



# **Certification and Artisanal and Small-scale Mining**

## **An Emerging Opportunity for Sustainable Development**

**June 2008**



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## **Preface**

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## Abbreviations and Acronyms

<b>ACC</b>	Annual CASM Conference
<b>ARM</b>	Association for Responsible Mining
<b>ASM</b>	Artisanal and Small-scale Mining / Miners
<b>BGR</b>	Bundesanstalt für Geowissenschaften und Rohstoffe
<b>CASM</b>	Communities and Small-scale Mining
<b>CRJP</b>	Council for Responsible Jewelry Practices
<b>CSR</b>	Corporate Social Responsibility
<b>CYTED</b>	Programa iberoamericano de ciencia y tecnología para el Desarrollo.
<b>DFID</b>	UK Department for International Development
<b>EFTA</b>	European Fair Trade Association
<b>FINE</b>	FINE is the umbrella group of the four main Fair Trade networks, FLO-I, IFAT, NEWS! and EFTA
<b>FLO</b>	Fairtrade Labeling Organization
<b>GMP</b>	Global Mercury Project
<b>IDM</b>	Integrated Diamond Management
<b>IFAT</b>	International Federation of Alternative Trade
<b>ILO-IPEC</b>	International Labor Organization – International Program on the Elimination of Child Labor
<b>IRMA</b>	Initiative for Responsible Mining Assurance
<b>ISEAL</b>	International Social and Environmental Accreditation and Labeling Alliance
<b>LEED</b>	Leadership in Energy and Environmental Design
<b>NEWS</b>	Network of European World Shops
<b>OECD</b>	Organization for Economic Cooperative and Development
<b>PDA</b>	Peace Diamond Alliance
<b>TAWOMA</b>	Tanzania Women Miners’ Association
<b>USAID</b>	United States Agency for International Development





## **Foreword**

CASM is supporting initiatives seeking to make possible the certification of artisanally-mined minerals as ‘ethical’ because it offers a great opportunity for stimulating sustainable development in artisanal mining communities.

This paper provides a background to the emergence of minerals certification as a tool for stimulating sustainable development in artisanal mining communities and presents the role of the Communities and Small-scale Mining Secretariat in supporting initiatives in this area.



# 1 What is Minerals Certification?

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Minerals certification is used to guarantee to consumers that a product meets certain standards. There are two types of minerals certification: certification of *origin* and certification of *ethical quality*<sup>1</sup>.

*Certification of origin* is used to assure buyers that the minerals do not originate from places where they may have been implicated in war or human rights abuses. The Kimberley Process Certification Scheme has led the way with its program for certifying the origin and legal international trading of diamonds. Other initiatives, such as the International Conference for Peace in the Great Lakes, are considering replicating the process for other

minerals, especially for colored gem stones owing to the implication of these in funding wars, terrorist activities and human rights abuses in Colombia, Sri Lanka, Pakistan, and Burma, to name a few obvious examples<sup>2</sup>. The G8 summit in Heiligendamm in 2007 recognized the threat for peace and security of illegal mineral trade and decided to support a pilot project to implement a certification system for mineral resources.

*Certification of ethical quality* assures buyers that the minerals have been mined, processed, and traded in ways that do not compromise defined ethical standards.

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<sup>1</sup> Retailers and some suppliers certify the luxury quality of their product through their brand.

<sup>2</sup> Refer to Usman Ali's paper given at the 7<sup>th</sup> ACC in Mongolia on conflict gems in Pakistan.



## 2 What is the Motivation for Minerals Certification?

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As it applies to artisanal and small-scale mining, minerals certification is motivated by the following goals:

1. Stimulate local development in mining communities,
2. Stimulate continual improvement in the economic, social and environmental sustainability of supply chains as operators compete to attract 'ethical' buyers,
3. Provide conscientious consumers with suitable products which uphold their values, and
4. Give legitimacy to ASM through certification of responsible practices.

Minerals certification is driven by conscientious consumption, which is when somebody purchases a product because of its potential to either bring social and/or environmental benefits, or to limit or prevent harms. The product is certified according to standards requiring minimal performance in social, economic, environmental, labor, trading and / or governance issues in order to

assure the consumer that the product does indeed bring these benefits.

There is a massive opportunity here. On average, consumption of Fair Trade products grew by 40% in 2006. At the same time, there is increasing demand for 'ethical' jewelry in the UK, USA, and Europe. This is due to the rise of 'Green Politics', growing media attention on ethical issues, such as climate change and conflict minerals, both through ordinary news media but also movies (e.g. Blood Diamond) and events like 'Live Earth', and the advancement of ASM on the agendas of development institutions. Furthermore, Chinese and Indian markets for jewelry are enormous and expanding rapidly. It is yet to be researched, but there may be a potential market for 'ethical' products in either of these two booming economies. Certainly in consumer societies familiar with Fair Trade and Organic labeling, enquiries for products containing 'ethical' metals and minerals are growing.



### 3 Terms and Definitions

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There are a number of different themes available for assuring the ethical quality of minerals. Some of the more obvious ones are presented in box 1. So far there are only attempts to set up third party certification processes for minerals labeled as ‘Fair Trade’, ‘Peace’, ‘Development’, ‘Green’ or

‘Responsible’. Different consumers have different values. Knowing the realistic potential of an artisanally-mined product to comply with standards under any of these schemes is as important as knowing the priorities of the mineral’s market / consumer at the other end.

#### **Box 1: Definitions of Terms for Assurance of Ethical Quality of Artisanally-mined Minerals**

The following definitions are based on those that have been developed for describing jeweler. Some were discussed at the Madison Dialogue Summit, taking place in Washington D.C. on October 25th and 26th, 2007.

#### **Ethical**

Ethical is a general term, currently understood by many consumers to mean products that are produced and traded in ways that avoid or lessen social, environmental, economic, cultural and/or political harm and/or produce social, environmental, economic, cultural and/or political benefits at local, national, regional, or global scales and according to the values of the actors in the supply chain, including the consumer. ‘Green’, ‘Fair Trade’, ‘Peace’, and so on are all terms that are now being used more and more to denote ‘Ethically produced minerals’.

#### **Fair Trade**

FINE, the umbrella group of the four main Fair Trade networks, FLO-I, IFAT, NEWS! and EFTA, defines Fair Trade as: “a trading partnership based on dialogue, transparency and respect that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers - especially in the South.” Fair Trade Gold refers to artisanally-mined gold, silver, and/or platinum produced under demonstrated

compliance with the ARM-FLO Standard where the chain of custody is audited from production to market, and where the gold is independently certified by FLO-Cert as Fair Trade. The feasibility of certifying diamonds as Fair Trade is currently being investigated by Transfair, USA.

## **Green**

Green Gold™ (Oro Verde) is a registered trademark used to indicate compliance with 10 certification criteria developed for artisanal and small-scale alluvial gold and platinum mining in the Chocó tropical rainforest in Colombia. Green gold miners are certified by the Institute of Environmental Research of the Pacific, a Colombian public-private institution whose mandate is to protect the Biogeographic region of the Chocó. Oro Verde gold and platinum is processed without mercury or cyanide, backed by ecological restoration practices.

The term ‘Green’ is not yet used to describe any other artisanally-mined minerals.

## **Sustainable**

Sustainable minerals are produced in ways that demonstrably contribute to achieving the economic, social and environmental sustainability of the localities where the minerals were mined and processed, without undermining the sustainability of communities elsewhere.

The use of the term ‘sustainable’ can also be applied to minerals that have been recycled or ‘up-cycled’. Where a mineral is recovered from a waste product, such as gold can be from an electronic circuit board, and then converted to something of greater value, it is said to have been ‘up-cycled.’

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The remaining definitions have been developed independently of the Madison Dialogue Process.

## **Peace**

Peace means that the mineral is conflict-free, assuring that the mineral has not been mined under conditions of conflict or in ways which foster conflict, including that the funds derived from the mineral are not used to finance conflicts. Peace can also mean that the mineral has been mined, processed and traded in ways which help produce peace, in a post-conflict setting.

To date, the term ‘peace’ has been used by the Integrated Diamond Management Program (IDM) in Sierra Leone to describe diamonds mined by artisanal mining cooperatives. The IDM scheme connected the cooperatives directly to an international buyer, freed the miners from the usual exploitative terms of ‘support’ offered in the conventional artisanal diamond industry, and subjected the supply chain to a new system



for assuring the path of the diamond from “Earth to Export”. The term “peace diamond” also refers to the development of the Peace Diamond Alliance, a multi-stakeholder forum intended to provide a vehicle for conflict mitigation and prevention in the local diamond industry, to increase participation of diamond mining communities in the governance of the resource and to ensure that diamonds became a force for peace and development. Whereas the Kimberley Process certifies the inter-national trade of the diamond, this scheme was an experiment to see how one might assure the intra-national diamond supply chain up to the point of export.

Kimberley Process certification should not be confused with ‘Peace’ Certification. Kimberley Process certification does not assure that diamonds are entirely free of all conflict; it only certifies the origin and chain of the diamonds and that there is not a national level conflict. Kimberley-certified diamonds may have been produced in mines where conflict and violence occurs amongst the miners or between the miners and other parties, such as landowners or large-scale corporations.

### **Development**

‘Development diamonds’ was used alternatively with ‘peace diamonds’ in USAID’s Integrated Diamond Management scheme in Sierra Leone.

The use of ‘development’ suggests a process of change towards a state that could be described as Fair Trade or Sustainable.

### **Responsible**

The term ‘responsible’ could be used in the artisanal sector instead of ‘ethical’, ‘fair trade’, or ‘sustainable’ as it implies that the mineral has been mined in ways that are better than conventional methods in terms of social, environmental, and economic performance. Indeed, the Vision of Quirama was developed by the Association for Responsible Mining to define ‘responsible mining’. This vision is: “ASM becomes a formalized, organized and profitable activity that uses efficient technologies, and is socially and environmentally responsible, and increasingly develops in a framework of good governance, legality, participation and respect for diversity, driven by a growing consumer demand for sustainable and fair-trade jeweler and mineral commodities.” By this vision, responsible mining is the foundation for the production of “fair-trade,” “sustainable” or ‘ethical’ jeweler and minerals.

The term ‘responsible’ also makes sense to describe minerals produced by the large-scale sector, where consumers and companies alike are familiar with the notion of corporate social and environmental responsibility (CSR). Companies could have their supply chains assured as ‘responsible’ were they in compliance with codes of good conduct in CSR, such as the International Finance Corporation’s Performance Standards, the OECD Guidelines for Multinational Enterprises, the OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones, the Sustainable Development

Framework of the International Council on Mining and Metals, or the Equator Principles<sup>3</sup>. Indeed, the independent verification of companies' compliance with such standards and guidelines is the objective of the Initiative for Responsible Mining Assurance (IRMA). IRMA is a multi-sector effort, launched in June 2006, to develop and establish a voluntary system to independently verify compliance with environmental, human rights, and social standards for mining operations.

At the other end of the supply chain, the Council for Responsible Jeweler Practice concerns itself with the ethical credentials of the gold and diamond supply chains that provision its member jeweler companies. On its website it states that "Council Members are committed to promoting responsible business practices in a transparent and accountable manner throughout the industry from mine to retail. Their commitment aims to maintain consumer confidence in diamond and gold jeweler products and the trust of all interested stakeholders in their industry." CRJP's aim is not to set best practice standards, but minimum standards by which industry members are expected to comply.

### **Origin**

There is certainly caché to be had in giving a product a regional stamp. Consumers may have affinities for certain places and be attracted to a product on the basis of its origin. The coffee and tea markets have exploited this successfully. Origin can suggest some type of ethical (or luxury) quality. For example, Canadian diamonds have benefitted from the association of African diamonds with conflict. A mark of origin, however, does not mean that the product is comprehensively 'ethical'.

### **Fair Made**

Martin Rapaport is currently working to establish ethical standards for the manufacture of jeweler, in partnership with the Vukani Ubuntu Community Development organization in South Africa. Vukani Ubuntu has set up training schools and free courses for qualifying South Africans in jeweler design and manufacture. One of the aims of initiatives working on responsible mining is to help mining communities and national economies capture a greater value of the mineral mined there. The development of viable ethical jeweler manufacturing and design businesses in these communities and countries, which use the artisanally-mined minerals derived thereof, would enhance the ethical potential of the supply chain and is something CASM intends to enable and encourage.

### **Why Fair Trade?**

CASM has pushed for the emergence of Fair Trade certification, not because it

is the only option for artisanally mined minerals, but because until now it has offered the most in terms of stimulating

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<sup>3</sup> For a full list of relevant documents and guidelines see <http://www.responsiblemining.net/documents.html>

sustainable development in artisanal mining communities.

In June 2005, CASM held a conference on the Millennium Development Goals and Small-scale Mining in Washington D.C. A side event was held the day before on Fair Trade and Certification in Minerals: An Open Event for Shared Learning and Partnerships. The event was led by Mark Renzi, of the Integrated Diamond Management Program in Sierra Leone, and Thomas Siepelmeyer of Faire Edelsteine in Germany. A number of other organizations and individuals, who had already begun to work in efforts to brand artisanally mined minerals as somehow ethical or fair trade, were brought together to discuss how certification might best be used as a tool for helping artisanal miners improve how they mine in the interest of sustainable development.

At this event, a Fair Trade Minerals email list was generated, hosted by Earthworks, and involving all parties interested in developing something along the lines of certified artisanal minerals. This working group and email list later developed into the Madison Dialogue.

Later in 2005, at the 5th Annual CASM Conference in Brazil, ARM facilitated a workshop where people from across the spectrum of stakeholders and supply chain operators discussed how best to set up a process for certifying minerals as somehow ethical or responsible. This discussion was then carried forward by ARM, which had decided to develop a universal model for gold certification, on the back of the

success of Corporación Oro Verde's Greengold™ scheme in Colombia. ARM was in the process of developing a technical committee tasked with designing standards and the system for monitoring and certifying gold. It was in these conversations that the decision was made to pursue the path to Fair Trade Certification, and CASM committed to facilitating this process in collaboration with key players.

The decision to adapt the Fair Trade model to artisanal minerals rested on the breadth of issues that Fair Trade attempts to address. Furthermore, Fair Trade is defined as an equitable trading partnership which seeks to secure the rights of marginalized producers in the South, a category which suitably describes the situation of artisanal and small-scale mining within the minerals sector. Besides being a mark for assuring best practice, long-term certification of Fair Trade producers requires their continual improvement in relation to the Fair Trade standards, and funds from the Fair Trade premium must be used to achieve the producer communities' development objectives. Fair Trade certification is therefore seen as the certification system which can best stimulate local development and improved livelihoods for artisanal miners.

### **Which Fair Trade?**

The field of Fair Trade is broadly shared between 4 main organizations under the umbrella of FINE: the Fairtrade Labeling Organization (FLO), which provides Fairtrade certification; the International Federation of

Alternative Trade (IFAT), which provides its Fair Trade label to organizations which claim to do Fair Trade; the Network of European World Shops (NEWS) which does advocacy and promotes Fair Trade in Europe; and the European Fair Trade Association (EFTA), which works to help its eleven Fair Trade importers in nine European countries coordinate and cooperate. Until the end of 2006 FLO only certified agricultural commodities, with the exception of footballs. IFAT generally provides its mark to manufactured goods, such as clothes and jeweler.

There are at least four organizations that are either developing Fair Trade schemes, or who call their mineral 'fair trade'. Two organizations are doing first party assurance of their 'fair trade' minerals, Columbia Gem House (colored gems), and the Rapaport Group (diamonds and jeweler). Two others have pursued a type of third party certification. Faire Edelsteine's diamonds, rubies, sapphires, and gold are certified as 'fair trade' by the University of Aachen. The Association for Responsible Mining has signed a Memorandum of Understanding with FLO and the Fairtrade Foundation of the UK, to further test and develop the so called 'Standard Zero for Fair Trade Gold and Associated Silver and Platinum'. The aim is to have Standard Zero approved by FLO and independently certified by FLO-Cert, FLO's certification body.

ARM is the only non-commercial organization in this group. ARM has based its standards on FLO's general standards and is the only one working

with FLO, though both Faire Edelsteine and Rapaport had approached FLO in the past seeking support and collaboration. ARM is also the only organization doing a multi-stakeholder dialogue on developing the standards and the process, and following the International Social and Environmental Accreditation and Labeling Alliance's (ISEAL) code of good practice for developing standards. Furthermore, the process ARM is undergoing is instructive as the international artisanal mining community considers how best to use minerals certification for local development. It is for these reasons that the follow sections focus on ARM's process for making Fairtrade-labeled artisanal gold possible for explaining how Fair Trade in artisanal minerals can work.

Despite the leadership ARM has shown in this regard, there is still debate as to who should 'own' the Fair Trade process, and which types of mining organizations should be involved. For example, some Fair Trade organizations would like large-scale producers be able to produce Fairtrade-labeled minerals; others disagree, taking the position that there are enough models, codes, and tools for large-scale operators to mine more responsibly and market their commodities as somehow ethical or responsible, whereas there are extremely few feasible certification or assurance models, both in number and in scope, for artisanally-mined commodities. This debate is on-going.

## What is Fair Trade?

The general definition of Fair Trade agreed upon by FINE is given in box 1. In relation to gold and its associated silver and platinum, ARM defines Fair Trade as follows:

*“Fair Trade is a trading partnership based on dialogue, transparency and respect that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers - especially in the south.”*

This definition is based on the definition of Fair Trade used by FLO, except that it is made relevant to artisanal mining communities.

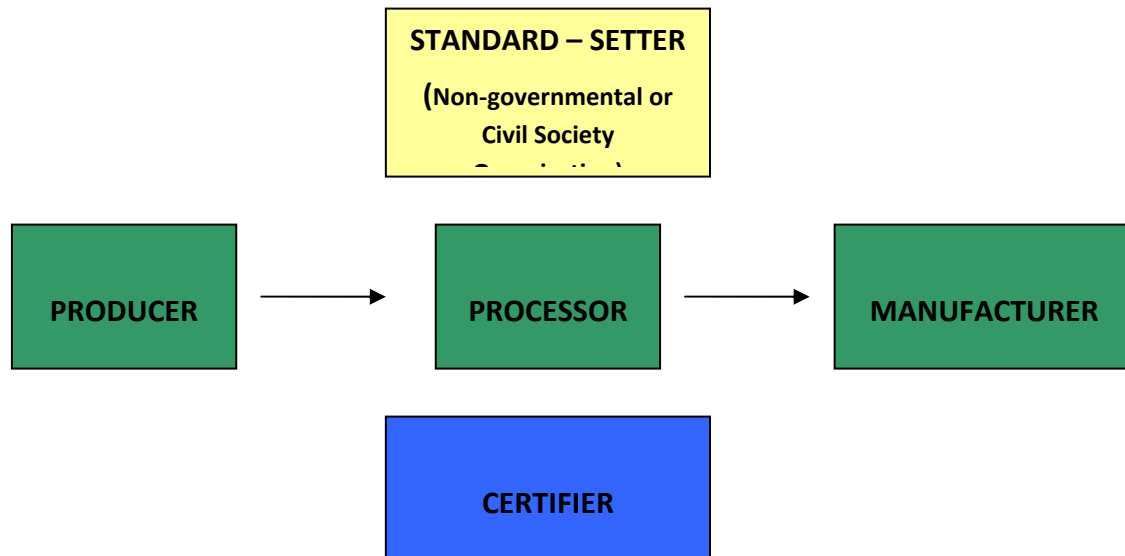
In so far as Fair Trade certification seeks to bring greater equity in trading partnerships and to secure the rights of artisanal miners, Fair Trade is a project in grassroots empowerment. It aims to help miners and their communities escape the vicious circle of subsistence economy; gain access to education, healthcare, and sustainable human

development; benefit from better exchange terms; gain better access to markets and strengthen their position in the supply chain; and improve environmental, labor and social conditions that lead to enhanced quality of life.

## How does Fair Trade work?

Minerals certification requires that standards are developed, agreed upon and defined. The operators who then produce, process and trade the mineral are certified by a *third party* who is independent from the standard-setter and the operators in the supply chain. If there is no third party to certify that standards are met by the operators, and the operators do their own checks and audits to ensure that standards are being met, then this is *first party assurance*. Where the standards have been developed by an industry association and therefore not involving other relevant stakeholders, including the workers, community-based organizations, government, and non-governmental organizations, the system is understood to be *second party assurance*.

**Figure 1: Third Party Certification of the Ethical Quality of Minerals**



Fair Trade is operationalized through assuring that producers meet minimum standards in relation to labor practices, social conditions, economic relations, the environment, and trading, and providing support where they do not yet comply. Other operators in the chain, such as buyers, must also meet certain standards in terms of ensuring traceability and operating fairly.

ARM sums up its process for the third-party certification of artisanal gold and its associated silver and platinum as follows:

- Develop partnerships with key global institutions recognized for their leadership and expertise on key issues to ASM (FLO, GMP, CASM, ILO-IPEC, CYTED, etc.), and build networks with local and national NGOs, government departments and

miners’ organizations in developing countries.

- Produce a conceptual framework for social and environmental responsibility applicable to ASM, publish it for feedback and improvement, and obtain broad support for the framework.
- Form a technical committee for writing Standard Zero for Fair Trade gold in partnership with identified institutions
- Set up a consultation and discussion process through internet and regional or global meetings, in order to obtain feedback from key stakeholders and potential partners on both the draft Fair Trade framework for responsible ASM and standard zero for Fair Trade gold.

- Review Standard Zero for Fair Trade gold on the basis of the feedback received.
- Select pilot sites for the testing of Standard Zero in 2007
- Involve potential certifiers to develop procedure manuals during the testing
- Evaluate and re-write Standard 1 for Fair Trade gold, certify pilot cases that comply
- Publish and disseminate the standard
- Train certifiers, practitioners, miners' organizations, and others.

ARM is in the process of formalizing its relationship with FLO. The plan is for ARM to act as the *standard developer*, though with FLO's endorsement, and to *provide* support to the producer organizations (miners). FLO-Cert would be the *certifier*.

Columbia Gem House's Quality Assurance and Fair Trade Gem Protocols are not third party certified, but they are the most advanced system for the ethical assurance of colored gems. Their protocols assure the consumer of the stones' origin, whether they have been treated or not, whether they are natural, synthetic, or imitation, that procurement of the stone was legal, and that the company does not "support those who utilize business practices such as: employing child labor or slave labor, demanding employees to work exorbitant hours, paying below the standard or minimum wages, destroying the environment, smuggling, or supporting terrorists groups." Their program "also includes promotion of

cultural diversity, and public education and accountability." They use "binding contracts that establish strict procedures for buying and selling rough and polished gemstones throughout the pipeline." Columbia Gem House's system is based on a system of warranties with suppliers. The ethical assurance of many of their stones relates to the origin of the gems and the ethical quality surrounding manufacture (cutting and polishing). They do not assure the ethical quality of how the gems were mined<sup>4</sup>.

### Which Minerals?

With regard to certification, artisanal minerals can broadly be divided into two categories: jeweler-relevant and other industries.

#### A. jeweler-relevant

- Precious metals: gold, silver, platinum
- Diamond
- Precious stones: sapphire, ruby, emerald, etc.
- Semi-precious stones: amethyst, beryl, citrine, aquamarine, etc.
- Alloy metals: copper, nickel, palladium, silver, etc.

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<sup>4</sup> Columbia Gem House (2005). Quality Assurance & Fair Trade Gems Protocols, November 2005. Vancouver, WA: CGH, at <http://www.columbiagemhouse.com/PDF/Fairtrade.pdf>.

## B. Other Industries

- Base metals: coltan, copper, cobalt, tin, lead, tantalum
- Industrial minerals and materials: gypsum, sand, granite, marble, ornamental stones

Most attention for Fair Trade minerals has been directed to precious minerals used in the jeweler industry. The story of Fair Trade artisanal mining is a powerful way to appeal to individual consumers. Jeweler is a very personal commodity; if you can tell the story of the people who mined it, this creates added luxury value. For example, ARM's Fair Trade process is starting with artisanal gold and its associated precious metals, i.e. silver and platinum found alongside the gold. Transfair USA, the Diamond Development Initiative, and Rapaport are also looking to set up a process for certifying diamonds, possibly as fair trade<sup>5</sup>. The Integrated Diamond Management scheme attempted to set up a system for third party certification of their 'peace' or 'development diamonds', originally approaching Global Witness to perform this role, but could not find a body which was willing to do the certification<sup>6</sup>. Columbia Gem House has

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<sup>5</sup> While each of these organizations has separate initiatives, they are collaborating through the Madison Dialogue Diamond working Group, which was established following the Madison Dialogue Ethical Jeweler Summit in Washington, D.C. in October 2007.

<sup>6</sup> For more information on the PDA experience, see Levin, E. forthcoming. *Artisanal Diamond Cooperatives in Sierra Leone: success or failure?* Ottawa: PAC & DDI.

developed an ethical assurance system for precious and semi-precious gems, and ARM is looking to establish a third-party assurance system for ethical colored stones.

As the sector develops, jewelers are also beginning to seek ethical alloying metals with a view to making jeweler which is entirely comprised of 'ethical' materials. With the exception of alloying metals, the Fair Trade market for industrial minerals is a different type of market as the end market is generally other companies which find themselves in the middle of a longer, more complex supply chain. Nonetheless, there is some potential. For example, the move towards 'green building' is creating demand for ethical construction materials<sup>7</sup>. Large manufacturing companies with a CSR agenda may wish to develop 'ethical sourcing policies', including for base minerals. Certainly campaigns such as makeITfair has put pressure on brand electronics companies to exert influence down their long supply chains and demand evidence of the ethical progeny of the metals used in their components. These electronics companies are now also looking to constructively engage with the extractives sector. Moreover, further to the emergence of 'conflict coltan' in eastern DRC in the early years of the Millennium, there have been efforts to developing systems for certifying and tracing coltan and cassiterite from Central Africa. The Durban Process was

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<sup>7</sup> The UK Fairtrade Foundation has been approached by builders looking for ethical construction materials.



attempting to set up a model mine for producing gorilla-friendly certified coltan from eastern Democratic Republic of Congo as part of their strategy for keeping illegal miners out of the Kahuzi-Biéga National Park. This has been taken further by the German Federal Institute for Geosciences and Natural Resources (BGR) which, in response to the G8 declaration, is developing a process of certifying the ethical quality of stanniferous minerals (artisanal coltan, cassiterite and wolfram) in line with the OECD Guidelines for Multinational Enterprises. The aim is to certify local producers and international buyers, which operate within a Certified Trade Chain (CTC) under internationally recognized standards for mining and trade. The certification process is supported by an analytical ‘finger-print’ of coltan (tantalum-niobium ores) to be able to verify its origin.

### Who Can Participate?

With regard to Fairtrade-certified Artisanal Gold, ARM is endeavoring to conduct its pilot projects in communities which have different characteristics in terms of ecosystems, labor arrangements, and mining techniques, to ensure the standards are applicable to a wide range of contexts. The following supply chain operators can participate in ARM’s pilot projects:

- *Any community-based mining organization* which shows the following can enter the process to become certified as producers of Fair Trade artisanal gold. They must: (i) have demonstrated successes in

achieving the socio-economic and/or environmental development of the miners and/or their communities:

(ii) operate legally or are in a process for formalizing their activities, and (iii) consider it desirable to participate in the Fair Trade process.

- *Any traders, refiners, and jewelers* who wish to participate.
- *Any artisanal and small-scale mining support organizations*, including NGOs, companies, academic institutions, and public (government) bodies who see a role for themselves in enabling the process.

In the mid-term, ARM is willing to work with communities which are less developed.

### What has CASM’s Role Been in Fair Trade Certification?

To date CASM has invested approximately \$450,000 in conferences and projects which contribute to the emergence of viable certified minerals supply chains.

#### Conferences:

- 2005 – MDGs & ASM conference in Washington, D.C.
  - Fair Trade side event
- 2005 – 5th ACC in Brazil
  - Fair Trade breakout group
- 2006 – 6th ACC in Madagascar
  - Fair Trade workshop
  - Financial support to those working on FT to attend

- Logistical support to ARM for consultation workshop on Standard Zero
- 2007 – 7th ACC in Mongolia
  - Fair Trade workshop
  - Logistical support to ARM for consultation workshop on Standard Zero
- 2007 – principal host and funder of the Madison Dialogue summit in Washington, D.C. in October
- CASM FT Working Group, formed in 2006
  - Christopher Sheldon, Sally Dickinson DeLeon, Catalina Cock, Estelle Levin

#### **Financial Support:**

- ARM: Development Grant of \$48,000 awarded for the conduct of scoping studies for establishing Fair Trade artisanal gold pilot projects in Africa, 2007
- PDA: Development Grant of \$47,500 awarded for 2005
- Durban Process: Development Grants totaling \$120,000 awarded for the establishment of a model mine program to produce certified ‘gorilla-friendly’ coltan from Democratic Republic of Congo, 2006-7
- Diamond Development Initiative: Development Grant of \$30,000, 2006

#### **Advocacy and Lobbying:**

- Kimberly Process Certification System

#### **So What Next?**

At the Fair Trade workshop held at the 7th Annual CASM Conference in Mongolia, participants discussed where the potential pilot sites for Fair Trade gold may be in Asia and Africa, the challenges and opportunities of expanding Fair Trade into other minerals, and what CASM’s role in each of these endeavors should be.

The following activities for CASM were identified:

- The regional CASMs could identify ‘best in class’ artisanal mining organizations and communities who could become part of certified minerals supply chains.
- CASM could supplement the financial support already given to ARM for conducting scoping studies for Fairtrade Artisanal Gold in Africa, for them to do the same in Asia.
- In order to establish viable certified minerals supply chains, CASM could identify the Asian and African countries that have a competitive export market, i.e. not through a central body.
- CASM could design a strategy for some type of ‘ethical’ certification of ASM industrial minerals.
- Conduct or commission desk research and eventually scoping studies to characterize the industrial minerals sector, incorporating gender

and quality issues and identifying opportunities and challenges for different types of certification.

- CASM could commission research on the potential market for industrial minerals, including
- Looking at the LEED standards for Green Building, and starting dialogue with Initiatives such as the World Green Building Council in Toronto and the U.S. Green Building Council in Washington D.C. on issues such as ethical sourcing
- Identifying interior designers, architects, builders through building relations with relevant associations in developed countries
- CASM could support research into legal frameworks and public policy to enable responsible ASM and facilitate fair trade labeling.



## **Annex 1: Actors and Initiatives in the Ethical Certification of Artisanal Minerals**

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There are many jewelers, few manufacturers, and few producers operating in the ethical sector. Some are working with the concept of ‘fair;

trade’ others are using different terms to describe or assure the ethical quality of their product. Those we are aware of are included in the following tables.

**Table 1: Principal Organizations and Initiatives working to develop Certification Systems for ‘Ethical’ Jewelers**

<b>Initiatives</b>	<b>Gold &amp; precious metals</b>	<b>Colored Gems</b>	<b>Diamonds</b>	<b>ASM</b>	<b>Large-scale</b>	<b>Principal Interests</b>
ARM (Association for Responsible Mining)	✓		(✓)	Yes	No	Smallholder mining
CASM (Communities and Small-scale Mining)	✓	✓	✓	Yes	No	Smallholder mining
DDI (Diamond Development Initiative)			✓	Yes	Yes (as partners)	Smallholder, & Corporate mining & Retail
Faire Edelstein (Fair Trade in Gems and Jeweler)	✓	✓	✓	Yes	No	Smallholder mining & Retail
Rapaport’s Fair Trade in Diamonds and Jewelry Scheme	(✓)		✓	Yes	No	Smallholder mining & Retail
FLO (Fairtrade Labeling Organization)	✓			Yes, in partnership with ARM	Ongoing debate	Smallholder, & Corporate mining & Retail
CRJP (Council for Responsible Jeweler Practice)	✓		✓	No	Yes	Corporate mining & Retail
IRMA (Initiative for Responsible Mining Assurance)	✓		✓	No	Yes	Corporate mining, retail and labor

**Table 2: Producer Countries where Artisanal Minerals of Relevance to Ethical Jewelers are currently being mined**

<b>Region</b>	<b>Countries</b>	<b>Mineral</b>	<b>NGO/ Initiative / Company involved</b>
Latin America	Argentina	Gold	Faire Edelsteine
	Bolivia	Gold	ARM <sup>8</sup>
	Bolivia	Gold	Urth Solution
	Brazil	Gold	ARM
	Colombia	Gold (& platinum)	ARM
	Ecuador	Gold	ARM
	Guiana	Gold	ARM
	Peru	Gold	ARM
	Venezuela	Gold	ARM
Africa	Ethiopia	Gems	CRED
		Gold	ARM
	Ghana	Gold	ARM
	Lesotho	Diamonds	Faire Edelsteine
	Madagascar	Gold	Urth Solution
	Malawi	Sapphire & ruby	Columbia Gem House
	Mozambique	Gold	ARM
	Tanzania	Gold	ARM
	Uganda	Gold	ARM
Asia	China	Various gems	Columbia Gem House
	Lao PDR	Gold	ARM
	Mongolia	Gold	SAM Project and ARM
	Nepal		CRED
	PNG	Gold	ARM

<sup>8</sup> For information on ARM's local partners, see [www.communitymining.org](http://www.communitymining.org).

**Table 3: The Main Organizations and Individuals Seeking to Supply Ethical Minerals to the Jeweler Industry**

<b>Brokers / suppliers</b>	<b>Gold &amp; precious metals</b>	<b>Colored Gems</b>	<b>Diamonds</b>	<b>BRAND / MARK</b>
Columbia Gem House		✓		‘Fair Trade’
CRED Jeweler	✓	✓	✓	‘Fair Trade’ (ARM) ‘Ethical’ gems
De Beers (Mwadui Community Diamond Partnership)			✓	‘Mwadui diamonds’
Ethical Bullion Company	✓			‘Fair Trade’ (ARM) and ‘ethical’
Ethical Metalsmiths	✓			‘Radical Jewelry Makeover’ <sup>9</sup>
Faire Edelsteine (Thomas Siepelmeyer)	✓	✓	✓	‘Fair Trade’ ‘5C’ diamonds ‘Fair and Green’ gold, silver
Finesse Diamonds			✓	The Eighty-Eight ®
Greenkarat	✓ (recycled)			‘Greenkarat’
Rapaport Group	✓		✓	‘Fair Trade’ ‘Peace diamonds’ ‘Fair Made’
S&P Trading (Precious Metals recycling)	✓			‘Fair Trade’, recycled and up-cycled metals
Target Resources, plc. (PRIDE Diamonds)	✓		✓	Comply with CSR
Urth Solution	✓			‘Ethical’

<sup>9</sup> Radical Jewelry Makeover is an interactive community mining and reuse project to raise awareness of the underlying issues in jeweler production. Ethical Metalsmiths is a supporter of "ethical" production in general, which they feel encompasses Fair Trade, recycling, repurposing and certification of third party mines. Their goal is to educate metalsmiths and independent jewelers on how they can help facilitate the shift to cleaner, more ethical production and make ethical decisions when selecting materials.



**Table 4: A Selection of Jewelers who are attempting to use Fair Trade and Other Certified or Assured ‘Ethical’ Minerals in their Jeweler Collections**

Jewelers	Gold & precious metals	Colored Gems	Diamonds	Sources
Brilliant Earth	✓	✓	✓	“Fair trade diamonds” from Target Resources (Sierra Leone) “conflict-free diamonds” (Canada) “True Blue sapphires ®” (Australia / Malawi) Certified recycled metals
CRED Jeweler	✓		✓	Fair trade (ARM, COV, and own sources in Colombia, Peru, Ethiopia, Tanzania, India, Nepal) Ethical gems (Zambia, Sri Lanka, Mali)
Fifi Bijoux	✓	✓	✓	Fair trade (ARM, COV), EcoAndina, Faire Edelsteine
Finesse Diamonds			✓	African origin/manufactured diamond brand
Ingle & Rhode	✓	✓	✓	Faire Edelsteine, EcoAndina, ‘Conflict-free’ diamonds from Canada
Lori Bond Designs	✓	✓		
Pippa Small	✓	✓	✓	Own supply (Panama, Bolivia, Rwanda, Kalahari)
Rapaport Group	✓		✓	Peace Diamonds, Malagasy gold, etc.
Reflective Designs	✓	✓		Thailand, Colombia, Sri Lanka, Zambia; Sri Lankan stone cutters; recycled metals.
Ruff & Cut	✓	✓	✓	Target Resources’ diamonds & gold, Tanzania Women Miners’ Association and Malagasy colored stones.
Rust Belt	✓			‘Re-purposed’ materials
Trigem Designs		✓		‘Fair trade gems’ from various countries.