. University of Queensland
- **Cesar Ipenza**- Peruvian and environmental mining expert.

Observers
- **Louis Marechal** - OECD observer
2. Progress update (5 min)

- Slight delay in September after 1st meeting
- Oct. 6: Advisory Group conference call
- Oct. 19: Face to face meeting with some AG members during RMI Conference in Santa Clara
- Colombia pilots update
3. MES working draft

• First partial working draft circulated
• For discussion, collecting comments and further inputs from SC members
• No decisions expected today
3.1 Standard Structure

Structured in “modules”

• Two “general” modules
  – Scope and affiliation
  – Legitimacy

• Five modules on requirements
  3 in MES version 1
    (1 done, 2 tbd)
  2 in later versions

Ready for initial discussion today

To be done (next meetings)
3.1 Standard Structure

Requirements (issues, risks to be addressed):

- proposed to be structured according to “Consolidated Framework of Sustainability Issues for Mining” (aligned with ISO 26000) [AG: ok]

<table>
<thead>
<tr>
<th>Human rights</th>
<th>Labour practices</th>
<th>Community involvement &amp; development</th>
<th>The environment</th>
<th>Fair operating practices</th>
<th>Organizational governance</th>
<th>Consumer issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serious human rights abuses</td>
<td>Community rights</td>
<td>Land use &amp; biodiversity</td>
<td>Closure &amp; land rehabilitation</td>
<td>Business practices</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Employment conditions</td>
<td>Value added</td>
<td>Water use</td>
<td>Mine wastes &amp; waste water</td>
<td>Management practices</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Occupational Health &amp; Safety</td>
<td></td>
<td>Energy use</td>
<td>Air emissions &amp; noise</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Material use</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Kickler & Franken 2017)
3.1 Standard Structure

Clarifications, Questions or Comments?
3.2 Module: Scope and affiliation

- **Geographic scope**: global
- **Product scope**: applicable for all ASM mines where **gold** is a “more than insignificant” output
- **Organizational scope**: all organizational structures of **miners** (main scope) + **aggregators** (extended scope)

“miners”: all types of miners (inclusive as per ASM definition in OECD DDG)
- **Individuals** (all directly and indirectly involved)
- **Groups** (family groups, partnerships, associations, cooperatives, companies, etc.)
- **Clusters** (any combination of individuals and/or groups)
3.2 Module: Scope and affiliation

Hi ladies and gentlemen,

To sell your gold, we recommend, as step one of the five-step framework, to implement a management system!

MES is a “management system” for ASM miners
• = a structured, systematic way of assessing risks (understanding what is wrong), mitigating risks (improving the mine), and reporting (telling how it is and what had been done)
• Affiliation = implementing a management system = step 1

Apologies for the joke; It is neither about criticizing the 5-step-framework nor about the capacity of miners, but to illustrate challenging communication between different realities
3.2 Module: Scope and affiliation

Affiliation requirement to join a MES Scheme*

- be an AMP producing gold (in organizational & product scope)
- be able to inform about the circumstances how gold is produced and to make commitments to improve (mitigate risks)
- have someone who represents the group (responsible person)

<table>
<thead>
<tr>
<th>Initial (conditional)</th>
<th>Initial (definitive)</th>
<th>Renewal</th>
</tr>
</thead>
<tbody>
<tr>
<td>data identifying AMP</td>
<td>Updated (more detailed) information and 2nd MES Report (Annex II risk mitigation in place)</td>
<td>Updated (more detailed) information and further MES Reports</td>
</tr>
<tr>
<td>responsible person</td>
<td>+ internal control system ensuring origin of gold</td>
<td>+ annual improvement plan (beyond Annex II risks)</td>
</tr>
<tr>
<td>list of internal entities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>map (sketch)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>docs on legitimacy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st (initial) MES Report</td>
<td></td>
<td></td>
</tr>
<tr>
<td>commitment declarations</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* MES scheme: A supply chain scheme based on the MES Standard
3.2 Module: Scope and affiliation

Clarifications, Questions or Comments?

Q from standards team:
• *is the scope right?*
• *are affiliation requirements too low or too high?*
3.3 Module: Legitimacy

An AMP can apply for joining a MES scheme if it is legitimate, in the understanding of the definition of “Legitimate ASM” of the OECD Due Diligence Guidance.

Proposal to distinguish different country contexts:

• A legal framework for ASM exists, is actively implemented and enforced by the competent authorities.
• A legal framework for ASM exists, but is neither actively implemented nor enforced.
  → proposal to distinguish:
  < 95% or > 95% of ASM in the informal sector
• A legal framework for ASM does not exist.
• State-approved commercialization channels for informally produced ASM commodities are in place.
3.3 Module: Legitimacy

For each context, the draft proposes criteria that allow determining whether the requirement of legitimacy is fulfilled:

<table>
<thead>
<tr>
<th>Fulfilled Requirement</th>
<th>Progress towards fulfilment of the requirement</th>
<th>Fail criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>means that the AMP is legitimate and formal/legal and can be admitted in a MES scheme</td>
<td>means that the AMP is legitimate and in process of formalization/legalization and may be admitted in a MES scheme that provides support to formalization</td>
<td>means that under current circumstances the AMP cannot be considered legitimate. The AMP can currently not be admitted in a MES scheme</td>
</tr>
</tbody>
</table>
Clarifications, Questions or Comments?

Q from standards team:

• Do the 4 scenarios cover in principle all possible country contexts?
  – framework: yes/no,
  – formalization viable in practice: yes/no,
  – Commercialization- instead of formalization approach

• Does “good progress towards formalization = legitimate” capture the intent of the OECD DDG?
3.4 Module: Risks requiring immediate disengagement

- This module addresses Annex II risks (serious human rights abuses) for which the OECD DDG recommends to immediately suspend or discontinue engagement with upstream suppliers (=AMPs) if a reasonable risk is identified.

- Accordingly, all requirements of this module are pass/fail requirements (*other modules will be more progressive*)

- MES: None of the listed serious human rights abuses are considered tolerable in *Any Area*, regardless whether CAHRA or not

- Module is part of initial (conditional) affiliation ({1}st MES Report)

- For every requirement, *criteria* are proposed. Every requirement is complied with, if:
  - all Pass Criteria are fulfilled, and
  - no Fail Criteria applies
## 3.4 Module: Risks requiring immediate disengagement

<table>
<thead>
<tr>
<th>Issue</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Labour</td>
<td>It is reasonable to believe that the AMP is not linked to any party involved in employing children under conditions of the worst forms of child labour as defined in ILO Convention No. 182</td>
</tr>
</tbody>
</table>

### Criteria (criteria for this requirement presented here as example, criteria for other req. in the draft)

**Pass Criterion 1:**
A qualitative (but ideally a semi-quantitative) **baseline assessment of child labour** has been conducted on the AMP production process and internal supply chain. The outcome of this exercise is documented (in the MES report).

**Pass Criterion 2:**
The **AMP can assure that (a) no person** under the age of 18 (children) is working **under conditions of** debt bondage, serfdom, forced or compulsory labour, and (b) that **no person is intentionally employed for any potentially harmful work** (harmful to health, safety or moral) **for the reason of being under the age of 18.**

**Fail Criterion 1:**
Documentation provided by the AMP (the MES report) makes **no reference to efforts** carried out by the AMP to assess the extent and the conditions of child labour in its internal supply chain.

**Fail Criterion 2:**
The **production of the AMP relies on systematic and intentional employment of children.**
### 3.4 Module: Risks requiring immediate disengagement

Continued: Other requirements of this module
(criteria structured similarly – see draft)

<table>
<thead>
<tr>
<th>Issue</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forced Labour</td>
<td>It is reasonable to believe that the AMP is not linked to any forms of forced or compulsory labour</td>
</tr>
<tr>
<td>Gross HR violations</td>
<td>It is reasonable to believe that the AMP is not linked to any other gross human rights violations and abuses such as widespread sexual violence.</td>
</tr>
<tr>
<td>Torture</td>
<td>It is reasonable to believe that the AMP is not linked to committing any forms of torture, cruel, inhuman and degrading treatment</td>
</tr>
<tr>
<td>CAHRA</td>
<td>The AMP makes efforts to obtain clarity on whether its operations are located in a Conflict-affected and high-risk area (CAHRA).</td>
</tr>
<tr>
<td>War Crimes</td>
<td>If the AMP is located in a CAHRA: It is reasonable to believe that the AMP is not linked to committing war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.</td>
</tr>
</tbody>
</table>

continued
### 3.4 Module: Risks requiring immediate disengagement

<table>
<thead>
<tr>
<th>Issue</th>
<th>Requirement</th>
</tr>
</thead>
</table>
| **Non-state armed groups**   | *If the AMP is located in a CAHRA:*  
It is reasonable to believe that the AMP’s mine site and transportation routes are not illegally controlled by non-state armed groups. |
| **Extortion**                | It is reasonable to believe that the AMP undertakes all reasonable efforts to avoid that production at its mine site and its internal supply chain is subject to illegal taxation or extortion of money or minerals by non-state armed groups. |
| **Management system**        | The AMP must follow the affiliation requirements for MES schemes                                                                          |
Clarifications, Questions or Comments?

Q from standards team:

• *Is it the right approach right to say “AMPs where such risks are present cannot join a MES Scheme”? Or should they be still allowed?*

• *Does the risk based wording “It is reasonable to believe that …” capture the intent of the OECD DDG?*
Agenda

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Thanks!