

# CRAFT

Code of Risk-mitigation for Artisanal and small-scale mining engaging in Formal Trade

## A tool that facilitates market access focused on risk mitigation in artisanal and small-scale mining

Buyers and refiners face ever-stricter requirements for the **implementation of due diligence and risk management processes** with their mineral suppliers in producing countries (particularly so if located in **conflict-affected and high-risk areas**). Such growing demands are reflected in instruments like the:

- Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas;
- European Union Conflict Minerals Regulation (which will enter into force in 2021), requiring all European companies to apply Due Diligence Guidance; and
- Standard-setting bodies for industry responsibility, including the Responsible Jewellery Council (RJC), London Bullion Market Association (LBMA), and Responsible Minerals Initiative (RMI), among others.



### CRAFT is ...

1. A tool that makes it easier for gold buyers to **apply due diligence in the sector, with a focus on a continuous development and improvement.**
2. A **gateway into the formal market for artisanal and small-scale miners**, focused on the mitigation of the main artisanal and small-scale mining (ASM) risks.
3. A **code of progressive compliance for ASM producers**. It adopts the definitions of “ASM” and “legitimacy” offered in the **OECD Due Diligence Guidance**.
4. Intended to be **globally applicable**; no areas are excluded.
5. Designed to apply to artisanal **gold in any tradable form**. However, it can be adapted for other minerals.
6. Closely aligned with the **OECD Due Diligence Guidance**. Modules 3 and 4 are directly linked to the risks outlined in “Annex II” of the Guidance.
7. **An open-source code released under the Creative Commons CC BY-SA 4.0 license.**

The creation of **CRAFT** benefits artisanal and small-scale miners, as well as their **communities and countries**.

It enables miners to:

- Access **legal supply chains** and sell their gold under better trading conditions;
- Understand their buyers' expectations and needs and the **international requirements for supplying gold**; and
- Take on an approach of **continuous improvement** in their organizational, environmental, labor and social mining practices.

## It helps countries achieve the following:

- Trust that the artisanal and small-scale miners that adopt CRAFT are **making efforts to mitigate mining-associated risks** and to make headway towards improvement of their production practices;
- Be assured that the gold-purchasing companies that use CRAFT will be operating out of **respect for human rights and avoiding contributing to conflict**;
- Bring about positive changes in **promoting sustainable economic development** for mining communities, by facilitating their access to legal markets and encouraging them to improve their practices;
- Increased **public revenue** and reduced proportion of gold that funds conflict, human rights abuses, and illicit activities; and
- Improved **environmental resource management**.



## \*What is Due Diligence (DD)?

DD is an ongoing process to **identify, evaluate, report, mitigate,** and **monitor** the risks present at a mining site or within the sector (such as legal risks or the lack of human rights). The miners must demonstrate that they have made reasonable **efforts**, in **good faith** and toward **continuous improvement**, addressing the risks with the **support** of local, national, and international players.

While the buyer bears responsibility for the due diligence process, all parties in the supply chain must engage, and CRAFT gives clear steps to **facilitate due diligence** for miners, buyers, traders, refiners, and downstream companies.

## What is the **role** of national, regional, and local institutions and actors in **CRAFT implementation**?

- **Facilitating access to information** used to identify and mitigate risks;
- **Supporting miners** in their efforts to continuously improve their mining practices and helping put them on the path to formalization;
- **Generating actions** that enable buyers and miners **to adopt CRAFT**;
- **Taking part in strategies** for risk mitigation; and
- **Improving processes and channels** that allow legal supply chains to flow.

CRAFT has been developed by the **Alliance for Responsible Mining (ARM)** and **RESOLVE**, with support from the **European Partnership for Responsible Minerals (EPRM)**.

## How has **CRAFT** been developed thus far?

A diverse coalition of leaders and stakeholders in the gold supply chain has been formed to build this tool. Those involved include **miners** and their representatives from Colombia, Peru, Guyana, Burkina Faso, and Senegal; **refiners, companies, and associations** in the gold industry; representatives of **initiatives and standards** that define good practices and responsible sourcing; and subject-matter **experts** of global renown. The OECD served as an observer of the process.

## **CRAFT v 1.0 was released on August, 2018.**

[www.craftmines.org](http://www.craftmines.org)

For further information contact [standards@responsiblemines.org](mailto:standards@responsiblemines.org)  
or Taylor Kennedy [tkennedy@resolve.org](mailto:tkennedy@resolve.org)

Available in:  
English Spanish and French