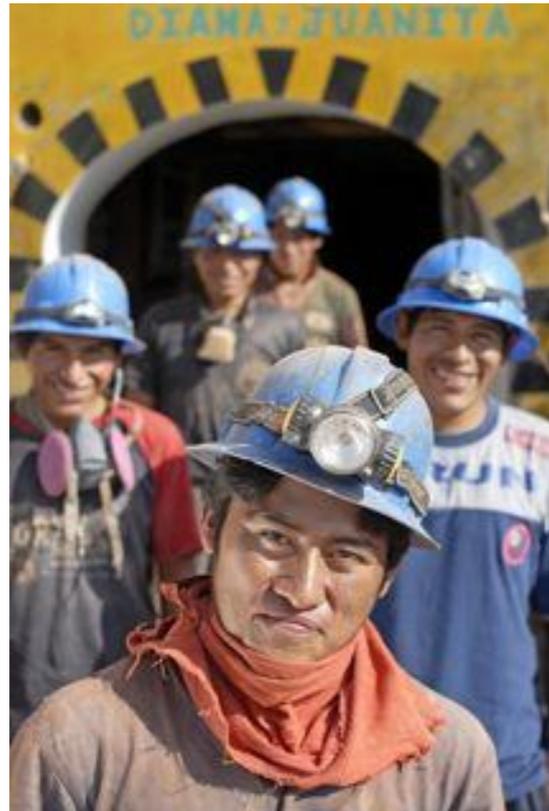




*Alliance for Responsible Mining*



# **Ethical Certification and Formalization**

*a development tool empowering  
responsible small and artisanal miners*

**Dr. Maria Laura Barreto - Chair of the Alliance of Responsible Mining  
Washington, October 12<sup>th</sup> 2011**

# ARM and Fairtrade & Fairmined Gold

- **Why ASM?** a unique opportunity to escape from poverty: 100-150M people involved directly and indirectly in 50 developing countries. High social value mineral production with an important local economic impact.
- **ARM:** created in 2004. Over 5 years developed the 1<sup>st</sup> standards for the certification of responsible and environmentally friendly ASM practices and certifying jewelry end-products.
- **Standards** are ISEAL compatible and were tested in **9 pilot communities** involving **3,800 families** supporting **≈15,000** people. Expansion planned for Africa & Asia.



# ARM and Fairtrade & Fairmined Gold

- **Fairtrade & Fairmined Gold** was launched in early 2011 in the UK jewelry market in partnership with FLO. Standards require specific compliance with criteria on issues regarding the environment, labor, legal rights, organization, health and safety, management of toxic substances, women's rights and child labor eradication. There is a premium of 10% or 15% for mercury and cyanide free gold on top of a guaranteed minimum price of 95% of the international quotation.
- **Mercury standards:** Pre-concentration before amalgamation, retorts and mercury recycling compulsory, including for tailings and no contamination of water or streams.
- Promotes a **drastic reduction** of environmental and social impacts.
- **Bad practices are a consequence of ASGM marginalization.** FT & FM gold proves the sector is ready, willing and able to be responsible. ARM is engaged in promoting realistic formalization and legalization processes.



# • Fairtrade & Fairmined Gold initiative: lessons learned

## • Building ethical certification initiatives with a bottom-up approach is a process where the following characteristics are very important for success:

- ✓ Development of standards based on a pilot project approach;
- ✓ Take into consideration the diversity of ASM and the supply chain;
- ✓ Multi-stakeholder process of consultation;
- ✓ Creating mechanisms for monitoring and improvement;
- ✓ Allowing for phased growth - consolidate the achievements and learn the lessons;
- ✓ Progressive but systematic inclusion of the less advantaged; and
- ✓ Be clear that ethical market initiatives are not a substitute for public policy.

## • Formalization is a necessary condition for any certification initiative

- ✓ ASM is here to stay
- ✓ Illegality and informality is very expensive for both ASM and governments
- ✓ Understanding the reasons of informality
- ✓ Understanding the power of public policy to have a positive and negative impact in the sector
- ✓ Bad practices and related problems are a consequence of ASM marginalization within public policy



# Fairtrade & Fairmined Gold initiative: lessons learned

- ✓ Any public policy instrument (EIA, management plans, licenses, taxes) should take into consideration the diversity of ASM and their distinct characteristics
- ✓ Need of mechanisms for monitoring the implementation and effectiveness of ASM public policy

- **Contribution of ARM to the more direct marketing to international markets of Liberia and CAR artisanal diamond miners' products**

- ✓ At this moment ARM does not have plans to enter the diamonds sector
- ✓ Experience of ARM can be useful for the development of the initiatives in diamonds
- ✓ ARM is creating a producer services and think tank unit to give support in the following areas:
  - ❑ Sustainable Management Systems for ASMOs
  - ❑ Supporting Tools and Methodologies
  - ❑ ASM Public Policy and Legal Frameworks
  - ❑ ASM and LSM engagement
  - ❑ Standards Development
  - ❑ Traceability in Supply Chains

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