

Madison Dialogue Ethical Jewelry Summit October 25-26, 2007

World Bank Headquarters
1818 H Street N.W.
Washington, D.C.
Room MC13-121

INTRODUCTION

This Summit aims to bring together the civil society, community, government and commercial organizations (from mine to retail) that currently are working to address social, human rights and environmental issues in the small-scale mining sectors that supply raw materials (including diamonds, colored gems, gold and other precious metals) to the jewelry industry. It will also include processors and fabricators of recycled materials.

Ethical jewelry presents a great opportunity for retailers to meet growing consumer demand for responsible products and for miners and communities to benefit from increased incomes with lower negative social and environmental impacts.

The Summit's goals are:

- To agree on credible definitions for the descriptive terms that currently are being used to market so-called "ethical" jewelry. These terms include: "fair trade," "green," and other adjectives.
- To recognize credible efforts to develop robust standards and third-party verification systems for ethically sourced minerals.
- To build and/or strengthen partnerships between sometimes-diverse stakeholders interested in ethically sourced minerals, so that responsibly produced jewelry can begin to reach the consumer market in a timely manner.
- To establish next steps both in terms of the development of standards and processes and concrete projects, trials and other activities.

The meeting is being organized by the Madison Dialogue (www.madisondialogue.org) and the organizing committee includes ARM, CASM, DeBeers, EARTHWORKS, Ethical Metalsmiths, FLO International, Partnership Africa Canada, Jewelers of America, and the Rapaport Group.

We thank CASM for hosting this summit and the World Bank for offering the use of its facilities.

EFFORTS TO DATE

In order to give context to the Madison Dialogue Ethical Jewelry Summit, it is first worth reviewing multi-stakeholder and other efforts that could contribute to ethically sourced jewelry in the future. Note: It is recognized that this is only a partial list—a more complete “map” will be prepared in advance of the meeting.

ARM, DDI and Other Small-Scale Mining Sector Efforts

In the small-scale (artisanal) mining sector, there are a number of leading edge, multi-stakeholder efforts to develop standards and pilot projects in this sector, including ARM, the Association for Responsible Mining and DDI, the Diamond Development Initiative. ARM is a multi-stakeholder initiative working to develop social and responsibility standards for ASM operations by using Fair Trade market incentives, providing producer support and developing better conditions for sustainable ASM communities. It is developing FT standards for gold and associated precious metals, and plans to continue with other gems and minerals produced by ASM. For more information: www.communitymining.org ARM was created as a strategy to scale up and expand the Oro Verde Initiative in Colombia, where artisanal Afro-Colombian miners produce the only independently certified gold and platinum on the market today (www.greengold-oroverde.org). DDI is a multistakeholder initiative with a mission to address the political, social and economic challenges facing the artisanal diamond mining sector (www.pacweb.org).

Communities and Small-scale Mining (CASM)

CASM promotes an integrated approach to addressing the challenges facing artisanal and small-scale mining communities and improves coordination between stakeholders. CASM, a multi-donor networking and coordination facility engages with miners, associations, communities, governments, NGOs, and development assistance agencies to mitigate the negative social and developmental impacts of small-scale mining. Specifically to fair-trade CASM funds individual projects and initiatives (some of which are mentioned here) and provides forums for global consultation and collaboration on fair-trade for ASM, to help achieve CASMs goal of improving the quality of life of small-scale miners. For more information, see www.casmsite.org

Entrepreneurial Efforts

A number of positive, entrepreneurial pilot projects, initiatives and processes are also underway (or soon to get underway) that seek to create sources of responsible, ethical and/or green minerals and bring them to market. Efforts are also underway to explore sources of recycled metals, such as gold, as a virtuous or ethical source.

A number of individuals and smaller organizations have exhibited real leadership, including, but not limited to: the Rapaport Group, greenKarat, CredJewellery, Leber Jeweler, Finesse Diamonds, Columbia Gem House, and Ethical Metalsmiths.

The Initiative for Responsible Mining Assurance (IRMA)

This is a multi-stakeholder initiative working to certify large-scale mining operations (including diamond and gold mines), to ensure that they comply with environmental and social best practice. For more information, see <http://www.responsiblemining.net/>.

The Kimberley Process Certification Scheme

This international, government-run certification system works to prevent conflict diamonds from entering the legitimate diamond supply chain, but it is silent on issues of environmental and social practice and economic development in the diamond industry. For more information, see www.kimberleyprocess.com

RISKS AND OPPORTUNITIES

While a number of retailers and traders are offering “green,” “ethical,” or “fair trade” jewelry to consumers, they are not yet able to point to standards for these products, developed and sanctioned by multiple stakeholders globally. In addition, there is not yet an independent international certification system for this type of jewelry, or for the minerals used in its creation.

There is a risk that some of these efforts could create consumer and retailer confusion, which could hurt legitimate efforts to develop and market ethical sources. Furthermore, there is the potential for media criticism of unverified claims by so-called “green” or “ethical” jewelers, which could tarnish the overall movement in this area - and even scare-off or embitter customers and interested retailers.

Initial efforts to legitimize (or independently verify) many of these “green” or “ethical” projects have focused on gaining a “fair-trade” label and/or seeking to work with the Fair Trade Labeling Organization (FLO), the Fairtrade Foundation (UK) and/or its U.S. member, TransFair USA. FLO-FTF-ARM did a Feasibility Study for Fair Trade Gold and Associated Precious Metals in 2006 and have just agreed to jointly develop and pilot test Standards for Fairtrade Gold. TransFair USA reports that it is about to initiate a research project in this field.

There is also interest among “ethical” or “green” jewelers in drawing from recycled sources, but currently, there is not an organized approach to these sources.

There is also the potential for important and effective synergies between community-based, small-scale mining sources and small-scale retail enterprises and metal smiths - increasingly these business and crafts people want to know exactly who their source is.

THE NEED

There is a need for an all-encompassing, touchstone effort that:

- Builds legitimacy and support for high standards;
- Works to establish credible, transparent verification;
- Helps differentiate between real and false claims.

To be successful, this effort:

- Must include a balanced representation from all sectors,
- Cannot be owned or controlled by any one sector or interests,
- Must be effectively organized and convened by an organization that does not have a direct stake in the outcome.

Much can be learned from other sectors. The ISEAL alliance, created in 1999 by leading international standard setting organizations,* has developed a code of good practice for standard setting, which can serve as a reference.

An effective approach to this sector is likely to couple standards and systems development, with trials and the actual creation of business-social partnerships. These two elements should be coupled from the outset. In other words, an effective effort will catalyze quick movement to trials and on-the-ground case studies.

The Madison Dialogue Ethical Jewelry Summit will work to achieve these aims, through a constructive meeting that ends in an agreement to follow a path that will ultimately allow this group of interested parties to get beyond the current landscape of claims, counter-claims and confusion.

SUMMIT AGENDA

A draft, detailed agenda will soon be circulated but the steering committee has established the following as key components of the summit agenda:

- **ASM Today:** What are today's ASM challenges and emerging solutions. We will offer perspectives on what's being done, today, to address these issues. What systems have been established in other parts of the mining and jewelry sectors? How do we establish a legitimate "ethical" or "fair-trade" system? What are we learning from active projects, trials and studies in the ASM sector today?
- **Markets:** The emergence of the ethical consumer - what does it mean for ASM? What are the unique aspects of ASM and how does the market respond to these ASM challenges (e.g. supply chain challenges)?
- **Markets:** Retail case studies—what is being offered in today's markets? What are the current trends and future opportunities? What do retailers need to make it work?
- **An Ethical Vision, Principles and Process:** We will work to establish agreement on a shared vision, the principles that underlie a credible system, and the process we will utilize to get results.

- Recognizing Projects, Trials and Case-Studies: We will use breakout sessions to discuss, strengthen and advance pilot projects, trials and case studies. We will explore those that are active today and create opportunities for new projects.

MEETING PLANNING

A steering committee, to plan the meeting, has been formed. Current steering committee members include Jennifer Horning (Ethical Metalsmiths), Peggy Jo Donahue (Jewelers of America), Veronika Kohler (CASM), Steve D'Esposito (EARTHWORKS), Catalina Cock Duque (ARM), Dorothée Gizenga Ngolo (DDI and Partnership Africa Canada), Amanda Stark (Rapaport Group), Caren Holzman (FLO International/Transfair USA), and Rosalind Kainyah (De Beers Group USA)

MEETING PARTICIPATION

Due to logistical constraints the meeting will be by invitation only. If you are interested in receiving an invitation please contact a member of the steering committee, above. Or send an email to info@madisondialogue.org.

* ISEAL's members include FLO, International Forest Stewardship Council (FSC), International Federation of Organic Agriculture Movements (IFOAM), Marine Aquarium Council (MAC), Marine Stewardship Council (MSC), Rainforest Alliance, and Social Accountability International (SAI).