CRAFT Committee meeting

July 22nd, 2019 / Seventh GoToMeeting call
09:00 EST/COL | 16:00 CEST | 14:00 GMT | 07:00 PST | 10:00 GYT
Duration: 1,5 hours

Support documents:
- Meeting presentation

Next Steps
- The CRAFT’s team will send an email with the following information for deciding on one of the three options for further development -> the members will use a poll for voting between the three proposed options:
  - Suggestions from the Advisory Group Committee.
  - The list of the current minerals demands for defining the scope and the structure of the CRAFT Committee.
  - The possible structure of the multi-commodities committee.
- Next call after the decision taken by email. Members will take proposals for the invitation of new members.

Development of the meeting

1. Opening remarks and roll call
   Simone (the Chair) opened the meeting agenda and confirmed the assistance of the Committee members in this call.

2. Update of the CRAFT interest and applications

The CRAFT team presented the updates of the development:
- Release CRAFT Code in July 2018. It is available in three languages:
  - www.craftmines.org
- High interest to apply the CRAFT from the supply chain actors and the standards-setting organizations and NGOs which find CRAFT useful for sourcing gold or other minerals from ASM and the implementation of development projects: GEF GOLD Program, Global Battery Alliance project, PACT, and benchmarking.
- High participation at OECD Forum of different stakeholders: CRAFT side session (April 25th)
- Collection of comments and inputs for the revision of CRAFT -second round of consultation in 2019.
- CAPAZ project (supported by EPRM) will end on May, 2020: development of CRAFT v2.0
- The first steps in the design of the Impact Marketplace. Significant outreach to stakeholders and beneficiaries is expected in 2019.

Application of CRAFT (last six months) - gold
- Colombia
  - Mining organizations: Mining organization Suarez (Cauca), Cooperative in La Llanada (Nariño)
  - Territorial analysis: Segovia, Remedios, Tarazá, Caucasia, Cáceres, Amalfi, (Antioquia), Paipa- coal (Boyaca)
- Honduras
- Mining organization: Macuelizo (Santa Bárbara)
- Ghana
- Territory and mining group (Enchi-Sewum)
- Burkina Faso
  - Start analysis at several mining sites

Tanzania (planning phase)
- pilot of gems with PACT and jewelers group.

Questions?
Q: The problem of the banking sector in Colombia for ASM. Does the adoption of the CRAFT facilitate the comprehension of the sector?
A: As CRAFT is aligned to the OECD Due Diligence Guidance, this is accepted by banks. However, they focused mainly on money laundering and terrorist financing because they are focused on these risks.
Q: Does the central bank buy to ASM in Colombia? It may be a role in the CRAFT.
A: Actually, the central bank only buys to artisanal miners and it doesn't have a key role in buying the ASM gold. The entity had it in the past and nowadays, new projects are emerging for taking again the role.
C: Could it be possible to establish communication with the Financial Information Unit? They have a key role in the gold trade in the control of the origin of the gold.
A: Yes, we can consider the role of these institutions.

3. Presentation of the CRAFT revision ToR
The three main purposes for initiating CRAFT Version 2 are to 1) follow standards-setting best practice in support of CRAFT's credibility and legitimacy as a tool, 2) expand the scope of CRAFT to maximize its utility to the artisanal minerals sector and its constituencies, and 3) enable progressive improvement and integrate lessons learned from implementing version 1.
Best practice of Voluntary Sustainability Standard Setting, as promoted by ISEAL, consists of at least two rounds of public consultation. Version 1.0 was published following the first round of consultation, with the expectation that the second round of consultation would take place after organizations around the globe had the opportunity to incorporate CRAFT into their work. The experience from these organizations and their feedback on supplemental additions of value is expected to result in an even more robust CRAFT version 2.0.

Other considerations
- Scope: remains globally applicable and cover all possible organizational setups of ASM mineral producers.
- Any modification of the CRAFT Code will remain Open Source under the chosen Creative Commons license CC BY-SA 4.0.
- “CRAFT Advisory Group” and “CRAFT Standard Committee” to agree on code development priorities and to develop version 2.0 to be subsequently approved and enacted by the Board of ARM in its role of the standard maintainer.

Options for the development of CRAFT version 2.0
The following aspects to be addressed represent initial suggestions from the CRAFT maintenance team of ARM.
- Option 1: Reorganize and expand module 5 to segregate and supplement mineral-specific criteria.
- Option 2: The core criteria of the standard are the basis for the CRAFT Code. Module 1 to 4 – those directly tied to OECD DDG Annex II - will remain the heart of the Code and the revision will continue to prioritize that conformance. Lessons learned from pilot implementations of CRAFT 1.0 shall be incorporated by improving and fine-tuning the requirements and criteria already established in Modules 1 to 5.
- Option 3: The current focus on High Risks (OECD DDG Annex II risks, and the other non-Annex II high risks captured in Module 5) may be expanded by elaborating additional criteria for Medium Risks (Module 6) and – if demand exists – even Low risks (Module 7). In the long term,
it is envisaged that CRAFT Code will become a relevant strategy and tool to close the gap with best practice standards, including new criteria.

Other recommendations:
Lessons learned on improvements strategies that really work are expected to provide orientation on completing the code’s section on performance indicators for ASM Mineral Producers conformant with the Code.
It remains a priority to implement a CRAFT Scheme platform for data collection, quality control and monitoring, in order to ensure interoperability of CRAFT Schemes.

4. Approval of the CRAFT revision ToR
Simone opened the discussion for comments or feedback of the three proposals:

C: From the gold industry perspective, CRAFT has an advantage, it provides guidance and assurance because all topics of OECD DDG (the backbone of all standards) are considered in the CRAFT. This is the biggest advantage. For step 2, continue improvements is the provision to give benefits to miners. The contribution of the miners is the most important in the evolution of the CRAFT Code.
C: Step 3 goes beyond the OECD DDG because it will elaborate other high risks.
C: Probably option 2 may be the most favorable to go after, a lot of need to be done in terms of the increasing number of communities use the CRAFT. The origin of the CRAFT was promoting the capacities for the application of the miners.
C: Option 2. To focus on the next version, try to present the Standard in an easier way. The major comments, the industry struggle difficulties to navigate the document. Try to make more graphically and visual.
C: Is anybody interested to open to other commodities? This is a request from other stakeholders.
C: There is an interest from the demand side. It will be very useful to make a simple benchmarking with other standards to define the GAP existing with other standards. If you are expanding the CRAFT, this is necessary to know how CRAFT fits with other industry standards.
C: In principle, the CRAFT for gold is easier to narrow the focus. How will be the selection of other commodities?
C: Expanding to other minerals, the Committee needs to think that the main specialization of the current members is gold. If we have more minerals, we need to have the same approach that we have in gold.
A: The team believes the specific criteria for other commodities will be in Module 5 and it will be feasible. The other criteria 1-4 is widely applicable to all commodities. Additionally, there is a strong demand from the colored gemstones to apply the CRAFT.
C: Opening the scope to other materials, it will be great for the industry.
C: All industry players are considering CRAFT as Guidance regardless of the mineral focus. They are considering the Standard a reference.

5. Standard revision process and timeline
The CRAFT team representative presented the timeline of the project.

6. Open discussion: possible CRAFT Committee members changes
C: If we add more commodities, we need more members from the industry and the mining. We will need to add more members. The current number is large but many of them have not been very active.
It will be necessary to include other members from the other minerals industry. Such as RMI; RJC; etc.
C: The current members can support inviting other experts and players of other commodities supply chain. However, it is clearly necessary to know the commodities scope or direction.
C: How will be the structure for a Committee with multi-commodities members? With working-groups or sub-committies.

7. Next steps and 8. AOB (any other business)
• Before deciding on the options and for avoiding the duplication of efforts:
  o Carrying out a benchmarking with other standards.
  o Creating a document with the demand for other commodities for the CRAFT.
• With both elements, to send an email to the members for revision. Afterward, the member takes the decision of the direction.
• The members commit to send their written feedback and approve the new CRAFT Committee ToR.

**Present:**

- **Simone Knobloch**- Valcambi COO
- **Neil Harby**- LBMA Head of Good Delivery
- **Susannah Mc Laren**- LBMA Compliance and Responsible sourcing manager.
- **Fabiana Di Lorenzo**- Estelle Levin Limited  Due Diligence Manager
- **Lisa Sumi**- IRMA Standard Coordinator
- **Mariana Smirnova**- CFSI Project Manager
- **Cesar Ipenza**- Peruvian and environmental mining expert
- **Jat Verma** – Apple Social Responsibility
- **Louis Marechal** - OECD observer

**Project team:**

- **Yves Bertran**- ARM´s Standards Director
- **Natalia Uribe**- ARM Standards and Certification Coordinator.
- **Felix Hruschka**- Standards expert
- **Jeniffer Peyser**- Senior Mediator and Director, Ethical Resource Program / RESOLVE
- **Conny Havel**- ARM´s alliances and new initiatives analyst (Spanish translation).

**Apologies and absentees:**

- **Yaw Britwum**- Solidaridad project coordinator in Ghana
- **Assheton Carter**- The Dragonfly Initiative Director
- **Andrew Cooper and Nawal Ait-Hocene Sara-Louise MacGillivray** - - RJC team
- **Bryan Fiereck**- Intel Conflict Minerals Program Manager / **Andreina Rojas**- Intel Conflict Minerals Outreach Specialist
- **Daniel M Riascos** - Colombia Goodmilla coop representative.
- **Inaki Rodriguez Lazaro**- UNIDO
- **Mauricio Cabrera**- WWF Mining Policy Coordinator
- **Michele Bruelhart** – Director Innovations of RMI
- **Nimer Rivera** - Miner representative (Peru).
- **Phaedon Stamatopoulos**- Argor-Heraus Director Refining & Bank Products
- **Romain Kani** - Miners representative spokesman (Burkina Faso).
- **Tabara Cissokho** - miners representative spokeswoman (Senegal).
- **Urica Primus** - Guyana Women Miners Organization (GWMO) president.