

Market Entry Standard Committee

Meeting #3

Conference Call December 13th, 2017



RESOLVE



Agenda

1. Opening remarks and roll call
2. Previous meeting minutes
3. Progress update
4. Discussion of MES working draft
 - Amendments to Modules 1 to 3
 - New Module 4
 - New Module 5
5. Timeline for Standard development and next meetings
6. Any other business

1. Opening remarks and roll call

Artisanal and Small-scale Miners

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

Standards systems or guidance bodies representing one or more industrial sectors

- **Anne Marie Fleury** - RJC Standards and Impact Director
- **Lisa Sumi** - IRMA Standard Coordinator
- **Michele Bruehlhart** - EICC Technical Director

Gold refiners or associations

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

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

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

Observers

- **Louis Marechal** - OECD observer

2. Previous meeting minutes

- Minutes of 1st meeting 11 September (*approval accidentally omitted in last meeting*)
- Minutes of 2nd meeting 16 November

Comments?

Approval?

3. Progress update

- RESOLVE: Dec. 05 Advisory Group conference call summary
 - Brief update on the consultation/outreach opportunities we had identified
 - Other opportunities to pitch in to disseminate the draft standards to Standard Committee members networks.

4. MES working draft

- First complete working draft circulated
 - Modules 1 to 3 amended
 - Module 4 and 5 new
- For further discussion, collecting comments and inputs from SC members

4.1 Modules 1 to 3 (1)

Module 1 Comments from last meeting addressed:

– **Product scope:**

- avoiding “more than insignificant ...” → “... gold in any tradeable form ...”

– **Organizational scope:**

- AMP operating in one single country
- “Members” defined
- Potential role of international refiners in extended scope clarified

– **Internal supply chain:**

- Term defined

– **Point of assurance:**

- Term introduced for more clarity

4.1 Modules 1 to 3 (2)

Module 1 Comments from last meeting addressed:

– **Joining a MES scheme:**

- Affiliation categories redefined to allow for earlier engagement. New categories:
 - **Applicant** (application M1)
 - **Candidate** (up to M3 – no Anx II immediate disengagement risks)
 - **Affiliate** (up to M4 – all Anx II risks mitigated or controlled)

– **MES reports:**

- New: Support to AMPs and expected content specified

– **Performance indicators:**

- New: 3C (commitment, conformity, credibility) introduced

4.1 Modules 1 to 3 (3)

Module 2 Comments from last meeting addressed:

- **Changed guidance on operational ASM legal framework:**
 - Stronger focus on qualitative criteria / expert opinions
 - Simple guidance criteria (none, very few, few, many)
 - % of formalized ASM only complementary guidance

Module 3 Comments from last meeting addressed:

- **Requirements numbered**
 - For better cross reference
- **M.3/2.1.8/R.1 (war crimes)**
 - Entry barrier reduced: “opinions or statements” instead of “assessment”
- **2 requirements (backlink to M1 and M2) added**
 - The AMP must be legitimate.
 - The AMP must nominate a Responsible Person for the Standard.

4.1 Modules 1 to 3

Clarifications, Questions or Comments on amendments?

4.2 new Module 4 (1)

- Addresses Annex II risks for which the OECD DDG recommends to suspend or discontinue engagement with upstream suppliers (=AMPs) after failed attempts at mitigation.
- Requirements have **Pass-**, **Progress-** and **Fail** Criteria
Every requirement is complied with, if:
 - The **Pass Criteria “mitigated”** are fulfilled, or
 - The **Progress Criteria “mitigation progress satisfactory”** demonstrate progress in the past reporting period and contains a commitment to at least one mitigation measure for the next reporting period
 - no **Fail Criteria** applies
- AMP can be assigned **Affiliate** status, if no fail criteria applies to any requirement (i.e. if all requirements are claimed as passed or in progress).

4.2 new Module 4 (2)

- 11 Requirements of Module 4
 - are additional to requirements of Module 3
- Wording of requirements similar
- Progress Criteria (“mitigation progress satisfactory”) are seen as a “pass”. Non prescriptive time frame (*some mitigation measures take time until the risk is really mitigated*)
- Usual guidance for progress criteria:
 - The MES report shall
 - describe measures undertaken during the past reporting period, and
 - describe and commit to implement the measures planned for the next reporting period

4.2 Module 4

Clarifications, Questions or Comments?

Q from standards team:

- *Is the approach of “Pass-, Progress- and Fail Criteria” sufficiently aligned with OECD DDG?*
- *In particular: can “implementing a risk management plan” be seen as satisfactory progress to justify “Affiliate” status?*

4.3 new Module 5 (1)

- Addresses **high risks** not specifically covered by the “*Model Supply Chain Policy*” of the OECD DDG. i.e. “**non-Annex II risks**”.
- **Affiliate** status can be maintained as long as no new Annex II risks appear. Consequently **no Pass/Fail Criteria**
- **Different set of Criteria:**
 - “**Controlled**”: The risk has been assessed and mitigation measures for improvement have been taken to an extent that is considered good ASM practice.
 - “**Progressing**”: The risk has been assessed and the AMP is implementing mitigation measures for improvement.
 - “**Unaddressed**”: The risk has not yet been assessed or the AMP has not yet taken steps to implement mitigation measures for improvement.

4.3 new Module 5 (2)

Non-Annex II risks addressed in Module 5:

- Child labour beyond “employed CL” (2 req.)
- Women rights (2 req.)
- Discrimination (1 req.)
- Health & Safety (2 req. + 1 Hg req.)
- Community rights (1 req.)
- Institutional capacity (1 req.)
- Protected Areas (1 req.)
- Conflict with Agriculture (1 req.)
- Conflict with LSM (1 req.)
- Water resources (1 req.)
- Emissions (3 Hg req.)
- Formalization beyond mineral rights (1 req.)
- Grievances (1 req.)

Total: 19 requirements (incl. 4 req. addressing Minamata worst practices)

4.3 Module 5

Clarifications, Questions or Comments?

Q from standards team:

- Is “no Pass/Fail Criteria” but “Controlled / Progressing / Unaddressed” the right approach for non-Annex II high risks?*
- Some non-Annex II high risks missing?*
- Some risks not high risks? (-> medium or low?)*

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5. MES Development Timeline



	Dec	Jan	Feb	Mar	April	May	Jun
MES Committee	This meeting's comments incorporated into "Holiday version" → For feedback by SC members	Discuss "holiday version" feedback in SC and prepare Public consultation version			Review and incorporate consultation feedback. Prepare Final version		
Advisory Group	"Holiday version" → For feedback by AG members	Green light to circulate Public consultation version			Review final version and recommend for official release		
Public Consultation			60 days public consultation • Online & Email • workshops with miners • webinars • Calls		April 17-19 th OECD Side session		
MES Milestone		Draft for public consultation			Review and incorporate comments		MES v1 for release

5. MES “Holiday Version”

Based on today’s discussion and optional written feedback received this week, the “holiday version” will be ready next week.

Comments on short-term timeline?

Q from standards team:

- *Until when in January would it be possible that SC members review the holiday version and provide feedback on issues that require in-depth discussion?
(→ issues to become agenda topics of January meetings)*

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Thanks!



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