



Alliance for Responsible Mining (ARM)
Fairtrade Labelling Organizations International (FLO)
Standards Coordinators and Committees

04 September 2009

Dear Mr. Hruschka, Ms. Jung, and other ARM and FLO standards committees members:

Thank you for the opportunity to provide further comments on the standards for Fairtrade and Fairmined artisanal and small-scale mining (ASM) of gold.

We have made detailed requests for specific changes on the attached standards document. I would also like to highlight several of our concerns that have endured through several versions of ARM standards.

The social and labor aspects of the standards are amongst the best of the existing responsible small-scale gold mining initiatives. We remain concerned, however, about the standard related to mining in conflict zones. It could prove quite difficult to verify whether or not an operation provides support to conflict. The standard should instead limit certification to mining that occurs outside of conflict zones (with such zones subsequently defined). We are also concerned about the standard on community agreements. This standard should require the Free, Prior, and Informed Consent of local communities especially in the case of indigenous communities, and not simply agreement with local community authorities.

As we have noted since the Ethical Jewelry conference of 2007, we also remain concerned about the environmental aspects of the standards. ASM of gold that uses mercury or cyanide or occurs in protected areas cannot be considered responsible ASM and should not be labeled Fairtrade or Fairmined.

It would be difficult to accurately and reliably verify compliance with proper management standards for mercury or cyanide use for a large proportion of gold ASM operations. Stating that operations that do not require use of mercury or cyanide are much less common, even though some sluice methods are known to have higher recovery rates than mercury amalgamation, does not seem like adequate justification for certifying mercury and cyanide operations. Certification of a no-use standard for mercury and cyanide could lead to certification of a greater number of operations than would careful, accurate certification of a standard for proper use of mercury and cyanide since that could only occur for a limited number of operations. Certifying use of mercury and cyanide as Fairtrade or Fairmined will most likely promote and encourage operations that use those chemicals.

Given the state of biodiversity conservation in the world today and the effects that ASM often has on natural habitats and biodiversity, it would also be irresponsible to certify mining in a protected natural area as Fairtrade or Fairmined, much less as Fairtrade or Fairmined Ecological Premium. Such certification could promote the expansion of mining in protected areas and the destruction of areas of high biodiversity or areas with important ecological functions for communities. Several more stipulations are also needed to guarantee protection of sensitive habitats and appropriate restoration of mined areas.

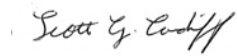
It also remains unclear from the documents how verification of compliance with the standards will occur. Since verification of compliance with standards such as proper use of mercury and cyanide could be challenging, describing how verification will occur is of great importance.

Finally, we remain concerned about the structure of the process that ARM has used to develop standards. None of the members of the ARM board or the ARM Technical Committee for Fairtrade Artisanal Gold and Associated

Silver and Platinum seem to come from a background of biological/ecological expertise (aquatic or forest ecology and restoration) or seem to have focused on environmental concerns in their work. Members of communities negatively affected by small-scale mining also seem to be absent from the board and committee. Of the approximately thirty organizations that are members of the ARM stakeholder alliance, only one seems to have a focus on environmental advocacy.

We would welcome the opportunity to further discuss our concerns with you. We look forward to continuing to work with you to improve these standards. Please let me know if you need any clarifications or have questions about our comments.

Regards,

A handwritten signature in cursive script that reads "Scott G. Cardiff".

Scott Cardiff

Enclosure

**FLO:
STANDARD FOR ARTISANAL AND SMALL-SCALE MINING OF
GOLD AND ASSOCIATED METALS**

**ARM:
STANDARD ZERO FOR ARTISANAL GOLD AND ASSOCIATED
SILVER AND PLATINUM
(STANDARD ZERO FOR GOLD AND ASSOCIATED PRECIOUS METALS FROM ARTISANAL
AND SMALL-SCALE MINING)**

in the text referred to as the “STANDARD”¹

SECTION A: Foreword

The vision of Fairtrade Labelling Organizations International (FLO) is of a world in which all producers can enjoy secure and sustainable livelihoods, fulfill their potential and decide on their future.

Our mission is to connect consumers and producers via a label which promotes fairer trading conditions and through which people who are disadvantaged by conventional trade can combat poverty, strengthen their position and take more control over their lives

The ALLIANCE FOR RESPONSIBLE MINING (ARM) is a pioneering global initiative whose mission is to set standards for responsible artisanal and small-scale mining (ASM) and to support and enable producers to deliver “fairmined” certified metals and minerals through economically just supply chains to the markets, in order to contribute towards the transformation of ASM into a socially and environmentally responsible activity, and improve the quality of life of marginalized artisanal miners, their families and communities.

This STANDARD for Artisanal and Small Scale mining of gold and associated silver and platinum is based mainly on the STANDARD ZERO FOR FAIR TRADE ARTISANAL GOLD AND ASSOCIATED SILVER AND PLATINUM® (Standard Zero) developed by the Alliance for Responsible Mining (ARM). The Standard Zero is the first global certification scheme for responsible artisanal and small-scale gold mining (ASM). Its values are inspired by the pioneering work of Oro-Verde® in Colombia and the Fairtrade Labelling Organisations International (FLO) generic standards for small producers’ organizations. It follows the characteristic fair trade grouping of social, economic, labour, and environmental development standards, with specific requirements for fair traders and jewellers.

ARM approached FLO in 2006 and started conversations with the aim of exploring the feasibility of certifying gold produced responsibly by artisanal and small-scale gold miners. Since mid-2007 the Fairtrade labelling network has been working with the Alliance for

¹ Whenever this STANDARD mentions Gold, this refers to gold and associated silver and platinum, unless otherwise indicated. Whenever this STANDARD mentions Fairtrade Gold, this refers to FAIRTRADE® and FAIRMINED® Gold, Silver or Platinum or FAIRTRADE® and FAIRMINED® Ecological Premium Gold, Silver or Platinum, according to the context. Whenever this STANDARD uses the word Fairtrade in its generic sense related to the scope of this STANDARD (i.e. not referring to FLO or any Fairtrade® organization) this refers to Fairtrade and Fairmined.

Responsible Mining to look at whether this approach could deliver sustainable improvements for mining communities, and if so how this might work.

In the meantime, ARM had brought together a Technical Committee in 2006 for the development of a first draft of standards and criteria, known as Standard Zero for Fair Trade Artisanal Gold and Associated Silver and Platinum. Institutions and persons on the technical committee combine expertise in different aspects of ASM and fair trade, including certification and chain of custody, strengthening of ASM producer organizations, occupational health and safety issues, mercury abatement, environmental management, gender issues, child labour issues, decent labour issues, emergency preparedness and response, cleaner production, public policy and formalization of ASM, ecological restoration, governance, sustainable livelihoods, and issues related to marketing.

Standard Zero underwent three rounds of public consultation between August 2006 and December 2007. ARM's consultation has included: face to face workshops and learning sessions at local, national, continental and global levels², invitations to provide input were circulated via several list-serves such as the Madison Dialogue³ and the Global Mercury Project, and it was posted in 4 languages on the ARM website inviting interested parties to submit comments. The Technical Committee has reviewed stakeholder input, and suggestions incorporated where feasible. Miners have been at the heart of developing Standard Zero, being represented both in the Board of ARM and on the Technical Committee.

In late 2007 the pilot projects started ground testing Standard Zero in Latin America. The pilot process during 2008 involved five pilot teams of ASMOs (Artisanal and small-scale miners organisation) and support organizations (NGOs, Universities) working as a regional network to test the standards in 9 different locations in Bolivia, Colombia, Ecuador and Peru. These pilot programmes, which have been run with enormous commitment by the pioneer miners' organisations, have demonstrated some real potential in addressing the development challenges. The democratic organisation of miners combined with increased financial returns from access to Fairtrade markets seek enable miner organisations to better the environmental performance at their mines through cleaner production processes, improve their working conditions with better health and safety at the mines, and also to develop community projects in education, health and economic diversification. This could lead to more enduring and sustainable development in mining communities.

In December 2008, the Boards of both organisations agreed that work would be continued to take the development of Fairtrade standards for gold forward in 2009, with the focus very clearly on artisanal and small-scale gold miners. The Alliance for Responsible Mining provides the networks and expertise to run a credible programme of support and development for artisanal and small scale miners, whilst Fairtrade provides opportunities for promoting market access on terms that will underpin this work through use of the FAIRTRADE® mark of FLO and the FAIRMINED® mark of ARM.

However, it was recognised that a lot of hard work was still required before standards to enable Fairtrade certification of gold could be finalised and agreed. In particular, the FLO Board indicated that consultation with FLO producer networks should be undertaken to ensure that conflicts between mining organisations and communities involved in agricultural farming are avoided. Secondly, further work was requested to ensure credible and robust environmental implementation of the programme, and explore how more organisations with specific environmental expertise might be involved in this. Further work on integrating ARM's existing Standard Zero with the Fairtrade standards has been done through the creation of a joint standard body: the Gold Standard Sub-committee which involves delegates from ARM's technical committee and FLO's Standards Committee.

² We acknowledge the support of CASM (Communities and Small Scale Mining Initiative) for global workshops held in Madagascar (2006), Mongolia (2007) and Brazil (2008). For more on Standard Zero: www.communitymining.org

³ List serve created to discuss supply chain issues in the ethical jewellery industry. www.madisondialogue.org

Through this sub-committee ARM and FLO have been working together during 2009 to finalise the STANDARD in order to make sure that it is consistent with FLO policy and procedures, to refine traceability of Fairtrade certified gold, to expand the market demand for Fairtrade Labelled Gold, to further improve environmental and labour performance with miners' organisations, and to ensure that its content is fully endorsed by Fairtrade agricultural producers.

This document offers the integrated STANDARD for public consultation, to be held between August 3rd and September 14th. The results of the next phase of work, including integration of consultation input and the final joint FLO and ARM standards for artisanal and small-scale gold mining, will be submitted to the boards of Fairtrade Labelling and the Alliance for Responsible Mining in December 2009. If approved by both boards, it is expected that gold products carrying the FAIRTRADE® Mark, and Arm's FAIRMINED® mark, to be available by mid-2010.

Addressing Stakeholder Concerns:

1. The STANDARD is applicable only to artisanal and small scale mining, not to industrial mining.

The mining sector has been divorced during the past century and a strong polarization has occurred between the industrialized large-scale mining sector, and millions of artisanal miners who continue with mineral extraction under similar conditions as the entire mining sector one century ago. The industrial mining sector has made significant efforts to improve the living and working conditions of its employees and workers, but the millions of artisanal miners and their families, in Latin America, Asia and Africa continue to live in the majority under conditions of extreme poverty.

“The STANDARD seeks to improve the livelihood opportunities of the millions of poor artisanal miners and their families who were left behind during the development of the minerals industry”

2. Conflicts between mining and agriculture

The STANDARD has been drafted in such a way as to ensure that conflicts between miner's organizations and communities involved in agriculture do not occur in first place. It also includes requirements to ensure that in case a conflict does arise that it is being adequately addressed and eliminated. Onsite visits and mock audits of the STANDARD in nine different pilot projects of the Alliance of Responsible Mining (ARM) demonstrated that that the STANDARD ensures this.

Requirements in the STANDARD indicate that the mining operations are conducted with the agreement of local community authorities and that grievance mechanisms are put in place to facilitate conflict management over natural resource use in the community (B 1.2.2). In some cases small scale miners are also agricultural producers and there are specific Mining Committees as part of the Small Producer Organization.

To become certified, the ASMO (Artisanal small scale mining organisation) must register all miners that work in its mining area and has rules and criteria for them (B 1.1.3). The presence of responsible and certified miner's organisations in a community provides a strong basis for reaching agreements that contribute towards collaboration between ASM and agriculturalists to improve the quality of life of all its members. The STANDARD includes a requirement that the ASMO plays an active role in planning and promoting local sustainable development (B 1.2.4).

The Fairtrade-Fairmined proposal for Small Scale and Artisanal Miners aims to develop an integrated conflict regulation through dialogue, legalization and through implementing the STANDARD. This approach is aimed to provide miners and agriculturalists, with a strong tool to avoid invasion by illegal miners and environmental destruction, while addressing the reality that globally more than 13 Million poor people are directly living from the income of small scale mining, and some estimated 30 million derive their livelihoods indirectly from ASM activity in their communities.

The STANDARD also requires that taxes, fees, royalties and other tributes as required by applicable legislation be paid by certified ASM to the relevant authority (B 1.2.1). It is in the hands of the local community to ensure that decisions on the use of royalties received by the authorities from the extraction of minerals are made in a transparent manner to improve education, health and promote alternative economic development projects in the region where the minerals have been extracted.

Miners and the population living in mineral rich regions are often victimised by armed groups who aim to funnel mineral wealth towards the funding of armed conflict of some denomination. The STANDARD requires evidence that the revenues of the ASMO and its Producer Partners must not be used directly or indirectly to finance or support illegal activities or armed conflicts (B 1.2.3).

3. Addressing environmental challenges in ASM

Fairtrade environmental requirements are designed to progressively minimise the most significant typical risks and negative environmental impacts of ASM. These Fairtrade requirements prioritize environmental challenges for artisanal miners, which can be realistically achieved in a short or medium term, given their human and capital resources. They focus on responsible management of toxic substances, water, ecological restoration and conservation of biodiversity. An incentive ecological premium for the elimination of mercury and cyanide, and the rehabilitation of the native ecosystem, is built in as an additional premium.

a) Responsible management of toxic substances, such as mercury and cyanide.

In balancing the global goal of mercury reduction and the human rights of artisanal miners and their families to satisfy their basic needs, the STANDARD adheres to a pro-poor position by not excluding artisanal miners who have no other option than using amalgamation. Amalgamation with mercury allows the artisanal miners at the bottom of the ASM pyramid to obtain gold every day to feed the family. Although mercury is toxic and the STANDARD supports all efforts towards reduction of mercury use, the goal of reducing mercury must not be achieved through sacrificing the most basic need of people in extreme poverty and by accepting violations of human rights as collateral damage of good intentions.

The STANDARD contributes proactively to the reduction of global mercury contamination. Artisanal miners who wish to participate in fairtrade are required to progressively reduce mercury losses and to optimize their processes towards responsible environmental performance. The STANDARD's approach of responsible artisanal mining creates strong market incentives for artisanal miners to improve their environmental performance by reducing mercury use. The environmental requirements of the Gold Standards ensure that only gold from artisanal miners who actively make efforts to reduce mercury contamination can be certified as a fair trade product.

Ending whole-ore amalgamation and using retorts to recover mercury is mandatory for fairtrade certification. Through responsible mining practices it is ensured that fair mined and fair traded gold contributes significantly to the protection of human health and the

Scott Cardiff 4/9/09 13:47

Comment: This language seems unnecessarily biased. It seems to suggest that not certifying use of mercury and cyanide in ASM as Fairtrade or Fairmined would lead to people losing their livelihoods (but not certifying is not the same as banning) or will lead to increased repression against ASM miners who have not gained legal status (but not certifying is not the same as making illegal). Other statements regarding human rights from a different perspective could also be made, such as: "promoting livelihood development that comes at the expense of serious risk of exposure to toxic chemicals is against the principles of human rights and environmental justice." Contamination with mercury and other toxins of air and water used by others now and in the future could well be seen as violating peoples' human right to "freely dispose of their natural wealth and resources" and right to not "be deprived of [their] means of subsistence." Contamination of the land and water does potentially deprive people of their means of subsistence; not certifying mining that risks causing such contamination as responsible presumably does not change their situation. The statement also seems to make the assumption that exposure to toxic chemicals is the only option for people to leave poverty; toxic-free extraction methods and the frequent existence of sustainable agriculture activities seem to falsify this assumption.

environment without risking the minimum income of poor artisanal miner's families. The STANDARD requires artisanal miners to implement a concentration process (gravimetric, flotation, hand-sorting, etc.) previous to any amalgamation, so that the amount of mineral that comes into contact with mercury and the volume of mercury required, are drastically reduced (B 3.1.1) It also includes mandatory use of retorts or other mercury recovery devices during amalgam decomposition (B 3.1.2).

The STANDARD encourages artisanal mining to substitute amalgamation through more advanced mineral processing technologies (like direct smelting, cyanide leaching, etc.) and to become zero-mercury operations. Cyanide leaching is the "state of the art" technology for gold ore processing. As cyanide can be detoxified and is even biodegradable by exposure to UV light and oxygen, even cyanide leaching is considered to be much more environmental-friendly than amalgamation using the indestructible toxic element mercury. With regards to the environmental and health risks of leaching, the STANDARD considers mandatory the strict observation of all measures, procedures and precautions considered generally "safe" in the minerals industry (B 3.1.8). This includes also all measures to recover mercury in leaching operations which process mineral containing natural traces of mercury or amalgamation tailings.

The STANDARD favours leaching over amalgamation as the environmentally better technology, but actively promotes both mercury-free and cyanide-free gold processing. Within the fair trade approach it is considered "fair" to compensate artisanal miners for lower gold recovery through an additional ecologic fair trade premium on mercury-free/cyanide-free produced gold.

Amalgamation should not be used if gold recovery without mercury is reasonable possible, such as in case of free coarse gold that can be recovered through gravimetric concentration. The STANDARD goes one step further. While leaching is favoured over amalgamation as a "mercury-free" technology, the environmentally best option is seen in mercury-free and cyanide-free gold production. Considering that mercury- and cyanide-free processing technologies might result in eventually lower gold recovery, under the prevailing conditions of poverty of artisanal miners, the economic burden of income reduction through intentional refraining from amalgamation and cyanidation needs to be compensated.

The STANDARD proposes a "Fairtrade Ecologic Premium" to encourage and actively promote mercury-free and cyanide-free artisanal gold mining. (Section B Chapter 3.3)

b) Protection of Water in Mining Communities

The STANDARD recognizes that mining can pollute and deplete water provisions if it is not properly managed in agreement with the local community for whom water is also a basic resource. Therefore, all mining operations and processing plants must comply with national environmental laws (B 3.2.1).

The STANDARD includes provisions for preventing acid rock drainage into local waters, forbids tailings disposals into water bodies, requires the neutralisation of cyanide and the application of all safety provisions to prevent tailings failure or leaking, and the safe disposal of fuel residues and their containers (B 3.2.5, 3.2.6, 3.2.7 and 3.2.8).

In obtaining the consent of the local community authorities for the mining activities to take place and through implementation of grievance mechanisms, the STANDARD creates a due diligence process for equitable and responsible water use and safe management of polluted effluents by miners (B 1.2.2).

c) Ecological restoration and protection of biodiversity

The STANDARD addresses the fact that ASM often takes place in remote, high biodiversity areas, and that the presence of artisanal miners and their families is likely to deplete the local ecosystem, in particular the forest and its bush-meat species. Therefore if the mining operation is located within a legally designated protected area or archaeological heritage area, authorization is required from the relevant authority stating that the mining activities are legal and compatible with the conservation and management objectives of the protected area (B 3.2.3).

In addition, ecological restoration requirements include the provision that open pits and underground mine apertures must be refilled or blocked sufficiently to enable ecological regeneration and ensure hazard prevention (B 3.2.2); and that intervened areas must be rehabilitated and re-vegetated (B 3.2.9). In the case of open-pit mines, the inclination of slopes and height of benches must not exceed limits generally considered safe for that type of soil or rock, in order to prevent landslides that may affect the miners and the community (B 3.2.4).

Finally, for ecological premium gold the STANDARD proposes that ecological disruption due to mining is minimised through an environmental management plan that ensures that the local ecosystem is not placed beyond capacity to recover (B 3.3.2), and it requires a strict plan for the ecological restoration of the native ecosystem from the outset of operations for (B 3.3.3).

**FLO:
STANDARD FOR ARTISANAL AND SMALL-SCALE MINING OF GOLD AND ASSOCIATED METALS**

**ARM:
STANDARD ZERO FOR ARTISANAL GOLD AND ASSOCIATED SILVER AND PLATINUM
(STANDARD ZERO FOR GOLD AND ASSOCIATED PRECIOUS METALS FROM ARTISANAL AND SMALL-SCALE MINING)**

in the text referred to as the “STANDARD”

Explanatory notes for Consultation Process:

The STANDARD is separated in two parts and contains the following sections:

Section B: Standards for Artisanal and Small scale Mining

0. Introduction
1. Social Development
2. Economic Development
3. Environmental Development
4. Standards for Labour Conditions
5. Supplement for Small-Scale Mining Organizations

Section C: Standards for trading, processing and manufacturing

0. Introduction
1. Buying from Certified Producers
2. Pricing and Premium
3. Trading Relationships and Contracts
4. Pre-Finance
5. Traceability and related Processing standards
6. Product composition

This document offers the integrated STANDARD for public consultation. The document is divided in 2 or 3 columns according to the content of each chapter. The left-hand column contains the Standard. The centre column (where applicable) contains the guidance on the standard/ text presented in the left column. The right-hand column contains space for you to include your comments.

In addition to the draft STANDARD you also received two other documents that should be read as Annexes to the STANDARD. ANNEX 1, *Consultation document pricing*, containing background Information on Fairtrade Minimum Price and Premium setting for Gold and ANNEX 2, *the Consultation Document Pricing questions*, containing all questions related to the draft Fairtrade Price and Premium proposal presented in the STANDARD.

We kindly request you to note your comments in the right-hand column of this document and to provide explanations and examples underlining your statements. For the Pricing and Premium part of Section C please note the separate consultation document as included in Annex 2. Please include your comments on these particular issues directly in Annex 2.

The deadline for submitting comments is Sep 14th, 2009.

Consultation feedback should be submitted to both FLO and ARM, by being sent to the following two mailboxes officially designated for feedback: gold.consultation@communitymining.org and d.jung@fairtrade.net

For questions regarding the STANDARD please contact:

- Felix Hruschka (ARM Standards Coordinator): felix@hruschka.com

For questions regarding Pricing and Premium please contact:

- José Paredes (FLO Standards Unit): j.paredes@fairtrade.net
- Felix Hruschka (ARM Standards Coordinator): felix@hruschka.com

For questions regarding the consultation process please contact:

- Cristina Echavarría (ARM Executive Director): cechavarría@communitymining.org (Phone +57-4-3330188)
- Dorothee Jung (FLO Standards Unit): d.jung@fairtrade.net (Phone: +49-228-949 23-261)

SECTION B: Standards for Artisanal and Small-scale Mining

Standard	Guidance Document	Comments
0. General Requirements and Guidance		
0.1 Purpose of the Standard, Vision and Principles for Responsible Artisanal and Small-scale Mining		
<p>The STANDARD is aimed at creating opportunities for economically disadvantaged artisanal miners and their communities. Artisanal Gold makes reference to gold and associated silver and platinum found in the same Artisanal and Small-scale Mining operation.</p> <p>The scheme is directed only at artisanal and small-scale miners as defined by the description below, not at medium and large operators. It is not intended for gold rush situations, but rather seeks to act as an incentive for organization and formalization of Artisanal and Small-scale Mining (ASM).</p> <p>The overall objective of this STANDARD is to promote the formalisation of the ASM sector, bringing with it improved working conditions for producers, strengthened producer organisations with the capacity to lobby for legislation and public policies that promote a responsible ASM sector, improved environmental management (including mitigation of the use of mercury and ecological restoration), gender equality, progressive elimination of child labour in mining, justice to the supply chain, benefits to local communities in mineral rich ecosystems, and improved governance to this sector.</p> <p>The STANDARD follows ARM’s vision for Responsible Artisanal and Small-scale Mining: <i>“ASM is a formalised, organised and profitable activity that is technologically efficient and socially and environmentally responsible; the sector’s development takes place within a framework of good governance, legality, participation and respect for diversity; it seeks to make an increasing contribution to decent work, local development, poverty reduction and</i></p>	<p>Artisanal and Small-scale Mining (ASM) for gold constitutes a livelihood for between 10-15 million people worldwide, and it is estimated that over 100 million people depend on it for seasonal and/or indirect income.</p> <p>This FAIRTRADE® and FAIRMINED® certification scheme is aimed at creating opportunities for economically disadvantaged artisanal miners and their communities, which often include agriculturalists and/or herders as well.</p> <p>Throughout this document Fairtrade artisanal gold makes reference to artisanal gold and associated silver and platinum found in the same mining operation.</p>	

Standard	Guidance Document	Comments
<p><i>social peace within our countries, stimulated by growing consumer demand for sustainable minerals and ethical jewellery.”</i></p>		
<p>0.2 Scope</p>		
<p>0.2.1 Organizational Scope</p>		
<p>The STANDARD applies to “Artisanal and Small-scale Miners’ Organizations” (ASMO). ASMO are member organizations and have the responsibility for Fairtrade certification. Under its umbrella there are several organizational realities of ASM that are part of the mining communities (see definitions described below).</p> <p>ASMO (Artisanal and Small-scale Miner’s Organization)</p> <ul style="list-style-type: none"> • An organisation comprised by self-employed miners that are members/shareholders. The ASMO, or members of it, owns valid mining rights (mining concession, contract, etc.) that allow all members and production partners to work legally. • In addition, usually a series of other self-employed artisanal miners may be allowed by the ASMO to work under its umbrella in the mining area. These can be individual miners, family units, groups of self employed miners or even other community based organizations like women mineral selectors, who are working in close coordination with the ASMO and (for the purpose of this STANDARD) called “production partners”. As production partners are allowed by the ASMO to work in its mining area, the ASMO is responsible for compliance with the STANDARD in its mining area and for organizing their activities (e.g. make sure that production partners’ work areas do not interfere, etc.), and production partners are responsible to follow instructions of the ASMO. • All miners of the organization and its production partners are registered (the minimum requirements for registration are described further below). 	<p>Four types of ASM can be broadly classified</p> <ol style="list-style-type: none"> a. Permanent Artisanal and Small-scale Mining <ul style="list-style-type: none"> - Full time, year round activity, often involving traditional mining communities (over one generation of miners) - Frequently the only economic activity or sometimes accompanied by other activities like farming, herding, small commerce or other extractive tasks of indigenous and rural groups. b. Seasonal Artisanal and Small-scale Mining <ul style="list-style-type: none"> - Seasonal switching of activities or seasonal migration of people into artisanal mining areas, much like seasonal crop migration circuits in coffee and cotton. - Frequent during idle agricultural periods to supplement annual incomes, or during the dry periods when sections of the riverbeds may become accessible for mining. In this case mining provides the cash income for subsistence agriculturalists or herders. c. Rush-type subsistence, Artisanal and Small-scale Mining <ul style="list-style-type: none"> - Massive migration based on the perception that the expected income opportunities from recently discovered deposit far exceeds the current actual income - It is not uncommon to observe former rush areas converting into new communities and rush miners converting into settlers. d. Shock-push artisanal or subsistence mining <ul style="list-style-type: none"> - Clearly poverty driven activity after recent loss of employment in other sectors, conflicts or natural disasters. - Many of the individuals, mostly itinerant and poorly educated, 	

Standard	Guidance Document	Comments
<ul style="list-style-type: none"> In some cases contracted workers work in the ASMO's processing plant, within workgroups in the mine hired by the organization, or hired by individuals of the production partners. In some cases Production Partners are legally established small-scale mining companies with formalized business operations. If the amount of workers they employ exceeds 50 contracted workers, then these production partners are considered as Small-Scale Mining Organizations (SSMO) which have to apply separately for Fairtrade certification and a supplement applies (Chapter 5). If Production Partners are not a legal company but hire workers, then the organization (ASMO) has the responsibility over these workers (implications for applicability of Chapter 4 on Labour Development and Premium use are described below in the STANDARD). <p>The Certification pitch is the organization (ASMO). In any case the ASMO or its processing facilities (owned by the ASMO) must have trade functions for commercializing gold, or have delegated its trade function to a third party that can be a local trader. An ASMO can also be an umbrella organization.</p>	<p>have no other choice and miners remain trapped in the poverty cycle.</p> <p>Permanent and seasonal artisanal mining are frequently referred to as community mining. The term implicitly understands the local population as the driving force behind the mining operation, building their own livelihood strategy upon the mineral resources within their communal territory. Rush-type and shock-push artisanal mining has the potential to create new communities and convert into community based mining but the STANDARD is designed to cover only existing, conflict free, community based, permanent and seasonal ASM.</p> <p>Artisanal mining operations vary in a very wide range with regards to the number of miners, from individual gold panners, the typical small groups of about four to ten miners, up to large ASM cooperatives or communities involving thousands of workers.</p> <p>A key characteristic of ASM is that it is very labour intensive, and that capacity to work in the more physically demanding interior of mine labour ends at around 40 years of age, therefore, in order to maintain membership rights, a member miner must at some point contract workers to replace him or her at the rock face. Mineral selection at the dumps is less demanding and especially suited to women, older men and youths.</p> <p>As ASM is labour intensive, a large number of miners is no contradiction to "small".</p> <p>ASM involves male and female artisanal miners working individually (as panners or mineral selectors), as family groups or grouped into one of several kinds of work-teams according to their cultural tradition and technological-organisational level of evolution. The work-teams are organised into various legal forms depending on the legal opportunities available in a given context.</p> <p>Artisanal miners can participate in Fairtrade if an <u>ASMO (Artisanal and Small-scale Miner's organization)</u> is in place that is able to engage in commercial activities, contribute to the environmentally sustainable social and economic development of its members,</p>	

Standard	Guidance Document	Comments
	<p>production partners and of their communities, and which is democratically controlled by their members.</p> <p>The ASMO may be a shareholder organisation, a cooperative, a community based organization (e.g. a “miners’ association”, or a “mining committee” of a small farmer community), or a joint trading platform. The ASMO is usually the owner of the mining rights (though in some cases the mining right may be owned individually by members of the ASMO). The common denominator of all ASMOs is that they actively promote responsible mining practices and community development in their area of influence.</p> <p>Formal agreements are stipulated between the registered production partners and the ASMO members/shareholders, in terms of responsibility of the ASMO for internally monitoring standards compliance, and ensuring traceability and democratic governance of the Premium. A Premium committee within the ASMO, separate from the General Assembly of the core ASMO, ensures that the use of the Premium is defined by the miners and their workers that operate in the mining area of the organization and that are registered (criteria below).</p> <p>In order to overcome legal restrictions or financial constraints such as liquidity, some ASMOs may need to delegate their trade function to a third party that can be a local trader; otherwise they would not be able to become Fairtrade Gold producers. Requirements for the delegation of trade functions are laid out in Section C and assure that the ASMO maintains full control over trade, premium and traceability.</p>	
0.2.2 Scope of mining area		
<p>The origin of Fairtrade gold and associated precious metals is exclusively from areas for which the ASMO possesses the mining rights (mining concessions, mining lease, exploitation contract, or equivalent denominations according to national legislation), and owns or has agreed the land use rights with the land owner.</p>	<p>Legal frameworks vary widely from one country to another in their recognition and regulation of ASM. In some countries artisanal miners have lobbied for special artisanal mining laws (Peru, Ghana and Tanzania), in other countries ASM is still illegal (DRC, Mongolia), while most countries have evolving laws where ASM still seeks greater recognition of rights, within legal frameworks that</p>	

Standard	Guidance Document	Comments
	<p>were made bearing in mind large international mining companies.</p> <p>This STANDARD allow certifying gold produced at a particular publicly registered mining area, or mine where progress by the miners' organisation in compliance with the STANDARD can be inspected and tracked over time. It includes a system to ensure the traceability of the metals from mine to market, which is designed to guarantee that the labelled product (FAIRTRADE® and FAIRMINED® gold, silver and platinum) put on the market is a product coming from a certified mine.</p>	
0.2.3 Product scope		
<p>The STANDARD covers gold from hard-rock and alluvial Artisanal and Small-scale Mining, keeping in mind that gold may be found in association with other precious metals such as silver and platinum. These will also be certified as Fairtrade when found alongside the certified gold.</p>	<p>Artisanal and small-scale miners develop their activity in mineral deposits with geological characteristics that allow for a generally simplified exploitation. There are many mineral deposits such as riverbeds, alluvial plains and outcroppings of small veins, as well as mines and tailings abandoned by medium and large scale miners that can be exploited after a simple survey, with rudimentary yet effective artisanal mining practices.</p> <p>Techniques used range from very rudimentary to more sophisticate. The complexity and efficiency of technology tends to increase with miners' organization, technical assistance, financial capacity and higher education level.</p> <p>Throughout this Section "Gold" makes reference to gold and associated silver and platinum found in the same mining operation. While associated silver is of marginal economic relevance and associated platinum occurs only in rare cases, both eventual by-products are included in the STANDARD in order to promote integral usage of the mineral deposit through the incentive of the Premium.</p> <p>Section B on artisanal and small-scale mining refers to raw gold as found in the mine, while Section C on processing, trading and manufacturing refers to fine gold as used in consumer products.</p>	

Standard	Guidance Document	Comments
0.2.4 Geographical scope		
<p>The geographic scope of the STANDARD will be Latin America during the first year after certification. This scope will be reviewed after ground testing in Africa and Asia.</p>	<p>The STANDARD needs to be internationally accepted, but must have local, regional or national application, to be context sensitive. For that reason ARM and FLO will first observe the STANDARD implementation in Latin America, and then test its applicability in African and Asian contexts, where adaptations may need to be made with the full participation of African and Asian organisations.</p>	
0.3 Structure		
<p>Each section of the STANDARD begins with an introductory statement that describes the objective of that section. Then the standard itself is presented, setting out the requirements in its exact terms.</p>		
0.4 References		
<p>When setting the Fairtrade standards, the following internationally recognized standards and conventions are taken in consideration, particularly those of the International Labour Organization (ILO), the most widely recognized international labour standards. In this document the requirements are worded in their own terms but, where applicable, references are given to other external standards that FLO follows.</p> <p>FLO also requires that producer organizations always abide by national legislation unless that legislation sets standards which are below the referenced internationally recognized standards and conventions, in which case the international standards prevail. However, where national legislation sets higher requirements on a specific issue than these standards then that national legislation shall apply. The same applies to regional and sector-specific practices.</p>	<p>PRINCIPLES FOR RESPONSIBLE ASM (Summarized from: The Golden Vein: A Guide to Responsible Artisanal and Small-scale Mining. ARM Series on Responsible ASM. 2008)</p> <p>1. The Millennium Development Goals and Declaration on Sustainable Development We declare our commitment to the Millennium Development Goals and the Johannesburg Declaration on Sustainable Development and to the following specific principles for Responsible Artisanal and Small-scale Mining:</p> <p>2. Legality Responsible Artisanal and Small-scale Mining (ASM) complies with the national legal frameworks. Where national legislation does not recognize the legal rights of community-based artisanal and small-scale miners, despite their legitimate efforts towards legalization, we will, as far as possible, work with organized ASM and national</p>	<p>It seems unclear why these principles are considered Guidance Document references. The other ILO conventions mentioned in standards could also be listed here. The precautionary principle must also be a principle that is applied to ASM for consideration of negative social and environmental impacts.</p>

Standard	Guidance Document	Comments
<p>The STANDARD adheres to ARM’s principles for responsible ASM and all herein mentioned references, as published by ARM and included in the Guidance Document of this STANDARD.</p>	<p>governments, to lobby for improved public policies for responsible ASM organizations interested in committing to the principles. We will not support organizations that are involved with armed conflict in any way, including financing conflict or the use of revenue to engage in activities that facilitate the purchasing of arms.</p> <p>3. Human Rights Responsible ASM is based on the Universal Declaration of Human Rights and on later UN declarations regarding the cultural, social and economic rights of individuals. The rights of artisanal and small-scale miners must be respected, and their violation, denounced. Responsible community based artisanal and small-scale miners organizations respect the human rights, as well as the social, economic, cultural, and labour rights of each and every person involved and of the local community, as fundamental principles. The rights of women, disadvantaged groups and individuals, including migrant workers, are specifically included.</p> <p>4. Decent Work Responsible ASM is decent work in line with the ILO Conventions. Work in Responsible Artisanal and Small-scale Mining is performed in conditions of freedom, equality, safety, and human dignity, free from child labour, allowing the access of small-scale minerals producers, workers and their families to a decent standard of living.</p> <p>5. Quality of Life and Sustainable Human Development for ASM communities Responsible ASM contributes to the sustainable human development of their communities. Responsible Artisanal and Small-scale Mining improves the quality of life of men and women miners, their families, and the community that hosts ASM endeavours, respecting the conceptions and priorities of each community.</p> <p>6. Environmental Stewardship Responsible ASM actively encourages better preventive and restorative environmental practices and the application of responsible methods of production. Responsible miners abide by the environmental laws in their countries, contribute to environmental protection, human health and ecological restoration</p>	

Standard	Guidance Document	Comments
	<p>in its operations and communities, and mitigate negative impacts. Respecting protected areas, avoiding damaging important biodiversity, minimizing the ecological footprint of mining, and, where possible restoring or replacing biodiversity, and where this is not possible, compensating for that residual loss, are principles for environmental protection.</p> <p>7. Gender Equality Women’s work is properly valued and rewarded. In the organizations and initiatives of responsible ASM, equality should exist among men and women in all rights, access to resources, the use of earnings, and participation and incidence in decision-making processes. Women are always paid for their contribution to the production process and are empowered in their organisations. The miners’ organisation ensures equal pay for equal labour regardless of the labourer’s gender. In organizations, processes and activities where there is marginalisation of women, measures and actions shall be taken in order to improve equality.</p> <p>8. Multicultural Nature Artisanal and Small-scale Mining often develops in contexts of ethnic and cultural diversity. Where indigenous peoples or other ethnic groups are owners of the territory and are different from the miners themselves, responsible ASM organisations will undertake consultations based on the spirit of ILO Convention 169, with respect for local cultural practices in order to reach agreements with the local traditional authority and community, with regards to the impacts and benefits of mining operations and trading in that indigenous or ethnic territory.</p>	
0.5 Definitions		
<p>ASMO (Artisanal and Small-scale Miner’s Organization)</p> <p>An Artisanal and Small-scale Miner’s Organization (ASMO) is a member organization comprised of self-employed miners that are members or shareholders. The ASMO is legally entitled to carry out artisanal and small-scale mining activities and is responsible for all mining activities within</p>		<p>Note: artisanal and small-scale mining activities need to be defined (in the context of the definitions table in the Resource Consulting Services study “Feasibility study for the development of a fair trade diamond standard and</p>

Standard	Guidance Document	Comments
<p>all its mining area(s). The ASMO usually has an operation run by its members, with production partners and/or with contracted workers. The ASMO has the responsibility for Fairtrade certification (see also under 0.2.1).</p>		<p>certification system” from December 2008, ie does it include small-scale or just micro-mining operations? corporate mining as well as artisanal and micro-mining?.</p>
<p>Members of the ASMO Refers also to shareholders of the ASMO.</p>	<p>The members of the ASMO are usually those who started the mine and secured the mining rights.</p>	
<p>SSMO (Small-Scale Mining Organization) A Small-Scale Mining Organization (SSMO) is a shareholder organization undertaking artisanal and small-scale mining activities and being structurally dependent on hired labour. Within the scope of this STANDARD the shareholder(s) of the SSMO are members or production partners of an ASMO. An SSMO must be legally a company. SSMOs have to apply for Fairtrade certification by their own and comply with the supplement under Chapter 5.</p>	<p>Structural dependence of hired labour exists if the shareholders are dedicated to decision making and administrative tasks, while all physical work is done by workers. In any case and independent from the type or work of the shareholders (i.e. even if the shareholders engage in physical work together with their workers), if a production partner employs more than 50 workers, the production partner is considered a SSMO. Production partner with less than 50 workers which are legally a company are free to apply also for Fairtrade certification as an SSMO. For workers hired by production partners without SSMO status the ASMO is responsible and its workers are represented in the Premium Committee as described in the standard.</p>	
<p>(PP) Production Partners and (PPO) Production Partner Organisations Production Partners (PP) can be individual miners, workgroups (see below) or even other community based organizations like women mineral selectors, who are working in close coordination with the ASMO and are allowed by the ASMO to work in its mining area and under its registration. Production Partners work under the umbrella of the ASMO. They are registered and supervised</p>	<p>Production partners obtain the ASMO’s permission to work in the ASMO’s mining area and are registered by the ASMO. In any case, if a PP employs more than 50 workers and is a formal company, the PP is considered a SSMO and has to comply with the supplement under Chapter 5. PP, established as small companies with less than 50 workers may voluntarily apply for Fairtrade certification as an SSMO if they comply with the supplement under Chapter 5.</p>	

Standard	Guidance Document	Comments
<p>by the ASMO (see also under 'registration').</p> <p>Usually production partners are self employed, and have clear internal rules that define how the profits of a specific campaign are shared among its associates. They may divide earnings either before or after processing.</p> <p>Production partners work in several forms, mostly in workgroups that work in the scope of operations of the ASMO, and are formed by:</p> <ul style="list-style-type: none"> • members of the ASMO together with other self-employed miners, or • family units of members of the ASMO, or • local community groups such as the women miners (with no member of the ASMO involved), and including • workers hired by individuals, or • workers of the PPs collectively hired. <p>Production Partners (PP) that are small companies and employ more than 50 contracted workers (permanent and temporary), are considered to be separate Small-Scale Mining Organizations (SSMO). They have to apply for Fairtrade by their own and comply with the supplement under Chapter 5. If a PP falls under this category (more than 50 workers and being a formal company), it has to comply with the supplement under Chapter 5.</p> <p>Formally organized Production Partners, such as women mineral selector associations are Production Partner Organisations (PPO).</p> <p>PPOs are certified under the umbrella of the ASMO. They can administrate the respective Premium share by their own on request.</p> <p>The ASMO is responsible for compliance of this STANDARD at the PPO level.</p>	<p>For workers hired by PPs without SSMO status the ASMO is responsible.</p> <p>Production Partner (PP) that are not SSMOs may want to go a step further than only participating at production level, and may want to become actively involved in local development through Fairtrade, by administrating their share of the Fairtrade Premium autonomously. For that purpose the PP has to be a formal, publicly registered organization (referred to as Production Partner Organization - PPO). While a PPO needs to be formally constituted, it is not necessary that the PPO has a trade function. As the internal traceability system proofs the PPO's share of the total ASMO production, the share of the Fairtrade Premium which corresponds to the PPO is clearly determinate. In order to administrate their share of the Fairtrade Premium, PPOs have to comply with all requirements of PPs (certified at ASMO level), but have to comply additionally with all requirements necessary for transparent and democratic Premium decisions and use. Certification of PPOs is done within certification of the ASMO and not as a standalone certification. The certification of a PPO only authorizes the PPO to administrate their share of the Fairtrade Premium autonomously, within the certification of the ASMO. The ASMO is required to pass on the corresponding share of the Fairtrade Premium to the certified PPO(s). (If the ASMO is decertified, the PPO is automatically also decertified)</p> <p>Women Mineral Selectors: Women mineral selectors (which may have specific denominations, like Peru: Pallaqueras, Bolivia: Pailiris, Ecuador: Jancheras, etc.) select minerals from the waste rock and process them or deliver them to the processing plant of the organization. In some cases these groups may also include male mineral selectors, such as retired or handicapped persons. If registered with the ASMO they are production partners. A Women Selector Organization can become a PPO: if a Women Mineral Selector's organization aspires to administrate its proportional share of the Fairtrade Premium autonomously, it has to be a publicly registered, legal organization and needs to comply with the requirements for PPOs.</p>	

Standard	Guidance Document	Comments
<p>Miners' organization:</p> <p>Refers to the "ASMO and all its PPs including all workers", and as such to the totality of all registered miners (see below)</p>		
<p>Mineral selectors (mainly women)</p> <p>Organized Mineral selectors are Production Partner Organizations of the ASMO. They work on the surface of the mining area of the ASMO. Usually women selectors deliver selected minerals to the plant of the organization or to domestic amalgamation plants controlled by the ASMO.</p> <p>Mineral Selectors have delegates in the Premium Committee of the ASMO.</p>		
<p>Workers</p> <p>The term "workers" refers to all waged employees of the ASMO, its Production Partners (PP) or of the SSMO. It includes migrant, temporary, seasonal, sub-contracted and permanent workers. Where family labour of members of the ASMO, PP or SSMO is employed directly by the Organization, the term "workers" also includes them.</p> <p>Workers have delegates in the Premium Committee of the ASMO.</p>		
<p>Community based artisanal and small-scale miners:</p> <p>The local population as the driving force behind the mining operation, building their own livelihood strategy upon the mineral resources within their communal territory.</p>	<p>Depending on the local geographic situation the term "community" needs to be interpreted in the local context. This can involve either a local community in a narrower sense or a (mostly long-term) temporary settlement for miners originating from surrounding communities within a wider region. The later applies if the remote</p>	

Standard	Guidance Document	Comments
	location of the mine doesn't offer alternative livelihood opportunities and the miners combine the income opportunity in the mine with their livelihood strategy in their home community.	
Miner: The term "Miner" refers to any natural person involved in Artisanal and Small-scale Mining.		
Registered Miner: Registered miners of an ASMO are members, self-employed miners or workers that work in the mining area of the organization and are registered by the ASMO. Miners of an SSMO are workers.	Registered miners have a mutually agreed direct (with the ASMO) or indirect (with a PP) working relation with the ASMO; either as members, self employed miners or as workers. The term "non-registered miner" is used in this STANDARD to clearly describe and distinguish where necessary natural persons involved in mining in the ASMO's mining area without consent of the ASMO. While it is the responsibility of the ASMO and in its own interest to avoid the existence of non-registered miners (stealing mineral), community relations often limit the potential of sanctions against persons refusing to obey the rules. The ASMO cannot be held responsible for non-registered miners who engage in mineral extraction but refuse to register and follow the ASMO's rules; the ASMO will not accept mineral or gold from non-registered miners; and non-registered miners will not participate in Premium decisions.	
Workgroup: A group of registered miners who work together in the same location within the mine.	Apart from Production Partners (which are also workgroups), workgroups can also be formed by members of the ASMO working as a team. Also one ASMO member working together with his workers is a workgroup.	
Artisanal Mining Entrepreneurs or Small Entrepreneurs: Refers to a production partner that is legally a company		

Standard	Guidance Document	Comments
<p>that hires more than 50 contracted workers.</p> <p>Registration, registered by the organization and Mining Plan</p> <p>The ASMO registers all Production Partners and workgroups within its mining area. The ASMO register contains all miners (workers, self-employed miners, members of the Organization) that are allowed by the ASMO to extract and/or process mineral from the ASMO's mining area, as well as a Mining Plan identifying all PPs and workgroups.</p> <p>For each registered miner, the ASMO records at least:</p> <ul style="list-style-type: none"> - name - date of birth - legal document / identity card number - denomination of Production Partner or workgroup <p>For each PP or workgroup, the ASMO records at least:</p> <ul style="list-style-type: none"> - location where the PP or workgroup is allowed to work - name of the leader (responsible for compliance) - names of all registered miners pertaining to the group - agreements about processing (if the group will deliver mineral to the ASMO plant or process the mineral on their own) 		<p>Perhaps “affiliation” or another word would be preferable to “denomination,” which often has other connotations.</p>
<p>Fairtrade certified gold:</p> <p>Throughout this document “gold” makes reference to gold and associated silver and platinum found in the same mining operation of the ASMO.</p> <p>All gold that</p> <ul style="list-style-type: none"> • originates from the mining area of the ASMO, • and has been produced by the ASMO or its PPs, • and is fully traceable within the ASMO and its PPs, • and can be traded through the ASMO 	<p>Section C contains the product specific definitions of gold, silver and platinum. The Section B on Production refers to gold as “raw gold” (i.e. as produced in the mine, without quality specifications)</p> <p>Gold that originates from outside the ASMO’s mining area (even if produced by a member of the ASMO or a PP) or gold that was produced inside the ASMO’s mining area by a non-registered miner is not certifiable as Fairtrade.</p>	

Standard	Guidance Document	Comments
<p>is certifiable as Fairtrade gold.</p> <p>Section B on artisanal and small-scale mining refers to raw gold as found in the mine, while Section C on processing, trading and manufacturing refers to fine gold as used in consumer products.</p> <p>Throughout this document “Fairtrade Gold” refers to gold from certified producers that can be used according to Section C in consumer products labelled with FLO’s FAIRTRADE® label and ARM’s FAIRMINED® label.</p>		
<p><u>Definitions of mining specific terms:</u></p> <p>Mining Area: the area within which the owner of a mining right is granted the right to mine the subsoil.</p> <p>Mining Right: the exclusive right (conferred by the National Mining Authority) of a legal or natural person to extract minerals from the subsoil within a certain area (mining area).</p> <p>Mineral, Minerals: Generic word for all rock or gravel material extracted from the mine. According to its economic value, mineral is classified into ore and waste rock.</p> <p>Ore: Mineral (rock or gravel) with contains gold at an economic concentration (grade) and that is therefore suitable to be processed.</p> <p>Waste rock: Mineral with contains no gold or uneconomic gold grades and that is therefore permanently or temporarily dumped.</p> <p>Mineral processing: Technical process to separate ore into gold or gold concentrate and tailings.</p> <p>Concentrate: Intermediate product from mineral</p>		

Standard	Guidance Document	Comments
<p>processing with a high concentration of gold. The concentrate is processed further to obtain the metallic gold.</p> <p>Tailings: Intermediate or final product from mineral processing with low concentration of gold. Tailings are deposited at tailings dumps or in tailings ponds. In some cases tailings can be reprocessed in a different process to recover the remaining gold.</p> <p>Amalgamation: Mineral processing technology of capturing gold by mercury (creation of amalgam) and subsequent amalgam decomposition.</p> <p>Cyanidation: Mineral processing technology of dissolving gold in a cyanide solution (cyanide leaching) and subsequent recovery of the gold from the solution by precipitation with zinc or through absorption on activated carbon and subsequent desorption.</p>		

1. Social Development

1.1 Members of the Organisation are Community Based Artisanal and Small-scale Miners

Intent

This Fairtrade initiative is directed at community based Artisanal and Small-Scale Miners' Organisations (ASMOs) comprising all possible forms of organisations that they constitute. A community based mining organisation is comprised of members of the organization that mines and processes in cooperation with its production partners and workers. As members of the local community they contribute to its social and economic development.

Standard

Comment

1.1.1 Minimum requirement

The Artisanal and Small-scale Mining Organization (ASMO) is comprised by community based artisanal or small-scale miners including artisanal mining entrepreneurs with contracted workers.

1.1.2 Minimum Requirement

The ASMO has membership criteria as defined in its own stated rules and regulations (organization's constitution or by-laws).

1.1.3 Minimum Requirement

The ASMO registered all miners that work in its mining area and has rules and criteria for its Production Partners (PP) that work in their mining area.

1.1.4 Minimum Requirement

Fairtrade gold may only be produced by the ASMO and its production partners and of gold ore from the mining area of the ASMO.

Gold and gold ore from non-registered miners and from outside the mining area has to be kept separate from Fairtrade gold and must not be sold as Fairtrade. gold.

1.2 Fairtrade adds to development

Intent

Fairtrade should make a difference in development and quality of life for artisanal and small-scale miners and the communities where they live. Fairtrade certification requires legalisation and formalisation of all mining related operations, including trading. Therefore, miners wanting to enter the system must formalise all their commercial activities and pay all their taxes. In many countries mining royalties are partly redistributed to the mining regions, where the local government can use them for infrastructure, education, health and other public goods, improving the quality of life. In addition, responsible ASM who participate in certification must demonstrate that they develop mining activity without destruction of other natural resources that are required by other groups in the local community, be it ethnic groups or agriculturalists and herders, and that they implement effective conflict management mechanisms.

Standard	Comment
1.2.1 Minimum requirement Taxes, fees, royalties and other tributes as required by applicable legislation are paid to the relevant authority.	
1.2.2 Minimum requirement The mining operations are conducted with the agreement of local community authorities.	This should be Free, Prior, and Informed Consent of the community, not just local authorities, at a minimum when indigenous people are involved.
1.2.3 Minimum requirement Revenues of the ASMO and its PPs must not be used directly or indirectly to finance or support illegal activities or armed conflicts.	ASMO operations should not occur in conflict zones. Certifying that there is no financing or support for conflict would be a much greater challenge than certifying that the mining is not in a conflict zone and the latter is more credible and provides greater customer assurance.
1.2.4 Progress The ASMO plays an active role in planning and promoting local sustainable development.	

1.3 Democracy, Participation and Transparency

Intent

The organisation must be an instrument for the social and economic development of the members, their families and the local community, while in particular the benefits of Fairtrade must come to the members, production partners and workers. The organisation must therefore have a democratic structure and transparent administration, which enables an effective control over the management, including the decisions about how

the benefits are shared. Furthermore, there must be no discrimination regarding membership and participation, in particular, there should be no gender discrimination.

All requirements also apply for PPOs

Standard	Comment
<p>1.3.1 Minimum requirement The ASMO has a legal, transparent and democratic organisational structure in place, which enables effective control by the members. There is a general assembly with direct or delegated voting rights for all members as the supreme decision making body, and an elected Board. The staff answers to the General Assembly via the Board.</p>	<p>Some cooperatives and other groups may make decisions through direct democracy and consensus and mandating the existence of a Board may not necessarily be compatible with that.</p>
<p>1.3.2 Minimum requirement The ASMO holds a General Assembly at least once a year.</p>	
<p>1.3.3 Minimum requirement The ASMO's annual report, budgets and accounts must be presented in an understandable and clear manner for all, to and approved by the General Assembly.</p>	
<p>1.3.4 Minimum requirement Administration is in place.</p>	
<p>1.3.5 Progress From the moment of certification, the organization works towards transparent planning of the business. Such planning is approved by the General Assembly.</p>	
<p>1.3.6 Progress The organization establishes or improves internal mechanisms of members' control over the administration.</p>	
<p>1.3.7 Progress The participation of members in the ASMO's administration and internal control is promoted through training and education. There is improvement of the flow of information from board to members about the business and the organizations' policies.</p>	

<p>1.3.8 Progress Measures will be taken to review the members' commitment to the organization.</p>	
<p>1.4 Non-Discrimination</p> <p>The STANDARD follows the Universal Declaration of Human Rights on ending discrimination. The Declaration rejects “distinction of any kind such as, race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status” (art. 2). The STANDARD expects Artisanal and Small-scale Mining organizations to apply these principles within their own stated rules and regulations (constitution, by-laws and internal policies).</p> <p>As the STANDARD is a voluntary social standard aiming to support the development of its beneficiaries, “positive discrimination” is intended.</p> <p>All requirements also apply for PPOs</p>	
<p>Standard</p>	<p>Comment</p>
<p>1.4.1 Minimum requirement The ASMO does not discriminate against members or restrict new membership on the basis of race, colour, sex, sexual orientation, disability, marital status, age, religion, political opinion, language, property, nationality, ethnicity or social origin unless this is consistent with its goals and objectives. Furthermore there must be no discrimination regarding participation, voting rights, the right to be elected, access to markets, access to training, technical support or any other benefit of membership.</p>	<p>No discrimination on the basis of gender identity should be added.</p>
<p>1.4.2 Progress Programs related to disadvantaged/minority groups working within the miners organisation are in place to improve the position of those groups in the organization, particularly with respect to recruitment, staff and committee membership.</p>	
<p>1.4.3 Progress Appropriate measures are being taken to ensure equal representation of women in the Miners' organization</p>	

2. Economic Development	
2.1 Fair-Trade Benefits	
<p>Intent The Fairtrade Premium is an amount paid to the ASMO in addition to the payment for their products. The Fairtrade Premium is a tool for development, supporting the organization to realize their development objectives as laid down in its development plan. In the context of ASMOs it is meant for investment in the social, economic and environmentally-sustainable development of the organization, its members and production partners and through them, their families, workers and the surrounding community. PPOs administrate the share of the Premium that corresponds to their production. It is for the organization and its members to analyse and evaluate the possible options for spending the Fairtrade Premium. Choices should be made and priorities set depending on the specific situation of the organization and the available amount of Fairtrade Premium. Decisions on the use of the Fairtrade Premium are taken democratically by the members, following principles of transparency and participation. It is the joint responsibility of the organization and its members to take wise and fair decisions.</p> <p>The ASMO and the PPOs (where applicable) have the commitment and capacity to administer the Fairtrade Premium in a way which is transparent for beneficiaries and for FLO and ARM.</p> <p>Procedures, roles and responsibilities for handling the Fairtrade Premium are set out in more detail in a separate Explanatory Document</p>	
Standard	Comment
2.1.1 Minimum requirement Within one year of certification the ASMO carries out a needs assessment how the Fairtrade benefits help promote the environmentally-sustainable social and economic development of the organization, its production partners and the community.	
2.1.2 Progress Within three years of certification, the ASMO has a development plan in place to address how the Fairtrade benefits help promote the environmentally-sustainable social and economic development of the organization. The development plan is based on democratic and transparent decision-making.	It seems that the plan at least in preliminary form should be in place before Fairtrade benefits begin to accrue; perhaps “within three years of certification” means before certification, which would be good, but this needs to be clarified. If this plan is not in place prior to certification, then some comparable other plan should be.
2.1.3 Minimum requirement (as soon as Premium is available) The ASMO administers and manages the Premium transparently.	

2.1.4 Minimum requirement The planned use of the Fairtrade Premium is decided by the Premium Committee and properly documented.	This standard should allow for direct decision of the members if a directly democratic, cooperative governance system is used.
2.1.5 Minimum requirement The use of the Fairtrade Premium is approved by the General Assembly of the Organization. The decision is transparent to members, production partners and workers.	
2.1.6 Progress As soon as Fairtrade Premium is available, the organization puts an annual Fairtrade Premium Plan and budget in Place.	
2.2 Economic Strengthening of the Organisation	
Intent The organisation makes a commitment to the adequate and planned use of the Fairtrade Premium, to gradually strengthen its administration and finances. It also improves its production efficiency through better processing technology, taking into account the needs of women and disadvantaged groups.	
Standard	Comment
2.2.1 Progress The ASMO should take gradual steps to assume more control over the entire trading and export process.	
2.2.2 Progress The ASMO will continue to develop its business-related operations and maximize the return to the members.	
2.2.3 Progress Women miners and minority groups have equal access to mineral resources and technological innovation within the organization	
2.2.4 Progress By-products of the mining process are identified and stored and their market potential is investigated, and if feasible, they will be developed too.	What these by-products are needs to be clarified, particularly given potentially toxic components of tailings.

3. Environmental Development

Intent

Fair Trade environmental requirements are designed to progressively minimise the most significant typical risks and negative environmental impacts of ASM. These Fairtrade requirements prioritize environmental challenges for artisanal miners, which can be realistically achieved in a short or medium term, given their human and capital resources. The aim of the STANDARD is to drive ASM towards environmental responsibility and progressive environmental improvement. An incentive ecological premium for the elimination of mercury and cyanide, and rehabilitation of the native ecosystem, is built in as an additional environmental premium.

3.1 Management of Toxic Substances, such as Mercury and Cyanide

Intent

Although elimination of the use of mercury in responsible artisanal and small-scale gold mining is an important goal, the total and immediate elimination of mercury and cyanide is not a realistic condition for Fairtrade Artisanal gold at the present time. Despite the human health and environmental risks they present, totally eliminating mercury and cyanide is inefficient from the perspective of mineral recovery, and if it were included as a condition, 95% of all ASM would be excluded from the development opportunity of Fairtrade. Instead it proposes a process to support the Miners' organisations to minimise the use of mercury and cyanide over an agreed upon period of time, through implementation of responsible practices and technologies to mitigate impact on the environment and human health. In addition, it proposes an ecological premium, on top of the Fairtrade Premium, for Miners' organizations who eliminate mercury and cyanide altogether, using only gravimetric methods for gold recovery, and develop low impact mining in areas of high biodiversity.

Standard	Comment
<p>3.1.1 Minimum requirement Whole ore amalgamation of gold with mercury is not allowed. A mercury-free concentration process must precede amalgamation. Concentration may be done mechanically or manually.</p>	
<p>3.1.2 Minimum requirement If mercury is used in mineral processing, the use of retorts or alternative mercury recovery techniques is mandatory.</p>	<p>Gold obtained via mercury amalgamation is not acceptable for Fairtrade certification. Monitoring of proper use of mercury would be very difficult, whereas certifying no-use of mercury or cyanide is feasible (Hylander & Plath 2006. <i>Sci. Total Env.</i> 368:371-383) . ARM claims that certification of mercury and cyanide use is necessary in order to include more than 5% of ASM gold operations in a potential certification system. The source of this percentage would be good to know, especially given that sluices can recover much higher</p>

	<p>percentages of gold than amalgamation in some deposits (e.g., Hylander <i>et al.</i> 2007. <i>Clean</i> 35:52-61) But more importantly, reliable monitoring of compliance with responsible use of mercury and cyanide use in ASM would require a substantial verification effort and so would most likely not be possible for a large percentage of existing ASM operations anyway. Providing a Fairtrade premium to mercury and cyanide use represents promotion of mercury and cyanide use in the global ASM gold system and could put at a relative competitive disadvantage operations that do not use mercury or cyanide but have not yet been certified Ecological Premium. Efforts to limit and properly manage mercury use where it is currently being used are obviously to be encouraged, but the product of those operations should not be labeled as responsibly-produced gold because mercury and cyanide ASM does not represent responsible, precautionary best practice and should not be encouraged over other methods. So certification of ASM as responsible in any way (Fairtrade/Fairmined, etc.) should only be for non-mercury, non-cyanide ASM.</p>
<p>3.1.3 Minimum requirement Amalgam burning never takes place in homes and kitchens</p>	<p>Such stipulations would be very difficult to monitor and provide real assurance of compliance on (see comments on 3.1.2). That is part of why certification should only be for non-mercury, non-cyanide ASM.</p>
<p>3.1.4 Minimum requirement Toxic and dangerous substances such as explosives, mercury and cyanide will not be kept in houses, but in places with adequate conditions.</p>	<p>Such stipulations would be difficult to monitor and provide real assurance of compliance on (see comments on 3.1.2). That is part of why certification should only be for non-mercury, non-cyanide ASM.</p>
<p>3.1.5 Minimum requirement The use of toxic and dangerous substances, such as mercury and cyanide, is under responsibility of trained adults over 18 years of age, and never pregnant or breastfeeding women, and persons with mental deficiencies or chronic liver, kidney or respiratory diseases</p>	<p>Such stipulations would be very difficult to monitor and provide real assurance of compliance on (see comments on 3.1.2). That is part of why certification should only be for non-mercury, non-cyanide ASM.</p>
<p>3.1.6 Minimum requirement Instruments and tools used for any operations with mercury must not be used in any other domestic activity</p>	<p>Such stipulations would be very difficult to monitor and provide real assurance of compliance on (see comments on 3.1.2). That is part of why certification should only be for non-mercury, non-cyanide ASM.</p>
<p>3.1.7 Minimum requirement Nitric acid must not be used for dissolving amalgam</p>	
<p>3.1.8 Minimum requirement If the organization uses cyanide to recover gold, cyanide solutions and tailings must be detoxified in a lined pond or tank before discharge</p>	<p>Several cyanide compounds are not as easily broken down. Assuring destruction of cyanide would require regular water quality monitoring. Such stipulations would be very difficult to monitor and provide real assurance of compliance on (see comments on 3.1.2). That is part of why certification should only be for non-mercury, non-cyanide ASM.</p>

<p>3.1.9 Minimum requirement Amalgamation and cyanidation tailings and solutions must not be discharged into water, or where they can reach the water bodies</p>	<p>Such stipulations would be very difficult to monitor and provide real assurance of compliance on (see comments on 3.1.2). It is unclear how small-scale operations can properly dispose of such tailings. That is part of why certification should only be for non-mercury, non-cyanide ASM. In addition, mercury amalgamation and cyanidation should not occur in combination.</p>
<p>3.1.10 Minimum requirement Any cyanide leaching plant must be operated by personnel trained in the safe and proper use of cyanide</p>	<p>Such stipulations, although vague, could be very difficult to monitor and provide real assurance of compliance on (also see comments on 3.1.2). That is part of why certification should only be for non-mercury, non-cyanide ASM. In addition, mercury amalgamation and cyanidation should not occur in combination.</p>
<p>3.1.11 Progress Amalgam burning must be done only in designated premises providing privacy and security, and with proper equipment and trained personnel</p>	<p>Such stipulations would be very difficult to monitor and provide real assurance of compliance on. That is part of why certification should only be for non-mercury, non-cyanide ASM.</p>
<p>3.2 Ecological restoration and ecosystem health</p>	
<p>Intent The aim of the following section is to protect and restore the local eco-system by using environmental friendly technologies.</p>	
<p>Standard</p>	<p>Comment</p>
<p>3.2.1 Minimum requirement All mining operations and processing plants comply with national environmental laws</p>	
<p>3.2.2 Minimum requirement Open pits and underground mine apertures must be refilled or blocked sufficiently to enable ecological regeneration and ensure hazard prevention</p>	
<p>3.2.3 Minimum requirement If the mining operation is located within a legally designated protected area or archaeological heritage area, authorization is required from the relevant authority stating that the mining activities are legal and compatible with the conservation and management objectives of the protected area</p>	<p>Certifying ASM operations in any kind of protected area as Fairtrade or Fairmined is unacceptable. As large-scale mining companies have demonstrated, it is possible in many countries to obtain mine operating permits for protected areas that were intended to be off-limits to mining; so requiring permission from relevant authorities, i.e. compliance with the law, is by no means a sufficient standard of responsibility. The use of cyanide and mercury in a protected area that is presumably a less contaminated and more vulnerable environment would be particularly unacceptable. But the same applies to the “Ecological Premium,” gold for which should also not come from protected areas, especially since it is the supposedly environmentally</p>

	responsible version. No mining operation certified as responsible should be located in a protected area designated under international conventions or under national, regional, or local authority, or located in other areas important for their ecological functions or their biodiversity.
3.2.4 Minimum requirement In the case of open-pit mines, inclination of slopes and height of benches must not exceed limits generally considered safe for that type of soil or rock	This should reference particular standards.
3.2.5 Minimum requirement Fuel residues and their containers should not be dumped in water bodies	
3.2.6 Minimum requirement The introduction of any technological change should be accompanied by an environmental mitigation plan	
3.2.7 Progress Where mining could lead to acid mine drainage (AMD) or generation, the organisation shall employ effective methods to isolate acid forming materials from water	Much more needs to be required if dealing with possible AMD generation. Deposits that do not require use of mercury or cyanide can be less likely to generate AMD and should be the type certified. This should be a minimum requirement, not a progress requirement.
3.2.8 Progress Tailings and contaminated water are not discharged into water bodies	This standard needs to define what “contaminated water” is. Siltation and turbidity, even caused by non-toxic materials, can destroy habitat for aquatic life and so certification should impose sedimentation limits as well. This should be a minimum requirement, not a progress requirement.
3.2.9 Progress Intervened areas must be rehabilitated and re-vegetated.	Rehabilitated and re-vegetated must be defined. Areas must be restored to pre-mining conditions or to an ecological community similar to undisturbed zones in the region within a short period such as 5 years. Limits should also be placed on amount of area that can be deforested that is in accordance with minimum forest regeneration capacity. This should be a minimum requirement, not a progress requirement.
3.3 Ecological Premium Gold and Platinum	
<p>Intent An additional premium will be recognised for gold produced under stringent environmental practices which include forest restoration in areas of high biodiversity and ecological restoration in any ecosystem, only gravimetric methods are accepted, with no mercury or cyanide. This extra premium may compensate for economic losses due to lower gold recovery of the applied mercury-free and cyanide-free processing techniques, as well as less intensive mining activity.</p>	

Standard	Comment
3.3.1 Minimum requirement No mercury or cyanide may be used for mineral processing; only gravimetric methods are used	This should be the case for all ASM gold that is certified Fairtrade or Fairmined.
3.3.2 Minimum requirement Ecological disruption due to mining is minimised through an environmental management plan that ensures that the local ecosystem is not placed beyond capacity to recover	An ecosystem can be virtually obliterated and still recover to some extent within 100 years, so “beyond capacity to recover” is not adequately defined. The areas should be restorable to pre-mining conditions or to an ecological community similar to undisturbed zones in the region within a short period such as 5 years. Environmental disruption should include energy use in the case of operations using electricity; renewable energy should be used for Ecological Premium certification.
3.3.3 Minimum requirement Rehabilitation of the native ecosystem takes place from the outset of new operations.	Endpoints for rehabilitation/restoration must be defined (see comments for 3.2.9 and 3.3.3 above).

4. Standards for Labour Conditions

Intent

The criteria are based on the concept of decent labour launched by the ILO as a global objective. This concept is being increasingly accepted by many nations as one of the main political and socio economic objectives to address poverty and strengthen democratic governance.

It involves “opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men”. The concept of decent work can be summed up in four basic objectives: rights at work, employment, social protection and social dialogue.

Building upon that concept and adapting it to the general characteristics of ASM, ARM and FLO have established a series of criteria that must be complied with by all Miners’ organisations and for all type of employment used. The STANDARD requires the fulfilment of the Chapter on labour conditions according to the following six principles:

1. All labour requirements are applicable to all workers and employees employed directly by the ASMO (administration, processing plant or in mineral extraction) from the first year on.
2. All Health and Safety requirements apply principally to all registered miners (ASMO members, self-employed miners of the production partners (PP) and workers). The ASMO is responsible for compliance except where a Small-Scale Mining Organization (SSMO) assumes the

entire responsibility for compliance.

3. If ASMO members or production partners employ an amount of workers that can be legally unionized, then also all labour requirements apply and the ASMO is responsible.
4. All labour conditions apply for SSMOs that apply for Fairtrade certification by their own.
5. If a PP that is not a legal company but has more than 50 workers, all labour conditions apply, for which then the ASMO is responsible.
6. Mayor requirements such as Child Labour apply for all registered miners. Responsible are the certified organization (ASMO, and SSMO).

4.1 Employment Policy

Intent

The Employment Policy is the tool for the ASMO to share Fairtrade benefits with workers.

Explanatory notes

The ASMO starts developing an employment policy by carrying out an assessment on how to improve the working conditions of all workers and employees employed directly by the ASMO or employed by the registered miners. The assessment should identify the priority needs of workers from the standards sections covered in part 4:

- *Freedom of Labour*
- *Freedom from Discrimination*
- *Progressive Elimination of Child labour*
- *Conditions of Employment*
- *Health and Safety Conditions at the Workplace*
- *Social Protection*

The ASMO may also identify additional areas for improvement.

The implementation of the employment policy could include:

- *The development of awareness-raising tools to support the improvement of working conditions, such as the development of leaflets or visual guides on health and safety issues, or the organization of training workshops for members and workers on workers' issues.*
- *Taking workers' needs into account when developing Fairtrade Premium projects*
- *More advanced organizations can develop and implement internal rules for their members on working conditions.*

Standard	Comment
<p>4.1.1 Minimum requirement Within three years of certification the ASMO has developed an employment policy as part of its development plan.</p>	<p>This should come before certification it seems.</p>
4.2 Freedom of Labour	
<p>Intent Fair Trade follows ILO Conventions 29 and 105 regarding forced labour. Forced or bonded labour must not take place. This can take the form of worker debt schemes with the involving the miner, his organisation or intermediaries, by retaining of due payment, of identity documents or other personal effects of value, or under threat.</p>	
Standard	Comment
<p>4.2.1 Minimum requirement Forced labour, including bonded or involuntary prison labour, does not occur.</p>	
<p>4.2.2 Minimum requirement Employment of a worker is not conditioned by employment of their spouse. Spouses have the right to work elsewhere.</p>	
4.3 Freedom of Discrimination	
<p>Intent Fair Trade follows Conventions 45, 100 and 111 of ILO against worker discrimination. It rejects “any distinction, exclusion or preference based on race, colour, sex, religion, political opinion, national ascendancy or social origin that alters equal opportunity or treatment in employment and occupation”(Art. 1).</p> <p>The spirit of this requirement seeks to protect people who are vulnerable due to their physical, cultural, social or economic characteristics, especially women miners; also disabled or ill persons, HIV-AIDS orphans, or persons displaced by conflict or ex-combatants seeking a new beginning.</p>	
Standard	Comment

<p>4.3.1 Minimum requirement The ASMO ensures that there is no discrimination on the basis of race, colour, sex, sexual orientation, disability, marital status, age, religion, political opinion, membership of unions or other workers' representative bodies, national extraction or social origin in recruitment, promotion, access to training, remuneration, allocation of work, termination of employment, retirement or other activities unless this is consistent with the ASMO's goals and objectives.</p>	<p>"No discrimination on the basis of gender identity" should be added.</p>
<p>4.3.2 Progress The ASMO will recognize the same opportunities to men, women, and disadvantaged individuals regardless of their provenance or origin in all areas of mining activity, as a worker, member or entrepreneur, through the recognition of their specific capabilities and needs</p>	
<p>4.3.3 Progress The ASMO provide support to pregnant and breast-feeding women (women miners, women mineral selectors, or contracted women miners), so that they can pass to lighter, non dangerous work, access health services, have access to childcare facilities where they can breastfeed their infants and receive benefits of social security where applicable</p>	
<p>4.3.4 Minimum requirement The ASMO does not engage in, support or tolerate the use of corporal punishment, mental or physical coercion or verbal abuse.</p>	
<p>4.3.5 Minimum requirement The ASMO does not engage in, support or tolerate behaviour, including gestures, language, and physical contact, that is sexually intimidating, abusive or exploitative.</p>	
<p>4.4 Progressive Elimination of Child Labour</p>	
<p>Intent Fair Trade follows ILO Conventions 138 and 182 regarding minimum age for employment and elimination of the so called Worst Forms of Child Labour. In many cases national laws have determined ages above 15 as minimum employment age in mining, and prohibition of youths under 18 to do underground or dangerous work.</p>	
<p>Standard</p>	<p>Comment</p>

<p>4.4.1 Minimum requirement Minimum contracted employment age must not be less than 15, or existing national law for the mining sector, if this age were older.</p>	<p>There could be stronger justification for allowing 15, 16, and 17-year-olds to mine under Fairtrade.</p>
<p>4.4.2 Minimum requirement Persons under 18 years of age shall not be employed for any type of work which, by its nature or the circumstances under which it is carried out, is likely to jeopardise the health, safety or morals.</p>	
<p>4.4.3 Minimum requirement Persons under 18 years who participate in mining through family work should not execute tasks that are especially dangerous for them, such as subsoil and underwater activities, heavy loads, the use of toxic substances and night time shifts, extended shifts, or shifts prior to school schedule.</p>	
<p>4.4.4 Minimum requirement Working does not jeopardize schooling or the social, moral or physical development of the young person.</p>	
<p>4.4.5 Progress The complete elimination of all forms of un-allowed child work or labour in ASM will be part of the vision and forms part of the development plans of the ASMO.</p>	
<p>4.4.6 Progress The ASMO undertakes actions to help adolescents who need to work to technical training and employment opportunities that do not represent a danger for their health, safety and schooling.</p>	
<p>4.5 Freedom of Association & Collective Bargaining</p>	
<p>Intent Contracted workers increase in importance in ASM as processes evolve towards greater technification. A typical ASM operation may have a combination of family production units, self-employed workgroups, contracted workers, and migrant workers.</p> <p>Fairtrade follows ILO Conventions 87 and 98 regarding trade union freedom and collective negotiation. Workers and employers should have the right to establish them in organizations and participate in their election, and to formulate their statutes, to elect their representatives and to formulate their programs. Workers should have adequate protection against any act of discrimination aimed at diminishing trade union freedom in relation</p>	

with their employment.	
In any case if any employer that could be the ASMO, a production partner, or a Small-scale Mining Company (SSMO) employs an amount of workers that can be unionized according to local law (unionizing work force is legally permitted for 25 workers, 30 workers etc.), then Chapter 4.5 applies.	
4.5.1 Minimum requirement The ASMO or the employer (if different and applicable) recognises in writing and in practice the right of all workers to establish and to join workers' organizations of their own choosing and to collectively negotiate their working conditions.	
4.5.2 Minimum requirement The ASMO allows trade union organisers to meet all the workers, and allows workers to hold meetings and organise themselves without the interference of the management.	
4.5.3 Minimum requirement The ASMO or the employer (where applicable) ensures that neither workers nor their representatives are discriminated against or suffer other repercussions because of freely exercising their right to organise or because of their decision whether or not to join a workers' organization and/or participate in its legal activities.	
4.5.4 Progress If no active and recognised union is able to work in the area, the ASMO encourages the workers to democratically elect a workers' committee which represents them and which negotiates with the employer to defend their rights and interests.	
4.5.5 Progress If no union is present, the ASMO and the workers' committee gets into a process of consultation with the national union federation(s) and the International Chemical, Energy and Miners Union (ICEM) about improvement of the workers' representation and implementing a Collective Bargaining Agreement (CBA)	
4.5.6 Progress The representation and participation of the workers is improved through training activities for workers. The ASMO or the employer (where applicable) provides adequate resources for this to take place.	

4.6 Conditions of employment

Intent

Contracted workers increase in importance in ASM as processes evolve towards greater technification. A typical ASM operation may have a combination of family production units, self-employed workgroups, contracted workers, and migrant workers.

The STANDARD follows ILO Conventions 100 on equal remuneration and ILO Convention 110 on conditions of employment of workers.

Standard	Comment
4.6.1 Minimum requirement Conditions of employment and in particular salaries are equal to or exceed sector CBA regulations where they exist, regional average wages or official minimum wages for similar occupations, whichever is higher. The employer shall specify wages for all functions.	
4.6.2 Minimum requirement Payment is made regularly and in a timely manner, in legal tender and is properly documented.	
4.6.3 Progress Other relevant conditions of employment like maternity leave, social security provisions and non-monetary benefits are at least equal to national law, the sector CBA regulations where they exist or the Agreement signed between the workers' organization and the employer, whichever is higher.	
4.6.4 Progress All permanent workers must have a legally binding written contract of employment.	
4.6.5 Progress An adequate regulation on sick leave is put in place.	
4.6.6 Progress A working hours and overtime regulation is put in place.	

<p>4.6.7 Progress Salaries are gradually increased to levels above the regional average and official minimum</p>	
<p>4.6.8 Progress Where possible all regular work that requires hired labour is undertaken by permanent workers.</p>	
<p>4.6.9 Progress Local and migrant, seasonal and permanent workers receive equivalent benefits and employment conditions for equal work performed.</p>	
<p>4.7 Health and Safety Conditions at the Workplace</p>	
<p>Intent Fairtrade adheres to ILO convention 155 that “prevents accidents and health impacts resulting from work, is related to working, or emerges while working, reducing to the minimum, in a reasonable and feasibility way. The causes related to the working environment”.</p> <p>Fairtrade also follows ILO Convention 176 about Health and Safety in the Mines that establishes Requirements for minimum security for all mining operations, and expects miners to comply as much as possible.</p> <p>Health and safety conditions apply for all miners under the ASMO (members and Production Partners, self-employed, workers). But not all requirements are applicable for alluvial mining (escape routes etc.) or for mineral selectors. The responsibilities are defined as described above. The Health and Safety Equipment for hard rock mining is also subject of the registration process of the ASMO (see above).</p>	
<p>Standard</p>	<p>Comment</p>
<p>4.7.1 Minimum requirement Work processes, workplaces, machinery and equipment on the production site are as safe as reasonably practicable. The certification body may require that a competent authority or independent inspection agency carry out an inspection.</p>	
<p>4.7.2 Minimum requirement The ASMO has a committee in charge of taking decisions and implementing actions in health and safety in the workplace.</p>	

<p>4.7.3 Minimum requirement The organisation will ensure that all registered miners working in the mining area of the ASMO have access to information and basic training on health and safety in mining, its main risks and hazards, and how to prevent, prepare and respond to emergencies.</p>	
<p>4.7.4 Minimum requirement The ASMO ensures that all registered miners use basic equipment for personal protection, in accordance to the nature of the mine, the work to be done and the place.</p>	
<p>4.7.5 Minimum requirement The ASMO has a clear and defined policy and process to deal with gender based violence, and will sensitise its registered miners against sexual harassment at work.</p>	
<p>4.7.6 Progress The ASMO will work with local authorities towards making a gender based diagnosis of the main risks and vulnerabilities to accidents and to disasters in the community because of mining activity</p>	
<p>4.7.7 Minimum requirement The ASMO is in charge of designing and implementing a mining rescue plan and first aid program depending on the kind of mining activity it develops.</p>	
<p>4.7.8 Progress All persons working in the mining operations undergo voluntarily regular medical checks. Records must be established within one year of certification.</p>	
<p>4.7.9 Progress Workplace dangers have been identified and are being managed and monitored.</p>	
<p>4.7.10 Progress The ASMO will work towards increasing community and miners' awareness of the risks through education and communications.</p>	

4.8 Social Protection	
<p>Intent Most ASM do not have health or other insurance, or pension provisions. However, many Miners’ organisations do have informal health systems, either through some kind of solidarity fund or through purchased group liability insurance. The spirit of this requirement is to ensure that men and women miners have health and pension protection.</p> <p>Measures for Social Protection apply to all registered miners (members of the ASMO, miners of the PPs, self employed miners and workers) working in the mining area of the ASMO. The ASMO is responsible for including all registered miners into a social safety net.</p>	
Standard	Comment
<p>4.8.1 Minimum requirement In the absence of social security protection systems, the miners affected by accidents, occupational disease, or disaster receive solidarity help from the ASMO through economic support collected among the miners and the community.</p>	
<p>4.8.2. Minimum requirement The ASMO will recognise to the widow/widower of a deceased registered miner, the rights and obligations held by the deceased in the mine and in the organisation, in accordance with his/her capabilities and experience, with the object of preventing her/his abandonment and that of her/his family.</p>	
<p>4.8.3 Progress The ASMO will make efforts to ensure that all registered miners benefit from some kind of social security scheme covering health and pension.</p>	
<p>4.8.4 Progress In the event of death of a worker, reparation should be given by the ASMO or the employer (where applicable) to the widow/widower and heirs, if there were any.</p>	
5. Supplement for Small-Scale Mining Organizations (SSMO)	
<p>The following requirements under Chapter 1 apply for SSMOs also: 1.1.4 (gold from registered miners only); 1.2.1 (taxes and royalties); 1.2.2 (agreement of local authorities); 1.2.3 (no support for armed conflicts); 1.2.4 (active role in promoting development). The terms used in these chapters for “ASMO “or “organization” have to be substituted by “SSMO” or “company”.</p>	

The requirements under Chapter 2, 3 and 4 of the Fairtrade Standard for Artisanal and Small-scale Gold Mining apply for SSMO. The terms used in these chapters for “ASMO “or “organization” have to be substituted by “SSMO” or “company”

Intent and explanatory to supplement

A Small-Scale Mining Organization (SSMO) is a shareholder organization undertaking artisanal and small-scale mining activities and being structurally dependent on hired labour. Within the scope of this STANDARD the shareholder(s) of the SSMO are members or production partners of an ASMO. The following requirements are additional. The purpose of these requirements is to formalize workers Fairtrade benefits. The supplement is streamlined against the FLO Fairtrade Standards for Hired Labour regarding Premium use. Management of the Fairtrade Premium is done through the called Joint Bodies including workers and management.

An SSMO must be legally a company. SSMOs have to apply for Fairtrade certification by their own and comply with the supplement under Chapter 5.

An SSMO that applies for Fairtrade may operate in the mining area of an ASMO and be a production partner under the organizational roof of an ASMO or may own its own mining area and be a member of an ASMO. The SSMO must have the right to trade independently, granted either by the ASMO or based on the ownership of the mining rights over its own mining area.

Workers refer to all type of contracted labour (permanent, temporary, seasonal). The amount of workers counts for the fiscal year of application. An SSMO with more than 50 workers must apply for Fairtrade Certification on its own; an SSMO with less than 50 workers may also apply for Fairtrade Certification on request.

5.1. Development and Capacity Building

This chapter is substitutive to chapter 1 of the STANDARD, except to requirements 1.1.4, 1.2.1, 1.2.2, 1.2.3 and 1.2.4 which apply also for SSMOs

Standard	Comment
5. 1.1 Minimum requirement The SSMO has a Fairtrade program that addresses the social and economic development.	

<p>5.1.2 Minimum requirement Senior management holds overall accountability for the implementation of these standards. Management appoints a person responsible for Fairtrade matters (FT Officer) who reports to the Executive Manager. He/she is responsible for the overall co-ordination of the Fairtrade program in the SSMO and for ensuring all necessary communications.</p>	
<p>5.1.3 Minimum requirement The SSMO must demonstrate that any Fairtrade revenues will promote the social and economic development of the workers.</p>	
<p>5.1.4 Minimum requirement The SSMO has taken all possible measures to inform all levels of the SSMO about the Fairtrade concept.</p>	
<p>5.1.5 Minimum requirement The employer has taken all reasonable measures to inform all levels of the SSMO on the different functions, duties and positions of the 'Joint Body' (JB) and workers' organisations.</p>	
<p>5.1.6 Minimum requirement Management allocates time during regular working hours and provides other resources that are necessary for or conducive to the successful implementation of the Fairtrade programme.</p>	
<p>5.1.7 Minimum requirement The SSMO has access to adequate administration and communication equipment and to all necessary logistical systems.</p>	
<p>5.1.8 Progress Within one year of certification the SSMO has adopted an annual work plan for social improvement, taking the progress requirements as reference.</p>	
<p>5.1.9 Progress Within one year of certification management ensures access to primary education for the children of all permanent resident workers. Management should also pay special attention to the education of workers' children in general.</p>	

<p>5.1.10 Progress Within one year of certification all levels of the SSMO are aware of Fairtrade matters. To this purpose, the management ensures that adequate independent training has been provided to all levels. The management also encourages and supports training for all workers and their representatives in order to increase their capacity to participate in and take responsibility for the implementation of Fairtrade.</p>	
<p>5.1.11 Progress An effective and appropriate quality management system is in place within a year of certification.</p>	
<p>5.1.12 Progress The SSMO has an appropriate human resources management system that is charged with implementing good industrial relations, training programmes and the development of its employees.</p>	
<p>5.1.13 Progress Appropriate measures are being taken to ensure equal opportunities of women in the SSMO</p>	
<p>5.2. Economic Development</p> <p>The following requirements are additive to the Standard for Artisanal and Small-scale Gold Mining .The intent of this supplement to formalize the use of the Premium that has to be shared with workers.</p>	
<p>5.2.1 Minimum requirement A Joint Body (JB), with representatives of the management and representatives of the workers, has been created, with the purpose of deciding about the use of the Fairtrade Premium.</p>	<p>Perhaps this should stipulate a minimum proportion of the Joint Body that is represented by workers.</p>
<p>5.2.2 Minimum requirement A legal body is established before any assets are acquired using the Fairtrade Premium. This body comprises and represents all employees of the SSMO as the owner of any property acquired with the Fairtrade Premium.</p>	

<p>5.2.3 Minimum requirement All groups of workers are able to participate in the election of and to be nominated to the Joint Body. The composition of the Joint Body should reflect the composition of the workforce.</p>	
<p>5.2.4 Minimum requirement The workers' representatives are chosen through a democratic process that is properly documented. The management representatives are appointed by management.</p>	<p>Should read "workers' representatives to the Joint Body" for clarity.</p>
<p>5.2.5 Minimum requirement Management participates actively and responsibly in the Joint Body through its representatives and assists and supports the workers in the management of the Fairtrade Premium.</p>	
<p>5.2.6 Minimum requirement All expenditure of the Fairtrade Premium and related issues are decided exclusively by the Joint Body, after consultation with the workers and in accordance with the guidelines for Fairtrade Premium use.</p>	
<p>5.2.7 Minimum requirement The Joint Body, including the management representatives, is accountable to the workers and certification body for the administration and use of the Fairtrade Premium.</p>	
<p>5.2.8 Minimum requirement The Joint Body, in consultation with the workers, prepares a yearly Fairtrade Premium work plan that takes into account the needs of all the various groups of workers.</p>	
<p>5.2.9 Minimum requirement All requests/suggestions for Fairtrade Premium use are documented. Decisions by the Joint Body are also recorded.</p>	
<p>5.2.10 Minimum requirement The Joint Body should strive to reach decisions by consensus. Failing this, no decision can be approved if the majority of the workers' representatives do not consent. Management and workers' representatives have equal voting rights.</p>	

5.2.11 Minimum requirement The Joint Body meets regularly and during working hours.	
5.2.12 Minimum requirement The Fairtrade Premium may not be used to cover the running costs of the SSMO or the costs of compliance with the minimum requirements of this standard or associated product-specific standards unless stated differently.	
5.2.13 Minimum requirement Information about the Fairtrade Premium amount is reported to all Joint Body members.	
5.2.14 Minimum requirement A separate Fairtrade Premium account is established and worker representatives from the Joint Body, together with management are joint signatories.	
5.2.15 Minimum requirement The certification body, Joint Body members and, if it exists, the internal audit committee have the right to check the relevant books of the Fairtrade Premium account.	
5.2.16 Minimum requirement Regular capacity building for workers' representatives on the Joint Body is undertaken in order to ensure that they can carry out their functions. Management allows and supports this training to take place, partly during work time.	
5.2.17 Progress Within one year of certification the internally approved Joint Body rules and regulations are in place.	
5.2.18 Progress Within two years of certification the Joint Body makes use of the tools contained in the Joint Body guidance document in its preparation of the Joint Body Premium work plan.	
5.2.19 Progress The Joint Body has access to communication tools that enable JB members to communicate both internally and externally.	

SECTION C: Standards for trading, processing and manufacturing

Within this Section C, the term “Artisanal Small-scale Mining Organization” also covers Small-Scale Mining Organizations (SSMOs) where appropriate according to Section B, chapter 5.

Standard	Guidance Document	Comments
0.1 Product Description		
0.1.1 General Product Description		
<p>The product is Gold in metallic form that has been mined by certified Miners’ organizations (see Section B, item 0.5 Definitions) and is processed and traded according to the STANDARD.</p> <p>Platinum and silver from the certified gold mining operations, are also certified as Fairtrade precious metals.</p>	<p>See Definitions in Section B: “Miners’ organization” refers to the Artisanal and Small-scale Mining Organization (ASMO) and all its Production Partners (PP) including all workers, and as such to the totality of all registered miners.</p> <p>In case of certified SSOMOs according to Section B chapter 5, the term “Miners’ organization” covers the totality of all miners registered by the SSOMO, be they shareholder or workers.</p> <p>As the ASMO is the certified producer with trade function, the ASMO represents the entire “Miners’ organization” and is on the producer side responsible for compliance with Section C of the STANDARD.</p>	
0.1.2 Specific Product Description Fairtrade/Fairmined Gold		
<p><u>FAIRTRADE® and FAIRMINED® Gold</u> refers to the pure chemical element “Gold” (Au) contained in the mineral or in form of different alloys and different purity in metals.</p> <p><u>FAIRTRADE® and FAIRMINED® Ecological Premium Gold</u> refers to Fairtrade and Fairmined Gold that has been produced by the Miner’s organization in compliance with the requirements for Ecological Premium Gold.</p> <p>Whenever this STANDARD mentions the product “Fairtrade</p>	<p>All gold bearing mineral is characterized by its grade (usually expressed as grams or troy ounces per ton or cubic meter), and all alloys are characterized by their fineness (usually expressed in parts of 1000 or as caratage in parts of 24).</p> <p>As 100% pure gold is technically/economically not feasible, the globally accepted purity standard of the London Bullion Market Exchange (LBMA) is used in practice. According to this STANDARD the minimum acceptable fineness is 995.0 parts per thousand fine gold, with fineness determined to four significant digits.</p>	

Standard	Guidance Document	Comments
<p>gold” or “Fairtrade and Fairmined Gold”, this refers to <u>FAIRTRADE® and FAIRMINED® Gold</u> or <u>FAIRTRADE® and FAIRMINED® Ecological Premium Gold</u> according to the context.</p>		
<p>0.1.3 Specific Product Description Fairtrade/Fairmined Silver and Platinum</p>		
<p><u>FAIRTRADE® and FAIRMINED® Silver</u> refers to the pure chemical element “Silver” (Ag) contained in the mineral or in form of different alloys and different purity in metals.</p> <p><u>FAIRTRADE® and FAIRMINED® Platinum</u> refers to the pure chemical element “Platinum” (Pt) contained in the mineral or in form of different alloys and different purity in metals.</p> <p><u>FAIRTRADE® and FAIRMINED® Ecological Premium Silver</u> and <u>FAIRTRADE® and FAIRMINED® Ecological Premium Platinum</u> refer to Silver and Platinum that has been produced by the Miner’s organization in compliance with the requirements for Ecological Premium Gold.</p> <p>Whenever this STANDARD refers to the product “Fairtrade Gold” or “Fairtrade and Fairmined Gold”, this includes <u>FAIRTRADE® and FAIRMINED® Silver</u> as well as <u>FAIRTRADE® and FAIRMINED® Platinum</u>.</p>	<p>As 100% pure silver and platinum are technically/economically not feasible, the globally accepted purity standards of the London Bullion Market Exchange (LBMA) and of the London Platinum and Palladium Market (LPPM), respectively, are used in practice. According to these standards the minimum acceptable fineness is for silver 999.0 and for platinum 999.5 parts per thousand, with fineness determined to four significant digits.</p> <p>Wherever this STANDARD refers to “Gold” this implicitly includes other precious metals like silver and platinum when found and produced as by-products alongside the certified gold, and should therefore be interpreted as “Gold and associated Silver and Platinum” unless otherwise indicated by referring to “Gold (Au)”, “Silver (Ag)” and “Platinum (Pt)”.</p>	
<p>0.2 Scope</p>		
<p>Section C of the STANDARD sets Fairtrade Minimum Prices and Premiums, the rules of trading, processing of mineral, tradable intermediate products including any form of enrichment, refining, blending (creation of alloys), and manufacturing.</p> <p>Section C applies to ASMOs, and to all involved downstream operators, down to the point of sale where the final</p>	<p>Intermediate products such as gold impregnated activated carbon from leaching or “doré” alloys (very low fineness gold bars) are in some countries tradable products. The processing of these intermediate products, and in some cases also some further enrichment (refining), are often undertaken by the Miners’ organization in order to add value to their product. In other cases these processes are carried out by downstream operators buying from the miners.</p>	

Standard	Guidance Document	Comments
consumer product is sold to the consumer.	As the Fairtrade product is the Gold used as a component for manufacturing the final consumer products, this STANDARD does not cover manufacturing in detail; instead the STANDARD outlines composite rules and requires all involved operators to be certified Fairtrade operators.	
1. Buying from Certified Producers		
<p>Intent Miners' organizations that want to become Fairtrade producers have to make significant efforts to achieve the minimum standards for certification. Once certified, the Artisanal and Small-scale Mining Organization is responsible for administering the Fairtrade Premium and to assure that only gold produced by their members and production partners is sold as Fairtrade and Fairmined Gold. Selling through the organization also allows the organization and therefore the miners to obtain a fair price for their gold, based on correct determination of weight and quality. Therefore the system has to ensure that there are no free riders who take advantage of the efforts of others for personal gain, eliminate middlemen, and maintain a fully traceable internal chain of custody with one single point of sale.</p>		
Standard	Comment	
1.1.1 Minimum requirement All precious metals, which are sold with the FLO-ARM label, must have been produced by certified Artisanal Small-scale Mining Organizations (ASMO) at their certified mines.		
1.1.2 Minimum requirement Traders or buyers cannot buy directly from individual miners or Production Partners but must go through their certified organization (ASMO).		
1.1.3 Minimum requirement All operators will be subject to inspection and certification to assess compliance with this standard.		
1.1.4 Minimum requirement All operators must designate one official contact for Fairtrade-related matters.		

2. Pricing and Premium

Intent

The price of gold has fluctuated widely over the past twenty years, from less than USD 300 to over USD 1000 per Troy ounce (31.1035 grams). The cost of production of gold in Artisanal and Small-scale Mining is extremely elastic, as production costs are related to the quantity of mineral, while the cost per gram of gold depends on the gold content (grade) of the mineral. The cost of extracting one ton of mineral is however absolutely not related to its gold content, it cost the same to extract one ton of mineral that content enough gold in it to be economically mined as to extract one ton of waste rock with not enough gold in it. By adjusting the cut-off grade, price fluctuations do not directly affect the miner's revenues and income, but the mineable reserves of the mineral deposit. Consequently determining a cost of sustainable production (COSP) is not feasible, for this reason, the Fairtrade Minimum Price (FTMP) is set in different way as usual for agricultural products. The FTMP is set based on the London Bullion Market Association (LBMA) fixing for gold. Furthermore, in the very competitive, demand driven gold market, mining organizations will inherently only sell to Fairtrade buyers if the price offered is better than that offered by non-Fairtrade buyers. This applies also to the internal supply chain of the Miner's organization: members and production partners will only sell their gold through the organization, if the organization offers a better price than local gold shops.

FAIRTRADE® and FAIRMINED® Gold complies with ARM's Vision for Responsible Mining and is aimed at promoting sustainable development in artisanal mining communities. The Fairtrade Premium is as such not only intended as a "reward" for compliance with responsible mining practices, but even more a vehicle to deliver to the miners the necessary funds to make development happen.

Responsible mining is also a dream of artisanal mining without environmental contamination and with full ecologic restoration that can come true. For this purpose Section B of the STANDARD considers additional requirements for "ecological premium gold". The production of Ecological Premium Gold is to some extent comparable to "organic" agricultural products, but as gold is an inorganic element of the earth crust, this term cannot be applied. As the production of Ecological Premium Gold requires additional voluntary efforts from the Miners' organization, these efforts are compensated by an additional Premium.

According to the exceptional character of Ecological Premium Gold this gold deserves to be treated in a special way throughout the entire chain of custody down to the final customer. Ecological Premium Gold is not only certified to have been produced by artisanal small-scale miners but is certified as provenance gold originating from a certain artisanal small-scale mining area.

Standard	Comment
2.1.1 Minimum requirement The price shall be based on the LBMA fixing for gold (London Bullion Market Association) and be at least 95% of the LBMA fix for the pure content, FOB export point.	

<p>2.1.2 Minimum requirement Price payments are made in whole to the ASMO that sells the gold to the buyer. The ASMO is responsible for transferring the payment to whom it belongs.</p>	
<p>2.1.3 Minimum requirement If the ASMO has no trade function or export permit, the ASMO contracts a certified third party operator (which can be a local trader) to implement and administrate all corresponding trade, export and traceability related requirements on the ASMO's behalf and under the ASMO's responsibility.</p>	
<p>2.1.4 Minimum requirement In addition to the price, buyers shall pay a Fairtrade Premium, calculated as 6% of the applicable LBMA fixing. During the first year after implementation of the STANDARD, the Premium shall be revised each 3 months by FLO-ARM on request of any producer or buyer.</p>	
<p>2.1.5 Minimum requirement In addition to the price buyers shall pay an extra Ecological Premium, calculated as 9% of the applicable LBMA fixing on top of the Fairtrade Premium, if gold carries such label. During the first year after of implementation of the STANDARD, the Ecological Premium shall be revised every 3 months by FLO-ARM on request of any producer or buyer.</p>	
<p>2.1.6 Minimum requirement If the ASMO has no trade function or export permit, the contracted trader or exporter (see 2.1.3) acts as pro-bono intermediary for Premium payments.</p>	
<p>2.1.7 Minimum requirement Premium payments are made in whole to the ASMO that sells the gold to the buyer. The ASMO is responsible for transferring the corresponding share of the Premium to PPOs if applicable.</p>	
<p>2.1.8 Minimum requirement Transportation and insurance costs from point of export shall be charged to the importer (buyer), unless the ASMO and the importer choose to agree on other arrangements that are not detrimental to the ASMO.</p>	

3. Trading Relationships and Contracts

Intent

Trading in gold is a matter of trust. Long term relationships between producers and buyers under clear rules and openly exchanging sourcing plans and production plans allow building these mutual trust relations and enabling the Miners' organization to become involved in long term improvements of their operations.

Contracts between the ASMO and buyers set the framework for Fairtrade trade operations. It is important that the contractual obligations are mutually agreed, well documented, and clearly understood by the contracting parties.

Standard	Comment
<p>3.1.1 Minimum requirement The buyer shall provide his Fairtrade business partners and ARM with an Annual Sourcing Plan specifying the volumes of Fairtrade gold expected to be bought from every ASMO.</p> <p>Sourcing Plans are indicative only.</p>	
<p>3.1.2 Minimum requirement The ASMO shall provide its Fairtrade business partners and FLO-ARM with its Annual Production Plan of Fairtrade gold.</p> <p>Production Plans are indicative only.</p>	
<p>3.1.3 Minimum requirement There exist clear written agreements for all Fairtrade transactions with all involved parties on all levels of mining, processing and trading.</p>	
<p>3.1.4 Minimum requirement All involved parties undersign the respective agreements that guarantee the required transparency for all Fairtrade transactions.</p>	

<p>3.1.5 Minimum requirement The ASMO and the buyer will draw up a contract. The contract must include at least the following elements:</p> <ul style="list-style-type: none"> • minimum and maximum volumes, • quality specifications, • price and payment conditions, • delivery conditions. 	
<p>3.1.6 Minimum requirement The ASMO and the buyer will define the gold content determination and arbitration procedures in the purchase contract, in line with existing practice in the sector.</p>	
<p>3.1.7 Minimum requirement Shipment Orders must specify the Fairtrade volume and purity of metal per shipment.</p>	
<p>3.1.8 Minimum requirement Where notice of a producer's or buyer's suspension is made, signed contracts made before the date of such notice will only be recognised as representing certified products for a maximum period of six months.</p>	
<p>3.1.9 Minimum requirement Operators may not purchase products from, or sell products to, decertified operators for sale as certified products, from the date of decertification. All contracts that have been delivered to the buyer shall be accepted. Contracts that have not yet been delivered shall not be classified as Fairtrade contracts.</p>	
<p>3.1.10 Minimum requirement Buyers must not offer to buy certified products from a producer on the condition that the producer sells a quantity of non-certified product under terms that are distinctly disadvantageous to the producer.</p>	
<p>4. Pre-Finance</p>	
<p>Intent The lack of ready cash is often an impediment for Miners' organizations to ensure it can extend its chain of custody to all the certified gold that its members and production partners produce. In consequence, gold that could be sold as Fairtrade gold can end up being sold to the usual local</p>	

markets (gold shops) because the miner needs to sell daily. In addition, local traders often play the role of financing the miners and lending money for equipment, supplies or even family emergencies. Therefore, pre-finance can play a key role in ensuring that the Miner's organization can gain a level of autonomy and break away from a form of historic dependence or "economic slavery".

However, trading in gold is a matter of trust and a more risky business than trading other commodities.

Standard	Comment
<p>4.1.1 Minimum requirement For new trading relationships, there should be an agreed trial period which should not exceed four consignments.</p>	
<p>4.1.2 Minimum requirement Upon a filed "failed delivery report" filed by a buyer a new trial period has to be agreed which should not exceed four consignments.</p>	
<p>4.1.3 Minimum requirement The ASMO must have a transparent mechanism for the management of pre-financing funds.</p>	
<p>4.1.4 Minimum requirement Requests for pre-financing by the ASMO have to specify the intended use of the funds. Pre-financing can only be requested for purposes in-line with the contractual obligations of the ASMO.</p>	
<p>4.1.5 Minimum requirement The ASMO qualifies for requesting pre-financing if its track-record demonstrates that it has honoured all written Fairtrade contracts.</p>	
<p>4.1.6 Minimum requirement During the trial period, traders/buyers should offer pre-financing to ASMOs for each consignment. After a successful trial period and on request of the ASMO, traders/buyers must offer pre-financing to the ASMO for each consignment.</p>	

<p>4.1.7 Minimum requirement Requests for pre-financing should not exceed 60% of the value of each consignment. Traders/buyers have to provide (after the trial period) at least 40% of pre-finance of the value of each consignment, unless the requested amount is lower.</p>	
<p>4.1.8 Minimum requirement The cost of pre-financing must not exceed the bank lending rate for such business in the buyers' home country, plus credit insurance costs, plus administrative cost of 1 % p.a.</p>	
<p>4.1.9 Minimum requirement Local and National Legislation requirements take priority where they conflict with these requirements on pre-finance.</p>	
<p>4.1.10 Minimum requirement The ASMO and the buyer will document either a separate pre-finance section within the contract or a separate credit agreement when pre-finance has been agreed on.</p>	
<p>5. Traceability and related Processing standards</p>	
<p>Intent Traceability requirements are put in place to protect operators and consumers. The objective is to ascertain the authenticity of Fairtrade and Fairmined gold can be verified, so that operators only sell Fairtrade products that are purchased as Fairtrade. The objective is to trace the gold back to the producer by check of documentation, as well as ensuring that the product is also physically separate and identifiable from non-Fairtrade products.</p> <p>For Fairtrade Gold physical traceability has to be assured as long as the associated costs do not exceed proportionally the benefits for the Miners' organization through the Premium. Physical and documental traceability requirements assure the customer that this exact quantity of Fairtrade Gold was mined according to this STANDARD by one or more artisanal and small-scale mining organization, and that the purchase of the consumer product provides immediate benefits to this/these certified organization(s).</p> <p>For Fairtrade Ecological Premium Gold, which is a very exceptional product that deserves handling with special care, physical traceability requirements guarantee to the customer that the entire gold in the final product has been produced as provenance gold by certain Miners' organization(s), and that the purchase of the consumer product provides immediate end exclusive benefits to this certified organization(s).</p>	

5.1 Traceability within the miners' organization	
Standard	Comment
5.1.1 Minimum requirement The entire volume of Fairtrade Gold produced by the ASMO and processed in the ASMO's own processing plant(s) is physically traceable.	
5.1.2 Minimum requirement If the ASMO or its PPs lease or hire third party owned equipment for mineral processing, complete physical traceability of the gold is ensured.	
5.1.3 Minimum requirement Joining, blending and consolidating certified mineral or intermediate products from two or more certified Miners' organizations for the purpose of joint processing is allowed.	
5.1.4 Minimum requirement If the ASMO or its PPs needs to contract third party operators to process their mineral or to perform further enrichment of intermediary products, best available efforts towards full compliance to physical traceability requirements are made. Where full compliance to physical traceability requirements imposes disproportional costs, ASMOs and operators are exempt from physical traceability requirements.	There should not be exemptions for physical traceability; people will not know when exemptions are made and not, and the credibility of the certification is undermined.
5.1.5 Minimum requirement ASMOs which are certified for "Ecological Premium Gold" have to assure full compliance to physical traceability requirements.	
5.1.6 Minimum requirement Full traceability through documentation must be assured for the entire volume of Fairtrade Gold produced by the ASMO.	

5.2 Traceability of gold during trade, transport, transforming and manufacturing	
Standard	Comment
5.2.1 Minimum requirement All transactions between the ASMO and the trader/buyer are subject to full compliance to physical traceability requirements.	
5.2.2 Minimum requirement All operators are Fairtrade certified operators.	
5.2.3 Minimum requirement Joining, blending and consolidating volumes of Fairtrade gold is allowed at any stage.	
5.2.4 Minimum requirement All transactions between the trader/buyer any subsequent operator or between operators, including transport, are subject to full compliance to physical traceability requirements.	
5.2.5 Minimum requirement During any process of further enrichment or manufacturing, all possible efforts towards full compliance to physical traceability requirements are made. Where full compliance to physical traceability requirements imposes disproportional transforming costs, limiting access to Fairtrade markets for miners, refiners and manufacturers will be temporarily exempt from physical traceability requirements.	There should not be exemptions for physical traceability; people will not know when exemptions are made and not, and the credibility of the certification is undermined.
5.2.6 Minimum requirement Operators (buyer/trader, transporter, refiner, manufacturer, etc.) handling “Ecological Premium Gold” have to assure full compliance to physical traceability requirements.	
5.2.7 Minimum requirement Documentary traceability must be ensured by any operator at any point of the supply chain by using an identification mark on all related documentation.	

6. Product composition

Intent

While the scope of this STANDARD covers exclusively Fairtrade and Fairmined Gold as a metal, the product that bears the Label(s) is the final consumer product which contains that metal. Product composition rules shall assure that the certified gold is a significant component of the labelled final consumer product.

Considering the possible use of Fairtrade gold in jewellery which may be composites with precious and semiprecious stones, composition rules shall assure, as far as possible under the absence of a Fairtrade or Fairmined standard for stones, that the origin of stones is compatible with the ethical principles of FLO and ARM. For that purpose FLO and ARM will closely monitor gemstone producing countries and act on reasonable doubt and eventually even on unconfirmed news, without requiring official condemnation of human rights violations.

Standard	Comment
6.1.1 Minimum requirement The label on the final consumer product has to indicate clearly that only the gold is certified as FAIRTRADE® and FAIRMINED®.	
6.1.2 Minimum requirement The final consumer products that may be labelled as “made with FAIRTRADE® and FAIRMINED® Gold” are (i) jewellery, (ii) commemorative coins and ingots, and (iii) medals and trophies.	
6.1.3 Minimum requirement The use of the FAIRTRADE® and FAIRMINED® label(s) is subject to authorization by FLO and ARM respectively.	
6.1.4 Minimum requirement The minimum caratage of gold (Au) in jewellery is 14 carats (58.3 % gold content). The minimum fineness of silver (Ag) in jewellery is 800. The minimum fineness of platinum (Pt) in jewellery is 950.	Jewellery should be labelled with % content of precious metal and content that is Fair Trade.

<p>6.1.5 Minimum requirement Pre-fabricated items of jewellery that can't be sourced from the Fairtrade chain of custody must not exceed 15% of the total fine gold content. The certified gold must constitute at least 85% of the gold used in the jewellery product.</p>	<p>The gold (or silver or platinum) used in a Fairtrade/Fairmined gold product should be 100% Fairtrade/Fairmined gold (or silver or platinum). If necessary pre-fabricated items are not available with Fairtrade/Fairmined gold (or silver or platinum), the % that is Fairtrade/Fairmined should be labelled on the product.</p>
<p>6.1.6 Minimum requirement The minimum caratage in commemorative coins and ingots is 14 carats (58.3 %) in case of gold (Au) and fineness 800 in case of silver (Ag).</p>	<p>They should be labelled with % content of precious metal and content that is Fair Trade.</p>
<p>6.1.7 Minimum requirement The certified gold must constitute 100 % of the gold used in the coin.</p>	
<p>6.1.8 Minimum requirement The minimum caratage of medals and trophies made entirely of gold (Au) or silver (Ag) is 14 carats (58.3 %) in case of gold (Au) and fineness 800 in case of silver (Ag).</p>	<p>They should be labelled with % content of precious metal and content that is Fair Trade.</p>
<p>6.1.9 Minimum requirement Gold plated (gilded) medals or trophies consisting of other metals in their interior or in other ornamental parts, must contain at least 5 grams of fine gold.</p>	
<p>6.1.10 Minimum requirement The certified gold must constitute 100 % of the gold used in the medal or trophy.</p>	
<p>6.1.11 Minimum requirement The gold used in any final consumer products labelled as “made with FAIRTRADE® and FAIRMINED® Ecological Premium Gold” has to consist of 95% certified “Ecological Premium Gold”.</p>	<p>This should be 100% or labelled with the percentage if less than 100 for jewelry where pre-fabricated pieces are not available in Ecological Premium; same for silver and platinum where used.</p>
<p>6.1.12 Minimum requirement The use of Fairtrade certified Silver (Ag) in gold alloys is voluntary, at discretion of the manufacturer.</p>	
<p>6.1.13 Minimum requirement Components of jewellery products such as diamonds, coloured gemstones or semiprecious stones have to be clearly distinguished as non-Fairtrade and non-Fairmined components.</p>	

<p>6.1.14 Minimum requirement Diamonds set as composites on jewellery made with Fairtrade and Fairmined certified gold have to carry the corresponding Kimberley Process (KP) Warranty Statement.</p>	
<p>6.1.15 Minimum requirement FLO and ARM may temporarily suspend the use of KP certified diamonds from countries which are accused of KP violation by human rights NGOs but not yet officially suspended or sanctioned by KP.</p>	
<p>6.1.16 Minimum requirement As for coloured gemstones and semiprecious stones no international certification mechanism is currently in place, the manufacturer of the jewellery has to prove and certify their origin.</p>	
<p>6.1.17 Minimum requirement FLO and ARM may temporarily suspend or permanently ban the use of gem- and semiprecious stones originating from countries where human rights NGOs report the abuse of artisanal miners.</p>	