The CRAFT Code as a support model for mercury phasing out approaches

Code of Risk mitigation for ASM engaging in Formal Trade
CAPAZ pursues holistic, supply chain solutions that leverage market dynamics to address development challenges

standards systems and initiatives + Latin America

RESOLVE multi-stakeholder engagement + supply chains + GLR ASM

Development of a global “market entry standard” and Colombia pilot funded by EPRM.
The problem

Lack of a general “upstream” supply chain scheme *

* Upstream schemes exist, but most are proprietary and specific to certain geographic contexts

Creates barriers

Existing “downstream” supply chain schemes, legislative requirements, and industry norms

Require due diligence but don’t offer guidance for ASM

For ASM → to engage with → Formal markets

For downstream operators → to engage with → ASM
A Common Approach to ASM Sourcing

- Common framework for engagement, risk mitigation and transparent reporting
- An inclusive application of **OECD DD Guidance and PRINCIPLES**
- **ISEAL process** for a legitimate Standard
- Methodology incorporates *testing* in parallel to and as part of the consultation, to ensure learning by doing and rapid deployment
- **Open Source**: Creative Commons License
Why Open Source?

Not “owned” by any particular organization

The **upstream scheme** for ASM, will be:

- **Compatible**
  - with *already existing supply chain standards* and *sourcing models* of downstream supply chain actors.

- **Adaptable**
  - to the vast variety of *producers*, *legal frameworks* and *downstream supply chain actors* or *producer support programmes*.

- **Widely adopted**
  - **Simplifying due diligence** for all supply chain actors.

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### Prospective Users and Benefits of CRAFT

**ASGM**
- Access legal supply chains and sell under better conditions
- Understand buyers’ expectations and needs
- Incorporate continuous improvement in organizational, environmental, labor, social practices

**Downstream**
- Expanded supply
- Demonstrate & document adherence to OECD & industry standards
- Build artisanal capacity
- Contribute to social, economic, and environmental improvements

**Government/Donors/NGOs**
- Monitor and reduce risks from ASM sector (enviro, social, conflict)
- Promote sustainable economic development for mining communities
- Increase public revenue
- Improved environmental mgmt
Advisory Group and Standards Committee members include: UNEP, CFSI, RJC, IRMA, LBMA, PACT, RMI, Valcambi, Apple, Solidaridad, Miners from 5 countries, thematic experts, OECD as observer
# Structure of the CRAFT Code

## Module 1: Scope and Affiliation
- Geography: global
- Product: gold (as pilot)
- ASM producers and aggregators
- CRAFT Code – vs – CRAFT Scheme
- Affiliations: Applicant, Candidate, Affiliate

## Module 2: Legitimacy
- Legitimacy as a condition of engagement (OECD)
- 4 country context scenarios (ASM legislation, enforcement, state commercialization)
## Progressive approach

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<th>Module 3</th>
<th>Module 4</th>
<th>Module 5</th>
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<tr>
<td><strong>Torture</strong></td>
<td><strong>Involvement of public and private security forces</strong></td>
<td><strong>Environmental mngt:</strong> Minamata + water</td>
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<td>Forced labor</td>
<td>Money laundering</td>
<td>Health and safety</td>
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<td>Worst forms of child labor</td>
<td>Bribery/fraudulent representation of origin</td>
<td>Child labor</td>
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<td><strong>Gross human rights violations</strong></td>
<td>Non-payment of taxes, fees, royalties</td>
<td>Women’s rights</td>
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<td>War crimes</td>
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<td>Support to non-state armed forces</td>
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<td>Peaceful coexistence</td>
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<td>Organization strengthening</td>
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Requirements / guidance / compliance criteria
Specific aspects of module 5

- Aspirational module in principle
- Meant to foster development of the mine -> work practice improvements
- Still high risks -> loss of business opportunities
- The way conformity with agreement are addressed:
  - **Controlled**: The risk is assessed and mitigation measures for improvement are taken with ASM good practice
  - **Progressing**: The AMP is implementing mitigation measures
  - **Unaddressed**: The risk is not assessed no steps have been taken to mitigate the risk
- The standard is not prescriptive on the priorities of the requirements, nor it imposes a minimum conformities
- It is based on the definition of improvement plans, which are the central tool for evaluation and follow up of the situation.
Specific aspects on mercury management

1. Category: Human and Workers' Rights
1.3 Issue: Occupational Health & Safety
1.3.11 Sub-Issue: Mercury Use & Production

<table>
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<tr>
<th>Criteria</th>
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<tr>
<td>R.1</td>
<td>The AMP takes steps towards elimination of whole ore amalgamation</td>
</tr>
<tr>
<td>R.2</td>
<td>The AMP takes steps towards elimination of open burning of amalgam or processed amalgam</td>
</tr>
<tr>
<td>R.3</td>
<td>The AMP takes steps towards elimination of amalgam burning in residential areas</td>
</tr>
<tr>
<td>R.4</td>
<td>The AMP takes steps towards elimination of the practice of cyanide leaching of sediments, ore, or tailings to which mercury had been added, without first removing the mercury</td>
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</table>

Guidance: Addresses Minamata Convention (UNEP 2013), Annex C, par.1 (b) (i). Applies to miners and to processing plants that are part of the AMP.
Adopting better practices in a sustainable manner

- Financial sustainability
- Access to finance
- Investment capacity

CRAFT supports both the creation of legal supply chains and the *progressive* path towards better mercury practices

- Awareness raising
- Process control
- Virtuous circle towards elimination of Hg

Building capacity for a technological jump towards mercury-free processing techniques
Thank you!

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