

Market Entry Standard* Advisory Group

December 5, 2017 Call

NEXT STEPS

Advisory Group members will:

- Review and comment on the “holiday version” of the draft standard
- Review the separate distribution and consultation strategy and assignments and notify RESOLVE of any concerns or suggested additions.
- Further discuss in subgroups to plan outreach to artisanal miners (Pact, Solidaridad, ARM), and refiner and downstream input (LBMA, RMI, RJC, SBGA).

The CAPAZ team will:

- Circulate a “holiday draft” of the standard for Advisory Group review over the holidays.
- Circulate a proposed distribution and consultation strategy and assignments.
- Prepare materials and other resources to support distribution and consultation.

SUMMARY

Updates on Standard Development

The CAPAZ team provided an update on the development of the standard, including the organization of the standard components into five “modules”: 1) scope, affiliation, management system; 2) legitimacy; 3) OECD Annex 2 risks that require disengagement; 4) Annex 2 risks that require mitigation; and 5) other issues flagged by stakeholders as high risks, which are not included in Annex 2. Medium and low risk issues will not be included in the standard to be published in June, but will be incorporated into the second version of the standard.

The group expressed comfort with this organization and noted that the standard could be a useful tool in sectors beyond gold, such as gemstones or cobalt. While the focus of the first version of the draft will remain on gold, the transience of miners across commodities suggests that a gold-focused MES could still build capacity in other sectors.

A “holiday draft” version of the standard will be shared with all Advisory Group and Standard Committee members before December 25, and Advisory Group members are asked to plan to submit comments (especially on major concerns) to the CAPAZ team by January 15. The Standard Committee will review issues raised January.

Stakeholder Engagement and Outreach Planning

Advisory Group members discussed plans for stakeholder engagement around the distribution of the draft standard for consultation, between approximately February 3 and April 3. A number of listservs, webinars, and in-person consultation opportunities were identified through an advance survey and during the phone discussion. A subgroup will meet to determine a strategy for outreach to artisanal mining representatives (Pact, Solidaridad, ARM), and another to further discuss refiner and downstream input (LBMA, RMI, RJC, SBGA). A separate summary will be circulated to members encompassing these suggestions from the Advisory Group, along with the materials and other resources to be provided by the CAPAZ team to support this outreach.

Other Progress and Updates

ARM shared lessons learned from the 3 pilots currently underway in Colombia, including the following:

- Basic organization of miners must be in place before the supply chain can be mapped or basic controls can be put in place, suggesting some scope to the kinds of miners who might be able to utilize the standard.
- An internal control system with registers and understanding/control of the supply chain is essential, but can be simple and intuitive for miners to use.
- Early trust building activities with the miners and the surrounding community has increased interest in the pilot, as well as community willingness to engage in due diligence.
- A support scheme to help miners prepare for the process (i.e. to organize and implement basic control systems) will be essential to bring the most vulnerable miners to the point of being able to utilize the Market Entry Standard. This will be part of the focus of sustainability planning in the coming months by the Advisory Group.
- Banking issues could be challenging. In seeking to establish bank accounts for miners as they organize, Colombian banks have expressed concern about identifying the downstream clients and how they can ensure the source of the money from outside Colombia is legitimate.

PARTICIPANTS

Advisory Group Members

- Yves Bertran, Alliance for Responsible Mining
- Aimee Boulanger, Initiative for Responsible Mining Assurance
- Leah Butler, Conflict Free Sourcing Initiative
- Philippe Fornier, Swiss Better Gold Initiative
- Fabiana Di Lorenzo, Levin Sources
- Neil Harby, LBMA
- Boukje Theeuwes, Solidaridad
- Cristina Villegas, Pact

Project Team

- Felix Hruschka, Alliance for Responsible Mining
- Taylor Kennedy, RESOLVE
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