



STANDARD ZERO FOR FAIR TRADE ARTISANAL GOLD AND ASSOCIATED SILVER AND PLATINUM - 2007

INTRODUCTION	2
SECTION A: VISION AND PRINCIPLES FOR RESPONSIBLE ARTISANAL AND SMALL SCALE MINING.....	4
1. WHO CAN APPLY THE STANDARDS AND WHAT IS THEIR SCOPE?	5
2. FAIR TRADE OBJECTIVES FOR MINERAL PRODUCTS	7
SECTION B: THE STANDARDS.....	8
1. Social Development	8
1.1 Fair Trade Adds Development Potential	9
1.2 Members of the Organisations are Community Based Artisanal and Small Scale Miners (ASM).....	9
1.3 Democracy, Participation and Transparency	10
2. Economic Development.....	11
2.1 Trading Capacity	11
2.2 Fair-Trade Premium	12
2.3 Economic Strengthening of the Organisation.....	12
2.4 Improved Productivity and Economic Efficiency of ASM	13
3. Labour Development.....	13
3.1 Prohibition of any Kind of Forced Labour	14
3.2 Elimination of Discrimination against Women Miners and Disadvantaged Groups	14
3.3 Abolition of Child Labour	15
3.4 Health and Safety Conditions in the Workplace.....	16
3.5 Social Protection (Social Security Systems).....	17
4. Environmental Development.....	18
4.1 Management of Toxic Substances, Such as Mercury and Cyanide	18
4.2 Ecosystem Health and Ecological Restoration	20
4.3 Specific Minimum Requirements for "Green Premium FT ASM Gold"	21
SECTION C: THE STANDARDS FOR FAIR TRADERS AND JEWELLERS OF GOLD AND ASSOCIATED SILVER AND PLATINUM	22
1. Buying from Certified Producers.....	22
2. Pricing and Premium	22
3. Long Term Trading Relationship	23
4. Pre-Finance	23
5. Quality Definition and Claims.....	24
6. Information Rights and Obligations.....	24

INTRODUCTION

The STANDARD ZERO FOR FAIR TRADE ARTISANAL GOLD AND ASSOCIATED SILVER AND PLATINUM¹ is a set of **draft** principles and standards produced by a technical committee under the coordination of the Association for Responsible Mining, ARM (www.communitymining.org).

They are an adaptation of the FLO standards for small producers to the situation of artisanal and small scale mining (ASM), and therefore follow the characteristic Fair Trade grouping of social, economic, labour and environmental development standards. It also includes standards for fair traders of gold and associated silver and platinum.

This second version of Standard Zero for Fair Trade Gold and Associated Silver and Platinum is the result of work undertaken by the technical committee meeting in Lima from 27-31st January, 2007. It includes input from the first phase of public consultation of Standard Zero, held between August and December 2006. Further information on the first version and on the consultation process may be found at www.communitymining.org

The public consultation combined workshops and electronic media. Invitations to provide input were made via several list serves and also posted on the first page of the ARM website in four languages inviting comments from interested parties. The following workshops were held by ARM with a total of almost 300 participants. All results are available on the ARM website²:

- Two local workshops with community miners in Tadó and Condoto, Chocó (Colombia) August 2006.
- One national workshop in Neiva, Huila (Colombia) with mining cooperatives, academics and government officials involved in supply chain programs, (September 2006).
- National Peruvian Workshop with miners' organizations, NGO's, government officials, donors and academics, (September 2006).
- National workshop in Maputo, Mozambique, with participation of government officials and the Association of Mozambican Mine Workers, (November 2006).
- Global workshop in Madagascar with participation of a broad multi-stakeholder group from over 8 African delegations, Asian, American and European participants at CASM, (November 2006).
- Regional Latin American Workshop, with over 60 delegates of ASM organizations and mining cooperatives of Bolivia, Chile, Colombia, Ecuador and Peru, as well as Peruvian government officials, NGO's and interested donors. Lima, (December 2006).
- A local workshop with miners, government officials and traders in Remedios and Segovia mining region, Colombia, (March 2007).

¹ ALL RIGHTS RESERVED © Association for Responsible Mining. Technical Committee for Standardization. Standard Zero for Fair Trade Gold and Associated Silver and Platinum 2007 Version. Medellin, Colombia. 2007. The reproduction of this document is allowed for academic purposes, revision or ends of the Public Consultation process developed by ARM, always recognizing the copyrights of the Association for Responsible Mining.

² Sincere thanks for your time and interest to all you who have engaged with ARM in this process.

- A national workshop in La Paz, Bolivia, with delegates from the main Federations of Miner's Cooperatives, government officials, NGO representatives and International cooperation officers, coordinated by ARM partner Cumbre del Sajama, (March 2007).
- A local workshop in La Llanada mining community, in Nariño (Colombia) with delegates from 12 cooperatives, community based organisations, local government authorities, academics and local environmental officers, (July 2007)

ARM also received comments from the following individuals:

- Alyson Warhurst, University of Warwick/Maplecroft, UK.
- Aidan Davy, International Council on Mining and Metals, UK
- Assheton Carter, Conservation International, USA.
- Bedidjo Fuarwinyo Louis, AEMAPRI: Association des Exploitants Miniers Artisanaux pour la Pacification et la Réconstruction de l'Ituri; (in the North Eastern of the DRC; near Ouganda).
- Tetsopgang Samuel, CREPD, Centre de Recherche et d'Education pour le Development, Yaoundé, Cameroon.
- CSP2, Earthworks, and WWF, USA.
- Eduardo Chaparro, CEPAL, Chile.
- Estelle Levin, independent consultant, UK.
- Guillermo Medina, GAMA Project. Peru.
- Jurgen Vasters y Markus Wagner, Federal Institute for Geosciences and Natural Resources of Germany, BGR.
- Kevin De Souza, CASM - Wardell Armstrong, UK
- Kristina Schafer – ARTMINERS, USA
- Marcello Veiga, Proyecto Global sobre Mercurio, GMP, Canada.
- Michael Preister, Projekt Consult, Germany.
- Paulo Carneiro: Garimpeiro Entrepreneur, Brazil.
- Santiago Porto, CRJP (Council for Responsible Jewellery Practices).
- Stephen Metcalf, Global Mercury Project, GMP, Canada.

In its present form it will be pilot tested for 18 months initially in Latin America, later in Africa and Asia. As the Standard Zero becomes more broadly disseminated ARM maintains an open public consultation process. You may send your comments by downloading the consultation document [HERE](#). The document is available in four languages: English, French, Portuguese and Spanish.

ARM-FLO are finalising an agreement for the ongoing joint development of these standards, which would be certified by FLO Cert. ARM-FLO will shortly provide further information regarding roles and responsibilities of each organisation, as well as procedures for producer organisations to apply for certification or producer support and information once the standards are tested. The expected date for the launch of the Standard for Fair Trade Gold and Associated Silver and Platinum is early 2009, when the first certified fair trade gold will be available in the market.

Reviewed at the Technical Committee meeting 27th28 January, 2007

Prepared by: Cristina Echavarría with support from Gelkha Buitrago and Catalina Cock

Present: Gelkha Buitrago (FLO- Bonn), Catalina Cock (Green Gold and ARM), Cristina Echavarría (ARM), Felix Hruschka (GAMA Project), Kathia Romero (ILO), Gommert Mes (consultant), Manuel Reinoso (AMASUC), Patrick Schein (S&P Trading), Greg Valerio (CRED Jewellery and Foundation), Roberto Villas-Boas (academic- CETEM),

Invitees: Ervin Renteria (COV miner and ARM Board), Chris Davies (Fairtrade Foundation, UK), Magali Llatas (Both ENDS).

Regrets: Gabriela Factor (consultant, gender and environment), Cesar Mosquera (ILO-IPEC, Ms. Romero replaced him), Hermann Wotruba (academic – Germany), CASM representative, GMP representative.

SECTION A: VISION AND PRINCIPLES FOR RESPONSIBLE ARTISANAL AND SMALL SCALE MINING³

The ARM-FLO standards for Fair Trade Artisanal Gold and Associated Silver and Platinum are based on a vision of social and environmental responsibility applicable to Artisanal and small scale miners (ASM) of precious metals that can be expressed as follows:

A1. VISION FOR RESPONSIBLE ASM

“ASM is a formalized, organized and profitable activity, that uses efficient technologies and is socially and environmentally responsible; it progressively develops within a framework of good governance, legality, participation and respect for diversity; it increases its contribution to the generation of decent work, local development, poverty reduction and social peace in our nations, stimulated by a growing consumer demand for sustainable minerals and jewellery.”

A2. The Millennium Development Goals and Declaration on Sustainable Development

In developing these standards, ARM's technical committee declares its 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:

A3. Human Rights

The standards for Fair Trade Gold are 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 mining organisations must respect the human rights, as well as the social, economic, cultural, and labour rights of each and every person involved as fundamental principles. The rights of women, disadvantaged groups and individuals, including migrant workers, are specifically included.

³ Vision of Quirama and its principles provide the basis for a framework for social and environmental responsibility in ASM which underpins the ARM-FLO Standard Zero for Fair Trade Gold. They were produced by the RESPOMIN-ARM Latin American Multi-stakeholder Network in May 2006. They may be adapted or enhanced to incorporate priorities and principles that are important in other regions, such as Africa or Asia.

A4. Decent Work

The standards for Fair Trade Gold are based on the concept of decent work of the ILO. Work in community based artisanal and small-scale mining is to be performed in conditions of freedom, equality, safety, and human dignity, allowing the access of small producers, workers and their families to a decent standard of living.

A5. Quality of Life and Sustainable Human Development for ASM communities

Community based fair trade artisanal and small-scale mining organisations should contribute to the sustainable human development of their communities. Therefore, fair trade labelling of ASM gold and associated precious metals should improve the quality of life of men and women workers, their families, and the community that hosts ASM endeavours, respecting the conceptions and priorities of each community.

A6. Legality

The legalization of the Artisanal and Small-scale Mining is a condition that is fundamental and necessary, yet not sufficient, for achieving social and environmental responsibility in a sustained manner. Only gold produced at legal operations will be certified as Fair Trade Gold. Where possible, ARM will lobby with governments for better policies for ASM miners' organisations interested in committing to the proposed fair trade standards.

A7. Environmental Stewardship

Responsible Artisanal and small scale mining should contribute to environmental protection, human health and ecological restoration in its operations and communities. In organizations and mining operations where toxic substances are used, where tailings are dumped into water bodies, and where biodiversity is negatively affected by mining operations, measures should be taken to identify, manage and mitigate negative impacts.

A8. Gender Equality

In the organizations and initiatives of responsible Artisanal and Small-scale Mining, 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. In organizations, processes and aspects where there is no equality, measures and actions shall be taken in order to attain it.

A9. 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, ASM organisations will undertake consultations based on 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 territory.

1. WHO CAN APPLY THE STANDARDS AND WHAT IS THEIR SCOPE?

A10. This Fair Trade initiative is applicable to organized, legalized, and registered community based artisanal and small scale miners.

A11. Considering that there is no globally accepted definition of artisanal and small scale mining (ASM), and that the definitions and forms of organisation may vary under different national legislations, ARM will use the following working definition **for Fair Trade ASM organisations** based on the idea of community mining. ARM may wish to expand this definition in the future:

“A community mining organization is comprised of a majority of members or shareholders who are active miners, and as members of the local community contribute to its social and economic development.

A12. Fair trade gold certification will only be given to community mining organizations, not individual miners or small scale entrepreneurs.

A13. These standards are not designed for gold rush situations

A14. ARM-FLO will certify gold produced at a particular registered mine or concession, where progress by the producer organisation in compliance with the standards, can be inspected and tracked over time. It will put in place a set of measures which is designed to guarantee that the labelled product (gold) put on the market is really a product coming from the certified mine or producing unit concerned.

A15. The standard shall initially focus on primary and alluvial gold, 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 Fair Trade when found alongside the certified gold.

A16. To be certifiable under the community based ASM FT gold standard, the organisation must comply with the national legal frameworks. Furthermore, national legislation prevails if it sets higher standards on particular issues than ARM-FLO. Where national legislation does not recognise the rights of otherwise certifiable community based ASM organisations, despite their legitimate efforts towards legalisation, ARM will endeavour to lobby for a favourable solution based on case by case analysis.

A17. The standards need to be internationally accepted, but they must have local, regional or national application, to be context sensitive. For that reason ARM-FLO will first test the standard zero 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.

A18. In their daily operation, the standards have to be effective, practical, and easy to understand, as well as verifiable. The auditing and monitoring system will be designed during the pilot testing of the standards building on the experience of FLO and the Green-Gold Initiative, among others.

A19. As in all Fair Trade standards, the producer organisation must comply with all the minimum requirements before being eligible for certification. The timetable for achievement of progressive standards will be agreed between the producer organization and the certifier according to local conditions and organisational capacity.

2. FAIR TRADE OBJECTIVES FOR MINERAL PRODUCTS

The community based ASM FT gold standard, its underpinned by the vision and principles for responsible ASM expressed above and by the objectives of the fair-trade movement:

A21. The creation of opportunities for economically disadvantaged miners and their communities

A22. Transparency and Accountability

FT means transparency and accountability in management of people and resources and in commercial relations throughout the supply chain, and mutually beneficial fair trading relations between trading partners.

A23. Capacity Building

FT is a means to develop miners' independence; FT relationships provide continuity, during which miners and their marketing organisations can improve their production, trading, management skills and their access to markets.

A24. Payment of a Fair Price

The price of gold has fluctuated widely over the past twenty years, from less than USD 300 to over USD 750. Fixing a minimum price is not useful or feasible at this point. The technical committee proposes to work with other mechanisms to fix the price and the premium. In principle, the reference price will be defined on the basis of the London fix and the purity of the gold sold by the FT organisation, as a percentage of the London fix. Further research will be undertaken on this point during the pilot studies.

A25. Fair Traders

Ensure prompt payment to their partners and, whenever possible, help producers with access to pre-production financing.

A26. The Fair Trade Premium

The fair trade premium will be a percentage on top of the London Fix. The amount of the fair trade percentage will be defined through the pilot testing process for the Latin American case, and tested later for Africa and Asia.

A27. Traceability

One of the principal procedural and organizational matters that any fair trade or eco-labelling scheme should encompass is the certification that the gold and the product "Chain of Custody"⁴ are in conformity with the required standards and procedures. The CoC should

⁴ The CoC can be defined as "the set of measures which is designed to guarantee that the labelled product (gold) put on the market is really a product coming from the certified mine or producing unit concerned".

thus cover both the tracking/traceability of the gold all along the processing/transformation, distribution and marketing chain, as well as the proper tracking of the documentation (and control of the quantity concerned). CoC procedures are implemented at the key points of transfer. At each point of transfer, all certified gold or gold products must be identified and segregated at all moments from non-certified gold or gold products. These points have to be identified in each CoC and may vary according to the type of mining or gold product traded.

A28. Independent Certification

The assurance that there is a proper chain of custody in place is given by a third party through the certification process.

A29. Gender Equity

FT means that women's work is properly valued and rewarded. Women are always paid for their contribution to the production process, are empowered in their organisations and do not feel discriminated against by virtue of their gender

A30. Working Conditions

FT actively encourages decent work in line with the ILO Conventions, and its accomplishment as far as possible for the community based artisanal and small-scale mining producers.

A31. The Environment

FT actively encourages better preventive and restorative environmental practices and the application of responsible methods of production.

A32. Good Governance

The FT process creates documented and traceable supply chains of the gold and associated silver and platinum and thus complies with all international conventions and national laws surrounding anti-money laundering.

A33. Armed Conflict

The FT process will not support organizations who 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.

SECTION B: THE STANDARDS

<h3>1. Social Development</h3>

<p>1.1 Fair Trade Adds Development Potential</p> <p><i>Fair Trade should make a difference in development and quality of life for artisanal and small scale mining communities</i></p>	
<p>Minimum Requirements</p>	
1.1.1 The miners' organisation can demonstrate that Fair Trade revenues will promote social and economic development of artisanal and small scale miners, families and communities.	
1.1.2 Revenues of the miners' organisation must not be used to directly or indirectly finance or support illegal activities or armed conflicts.	
1.1.3 The mining operations are conducted with the agreement of the existing local community organizations.	
1.1.4 Taxes, fees, royalties or other tributes as required by applicable legislation should be paid to the relevant authority by the miners' organisation.	
<p>Progress Requirements</p>	
1.1.5 A monitored plan should be developed under which the benefits of Fair Trade are shared (including the premium), based on a democratic and inclusive decision taken by the miners' organization.	
1.1.6 Miners' organisations play an active role in planning and promoting local sustainable development including economic diversification.	
<p>1.2 Members of the Organisations are Community Based Artisanal and Small Scale Miners (ASM)</p> <p><i>This Fair Trade initiative is directed at community based artisanal and small scale miners' organisations including all possible forms of organisations that they constitute. A community based mining organisation is comprised of a majority of members or shareholders who are active miners, and as members of the local community contribute to its social and economic development.</i></p>	

Minimum Requirements	
1.2.1 All the miners of the organisation are community based artisanal or small scale miners.	
1.2.2 A 100% of the volume of Fair Trade certified gold must be produced by community based artisanal and small scale miners. The association is not allowed to buy from non certified neighbouring miners.	
<p>1.3 Democracy, Participation and Transparency</p> <p><i>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 Fair Trade must come to the members. The organisation must therefore have a democratic structure and transparent administration, which enables an effective control by the members and it's Board over the management, including the decisions about how the benefits are shared. Furthermore, there must be no discrimination regarding membership and participation.</i></p>	
Minimum Requirements	
1.3.1 A legal, transparent and democratic organizational structure is in place	
1.3.2 The organisation holds a General Meeting at least once a year.	
1.3.3 The annual report and accounts are presented in an understandable and clear manner for all, approved at the Annual General Meeting, and made publicly available.	
1.3.4 Adequate administration is in place.	
1.3.5 In the case where “the organisation” is a consortium of partners, transparency, equity and democratic structures must be ensured at all levels. In this case the above requirements apply to all parties.	
Progress Requirements	
1.3.6 The organisation works towards transparent planning of the business. The organisations are encouraged to make periodic business plans, annual cash flow predictions and longer term strategic plans. Such plans will be approved at the Annual General Meeting.	

1.3.7 The participation of all members in the organisation's administration and internal control is promoted through training and education - and improves as a result.	
1.3.8 The organisation establishes or improves internal mechanisms for member control over the administration, such as a control committee with rights to review the administration, external audit, etc.	
1.3.9 Increasingly, the organisation's policies are discussed in member meetings. Management actively encourages the participation of all members in meetings.	
1.3.10 There is improvement of the flow of information from board to members about the business and the organisation's policies.	
1.3.11 Measures will be taken to improve the members' commitment to the values, goals and programs of the organisation.	
2. Economic Development	
<p>2.1 Trading Capacity</p> <p><i>The organisation must have access to the logistical, administrative and technical means to bring a quality product to the market. The organization may chose to form a consortium with alternative trade organizations or other organization to develop this capability</i></p>	
Minimum Requirements	
2.1.1 Logistics and communication equipment are in place	
Progress Requirements	
2.1.2 The miners' organisation increases efficiency in its trading operations	

<p>2.2 Fair-Trade Premium</p> <p><i>The organisation has the commitment and capacity to administer the Fair Trade Premium in a way that is transparent for beneficiaries and for ARM-FLO. Decisions on the use of the Premium are taken democratically by the members</i></p>	
<p>Minimum Requirements</p>	
2.2.1	The organisation administers and manages the Premium transparently and uses it in line with the requirements outlined in these standards.
2.2.2	The use of the Fair Trade Premium is decided through democratic processes, approved at the Annual General Meeting and properly documented.
2.2.3	The organisation has experience in the commercialisation of a product.
<p>Progress Requirements</p>	
2.2.4	As soon as Premium is available, there must be a yearly Premium plan and budget in place. Preferably these are part of a general work plan and budget of the organisation.
<p>2.3 Economic Strengthening of the Organisation</p> <p><i>The organization makes a commitment to the adequate and planned use of the Fairtrade Premium, to gradually strengthen its economy.</i></p>	
<p>Minimum Requirements</p>	
2.3.1	The organization has an established accounting system in place.
2.3.2	No evidence or reasonable doubt about corruptive practices exists.
2.3.3	The level of debt of the organization should not jeopardize its ability to make free decisions about the use of the FT premium; otherwise, the short term benefits from FT

should allow the organization to recover control over its decisions.	
Progress Requirements	
2.3.4 The organization will gradually become more knowledgeable and empowered about the whole trading process	
2.3.5 The organisation will work towards the strengthening of its business related operations. This could for example be through the building up of working capital, implementation of quality control, training/education and risk management systems, etc.	
2.4 Improved Productivity and Economic Efficiency of ASM	
Minimum Requirements	
2.4.1 Miners' organizations identify optimal mining and metallurgical technologies to improve their level of mineral recovery.	
Progress Requirements	
2.4.2 Production Efficiency: Miners invest in cleaner and more efficient technologies to improve the level of mineral recovery.	
2.4.3 Women miners and minority groups have equal access to mineral resources and technological innovation within the organisation	
2.4.4 By-products of the mining process are identified and their market potential is investigated, and if feasible, they will be developed too.	
<p>3. Labour Development</p> <p><i>Criteria proposed are applicable to community based ASM. They are based on the concept of decent work launched by the ILO as a global objective. This concept is being increasingly accepted by many</i></p>	

<p>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:</p> <ul style="list-style-type: none"> - rights at work, - employment, - social protection - and social dialogue <p>Building upon that concept and adapting it to the general characteristics of ASM, we have established a series of criteria that should be complied with by any kind of ASM producer organization and type of employment used.</p>	
<p>3.1 Prohibition of any Kind of Forced Labour</p> <p><i>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 small mining producer, his organisation or intermediaries, by retaining of due payment, of identity documents or other personal effects of value, or under threat.</i></p>	
<p>Minimum Requirements</p>	
<p>3.1.1 No forced or bonded labour will take place.</p>	
<p>3.2 Elimination of Discrimination against Women Miners and Disadvantaged Groups</p> <p><i>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).</i></p>	
<p>Minimum Requirements</p>	
<p>3.2.1 In case the organisation limits the integration of new members, this restriction cannot suppose discrimination towards specific social groups and it should be consistent with the goals, objectives and capacity of the organization.</p>	
<p>3.2.2 The organisation will recognise the same opportunities to men, women, and disadvantaged individuals regardless</p>	

of their provenance or origin in all areas of mining activity, as a worker, associate or entrepreneur.	
3.2.3 The organisation will ensure that men and women receive the same pay for the same task or function.	
3.2.4 Where there is gender, ethnic or other disparity there should be at least proportional representation of these minorities in decision making bodies, provided that the minority agrees, since this should not be imposed.	
Progress Requirements	
3.2.5 Actions will be implemented by the producer organisation with women and other disadvantaged groups and individuals to improve their opportunities for participating on equal terms, especially regarding the mining/processing work and the management of the ASM producer organisation	
3.2.6 Organisations provide support to pregnant and lactating women members to have safe work arrangements for themselves and for their infants while mothers are at work.	
<p>3.3 Abolition of Child Labour</p> <p><i>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 under 18 to do underground or dangerous work.</i></p>	
Minimum Requirements	
3.3.1. Minimum contracted employment age must not be less than 15, or existing national law for the mining sector, if this age were older.	
3.3.2 The minimum age is eighteen years for all types of employment or labour that by its nature or working conditions may be dangerous for health, security or morality of the minors.	

<p>3.3.3 Minors 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>3.3.4 In no case will working endanger the schooling and the social, moral or physical development of the minor.</p>	
<p>Progress Requirements</p>	
<p>3.3.5 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 organisation and the mining community.</p>	
<p>3.3.6 The organization undertakes actions directed at achieving the improvement of local services for education, recreation and care of small children while the mother works, occupational training and youth employment / apprenticeship.</p>	
<p>3.4 Health and Safety Conditions in the Workplace</p> <p><i>Fair Trade 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”.</i></p> <p><i>Fair Trade 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.</i></p>	
<p>Minimum Requirements</p>	
<p>3.4.1 The organisation will ensure that all its workers 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>3.4.2 The organisation ensures that all workers use basic equipment for personal protection, in accordance to the nature of the mine, the work to be done and the place. Equipment may include for example: a helmet, protective gloves to prevent hand lesions and adequate footwear if</p>	

the terrain is slippery and foot lesions may occur.	
3.4.3 Explosives and toxic substances such as mercury and cyanide will not be kept in houses, but in places with adequate conditions.	
3.4.4 The use of toxic or dangerous substances will be under the charge of trained persons	
3.4.5 The organisation has a clear and defined policy and process to deal with violence and sexual harassment at work.	
3.4.6 The organisation has a committee in charge of taking decisions and implementing actions in health and safety in the workplace.	
3.4.7 The organisation will work towards making a diagnosis of the main risks and vulnerabilities to accidents and to disasters in the community because of mining activity	
3.4.8 Each organization will be in charge of designing and implementing a mining rescue plan and first aid program depending on the kind of mining activity it develops.	
3.5 Social Protection (Social Security Systems)	
Minimum Requirements	
3.5.1 The organisation will recognise that the worker's widow/widower has the right to occupy the position and prerogatives held by the deceased miner in the mine and in the organisation, with the object of preventing her/his abandonment and that of her/his family.	
Progress Requirements	
3.5.2 The organisation will make efforts to ensure that all associates and mine workers benefit from some kind of social security	
3.5.3 In the event of death of occasional or migrant workers, reparation should be given to the widow/widower and	

heirs, if there were any.	
<p style="text-align: center;">4. Environmental Development</p> <p><i>Fair Trade environmental requirements are designed to progressively minimise the most significant typical risks and negative environmental impacts of ASM. These Fair Trade requirements prioritize environmental challenges for artisanal miners which can be realistically achieved in a short or medium term. The scope of these standards is towards environmental responsibility and progressive environmental improvement, considering that for Green Premium ASM labelling, additional considerations may apply.</i></p>	
<p>4.1 Management of Toxic Substances, Such as Mercury and Cyanide</p> <p><i>The Technical committee considers that the total elimination of mercury and cyanide is not a realistic condition for fair-trade Artisanal gold, despite the environmental risks they present, because it 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 scheme. Therefore it proposes a process to support the miners organizations 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.</i></p>	
Minimum Requirements	
4.1.1 If mercury is used for mineral processing, a mercury-free concentration process (gravimetric concentration, hand-sorting, etc.) must precede amalgamation, gradually declining to less than 10% of the total mineral + waste rock coming in contact with mercury. In principle the requirement seeks to promote a gradual decline in the amount of rock that is processed through amalgamation.	
4.1.2 Amalgamation burning must not take place in domestic residences.	
4.1.3 Instruments and tools used for any operations with mercury must not be used in any other activity.	
4.1.4 Nitric acid for dissolving mercury from the amalgamation should not be used	
4.1.5 Any residual cyanide solution must be neutralized before	

responsible discharge	
4.1.6 Neither explosives nor cyanide, mercury, nitric acid, nor other toxic substances used for processing, should be stored in domestic residences.	
4.1.7 Amalgamation tailings and cyanide waste solutions must not be discharged into water, or where they can reach the water bodies.	
Progress Requirements	
4.1.8 If mercury is used for mineral processing, the organisation makes progress in mercury recovery from concentrated tailings and mercury recovery from amalgam burning, making emphasis on the general acceptance of recovery technologies within the community.	
4.1.9 The use of retorts or alternative mercury recovery devices by members of the miner's organization is to be considered a minimum requirement for continued certification after the first year.	
4.1.10 Amalgam burning must be made only in organization premises providing privacy and security and with proper equipment and trained personnel. Distillation permits can be awarded to the premises and to the burners.	
4.1.11 The organization makes progress in convincing other miners and gold buyers (not participant within the system) to use retorts or alternative mercury recovery devices.	
4.1.12 If cyanide is used for mineral processing, the organisation provides - or makes significant efforts to obtain - training in correct handling of cyanide and adequate controlling of process parameters. Operators of cyanide processing units should be able to control at least pH and CN- without assistance of external "experts".	
4.1.13 The cyanide processing plant must be operated by personnel trained in the safe and proper use of cyanide.	
4.1.14 The organisation demonstrates efforts to improve the environmental performance of their installations (avoiding involuntary losses, neutralising residual solutions, doing	

<p>environmental monitoring, ensuring safe disposal of tailings, etc.) and following the general principles of the “International Cyanide Management Code” (www.cyanidecode.org).</p>	
<p>4.2 Ecosystem Health and Ecological Restoration</p>	
<p>Minimum Requirements</p>	
<p>4.2.1 The mining and mineral processing operators of the certified organization must be the ones who promote minimum environmental impacts within the region where they operate.</p>	
<p>4.2.2 If the mining operation of the organisation is located in a national park or similar environmentally protected area, an explicit authorization of the relevant authority must certify environmental feasibility.</p>	
<p>4.2.3 In 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.</p>	
<p>4.2.4 Fuel residues and their containers must not be dumped into water bodies</p>	
<p>Progress Requirements</p>	
<p>4.2.5 The introduction of any technological change should be accompanied by an environmental mitigation plan.</p>	
<p>4.2.6 In countries where a legal framework for ASM exists, the organisation is following the procedures to obtain the corresponding environmental license or similar permits and makes constant progress in compliance with environmental requirements.</p>	
<p>4.2.7 In case of alluvial deposits, the organisation demonstrates efforts to reduce discharge of suspended solids into water bodies, and if possible to recycle water from washing plants.</p>	
<p>4.2.8 Measures should be taken to enable native ecosystem</p>	

rehabilitation.	
4.2.9 The organisation makes efforts towards the improvement of drinking water supply and quality.	
4.2.10 After three years of certification, the mining operation(s) of the organization should demonstrate leadership in environmental performance in comparison to similar operations in the same area.	
<p>4.3 Specific Minimum Requirements for "Green Premium FT ASM Gold"</p> <p><i>The scheme offers a premium category based on the standards developed by the Green Gold Corporation of Colombia, for Green Gold™⁵. A different additional premium will be recognised, that may compensate for economic losses due to lower gold recovery of the applied mercury-free and cyanide-free processing technique. The determination of this additional premium is site specific, according to the mineralogical characteristics of the deposit.</i></p>	
4.3.1 No mercury or cyanide must be used for mineral processing.	
4.3.2 There is no ecological disruption. This state being defined by changes to an ecosystem that places it beyond a possibility of recovery.	
4.3.3 The mined areas gain ecological stability within three years, or the optimal time according to ecosystem characteristics.	
4.3.4 Topsoil removed from the site is replaced during the rehabilitation process.	
4.3.5 Tailings and pooling do not exceed the local ecosystem capacity for rehabilitation.	
4.3.6 The silt load into stream, river or lake systems is controlled in quantity and frequency, such that the native aquatic ecosystem is not disrupted.	
4.3.7 In forested areas mining activities do not exceed 10% of any hectare in a rotation period of two years.	

⁵ The use of the Green Gold trademark is allowed provided permission has been granted by Corporación Oro Verde. The producer who markets Green Gold™ is responsible for the proper use of the trademark.

SECTION C: THE STANDARDS FOR FAIR TRADERS AND JEWELLERS OF GOLD AND ASSOCIATED SILVER AND PLATINUM

Product Description

Fair Trade Gold is gold that has been mined by certified community-based artisanal or small scale miners' organisations, and is processed and traded according to the standards and contracts laid down by ARM-FLO. Platinum and silver from the certified gold mining operations, are also certified as fair trade precious metals.

1. Buying from Certified Producers

Miners' organizations that want to become involved with this process will have to make significant efforts to achieve the minimum standards for certification. Therefore the system should ensure that there are no free riders who take advantage of the efforts of others for personal gain.

1.1 All precious metals, which are sold with the FLO-ARM label, must have been produced by certified community based artisanal or small scale miners organizations at their certified mines	
---	--

1.2 Fair Traders cannot buy directly from individual miners but must go through their certified organizations.	
--	--

2. Pricing and Premium

The price of gold has fluctuated widely over the past twenty years, from less than USD 300 to over USD 750. Fixing a minimum price is not useful or feasible at this point. The technical committee proposes to work with other mechanisms to fix the price and the premium as described below. Further research will be undertaken on this point during the pilot studies.

2.1 There is no minimum price for gold. The price shall be based on the LBMA fixing for gold (London Bullion market Association), FOB export point.	
---	--

2.2 In addition to the market price the buyers shall pay a Fairtrade premium to be set by FLO-ARM.	
--	--

<p>2.3 In addition to the market price buyers shall pay an extra environmental premium as set by FLO-ARM, if gold carries such label⁶</p>	
<p>2.4 In principle, transportation costs from point of export shall be paid by the importer, unless producers and traders choose to agree on other arrangements that are not detrimental to the miners.</p>	
<p style="text-align: center;">3. Long Term Trading Relationship</p> <p><i>Long term relationships between producers and buyers are a key aspect of Fair Trade, since they allow the small scale producers to become involved in long term improvements of their operations. Therefore buyers and/or importers must use the following tools for establishing long term stable trade relationships</i></p>	
<p>3.1.1 Develop an Annual Sourcing Plan specifying the volumes expected to be bought from every Fairtrade producer organisation. The sourcing plan is an indication for producers, not an obligation to buy.</p>	
<p>3.1.2 Draw up a contract between buyer and producer organisation. The contract should include the following elements: minimum and maximum volumes, quality specifications, and price and payment conditions.</p>	
<p>3.1.3 Draw up Shipment Orders, specifying the FT volume of metal per shipment.</p>	
<p style="text-align: center;">4. Pre-Finance</p> <p><i>The lack of ready cash is often an impediment for an organization to ensure it can buy all the certified precious metals that its members can produce. In consequence, certified metals can end up being sold to the usual markets 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 Fairtrade miner's organization can gain a level of autonomy and break away from a form of historic dependence or "economic slavery".</i></p>	
<p>Minimum Requirements</p>	
<p>4.1 Buying Operators must offer pre-financing to certified miners for each export consignment.</p>	

⁶ This is a special environmental premium based on the Green-Gold™ criteria.

<p>For new trading relationships, there should be an agreed trial period which should not exceed four consignments.</p> <p>The cost and % of the pre financing will be tested at the pilot studies for different contexts, and a further progress requirement will be developed on this basis.</p>	
<p>5. Quality Definition and Claims</p>	
<p>5.1 The producer organisation and the buyer will define the gold content determination procedures in the purchase contract, in line with existing practice in the sector.</p>	
<p>6. Information Rights and Obligations</p>	
<p>6.1 There exist clear written agreements for the Fairtrade transactions with all involved parties on all levels of processing and marketing.</p>	
<p>6.2 All involved parties undersign the respective agreements that guarantee the required transparency for all Fairtrade transactions</p>	