Market Entry Standard Committee

Meeting #3
Conference Call December 13th, 2017
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

The Market Entry Standard (working title) is developed under the “Creative Commons Attribution-ShareAlike 4.0 International” License (https://creativecommons.org/licenses/by-sa/4.0/)
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 Bruehlart - 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
  o Modules 1 to 3 amended
  o Module 4 and 5 new

• For further discussion, collecting comments and inputs from SC members
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
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
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?
• 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
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?)
The Market Entry Standard (working title) is developed under the “Creative Commons Attribution-ShareAlike 4.0 International” License (https://creativecommons.org/licenses/by-sa/4.0/)

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
## 5. MES Development Timeline

<table>
<thead>
<tr>
<th></th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>April</th>
<th>May</th>
<th>Jun</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MES Committee</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MES Committee</td>
<td>This meeting’s comments incorporated into “Holiday version” → For feedback by SC members</td>
<td>Discuss “holiday version” feedback in SC and prepare Public consultation version</td>
<td></td>
<td></td>
<td>Review and incorporate consultation feedback. Prepare Final version</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Advisory Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advisory Group</td>
<td>“Holiday version” → For feedback by AG members</td>
<td>Green light to circulate Public consultation version</td>
<td></td>
<td></td>
<td>Review final version and recommend for official release</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Public Consultation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Consultation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>60 days public consultation • Online &amp; Email • workshops with miners • webinars • Calls</td>
<td>April 17-19th OECD Side session</td>
<td></td>
</tr>
<tr>
<td><strong>MES Milestone</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MES Milestone</td>
<td></td>
<td>Draft for public consultation</td>
<td></td>
<td></td>
<td>Review and incorporate comments</td>
<td></td>
<td>MES v1 for release</td>
</tr>
</tbody>
</table>
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)
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?
Thanks!