

**Madison Dialogue Ethical Jewelry Summit
Executive Summary
October 25-26, 2007**

**World Bank Headquarters
Building J
701 18th Street N.W.
Washington, D.C.**

Organizers:

**ARM, CASM, De Beers, Earthworks, Ethical Metalsmiths, FLO
International, Partnership Africa Canada, Jewelers of America,
Rapaport Group**

Sponsors:

**AngloGold Ashanti, BHP Billiton, Ben Bridge Jeweler, Cartier, De
Beers Group, Hoover & Strong, Newmont, Rapaport Group, Rio Tinto,
Tiffany & Co., Toby Pomeroy**

Sponsor and Event Host:

Communities and Small-Scale Mining (CASM)

Day 1:

Welcome and introductions:

Jennifer Horning, Ethical Metalsmiths

Christopher Sheldon, CASM

Jonny Sasirwe, small-scale miner from Uganda

Jennifer Horning of Ethical Metalsmiths kicked off the two-day event, outlining the Dialogue's goal of bringing together a broad constituency of stakeholders to brainstorm and discuss how to advance efforts to work towards ethical standards and practices on issues that relate to the artisanal and small-scale mining (ASM) sector.

Christopher Sheldon of CASM read the preliminary statement of meeting purpose:

To support and encourage small-scale miners, enabling them to responsibly produce precious gems and metals, which in turn can be responsibly marketed to consumers using terms such as “fair trade,” “green” and “ethical.”

He introduced Jonny Sasirwe, a small-scale miner from Uganda, who spoke about how artisanal miners have traditionally suffered and been cheated out of the benefits others get from the natural resources they extract from the ground. He made it clear that he and other miners want to have a hand in the process and derive benefits from it.

Session 1: Meeting Objectives and Sector Needs

Facilitator: Amanda Stark, Rapaport Group

Speakers:

Retail Jewelers: Peggy Jo Donahue, Jewelers of America, and Greg Valerio, CRED Jewellery

Metalsmiths/Manufacturers/Refiners: Jennifer Horning, Ethical Metalsmiths

ASM: Manuel Reinoso, Association of Artisanal Minerals Producers of Central and Southern Peru (AMASUC)

Large-scale mines: John Hall, Rio Tinto, and Simon Gilbert, De Beers

NGOs-North/South: Steve D’Esposito, Earthworks, and Cristina Echavarría, ARM and RESPOMIN

Governments and donors: Paulo De Sa, Manager, Oil, Gas & Mining Division of the World Bank

Certifying Organizations: Caren Holzman, TransFair (representing Fairtrade Labelling Organizations International - FLO)

Peggy Jo Donahue of JA shared how the 11,000 members of JA (from small independents to larger jewelry chains in the U.S.) have two key expectations:

- 1) To do their part to ensure small-scale miners derive more benefits from their local resources; and-
- 2) To feel confident that any “ethical” jewelry they sell is backed by real standards and a third party assurance system.

Greg Valerio of CRED Jewellery said there needs to be a clearer definition of fair trade: “There’s lots of words out there, but there’s not a lot of definitions for those words.” He said there needs to be transparency and that as a jeweler, he needs to be able to “tell the story” on the product he sells.

Jennifer Horning of Ethical Metalsmiths said there are concerns about where metals are sourced and that independent artists/designers see a natural connection between themselves and artisanal miners. She says there are real opportunities to develop this connection.

Manuel Reinoso of AMASUC said that where he's from in Peru, mining is the only source of work. He said there needs to be public policies and laws in place to protect miners, encourage development and fair prices. He says in order for the next generation to have a better life, the miners need to be trained and empowered. He emphasized how the miners need support in areas like technology to improve production.

Simon Gilbert of De Beers said there are huge expectations and a need to move the debate forward. While corporations must make a profit, they need to do so in a way that contributes to communities. He said there isn't one perfect solution and that there needs to be communication to establish and build trust.

John Hall of Rio Tinto said creating sustainable development requires partnerships that include major corporations, big and small community organizations and others—working to understand each other better to move forward: “It's not just about creating wealth for our shareholders, but its about creating sustainable wealth and the need to work with communities to benefit them.” He said he was there to listen to ASMs to understand how major organizations can work with small groups and communities.

Steve D'Esposito of Earthworks spoke about the role of NGOs—whether it's public campaigns, research, advocacy, drive support, etc... He said real standards that stand up to scrutiny are needed in dealing with issues. He noted how the earlier speakers touched on public policy and how there's interplay between public policy and voluntary systems.

Cristina Echavarría of ARM and RESPOMIN spoke about capacity building as a crucial aspect of working with small-scale miners. She said key issues include developing legal frameworks and public policies and creating leadership among the ASM communities. She said miners need help in developing their businesses and that there must be a “transparent and traceable supply chain.” She said challenges for miners and Southern NGOs who support them include:

- Continuity and stability in the work they do
- Developing English language skills
- Finding sustainable ways to improve their lives on the ground
- Developing protocols and ethical practices

Paulo De Sa of the World Bank discussed lessons learned while working in various countries. These include:

- The importance and complexity of property rights
- Need for involvement from the private sector
- Attitude of donors who tend to be more interested in specific projects versus broader initiatives, but are willing to support good projects.

Caren Holzman, representing FLO, noted the progress that's been made in the fair trade area, with 20 labeling initiatives and over 1 million farmers who already benefit from the fair trade system. She said there needs to be respect for the system and the integrity of the fair trade label. While FLO is still new to the mining and jewelry sectors, she spoke of two initiatives where it can add value: The partnership with ARM on developing Fair Trade Gold (Standard Zero) and some recently announced funding from the Tiffany Foundation to support a feasibility study for Fair Trade Diamonds.

Key Points from Session 1 Discussion:

Note: During this session and throughout the meeting we sought to gather and understand different views and perspectives rather than to synthesize those or reach agreements. While agreement is noted in some areas, during discussion sessions like this, we did not seek to reach agreement or consensus.

- ***Funding and process challenges: including the difficulties of getting donors to support broader initiatives in the artisanal mining sector (like DDI and ARM) versus specific projects***
- ***The need for not only financial support, but human capital***
- ***Increased consumer awareness on issues like Burma gems, and the fact that sometimes consumers don't know what to believe***
- ***When consumers are given assurances they can believe in, they will pay a premium***
- ***The need for public policy and (possibly) legislation related to the ASM and artisanal mining sectors***

- *The need for standards that are backed up by transparency and third-party assurances*
- *The lack of sustainability in mining and how to create long-term economic viability when the mine is depleted: e.g. through adding value*
- *The need for more involvement in the dialogue from the small-scale and artisanal miners. The need to support them to do so.*
- *The need to include mining communities in the process*
- *Environmental issues like the use of mercury (while some argue it has to be eliminated completely, others support safe use and a reduction as miners get up to speed on alternatives)*
- *Discussion re: recognizing the progress that's already been made and building on that, versus starting from scratch.*

Session 2: Assurance and Certification throughout the Jewelry Sector
Facilitator: Michael Conroy author of “Branded! How the ‘Certification Revolution’ Is Transforming Global Corporations”

Speakers:

ISEAL Alliance Code of Good Practice for Setting Social and Environmental Standards - Patrick Mallet, ISEAL

Oro Verde - Lina Villa, Oro Verde

ARM - Standard Zero for Fair Trade Gold and Associated Metals - Catalina Cock Duque, ARM

Fair Made Jewelry (with IFAT, the International Fair Trade Association) - Martin Rapaport, Rapaport Group

IRMA - Initiative for Responsible Mining Assurance -Steve D’Esposito, Earthworks

CRJP - Council for Responsible Jewellery Practices - Matt Runci, CRJP

Author Michael Conroy opened up the session with a discussion of the development of standards and certification systems, and how they have evolved from first-party (we say we’re good, believe us); to second party (our association says we’re good, believe them); to third-party (outside, independent verification). He called the third choice “corporate accountability with teeth.” He noted that businesses need this in order to protect their reputations - certification reduces risk, especially as their brand names and values grow.

Conroy also said certification is good business. Two key examples he cited were:

- Home Depot, which decreased its employment turnover when it began using the Forest Stewardship Council's Seal of Approval on wood products.
- How market campaigns (like No Dirty Gold) bolster those companies with the highest standards.

Challenges include:

- The fact that many groups don't think voluntary systems are tough enough
- The proliferation of low-bar alternatives
- The cost of certification.

Patrick Mallet of ISEAL discussed his organization's code development methods and explained how it could guide other organizations or processes that were working to create responsible business practice standards. He noted ISEAL is really about developing best practice in this area and learning from past and current initiatives. He also said that the way standards are implemented impact their credibility. For example, all stakeholders need to be involved.

Lina Villa of Oro Verde (Green Gold) noted the need for value chain analysis and fair trade as a way to help those communities marginalized in the past. She discussed the history of the Oro Verde system, founded in 2000, and how it has involved a "bottom up" development process.

Catalina Cock Duque of ARM said the association arose from the need to scale up the Oro Verde project so that other miners could certify their outputs, too, thus ARM took on the challenge of developing an international certification system for Fair Trade artisanal and small-scale mining.

Aspects of ARM's approach include:

- A premium price
- Economic incentives
- Standards
- Transparency

- Balanced decision-making
- Workshops with mining communities.
- Independent third party certification

Standards will be tested on the ground in the coming year with Standard Zero. The goal is to have fair trade gold in the market by 2009.

Martin Rapaport of Rapaport Group spoke about his “Fair Made Jewelry” project and about the need for sustainable economic development versus charity. He said the key is to move from poverty alleviation to sustainable marketing where there are fair pricing, competition and market forces.

Steve D’Esposito of Earthworks discussed the Initiative for Responsible Mining Assurance (IRMA), a multi-sector initiative that includes NGOs, mining companies, retailers, labor organizations and trade associations. IRMA works within a sustainable development context, and seeks to assure or verify miners’ compliance with standards on the environment, social issues and human rights.

Major issues and challenges IRMA is seeking to address to include: What to do with mine tailings, and how do miners get community consent or “social license” to operate. IRMA mostly involves large-scale mining, but D’Esposito said there are overlapping issues and IRMA seeks to advance in a way that is mutually supportive of efforts in the ASM sector.

Matt Runci, chairman of CRJP, shared the Council’s mission statement to promote responsible ethical, social and environmental practices throughout the diamond and gold jewelry supply chain from mine to retail. The membership (80 companies) is representative of all segments of the supply chain. He said CRJP is committed to standards of responsible practices and third party monitoring of all members. The council is completing the development of its responsible practices framework and is engaged in pilot programs. It will launch its implementation system next year.

Key Points from Session 2 Discussion:

- *The importance of defining the terminology that we use like the differences between “fair trade” and “ethical”*
- *The concept that fair trade isn’t the only solution*

- *The proposition, that consumers are willing to pay a premium for “fair trade” goods*
- *The belief that, with multiple standards being developed, the strongest ones should be brought together and harmonized to some degree*
- *The role of communities in fulfilling criteria/standards*
- *The need for reinvestment in communities*

Session 3: Company-Specific Ethical Metals/Jewelry/Gems Ventures

Facilitator: Peggy Jo Donahue

Speakers:

Target Resources – Wade Watson

Nature’s Geometry – Brian Cook

Columbia Gem House - Eric Braunwart

Urth Solution – Sharon Walker

Fair Trade in Gems and Jewellery - Thomas Siepelmeyer

Leber Jeweler - Brian Leber

CRED Jewellery - Greg Valerio

Fifi Bijoux - Vivien Johnston

Wade Watson of Target Resources spoke about social venture capitalism - professional ventures that make a world a better place, while still earning money for owners. He co-founded Pride Diamonds and started operating in Sierra Leone three years ago with goal of treating the locals fairly and dealing with issues like good wages, gender equality, community involvement and government relations. The idea is to do well for shareholders by doing good, reinvesting in the community and not harming the environment. In October, Tiffany & Co. recently signed an exclusive marketing agreement with Target to sell its products.

Brian Cook of Nature’s Geometry discussed projects he has initiated near his gem mines in Brazil, where a gem rush has been de-stabilizing the local community. Nature’s Geometry supports legal miners in developing certified organic cash crop and subsistence agriculture projects and improving technology so the community can get cash as well as food. He said his small project, which creates sustainable development for communities, can be replicated elsewhere.

Sharon Walker of Urth Solution spoke about how the company (founded by her and partner James Scott) is trying to locate responsible small mining

communities it can work with, and invest in sustainable community development through charging a premium for the product. The company has been working in Madagascar and one of its goals in attending the Madison Dialogue was to figure out how to broaden the model to help more artisanal and small-scale miners.

Eric Braunwart of Columbia Gem House said the reason his company expanded into mining was to “tell the whole story of the product we sell.” He said he’s trying to provide a road map to improve the marketability of gemstones through social responsibility. Braunwart noted that the jewelry trade is lagging behind consumers in “getting” the importance of responsible business practices in the supply chain. He spoke about some of the specific initiatives he has started, in order to bring responsibly mined, cut and manufactured gemstone jewelry products to market.

Thomas Siepelmeyer of Fair Trade Gems and Jewellery said the company is working in Argentina and other places with communities who have built schools, etc. He said communities can’t rely only on mining, and should rely first on agriculture as a more sustainable business than mining. Marketing the gold from Argentina, he says he can pay a fairer price to miners, because clients are willing to pay a premium for “fair trade.”

Brian Leber of Leber Jeweler noted that operating his retail business in an ethical/responsible manner isn’t just a brand-building opportunity, but should be seen as the normal way things should be done by all jewelers. He said the industry isn’t inventing the wheel with these initiatives, but trying to make a better wheel.

Greg Valerio of CRED Jewellery said fair trade isn’t about charity, but an opportunity to address issues of poverty and marginalization. The idea is to give a niche market to small-scale players on a global stage.

Designer Vivien Johnston spoke about the goal of turning the green “fad” into the norm for buying jewelry products. She has endeavored to create ethical jewelry by being transparent in her business practices - though she also spoke of concerns in terms of how transparency might undermine an ethical business’s ability to operate competitively as competitors learn of your supply chain.

Session 4: Commonly-Used Terms for “Ethical” Products – What Do They Stand For?

Facilitator: Estelle Levin, private consultant, with assistance from Catalina Cock-Duque, ARM, Cristina Echavarría, ARM and RESPOMIN, Caren Holzman, TransFair (U.S. arm of FLO Intl.), and Jennifer Horning, Ethical Metalsmiths.

The session sought to first present of draft definitions, then facilitate an open discussion and then seek into revised definitions.

Estelle Levin began the discussion with goals of ethical jewelry:

- Option for conscientious consumer
- Stimulate the sustainability of the jewelry supply chain
- Sustainable development of ASM communities

Some possible labels for ethical jewelry include:

- Ethical
- Green
- Sustainable
- Fair Trade
- Responsible
- Peace
- Development

Questions raised in regard to/confusion over terminology include:

- What does it mean?
- Could it be misused?
- Is it too vague or too particular?
- Who gets to use it?
- How can we improve it?

Key Points from Session Discussion:

- *There was so much discussion around the use of the word ‘ethical’, that other concepts such as ‘green’, ‘sustainable’ and ‘fair trade’, while important, were not considered due to time constraints. Therefore it will be necessary to develop follow-up mechanisms.*
- *There is difficulty in controlling the use of so-called “ethical” marketing language (and a danger if labels like fair trade are misused, inaccurately used, or not backed up by standards and certification).*

- *Question/discussion on who the labels are targeted at, e.g. consumers and/or the trade, and how the same word might mean different things to different audiences.*
- *Acknowledgement that different consumers understand the same definition differently and that there is therefore a need to hear from consumers what they are looking for when it comes to “ethical” jewelry.*
- *There was discussion as to whether or not definitions really are important: On one hand, the assertion that what’s behind the definition is what’s important; on the other, the need to be clear and not create confusion in the marketplace through the use of different terms.*
- *Discussion of why companies should care about small scale and artisanal mining communities: some reactions included maintaining brand and company value, attracting young workers who care about these issues, etc...*
- *The need for baseline standards and deciding where the bar should be set in different areas including environmental, social, labor, etc...*
- *The need for a baseline definition as an entry point into continuous improvement.*
- *The question of whether or not it is good for one product to be labeled ethical if another product isn’t?*
 - *Will the label have value to the consumer?*
 - *Where does it fit in terms of merchandising?*
 - *Will the ethical product de-value the conventional one?*
- *Creating projects on the ground in communities that can be communicated on the retail end so consumers can make choices based on what they know about the product’s history*
- *The use of the word ‘ethical’ to either:*
 - *Act as a baseline definition of what is acceptable in the jewelry industry;*
 - *Act as a definition that means ‘pre-fair trade’*
 - *Act as anything you want it to be, so long as it does good*
 - *Act as an umbrella for all other efforts so there are a variety of ethical labels.*

Session 4: Day 1 Wrap-Up: Vision and Objectives
Facilitators: Christopher Sheldon, CASM

Steve D'Esposito, Earthworks, with input from all present.

Key Points from Today's Sessions:

- *Consumers will decide what types of ethical jewelry are relevant to them*
- *We should focus on underlying issues and benefits (i.e. to people, communities and the environment) not just on the terms*
- *The benefit of building on existing programs and projects*
- *The need for a range of approaches in dealing with issues and challenges (Fair Trade being one specific option or approach)*
- *An underlying question as to where the idea of sustainability fits under the broader ethical label—i.e. does it underpin “ethical?”*
- *The concern that consumers will be confused with different products and labels (possible need for regulation or agreements to prevent misuse?)*
- *Ensuring that claims that are made can be backed up with real assurances (working up from first- to third-party certification)*
- *Need for baseline standards and transparency (minimum requirements versus progressive requirements)*
- *Traceability*
- *A belief that “ethical” jewelry can be products from both large- and small-scale operations – it shouldn't be a “large versus small” issue*
- *Belief that “ethical” products doesn't necessarily compete with other products in a store—it's simply another niche market*
- *The need to get more miners and their communities involved*
- *The need to come together as a group and lower competitive barriers*
- *The need to acknowledge that different areas are at different levels of development (and therefore have unique needs)*
- *The benefit of testing programs on the ground*
- *Figuring out the role of large organizations in small-scale mining*
- *The capacity for communities to meet evolving standards (and helping them get there)*

END OF DAY ONE

Day 2:

Session 1: Working from Principles

There was an introductory discussion of the potential for meeting participants to at least reach agreement on principles or aspirations. We began the morning by looking at the development of the Mwadui principles (now in draft form) and later considered the ARM principles.

To begin, Simon Gilbert of De Beers gave a presentation about the Mwadui Community Diamond Partnership Program, which could be a model for how

a large-scale miner (like De Beers) can assist artisanal and small scale-miners working near their operations (like the Mwadui miners) to derive more benefit from mine products. Gilbert said these smaller miners need fair pricing and for the community to be self-sustaining.

Ian Smillie offered thoughts on the Mwadui Principles that have been developed as part of the Diamond Development Initiative (DDI); He discussed principles such as basic human rights and labor standards; adhering to laws; transparency; and community involvement. He also brought up the need to move beyond principles to standards, and then applying those in the field. **The Mwadui Principles are attached.**

Key Points from Session Discussion:

- *The need for access to things like credit and health care for artisanal and small-scale mining communities*
- *Equipment investment that makes sense (understanding what equipment and training are necessary)*
- *Concern over management weaknesses and understanding things like production costs*
- *Training and value addition (creating more jobs)*
- *Finding ways of engaging governments*
- *Need for more financing and resources to bring technology and training to sectors*
- *Need for strategic partnerships*
- *Recognizing the different issues that impact artisanal and small-scale miners, depending on where a mine is located, culture, government, etc...*
- Environmental issues like filling in holes, use of mercury, etc...
- Dealing with legal issues and whether or not countries and communities have the capacity to do so (need for legal frameworks)
- Land ownership issues/disputes
- Issues along the supply chain (such as the impact of refining)

Session 2: BUILDING CAPACITIES TO ENABLE COMMUNITIES TO MEET STANDARDS – WHAT’S NEEDED?

Discussion facilitated by Dorothee Gizenga and Ian Smillie, Partnership Africa Canada. The group discussed:

a. Building capacity to enable communities to meet standards –what’s needed?

- Definition of “community”
- “Capacities”
 - How to create common cause in a community
 - Organization
 - Access to information, technology, etc
 - Legitimacy – legal recognition, respect
 - Ethical financing
 - Access to ethical buyers
 - Some sort of: oversight; mentoring; monitoring; validation

b. The role of large-scale mining in facilitating responsible ASM. What is responsible ASM?

- In areas of overlap of activities:
 - Do no harm
 - Facilitate alternative livelihoods
 - Dialogue/prevent conflict proactively
 - Mwadui Project in Tanzania can serve as a co-habitation experiment
 - Appropriate disposal mechanism for LSM wastes
 - Recognize legitimate efforts of ASM miners
 - Undertake advocacy for ASM with governments and others
- In areas where there is no overlap of activities:

- Identify and provide technical assistance, info and knowledge
- Policy assistance for legitimization and formalization/advocate with authorities
- Partner and train
- How to address the exploration and prospecting phases
- Ethical guidelines for relationship of LSM and ASM
- Establish pilot projects for testing of standards
- Give legal rights to ASM

Key Points from Discussion:

- *The need for access to things like credit and health care for artisanal and small-scale mining communities*
- *Needs for ASM miners*
 - *Geological/technical information*
 - *Access to credit*
 - *Health and environmental management information and assistance*
 - *Equipment for responsible mining and processing technology*
 - *Access to pricing info and knowledge*
 - *Organizational management:*
 - *Accounting, costing*
 - *General business management*
 - *Training in value-added activities and products*
 - *Translation of mining code*

- *Financial resources to use technology and practices to meet standards*

Session 3: Breakout Groups

Discussion facilitated by Estelle Levin, independent consultant. The group discussed whether or not standards are needed for ‘ethical’ or ‘fair trade’ diamonds and, if so, how these should be developed.

Key Points from Session Discussion:

- *The Diamond Development Initiative (DDI) wants to build on the Mwadui Principles, which could be used more widely.*
- *The CRJP principles could be modified for artisanal diamond mining.*
- *There is a need for a process to move from principles to standards and then verification.*
- *Lessons from the Peace Diamond Alliance experience in Sierra Leone were shared: a good model was undermined by problems with implementation.*
- *There is a risk that if you improve the conditions of artisanal and small-scale diamond mining, more people will be attracted to the activity*
- *There is a need to distinguish between “rush” and established mining situations*
- *There is a need to catalogue the various initiatives trying to do something in the field of ethical gems or ethical diamonds, and to promote these.*
- *There remains room to create a demand for our values amongst the ordinary diamond or gem consumer.*
- *One principle should be that efforts should be made to capture more value from the mining for the benefit of everyone, e.g. through finding a local or commercial use for waste materials.*
- *Concern that an initiative to produce ethical diamonds would have to be supported by the whole industry. The KPCS was supported as compliance was available and accessible to everyone, and it was endorsed legislatively. But others asserted they do not want a dilutive tool for everyone as not everyone will want to or be able to do it.*

- *Another concern was that large companies can pay for compliance, but smaller members cannot afford it. At the very least, a framework for ethical assurance should be equally accessible to large and small companies, as well as the juniors that are traditionally problematic.*

Session concluded with agreement to establish working groups to:

- Streamline the various frameworks for ethical mining or jewelry into a set of common principles for application across minerals and across scales. The group agreed that it would wish to set up working groups to establish “Common Principles for Ethical Diamonds” and “Common Principles for Ethical Gems”. Standards for gems and diamonds, relevant to the different scales of production, would be derived from these principles.

2. SMALL-SCALE/ETHICAL METALS: MINE TO MARKET CHALLENGES

Steering Committee Leaders – Steve D’Esposito, Earthworks, Christopher Sheldon, CASM, Catalina Cock Duque, ARM, and Jennifer Horning, Ethical Metalsmiths

Facilitators: Jennifer Horning and Stu Levit

Key Points from Session Discussion:

Sourcing and Supply issues:

- *Jewelers want to source from ethical mines, but don’t know where to go*
- *Supply Gap: There’s much more demand than there is supply in metals*
- *The need for creative ideas for (dealing with demand)*
- *Discussion on how the dialogue can lead to working groups or one-on-one business relationships to try and deal with supply chain issues*
- *The bottleneck occurs when metals are produced, and at the refining level – how do you send responsibly mined materials to facilities that don’t have good environmental standards?*
- *Need to facilitate building the capacity of small-scale miners*
- *Concern that there would be tension/competition between responsible artisanal gold mining and recycled sources*

- *An assertion we should not there is a win-win opportunity here to promote both recycled and mined minerals, from responsible sources*
- *Small jewelers and craftspeople are interested in the artisanal and small-scale mining stories. Large-scale mining sources aren't as compelling (as a story for these smaller players)*
- *How can small designers connect with the small artisanal miners?*
- *Artisanal and small-scale miners say they need to strengthen the programs that exist. They need the technology and financing*
- *Idea of creating an “ethical jewelers’ fund” to help support these programs*

Recycling issues:

- *On the recycled gold side – getting certified sourcing – start working group on recycled metals*
- *Using a combination of some ASM gold and some recycled*
- *Concern over ethical value of recycled gold. Not all recycled metals are “clean”*
- *Use of “reclaimed metals” (practiced by U.S. based refiner Hoover & Strong)*

Certification and Standards:

- *Discussion over whether or not it is possible to brand goods as “pre-certified” before the true certification takes place*
- *Bringing people into the standards process—the idea of testing on the ground (the Standard Zero) and building a traceable supply chain for individual products*
- *Enabling miner participation; developing fair trade (or other) system that miners can be a part of and benefit from*
- *Standard Zero for gold is being tested next year –major challenge is funding*

Other Challenges:

- *Miners who have relationships with traders, this may make it difficult to develop a more standardized system*
- *The need for capacity building, cost of production, compliance issues, etc...*

- *Refining: How can we (or should we) build local capacity for refining? Will this add value at the local level?*
- *The use of mercury (some argue against any use, while others say that, while miners should be shown new methods, if they use it responsibly they are going in the right direction—miners need support to get there) A key component is identifying how miners are using it and dealing first with those who mishandle*
- *One example of how programs are dealing with issues related to use of chemicals: Standard Zero takes miners through the process of reducing mercury and there's a “green premium” to not use mercury or cyanide.*

Session concludes with agreement to establish working groups to look more closely at:

- Artisanal and small-scale metals mining
- Recycled metals

FINAL SESSION: Next Steps and Action

Principles:

- Agreement that a “Principles and Standards” Working Group, would bring together all credible principles and codes of practices developed so far, to create “common” principles – and not reinvent the wheel.
- Recognition that there are certain common principles that all sectors share a belief in.
- How to take agreed principles and turn them into standards the industry can use to make credible claims for “ethical” jewelry.
- Once we have principles, we need to focus on the more difficult steps that follow the establishment of principles—as some are already doing.

Meeting Note: Joseph James presents info on the Liberia handcrafted quilts, noting that it's important to think about the ways the talents of people in these communities can be used (for their benefit)

- Bill Gallagher gave examples of positive press his company has received for his “Clear Conscience Jewelry”

ARM Standard Zero for Fair Trade Gold and Associated Metals also presented its standards in more detail:

Returning to our earlier discussion of the potential to reach agreement on principles, ARM described the principles developed based on Vision of Quirama and Principles for Responsible Mining. These are attached.

Examples of the requirements were presented.

Labor:

- No forced labor, No discrimination of women and other groups, no child labor, health and safety conditions, social protection (miners don't have any coverage)
- Providing equal access to opportunities, benefits, and tasks for women workers

Environmental development:

- Green Premium on gold where no mercury used and where ecological restoration is practiced
- Need for a process to help them reduce the use of mercury

Social development:

- Members of organizations that are community based for artisanal and small-scale miners must be democratic and transparent
 - Economic development: Better mineral processing techniques to improve gold recovery

Development of trader's standards

Overreaching Standards and Certification issues:

- Second party versus third party standards (second party as intermediary step?)
- The need to be cautious in using interim labels and certification schemes that may not have meaning
- Use of a ‘fair trade’ label where it doesn’t exist and how this can create confusion in the market
- The need for transparency
- A discussion on whether or not standards should be set across the board for both large and small-scale miners (there’s a concern that not all communities are ready). There’s also a need to establish different standards to fit the situation
- The need to find commonalities and not have it be about imposing impossible conditions on artisanal and small-scale miners and other supply chain operators

Madison Dialogue Summit Declaration:

Participants agreed to the following declaration (which was finalized after the Summit):

We believe there is an opportunity to make a difference in the lives and communities of artisanal/small-scale miners and other marginalized workers worldwide, by developing and implementing robust standards for the production of ethical and fair trade metals, diamonds, gems and jewelry. We also encourage governments, where needed, to develop policies and regulations that protect these miners, workers and their communities.

Next Steps:

Participants agreed to pursue next step through the following working groups.

Working groups to address:

- *The development of principles, standards and a third-party assurance system for jewelry products that may be labeled as “ethical” or “fair trade.”*
- *Large-and small-scale mining interactions*
- *DIAMOND Product Chain*
- *METALS Product Chain*
- *COLORED GEMSTONES Product Chain*
- *MANUFACTURING ISSUES*
- *RECYCLED METALS*

END OF DAY 2

END OF SUMMIT