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"Who gets certified?" Participation in the Fairmined Certification and its Added Values explained by Miners and NGO involved in Colombia

GEO 511 Master's Thesis

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Abstract

Certifications are a widely used tool to communicate the compliance with certain standards to the outside world. Proponents of fair-trade certifications argue that consumers are therefore willing to pay a higher price and that in this way the smallest producers can be directly integrated into the market which improves their livelihoods. Critics counter that certifications only include the already best developed smallholders, that certification systems have an unequal power distribution among the various actors involved, with producers being underrepresented, and that certifications "undermine" the state in taking over state tasks. This thesis focuses on Fairmined which is such a certification for ASM gold implemented by the NGO Alliance for Responsible Mining (ARM). It takes a closer look at two certified ASMOs in Colombia by conducting interviews with certified miners, miners interested in the certification and NGO employees. Participation in the certification is discussed on the basis of various aspects. I argue that the question of "who gets certified" is more complex than the literature criticizes. Not only do the NGO requirements determine who is certified, but they are influenced by national legal frameworks, international regulations and wider fair-trade norms. In addition, the willingness of ASMs to formalize is crucial. These factors are very context dependent. Despite the difficulties in obtaining certification, certified miners say retrospectively that the effort is worth it, because the added values outweigh the effort. The miners particularly emphasize financial aspects and the support of the NGO. The NGO sees its advantages over state formalization in the higher level of trust the ASMs have in them, better implementation of ASM formalization and the effort to improve ASM's reputation nationally and internationally. In the context of the criticism in the literature, I argue that a total bypassing of the state is not possible, since certification is based on legalization. This in particular because their financial incentives of export and premium are based on legalization. Against this background, I would rather speak of cooperation between the NGO and the state.

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Abbreviations

ARM	Alliance for Responsible Mining
ASM	Artisanal and Small-scale Mining
ASMs	Artisanal and Small-scale Miners
ASMO/s	Artisanal and Small-scale Mining Organization/s
CRAFT	Code of Risk mitigation for ASM engaging in Formal Trade
FARC	Fuerzas Armadas Revolucionarias de Colombia (engl.: Revolutionary Armed Forces of Colombia)
GDP	Gross Domestic Product
ISEAL	International Social and Environmental Accreditation and Labelling Alliance
LSM	Large-Scale Mining
MSM	Medium-Scale Mining
NGO	Non-Governmental Organization
OECD	Organization for Economic Co-operation and Development

1. Introduction

Gold mining is an important income source for many. The enormous rise in the global gold price between 2004-2012 has led to an increase in gold mining activities that can be recognized as a global gold rush. Worldwide around 3000 tonnes of gold are mined each year (Winkler and Straumann 2016, World Gold Council 2020). Estimates assume 10-25 percent of gold being produced by artisanal and small-scale miners (ASMs) (Winkler and Straumann 2016; Levin 2014, World Bank 2013, Dorner et al. 2012 in: Fritz et al. 2018) but involving around 90 percent of the total workforce (Levin 2014 in: Fritz et al. 2018, Winkler and Straumann 2016). This means that ASMs produce around 300-750 tonnes of gold per year. The sharp rise of mineral prices in the beginning of the 21st century made several countries, among them also Colombia (Echavarria 2014), change their policies to enable large-scale mining (LSM) exploration in order to achieve a growth in the GDP (Gross Domestic Product). In the context of this rapid growth, efforts to formalize and support artisanal and small-scale mining (ASM) have become less important (Hilson et al. 2016). This results in especially ASM not being legally approved.

The conditions of ASM are often precarious. It is estimated that 70 to 80 percent of ASM is informal, meaning that it is not legalized (Fritz et al. 2018). This informality deprives the state of important financial resources due to a lack of tax revenues. ASM is predominantly characterized by poor working conditions and environmental damage caused by the use of chemicals in gold mining, which in turn makes access to clean water more difficult and contaminates soil and food with heavy metals (Echavarria 2014, Bundesrat 2018). Even where regulations for ASM exist, the limited capacity of the state and the very high number of informal ASM mean that these regulations are often not enforced and controlled (García et al. 2015 in: Fritz et al. 2018). This makes it difficult to deliver "on important social objectives, such as generating formal employment and improving quality of life in mining communities" (Echavarria 2014: 8), "trapping most miners in cycles of poverty and leading to community impoverishment" (Hilson and Pardie 2006 in: Fritz et al. 2018: 49). Furthermore, ASM often takes place in fragile contexts where inequalities, conflicts and corruption exist. In these contexts, the state is hardly or not present and has only weak governance. ASM is further characterized by a high socio-economic inequality that eventually leads to corruption or even conflicts (Bundesrat 2018).

In order to improve the conditions for ASM, certification systems are proposed as a solution. The first gold certification schemes for ASM arose from the idea of extending existing fair-

trade[1] models for tropical agri-food models to gold (Fisher 2018). The best-known current certifications for ASM Gold are Fairmined and Fairtrade Gold. These two certifications have evolved from the common Fairtrade and Fairmined Standard of the year 2009 (Fisher 2018). The aim of such certification schemes is that ASM should be paid a higher price and they should be directly linked to the market (Taylor et al. 2005, Nicholls 2004, Hira and Ferrie 2006, Moore 2004). Additionally, Fairmined and Fairtrade Gold pay a social premium that is intended for development of the artisanal and small-scale mining organization (ASMO) and the community. Fairmined pays a premium of 4000$ per kilogram certified gold, the Fairtrade premium is 2000$ per kilogram (Fairtrade 2013, ARM 2014a). In addition, there are other organizations that support artisanal and small-scale gold miners but do not have their own certification.[2] Further certifications for responsible gold exist, but these are not limited to ASM because they certify gold from productions of different sizes[3] (Clean Mining 2019, see also McQuilken 2016, Young et al. 2014).

In this thesis I take a closer look at the Fairmined certification of the Alliance for Responsible Mining (ARM). ARM is an NGO (non-governmental organization) that was founded in 2004 and in 2007 they developed the first standard for fair trade gold, the "Standard Zero" out of which the Fairmined certification developed (ARM 2019b). The Fairmined certification is active in Colombia, Peru and Mongolia with a total of 10 certified ASMOs (Fairmined 2020). The Fairmined certification should ensure that ASM activities take place under sustainable conditions that are controlled by a third party. Fairmined (2020) ensures that ASMs receive a "fair price" plus an additional premium that is intended for investments in the mining operations, environmental protection and social development for the wider community. 361 kilograms Fairmined gold were produced in 2018, which is a small percentage of the 300-750 tonnes of gold produced annually by ASM (Fairmined 2020). The Fairmined certification taking place in Colombia was chosen for fieldwork because there are several Fairmined-

[1] In this thesis, the term 'fair-trade' or 'fair trade' is used for "trading partnerships and a social movement that seek equity in international trade" (Fisher 2018: 81) and that "contribute to sustainable development by offering better trading conditions and securing workers' rights for marginalised producers" (FAO, 2003; Fridell, 2006; Hudson et al., 2013; WFTO, 2017 in Fritz et al. 2018: 44). It is not to be confused with 'Fairtrade' which is referring to the Fairtrade certification of the Fairtrade International Labelling Organization (Fisher 2018).

[2] The Better Gold Initiative (BGI) of the Swiss Better Gold Association (SBGA) and the Swiss State Secretariat for Economic Affairs (SECO) has developed its own standards, which are somewhat simplified compared to Fairmined and Fairtrade, but do not have their own label. The Artisanal Gold Council and the Pact Mines to Market support ASMOs on their way to a formalized, sustainable activity, but do not apply certification themselves either (see also McQuilken 2016).

[3] These include the Conflict-Free Gold Standard, which focuses on ensuring that gold is not used to finance conflicts; Responsible Jewellery Council certification, a multi-stakeholder initiative for ethical gold; and the Clean Gold certification. Clean Gold is the latest of these initiatives from 2018 and prohibits the use of any chemicals (Homepage Clean Mining, 5.12.19, see also McQuilken 2016, Young et al. 2014).

certified ASMOs, two of which were willing to receive me and also because the ARM headquarter is in Medellin, which gave me the opportunity to go there to learn more about the work of ARM and the Fairimined certification.

Colombia is one of the 3 countries where Fairmined certification takes places. 72 percent of the country's gold production in 2013 in Colombia was classed as artisanal and small-scale mining (ASM) (Güiza 2013 in: Fritz et al. 2018) and 87 percent of the gold is produced "informally", lacking a legal mining title (Minminas 2012: 14). Over 340,000 Colombians depend directly on ASM and medium-scale mining (MSM) for their income in Colombia (Echavarria 2014). This means that the biggest part of the workforce involved in mining is working under shady and uncontrolled circumstances (Winkler and Straumann 2016). In addition to the problems mentioned above, in Colombia the authorities estimate that the FARC (Fuerzas Armadas Revolucionarias de Colombia[4]) obtain some 20 percent of their resources from mining gold. This gold used for financing of conflicts is referred to as "illegal gold" and is estimated to make up to 14 percent of the 53 tonnes of gold produced in Colombia in 2011 (Rivas and Echeverry 2012 in: Echavarria 2014). Saldarriaga-Isaza et al. (2013) argue that the renunciation of problematic sources is not a solution because for most informal miners, the gold-digging activity is the most attractive source of income or at least an important complementary source of income. ARM and goldmining certification in general aims to address all these issues.

However, the benefits of such initiatives remain questionable. Critics complain in particular that only the best developed ASMs are certified (Hilson et al. 2016, Fisher 2018, Gulbrandsen 2008, Klooster 2005, Brandi et al. 2015), that these systems are undemocratic and further worsen the power imbalance between producers and consumers (Raynolds 2000, Elgert 2012, Klooster 2006, Lyon 2007) and that certification systems are often a bypassing of the state and thus worsen the situation in the long run (Elgert 2012, Raynolds et al. 2007, Brandi et al. 2015, Klooster 2006). What remains puzzling and not well known therefore is which factors influence that only the best developed ASMs are certified and why ASMs become involved in such certification schemes despite these barriers.

This master's thesis looks at what Fairmined-certified ASMs and ARM staff say about what added value they see in certification. The main research question that guides this thesis is **how is participation in the Fairmined certification scheme explained by the miners and NGO employees involved?** In the context of the criticisms outlined above, this question helps gain

[4] Engl.: Revolutionary Armed Forces of Colombia

insights in their collaboration and about the factors they believe influence ASM certification. The research is based on literature research, document analysis and one month of fieldwork that took place in Colombia where I visited two Fairmined-certified ASMOs and conducted semi-structured interviews with certified miners, employees of certified mines, miners interested in the Fairmined certification as well as NGO employees.

The findings show that the ASMOs visited indeed were developed already before certification. However, the opinions about factors influencing which ASMs become involved with Fairmined are diverse but linked very much to the context where ASM takes place. On the one hand, location is important in order to get to know the certification at all since a lot of information is passed on via personal contact. Then is legalization a difficult prerequisite that is different in every country. And finally is the fulfilment of the requirements of the standard crucial. These requirements can be influenced by outside factors like other certifications, national legislation and international norms. On the other hand, the characteristics of ASM have an influence on the involved ASMs too. According to the opinion of several interview partners, many ASMs in Colombia are not interested in legalization and certification. Nevertheless, certified miners stress the benefits of certification. These include a better price due to export, the additional premium plus the support of the NGO during certification and in fulfilling requirements of formalized mining. This assumption of tasks by the NGO is in the literature criticized as a bypassing of the state. However, the adoption of state requirements in the form of legalization as a condition for certification show that there can be no total bypassing of the state. Rather, we can speak of cooperation. Overall, this thesis contributes to the wider debate about the benefits and failures of certification systems.

The thesis is structured in several chapters. After this introduction, chapter 2 presents the case I have studied, namely that of Fairmined ASM in Colombia. It gives background information about the Fairmined certification, about the Fairmined certified ASM organizations (ASMOs) and ASM in Colombia. In chapter 3, a literature review about certification is given where the ideas and critiques of certification systems are discussed as a way to justify the research focus. In the following chapter 4, the methodological approach is described including a discussion of methods, challenges, and limits to the study. The results of fieldwork are discussed in chapters 5 and 6. Chapter 5 tackles the question "who gets certified" given ARM's criteria and reflects upon the critique that only the best developed ASMs are certified. Chapter 6 looks more closely at the added values certified ASMs and NGO employees see in the certification, in particular

with relation to simply ASM state formalization, which leads to a discussion on whether Fairmined certification is "undermining" state regulation.

2. The case: Fairmined certification in Colombia

This chapter will give an overview over the research study. Firstly, it will introduce the Fairmined certification of ARM. Secondly, it will give some background information about the historical situation of Colombia, gold mining and ASM in Colombia and describe the visited Fairmined ASMOs.

2.1. Fairmined certification of ARM

Fairmined is an assurance label, which aims to certify gold from responsible artisanal and small-scale mining organizations (ASMOs)[5]. Whether an ASMO qualifies for ASM is determined by ARM according to the following criteria:

> "Gather and consider national legislation, if a clear definition of ASM exists. In case there are no clear national legal guidelines decisions by the Application Committee shall be made based on: The criteria of productivity. ASM is considered as such if productivity does not exceed 4 grams of gold per registered miner and day at time of entering the system. If this productivity threshold is exceeded after entry to the system through "internal growth and development" the ASMO shall qualify to remain in the Fairmined certification system until it exceeds a productivity of 8 grams of gold per registered miner and day" (ARM 2014a: 6).

The Fairmined certification was founded by the Alliance for Responsible Mining (ARM), a non-governmental organization (NGO) founded in 2004 (ARM 2019b). The origins of the Fairmined Standard go back to the "Oro Verde" certification of the corporation of the same name in 2002. This first label was founded in the Chocó region in Colombia by a group of afro-descendent miners, 2 NGO's and European jewellers. The great acceptance of the label and market demand led to the founding of the Alliance for Responsible Mining in 2004 and the development of a first ASM gold standard called "Standard Zero" until 2007. The "Standard Zero" was subject to public consultation and was the first standard for Fair Trade Gold. It was tested in Latin America between 2008 and 2010 (ARM 2019b). Successfully implementing the standard on the ground, ARM did not have sufficient financial and marketing resources. Therefore, in 2009, they joined forces with the Fairtrade Labelling Organization for a three-

[5] Following the definition of ARM "an ASMO is a formal organization established for the purpose of conducting or facilitating responsible Artisanal and Small-scale Mining and constituted according to the legal, social, cultural and organizational reality of the local context. […] The ownership of an ASMO can be held by landowners, individual owners or partners, shareholders or members. An ASMO comprises of different artisanal and small-scale miners operating with the ASMO's consent under its umbrella: these may consist of self-employed miners, family units, groups of self-employed miners, other community-based miners and organizations like mineral selectors, micro-enterprises belonging to the family economy, small enterprises, as well as all types of workers (including casual or migrant workers)" (ARM 2014a: 7).

year pilot project and released the first version of the Fairtrade and Fairmined Standard in 2009 based on the "Standard Zero" (Sippl 2015). Due to disagreements the cooperation between the two organizations was terminated in 2013 (ARM 2019b).

The today valid version 2.0. of the Fairmined Standard was presented by ARM in 2014 (ARM 2019a). The current version of the Fairmined Standard was developed after a transparent revision process following ISEAL's (International Social and Environmental Accreditation and Labelling Alliance) recommendations. The ISEAL's recommendations suggest reviewing a standard at least every 5 years (ARM 2019a). They also follow the proposal of an "initial public call for comments prior to standard drafting, as well as two rounds of public consultation on draft versions" (ARM 2019a: 10) in order not to forget any important points and to minimize the risk of unintended consequences. The aim is to ensure that active participation by ASMs, supply chain and market actors, as well as independent civil society experts is possible (ARM 2019a). At the moment, a revision of the Fairmined Standard for the development of version 3.0 takes place (Fairmined 2020). This revision also takes place in compliance with ISEAL's recommendations (ARM 2019a). The aim of the revision is as follows:

> "While maintaining the robustness and comprehensiveness of the Standard, the Alliance for Responsible Mining (ARM) expects that the revision process will result in a simplified and enhanced impact-driven Standard, in accordance with miners' understandings of their business and working experiences, taking into account the different mining extraction methods, cultural and social contexts. It will also meet the Fairmined Suppliers and Licensee's expectations to guarantee a fairer supply chain" (ARM 2019a: 5).

Fairmined has grown continuously since its beginnings. Worldwide 180 companies of the entire supply chain in 22 countries are working with Fairmined Gold (ARM 2019b). More than 150 ASMOs have been supported by ARM since 2013 (ARM 2019b). 21 ASMOs in 4 different countries have received Fairmined certification for at least 1 year (ARM 2019a). At the moment, 10 ASMOs are Fairmined certified, of which 4 are located in Colombia, 4 in Peru and two in Mongolia (Fairmined 2020).

The aim of the Fairmined certification is to improve the conditions of ASM. The intention of such certification systems is to lead to the improvement of environmental and social impacts that the production of a product causes (Blackman and Rivera 2011) and at the same time to generate development gains, especially in the Global South (Klooster 2006). Hereby the goal of such certification schemes is to improve working conditions and make supply chains more equal (Fisher 2018). Therefore, Fairmined wants to promote social development and

environmental protection by ASM (Fairmined 2020). In the words of ARM that can be found in the "terms of reference of the Fairmined Standard" (ARM 2019a), Fairmined aims:

> "to promote the progressive organization and formalization of the ASM sector, bringing with it improved labor rights, safer working conditions for miners, and strengthened miners' organizations with the capacity to campaign for legislation and public policies that promote their rights and enable a responsible ASM sector" (ARM 2019a: 5).

Fairmined tries to include all actors of the gold supply chain, i.e. of miners, the gold industry, as well as the end consumers and to offer them different incentives. From the point of view of ARM, these incentives should ensure the participation of the different actors (Fairmined 2020). The producer often either receives a premium for the certified products or he gets better market access as compensation for meeting the standards (Elgert 2012, Blackman and Rivera 2011). This is what is done in Fairmined: According to ARM (2014a), the ASMOs receive a guaranteed, fair price for their gold which amounts to a minimum of 95 percent of the London Bullion Market price for gold (ARM 2014a, see also Sippl 2015). Additionally, they receive a premium of 4000 US$ per kilogram of Fairmined gold which is intended to cover the costs of certification and to be invested in mining operations, social development and environmental protection. They also get direct access to the international market and to a network of other miners and mining support organizations. This integration in larger ASM networks should also help to legitimize ASM's activities from the government's, national and international audiences' and the industry's point of view (Fairmined 2020). Several authors stress the importance of such incentives mentioned above to motivate producers to engage in business practices that improve their environmental, social and economic performance (Auld et al. 2009, Bacon 2010; Rice and Ward 1996, Giovannucci and Ponte 2005 in: Blackman and Rivera 2011).

The certification also provides incentives for the gold industry and consumers. According to ARM (2019b), actors in the gold industry can demonstrate by participating in the standard that they value the responsible practices of ASM and position themselves in a leading role of sustainable and ethical sourcing. In addition, Fairmined Certified Gold guarantees that international standards and regulations are adhered to and thus means risk mitigation for the companies involved (Fairmined 2020). The main incentives for consumers are increased transparency about the origin and production process of a product. Loconto and Dankers (2014) explain, that a label communicates to the consumer that the rules of a standard are met. Subsequently, the consumers or intermediaries may be willing to pay a higher price for the

product. In turn, this finances the premium that the producers receive for producing according to the certification standards as this is done with Fairmined. Fairmined Certified Gold aims to provide consumers the guarantee that the gold was responsibly mined and that they can generate a positive impact with their purchase (Fairmined 2020).

Certification schemes are organized in different entities and elements. They are managed by a standard setting body, usually an NGO (Loconto and Dankers 2014, Klooster 2006), which is the Alliance for Responsible Mining (ARM) in the case of Fairmined. ARM divides its work into 4 areas of responsibility: Assisting miners on the ground, Standards and Certification systems, Responsible gold supply chains and market development as well as Governance for sustainable ASM (ARM 2019b).

Certification schemes usually consist of the elements of a set of established standards, certification, accreditation and a label that certifies the product that meets the standards (Loconto and Dankers 2014, Klooster 2006). The standards that need to be fulfilled to achieve certification are defined by ARM. ARM formulates 3 official criteria that determine which ASMs are eligible for certification. First, the mines must be located in a low or medium income country which is qualified for official development aid, second, the mines must have a legal mining title for their activities and third, they must meet the entry-level requirements of the Fairmined standard (Fairmined 2020). A certification is issued by the standard-setter, in this case ARM, when these criteria are met. Compliance with the standard is controlled by a third party, after which the label is issued. The accreditation is controlled by a third party (Loconto and Dankers 2014, Guthman 2004 in: Eden 2011). Loconto and Dankers (2014) write, that the audit process is usually carried out by a first, second or third party. Many certification models today involve a third-party audit as it is done in Fairmined, to ensure accreditation. A third part audit means that the audit is carried out by a body that is considered as impartial and independent, i.e. with no direct economic interest in the standard (Loconto and Dankers 2014, Hatanaka et al. 2005 in: Bacon 2010). Currently, two auditing bodies are carrying out the third-party audits for ASMOs for the Fairmined certification which are Bogotá-based NaturaCert and Ecocert IMOswiss AG. With the Fairmined certification, certification is always valid for one year and needs recertification by a third-party audit each following year (Fairmined 2020). The label that marks the certified product belongs to the standard-setter, in this case ARM, that communicates the verified fulfilment of the criteria of a standard to the outside world (Loconto and Dankers 2014). The intention of a label is to allow the consumer to differentiate based on environmental and social attributes and effects of a product (Blackman and Rivera 2011). These

elements lead to implementation and compliance with best practices in accordance with requirements of the standard (Loconto and Dankers 2014).

2.2. ASM in Colombia

2.2.1. Historical situation of Colombia

The fieldwork for this thesis took place in Colombia. Colombia is marked by more than 50 years of armed conflict between different groups (Grupo de Memoria Historica 2013). The civil war took place between the government of Colombia, their paramilitary allies and various left-wing guerillas (Maher and Thomson 2018). The conflict is responsible for at least 220,000 deaths between 1958 and 2012 (Grupo de Memoria Historica 2013) and millions more people who suffered as a result (Maher and Thomson 2018). Many civilians were victims of this conflicts. The Grupo de Memoria Historica (2013) describes the conflict as a war without limits, in which it was not the violence between the opposing groups that prevailed, but the boundless violence against the civilian population that made them the primary victims of the conflict. Also, the state was involved in such violent crimes. Documented cases show that security forces were regularly directly involved in human rights violations and formed alliances with groups that violently pursued their political and economic interests or attempted to gain access to land and resources (Grupo de Memoria Historica 2013). These paramilitary groups were actively involved in land-grabbing by carrying out forced displacements (Maher and Thomson 2018). This was often done in the interests of large agri-businesses and the extractive industries with whom the state colluded (Maher and Thomson 2018). ASMs active in these areas were consequently also affected by forced displacements that were supported by the state.

Until today the past conflict has an influence on everyday life. Even after the paramilitary demobilization (2003-2006), an estimated 2.6 million people were forcibly displaced (Maher and Thomson 2018) by 2016. In November 2016, Colombia's government and the largest guerrilla group FARC (Fuerzas Armadas Revolucionarias de Colombia), signed a peace agreement that formally ended the conflict (Maher and Thomson 2018). However, not all FARC members have disarmed, and the continued presence of right-wing paramilitary groups means that the peace agreement is on the brink of collapse and that the level of violence in some regions of Colombia remains high (Maher and Thomson 2018). Many ASMs are active in precisely these remote, difficult-to-reach and difficult-to-control areas (Massé and Le Billon 2017). These new criminal bands continue in the same style as the paramilitaries and use extra-judicial killings, forced displacement, disappearances, intimidation and threats (Maher and

Thomson 2018). It is estimated that 14 percent of gold production in Colombia is used to finance the activities of these illegal groups (Rivas and Echeverry 2012 in: Echavarria 2014). Citizen protests based on inequality, corruption, racism, poverty and exclusion have often been repressed by the state. The violence and repression exercised by the state military and police forces in these cases still lead to mistrust in state institutions today (Grupo de Memoria Historica 2013). This results in mutual mistrust of state and ASMs.

2.2.2. Gold mining in Colombia

Gold in Colombia is mostly produced informally. According to the national mining census in 2011, only 13 percent of the gold mining production units in Colombia had a mining title and were designated as legal (Minminas 2012: 14). The largest part of the gold production therefore takes place under non-legalized conditions. It is also this larger, non-legal sector that is responsible for the boom in the Colombian gold sector. It can be roughly divided into two production categories. On the one hand artisanal miners who use only very simple mechanical tools and of which a large part is carried out by indigenous populations and Afro-Colombians. On the other hand, the informal sector consists of small-to-medium-scale miners (Massé and Le Billon 2017). Employees of these two categories are often without formal employment conditions, these two categories have a low level of managerial and technical organization and often do not meet legal requirements and do not pay taxes (Echavarria 2014). The designation of these remaining non-legal gold mining production units is not entirely clear, but it is possible to classify them into informal and illegal sources. Gold is described as illegal in the literature when it is used by armed groups to launder money and finance conflict (Massé and Le Billon 2017). It is estimated to make up to 14 percent of the 53 tonnes of gold produced in Colombia in 2011 (Rivas and Echeverry 2012 in: Echavarria 2014). The term informal mining is used when ASM has traditionally been producing gold for a living for a long time but does not have a legal mining title (Massé and Le Billon 2017).

The designation of mining as illegal or informal by the state was not always clear. In the past, the Colombian government has described this entire, non-legal group of ASM and MSM as illegal because they do not have a legal mining title. In 2012 in a law banning illegal mining, they used the same definition for illegal and informal mining, which caused some irritation as it would prohibit most of Colombia's gold production as illegal mining. This was corrected again in 2013 and traditional mining was again described as informal (Echavarria 2014). Because informal subsistence-level artisanal mining is also widely accepted as legitimate by

the authorities (Massé and Le Billon 2017). In an interview, an ASMO employee also stressed that the distinction of the state between illegal and informal mining is not always quite clear:

> *"Those people who carry out ill- mining – no-, let's not call it illegal because they have, they have criminalized mining in the country and that hurts me, in reality it is informal mining. Because it is a mining that does not have the full requirements, nor a mining title, […] nor an environmental license. So it's a mining-, it's a subsistence form of mining that doesn't have those permits" (interview with ASMO employee 1, ASMO site, 23.7.19).*[6]

2.2.3. Visited Fairmined ASMOs

There are around 17 ASMOs involved with ARM in Colombia, of which 4 are Fairmined certified at the moment (Fairmined 2020). The research focused on two of these Fairmined certified ASMOs in Colombia.

Figure 1: Surrounding of the mines at ASMO 1. The area is also used for coffee cultivation (Source: own photo).

Figure 2: Processing plant next to some mines of ASMO 1 (Source: own photo).

The first ASMO that I visited is an agri-mining cooperative founded in 2004. It consists of 7 women and 28 men and a total of 120 active employees. The cooperative was founded in 2004 with the intention to acquire a legal title and to be officially registered by the state (Fairmined 2020). In 2014 the cooperative was Fairmined certified for the first time (Fairmined 2020). This summer, they were recertified for the fifth time in a row. The cooperative is organized into different areas of responsibility by different committees. These committees have certain quotas so that women and men as well as the different associates and employees of the ASMO are

[6] "*Aquellas personas que realizan una minería- no la, no la llamemos ilegal porque la han, la han criminalizado la minería en el país y eso a mí me duele, realmente es una minería informal. Porque es una minería que no cuenta con el lleno de los requisitos, ni un título minero, [...] ni licencia ambiental. Entonces es una minería, es una minería un día subsistencia y que no cuenta con esos, esos permisos*" (Interview with ASMO employee 1, ASMO site, 23.7.19).

adequately represented (field notes, 23.7.19). The area they work in is used alternately for both gold mining and coffee cultivation (see *figure 1*) (interview with ASMO employee 2, ASMO site, 23.7.19). The people are therefore dependent on the land also for agricultural products, but their primary source of income is gold mining (interview with ASMO employee 2, ASMO site, 23.7.19). 20 mines belong to the cooperative of this ASMO and the mines are located a little away from the village, which is why most of the workers go there by motorbike (field notes, 22.3.19). Several processing plants belong to the ASMO, one of which is located in the immediate vicinity of some mines (see *figure 2*), another one further down, on the edge of the village (field notes, ASMO site, 22.3.19).

Figure 3: ASMO 2 infrastructure: processing plant on the left, entrance to the mine behind it (Source: own photo).

The second ASMO that I visited belongs to a single mining title holder with 35 employees working for the mine (interview with miner 3, ASMO site, 25.7.19). The mine is not far from a village where the majority of the employees come from (interview with miner 3, ASMO site, 25.7.19). During the day, the workers stay at the mine, where some infrastructure was built (see *figure 3*). There is a kind of a canteen and dormitories and baths for employees who live further away and stay there overnight (field Notes, ASMO site, 25.7.19).

This chapter gave an overview over the beginnings of the Fairmined certification, its goal to formalize the ASM sector and in this way improve the conditions of ASMs as well as over the organization of the certification scheme. The background information about the historical situation of Colombia and about the conditions of the ASM gold sector in Colombia showed the difficult relationship between ASMs and the state. It can serve as an explanation for the

mutual distrust between ASM and state institutions which will be further discussed in the result sections. Finally were the two visited Fairmined ASMOs introduced. The next chapter will place the presented Fairmined certification into the broader context of smallholder certifications and their critiques.

3. State of research on ASM gold certifications in the context of fair trade

This chapter covers the literature about ASM gold certifications. First, the Fairmined certification is put into the broader context of fair-trade certifications. This is followed by the critique of such certifications mentioned in the literature, focusing on the critiques that only the better developed ASMs get certified, that the power distribution and representation among the different actors involved is unequal, and that certification systems "undermine" state regulation. In this way, the literature review helps to justify the research focus and questions.

3.1. Fairmined in the context of fair trade

Fairmined which stands in the focus of this thesis is a certification system that wants to offer and support "fairer trade" for ASMs. The principles of fair trade have first been applied to tropical commodities. The idea of fair trade in tropical commodities was "to improve the livelihoods and wellbeing of producers" (Moore 2004: 74). To pursue this goal, the idea of fair trade is to make global production and distribution more equal (Raynolds 2000) and to guarantee the producer a "fair" price for his goods (Taylor et al. 2005, Nicholls 2004, Hira and Ferrie 2006).

The approach being pursued is to connect producers better to the market and thus consumers to buy more directly from producers. Hilson et al. (2016) explain that most of these schemes and standards try to connect the miners more directly to the manufacturing and retailing entities. In this way, the supply chains are more transparent, middlemen can be cut out of the process and the paid prices are set at a guaranteed minimum (Hilson et al. 2016). Lyon (2007) mentions potential benefits for producers which are stable market access, market information, access to credit and organizational capacity building. Moore (2004) writes that the improvements for producers can be reached "by improving market access, strengthening producer organizations, paying a better price and providing continuity in the trading relationship" (Moore 2004: 74). Paying a better price to producers is done by buying directly from the producer and thus eliminating intermediaries (Taylor et al. 2005, Nicholls 2004, Hira and Ferrie 2006). This means that consumer power should be used to eliminate dysfunctional elements of the economy (Eden 2011). Hilson (2008) writes that supporters of fair-trade gold see the same challenges for ASM. They therefore propose a similar approach with the intention to "eradicate middlemen, in turn enabling miners to receive better prices for their raw gold; and, by extension, to improve their quality of life" (Hilson 2008: 397).

Certification systems are discussed controversially in the literature. On the one hand, it is argued that fair-trade certifications are a means to improve the situation of ASM. In this way, fair trade should lead to a "sustainable development" instead of exploitation (Raynolds 2000). In the opinion of supporters of such certification schemes, this could be a way to help formalizing and supporting small and middle-scale mining (Hilson et al. 2016). The integration of small-scale producers in certification systems should also help to prevent smallholders from being excluded from international markets (Brandi 2015). On the other hand, however, it is argued that certification systems have various negative effects. These include first, the criticism that only better developed miners have access to certification systems at all, secondly, the unequal power distribution and representation leading to an associated growing division between actors of global South and global North, and thirdly, the replacement of state-led regulations by certifications. These three points will be discussed in more detail below.

3.2. Only better developed ASMs

One of the criticisms of certification systems is that they include only better developed ASMs (Hilson et al. 2016, Fisher 2018, Gulbrandsen 2008, Klooster 2005) and thus put an even larger gap to the most marginalized miners. This is due to the fact that most programs are designed to improve supplying mainly for already well-networked miners and not to empower marginalized artisanal miners (Hilson et al. 2016; Brandi et al. 2015; Jaffe 2007, Borck and Cary 2009 in: Sippl 2015). The problem is that the requirements of certification systems can often only be met by better developed ASMs and thus exclude most of the ASMs (Fisher and Childs 2014 in: Fisher 2018), as the vast majority produce informally (see Chapter *1. Introduction*).

One of the problems is that the implementation of certification involves some expenses and is therefore often only worthwhile for already better developed ASMs and not for the less developed ASMs. Critics argue that the rapidly rising demand for traceable gold in Western markets is more easily obtainable through already existing supply chains or by reaching out to established small-to-medium sized mining operations. Producers who already meet the certification standards have a stronger incentive to become certified as they do not have to make additional financial and organizational efforts and can benefit directly (Blackman and Rivera 2011, Loconto and Dankers 2014). The additional costs involved in certification often have to be borne by the producer (Klooster 2006, Mutersbaugh 2002 in: Eden 2011). The idea is that these are covered by the premium, but the premium is often absorbed by the retailer and does not reach the producers (Eden 2011). Thus, the costly restrictions that certifications impose on

producers are not always compensated by the premium (Muradian and Pelupessy 2005 in: Sick 2008). As a result, certifications are often not profitable for small producers or the primary investments are too high and not possible at all (Klooster 2005; Jaffee 2009 in: Brandi et al. 2015).

There is also criticism that in the case of already better developed ASMs, an improvement in the situation is visible more quickly and the certification can therefore be sold more easily. The focus on poverty reduction of some certifications can lead to the same result of supporting only already better organized groups, because successes can be seen faster there (Bebbington 2005 in: Lyon 2007). The impact that such an initiative could have on environmental and social issues remains therefore very limited (Blackman and Rivera 2011). Consequently, also Van Bockstael (2018) reminds us to keep in mind that despite several existing certifications and initiatives many of them remain to be questionable.

3.3. Unequal power distribution

Proponents of fair-trade certifications argue that through the idea to link the producer directly to the consumer, the producer is no longer dependent on intermediaries and thus gains influence. Raynolds (2000) argues that the fair-trade movement brings the opportunity to close the distance between producer and consumer and thus between North and South, thereby putting some pressure on large transnational corporations that engage in socially and environmentally destructive business practices. This happens because conventional price relations no longer dominate, but ecological and social relations regain their importance. "In less radical terms, alternative trade can be seen as a labelling project where consumers are given information about the social and environmental conditions under which commodities are produced and then asked to pay to support more sustainable production and trade" (Raynolds 2000: 298). In this way, a market space for small-scale producers can be created, where they hold an advantage over larger producers and multinational corporations. This can help many small farmers which struggle to earn a living by producing for conventional markets (Sick 2008). According to Hilson (2008), the proponents of fair-trade certification systems believe that the problem of middlemen who make a lot of profit can be solved also for ASM. The ASMs should be brought into direct contact with the jewellers in order to guarantee a greater profit, whereby the miners could improve their livelihoods.

According to critics, however, certification systems are also characterized by unequal power distribution and representation among different actors. This leads to an increased division between the Global North and the Global South (Raynolds 2000, Elgert 2012, Klooster 2006, Lyon 2007). The main criticism is that criteria for certification schemes are not developed by producers but by actors higher up in the value chain. Elgert (2012) writes that once criteria and standards that define a certification have been finalized, the certification will most probably be accepted at international markets and be promoted but it is possible that these criteria do not address the most urgent issues for the producers. This happens due to power and representational inequalities among actors in the commodity chain. It often remains unclear on which basis criteria are established and they are often not defined by those that are directly affected but higher up in the value chain. The unequal power distribution is further shown in producers having limited power when it comes to decision-making (Lyon 2007).

This leads to the fact that certification criteria are not adequate to the reality of producers. On the one hand, criteria may be very high and difficult for producers to meet. This makes the barrier to entry for producers even higher and market access for small-holders even more difficult (Raynolds et al. 2007, Elgert 2012). On the other hand, it can also happen that criteria are not raised strongly at all or the fulfilment of the criteria by the producer is not rewarded. As Klooster (2006) states, are the big retailers the most powerful actors in the commodity network and their demands for high volume and low prices dominate (see also Raynolds 2009 in: Childs 2014b). Raynolds and Long (2007 in: Childs 2014b) write that commercial interests would often dominate over development interests and local empowerment. In this way, low market prices are of greater interest than adequate compensation for the expenses of the producers. This means that "the instrument imposes requirements on southern producers without rewarding them for their increased efforts" (Klooster 2006: 541) and without them having much to say in the certification process (Brown and Getz 2008).This leads again to inequalities in power relations between producers, consumers and buyers, those inequalities and critiques that in the first place led to the introduction of certification schemes (Elgert 2012, Gulbrandsen 2008).

Critics therefore say that smallholder producers do not gain influence through fair-trade certification, but on the contrary have to comply with additional requirements for which they are not compensated. A fundamental lack of democracy in third-party standards and monitoring is criticized, as this private instrument does not require democratic participation (Brown and Getz 2008, Raynolds et al. 2007). Various authors argue that existing power structures and the

power relations between North and South and between consumer and producer are further reinforced and that certifications do not strengthen the power and influence of producers at all, as was the original idea of fair trade and many certifications (Raynolds 2000, Klooster 2006).

3.4. Replacement of state institutions

Proponents of certification systems argue that these are a good instrument to be used in areas where governments cannot fulfil their obligations. Voluntary certification schemes try to fill the gaps that governments and international institutions do not regulate through private, non-governmental governance initiatives (Raynolds et al. 2007, Brandi et al. 2015, Elgert 2012, Klooster 2006). Certifications are a way to formalize trade, they are "market-based mechanisms [that] reflect social influences and are politically embedded" (Elgert 2012: 295). "The certification of the environmental and social characteristics of a product's production process is emerging as a significant transnational, nongovernmental, market-based approach to environmental regulation and development" (Klooster 2006: 541). Elgert (2012) writes that it is "widely asserted that such voluntary mechanisms are an effective and efficient way of overcoming the limitations of 'command-and-control' methods of environmental management" (Elgert 2012: 303). This, he argues, is due to the fact that state-implemented top-down approaches only work under strong and stable institutions, something that is rather unlikely in developing country contexts (Elgert 2012). Nega and Schneider (2014: 488) argue that "in countries with corrupt, ineffective governments, it is tempting to bypass the state and focus on development via such organizations". But they remind to question NGOs that undermine support for state-led development (Nega and Schneider 2014).

Critics of certification schemes, however, speak of a bypassing of the state. They ask the question to what extent certifications replace state-led regulations (Elgert 2012, Raynolds et al. 2007). According to Nega and Schneider (2014), at the heart of this development is a withdrawal of the state and its replacement by private and other non-state actors. In this case, public services that were previously provided by the state are then being offered by private actors (Nega and Schneider 2014, Raustiala 1997). But Klooster (2006: 541) argues that: "voluntary market-based instruments cannot replace a more direct government role in environmental regulation and development projects". Several authors (Brown and Getz 2008; Bartley 2003, Walter 2003 in: Elgert 2012) are therefore of the opinion that certifications are a reinforcement of neoliberal practices and actually support a system which they initially strongly questioned, by using the market as a mechanism to address environmental and social problems.

Such problems include for example the regulation of working conditions, a task which was originally to be covered by the state. Thus, Raustiala (1997) notes that the activities of NGOs are becoming more and more comprehensive and have increased over time.

Critics see the problem above all in the fact that when private actors take over tasks formerly conducted by state institutions, further problems arise and often make the original situations even worse. First, it is criticized, that the activity of NGOs does not bring any additional benefit, but that NGOs are simply replacing tasks formerly conducted by the state. Thus, there is not done anything additionally, but the tasks are simply transferred to another actor (Raustiala 1997). Meaning that states benefit from this, as they can save resources and delegate tasks (Raustiala 1997).

Secondly, although NGOs can carry out governmental tasks in individual cases, they cannot take over such tasks on a large scale because they lack the capacity to do so and because NGO activities are often limited in time. Furthermore, by trying to do this, good personnel are "taken away" from the state. Nega and Schneider (2014) explain that the effectiveness of NGO activities at the local level is difficult to extend to the national level because the NGOs have limited institutional capacity. At the local level, the impact on communities is often positive, but to increase this to the national level, it takes a lot of organization and bureaucracy, which is why they think in that case it is better to strengthen the state. Furthermore, they write that "the relative weakness of the state in developing countries does not change that" (Nega and Schneider 2014: 491). NGOs can therefore be a complement to state action at the local level, but they do not have the capacity to take over state tasks completely. Instead of strengthening the state, the activities of NGOs further weaken the state in the long run, since NGOs need a number of resources and in particular well-educated personnel, which are then no longer available to the state. Likewise, NGO activities are often limited in time and of relatively short duration. The authors therefore argue that long-term development can only happen through state regulations. Bypassing functions of a state to nonstate actors is not a solution, in their opinion: "If the state is inefficient, then the solution is to make it efficient. If the state is corrupt and not sufficiently accountable, then the solution is to make the state accountable to the public" (Nega and Schneider 2014: 500).

And thirdly, it is argued that it is in particular the replacement of state institutions by certification schemes that leads to a further marginalizing of less developed producers. Childs (2014b) writes that integrating certification into a market-based system leads to the exclusion of the smallest producers in particular. The criticism therefore is that certifications undermine

the state and establish regulations which, as we have seen in chapter *3.3. Unequal power distribution,* are strongly determined by market-dominating representatives of global North and not by democratic processes by those who are directly affected (Brown and Getz 2008; Bartley 2003, Walter 2003 in: Elgert 2012). The critics of certification systems (Klooster 2006 in: Eden 2011, Raynolds et al. 2007) therefore question the extent to which certification can solve such problems or whether these tasks should again be taken over by states. Lipschutz (2005 in: Sippl 2015) argues: "that the market is an ineffective tool to solve the problems it helped to create" (Lipschutz 2005 in: Sippl 2015: 205-206).

Despite the problems caused by the bypassing of the state through certifications, according to some authors these have achieved some good effects. Therefore, several authors see the contribution of NGOs as complementary to government action. In certification systems, the importance of social and environmental aspects is more strongly emphasised (Sick 2008) and NGOs can be important drivers of new approaches in this context, if they are subsequently developed and expanded by states (Nega and Schneider 2014). Raustiala (1997) writes that both parties might benefit when they cooperate. Eden (2011) sees certification as one of several tools for environmental global governance that can only work in cooperation with government institutions. And also Raustiala (1997) is of the opinion that: "NGO inclusion does not come at the expense of state power or centrality" (Raustiala 1997: 736). Also Raynolds et al. (2007) see this as private regulations such as certification can even support existing legislation by helping to implement it. At the same time, however, states cannot withdraw from their responsibility and must enforce the existing state regulations in cooperation with the certifications. Certifications should therefore not be seen as competition to national/international regulations, but as a supplement, because they too are often dependent on national cooperation (Raynolds et al. 2007).

3.5. Research focus and questions

The situation of ASM worldwide as described in the literature is characterized by precarious working conditions and fatal environmental impacts. In Colombia too, ASMs face many challenges among them the difficulty to legalize and formalize under state institutions, destructive practices for environment and communities and competing over mining titles with large-scale mining (LSM). Certifications try to come in here to support ASMs, connect them more direct to the market and to consumers, to improve working conditions and to fill in where state institutions are not regulating.

However, the criticism of certification systems in the literature criticizes the following points: Only better developed ASMs can participate in certifications; underrepresentation of involved producers, in this case ASMs; and replacement of state-led institutions through certification. Rarely is the opinion of ASMs and NGO staff included in these critiques in the literature and few studies about the impact of certification systems on the ground exist. What remains not well known therefore is which factors influence that only the best developed ASMs are certified and why ASMs become involved in such certification schemes despite these barriers. On the basis of literature research, document analysis and interviews conducted with miners and NGO's employees in Colombia, this case study tries to find answers to the following research questions:

How is participation in the Fairmined certification scheme explained by the miners and NGO employees involved?

- Who gets certified?
- How is certification heralded as a good idea to bring advantage in relation to simply state formalization?

In the context of the criticisms outlined in this chapter, these questions help to gain insights into the collaboration of ASMs and ARM and about the factors they believe influence ASM certification. In order to find answers to these questions, document analysis was done and interviews with miners and NGO employees involved were conducted. The exact procedure about fieldwork, data collection and data analysing is discussed in the following chapter *4. Methodology*. The first research question on "who gets certified?" is then discussed in chapter *5. Who gets certified?*, the question of "How is certification heralded as a good idea to bring advantage in relation to simply state formalization?" is discussed in chapter *6. Added values of Fairmined certification.*

4. Methodology

This chapter reveals how the field work in Colombia took place, what methods of data collection were used, how the collected data was further processed and what method was used to analyze it. Subsequently, the influence of positionality on data collection and analysis will be reflected upon and the challenges and limitations that have emerged in the course of this thesis will be explained.

4.1. Access to the field

Access to the field caused some problems in the beginning. The initial idea was to write about fair trade gold of the Better Gold Initiative (BGI) a public-private partnership of the SECO and the SBGA (Swiss Better Gold Association). Unfortunately, this did not work as I was not granted access to the miners involved in this initiative. Therefore, another option had to be found and my supervisor was able to make contact to ARM who was so kind to welcome me and support me with my fieldwork.

Fieldwork was organized in Colombia at two Fairmined-certified ASMOs and at the ARM headquarter in Medellin. The NGO worked as a gatekeeper to the ASMOs and organized my stays with the two organizations I visited. These two ASMOs were chosen because they are easy to reach and people there were willing to talk to me. The contact persons of the ASMOs were chosen by the NGO, however I could decide on my own to whom else I wanted to talk. At the first mine, one NGO employee assisted me in organizing the interviews. The time frame of my stays was roughly given because the two stays were organized right in a row. The remaining three weeks of my five weeks of field work in Colombia I stayed in Medellin, organizing the fieldwork at the ASMOs, conducting interviews with NGO employees and transcribing and analysing the interviews.

4.1.1. Fieldwork at ASMOs

Two Fairmined-certified ASMOs were visited for fieldwork. At the first mine a workshop with the local miners, other non-certified miners and some NGO staff took place at the time of my visit. The non-certified miners were present at this workshop because they are interested in the certification or are already on their way to certification. This also gave me the opportunity to talk to miners that are interested in certification and to informal miners. These miners told me about their current difficulties on the way to certification and the associated legalization process

Figure 4: Visit of the mining site of ASMO 1. Infrastructure to transport material out of one of the mines (Source: own photo).

and also about the reasons why they want to certify and what advantages they see in it. The workshop also gave me the opportunity to visit the mining site (see *figure 4*) (field notes, ASMO site, 22.7.19). I was also able to speak with ASMO staff during my visit and attend a meeting that the Premium Committee had together with the NGO staff. The visit of the second ASMO was also organized by ARM's staff but I was able to visit this mine on my own. I visited this second mine for one day, talking to the mine owner and two of his employees.

Name and site of the ASMOs visited are confidential. Prior to the stay at the two ASMOs, I had to sign a confidentiality agreement with ARM stating that I am not allowed to reveal any confidential information about ARM or the visited ASMOs. This includes personal information about miners and their families as well as sensible information that allows the identification of the ASMOs. This is why name and place of the ASMOs are not mentioned, it is therefore referred to Mine 1 and Mine 2 or ASMO site. It is consequently not possible to show a map of the ASMOs' sites in Colombia either. The signed confidentiality agreement signifies also that the names of the interview partners are anonymous. Instead, the interview quotes refer to the function of the interview partner.

4.2. Data collection

The data collection consists of different qualitative methods. The thesis involves desk-based research in form of literature research and document analysis about ARM and the Fairmined certification, artisanal and small-scale gold mining and about certification schemes. In order to answer the first research question and to understand "who gets certified" the website of ARM, ARM reports and brochures and the Fairmined standard requirements were analysed. This was completed with interviews with miners and NGO employees involved in the Fairmined certification. Through these data, different narratives and argumentations of involved actors

could be analysed when it comes to the critique of the literature that only the best developed ASMs are eligible for certification. The second research question of "How is certification heralded as a good idea to bring advantage in relation to simply state formalization?" was mainly answered through interviews with miners and NGO employees involved in certification. An overview over the data that I collected is given in the appendix.

4.2.1. Semi-structured interviews

The main part of data collection was done in form of semi-structured interviews. This means that there are questions prepared for the interview but there remains flexibility in the way issues are addressed by the interviewee. The most important point of this kind of interview is to let the interviewee talk freely about the addressed topics and tell what comes to his/her mind. The interviewer asks questions when something remains unclear or to come up with a different topic. The questions do not have to be answered in a predefined order, but everything should be answered in the end. It makes sense to start with easy questions that the interviewee feels comfortable to answer and then continue with more complex issues (Longhurst 2010, Luo and Wildemuth 2009).

In preparation for the interviews, interview guides according to the principle of Helfferich (2009) were created. As many questions as possible were collected, then they were reviewed, sorted by topics and themes and finally arranged within their thematic group. Some main topics were identified that should roughly guide through the interviews. According to these main topics, sub-questions were developed that should help keeping the interview going. Two slightly different interview guides were developed for miners and NGO employees respectively. Helfferich (2009) suggests 1-4 thematic bundles of question. The main topics for the interviews with the miners were: **Initiation of the collaboration with Fairmined, reasons to be part of Fairmined, Formalization/Legalization of ASM, Fairmined Premium and Future development.** The main topics for the interviews with the NGO employees were: **Successes and challenges of Fairmined, Identification of new ASMs, Future development.**

The interview guide helped to lead through the interview. As indicated by Longhurst (2010) these topics were not always discussed in the same order but as it naturally came about during the interviews. I included a lot of sub-questions in my interview guide but quickly realized which were the important and interesting questions, which then were the ones that I marked in bold and focused on in the following interviews. In this way, I adapted the guide during field

work, so that it would best fit. With time, the interview guide became a mixture of the printed version and hand-written notes. The initial interview guide was written in German and English and then translated into Spanish. As suggested by Smith (2010), two native Spanish NGO employees read through the Spanish interview guide before conducting the interviews and helped me adapt formulations to make them clearer where necessary. Ethical issues were complied, the interviews were confidential and anonymous. Participation was voluntary, I recorded only with the consent of the interviewee for the use of this master's thesis and the interviewees had the right to withdraw from the interview at any time.

4.2.2. Observation and unstructured interviews

As a further form of data collection, participant observation took place, which was recorded in field notes. Participant observation is a means to: "help researchers learn the perspectives held by study populations" (Mack et al. 2005: 13). It is a tool to learn about the different perspectives that people in a given context have. The researcher "tries to learn what life is for an insider" (Mack et al. 2005: 13). The researcher records all the observations in form of field notes that should produce commentary about what he/she sees and experiences (Laurier 2010). Participant observation is a suitable tool to develop a relationship to informants at the beginning of a research project and identify possible interview partners (Mack et al. 2005). This was done at the beginning of my stay at the first ASMO. I could participate at a workshop consisting of a meeting of the NGO, interested non-certified miners and members of the certified mining cooperative as well as a tour on the mining site. In this way I could talk to several people, identify possible interview partners and get to know the area. I also took part in a meeting of the ASMO's Premium Committee and some NGO employees. During the visit of the second ASMO I took notes too while visiting and talking to the people there. These situations helped me to get some additional insights and provide a context to understand the data I collected through my interviews (Mack et al. 2005).

A natural extension of participant observation are unstructured interviews. During participant observation fieldwork, conversations with the observed participants develop naturally. Through this interaction spontaneous questions emerge and are then discussed in an unstructured interview (Patton 2002 in: Zhang and Wildemuth 2009). In an unstructured interview, no questions or answer categories are predetermined but it is based on social interaction between the researcher and the informant (Minichiello et al. 1990 in: Zhang and Wildemuth 2009). However, the researcher tries to encourage the interviewee to talk about topics that are relevant

for his/her research (Burgess 1984 in: Zhang and Wildemuth 2009). "The intention of an unstructured interview is to expose the researcher to unanticipated themes and to help him or her to develop a better understanding of the interviewees' social reality from the interviewees' perspectives" (Zhang and Wildemuth 2009: 223). During my visit of the first ASMO, I conducted some short, informal, unstructured interviews. These interviews were done with non-certified miners during their visit of the Fairmined certified ASMO. The little time I had to talk to these miners and the informal setting in between activities of the ASM workshop made only unstructured interviews possible. This goes in line with Zhang and Wildemuth (2009) writing that "due to their conversational and nonintrusive characteristics, unstructured interviews can be used in settings where it is inappropriate or impossible to use other, more structured methods to examine people's information activities" (Zhang and Wiledmuth 2009: 224). In addition, those were my first interviews which is why I was not yet very familiar with my interview guide. Therefore, I spoke with these miners about the situation of ASM in Colombia and their interest in certification in an unstructured way, trying to bring up topics that might be interesting for my work. After these conversations, I made hand-written notes. Nevertheless, these interviews were very interesting and helped me gain yet another perspective on the process of ASM certification and legalization and formalization in Colombia.

4.2.3. Sampling and recruitment

To study the Fairmined certification in Colombia and the corresponding research questions, the sample is based on miners and NGO employees involved. The information collected through a research study "may reveal general structures or relations that can be used to generate or modify models or hypotheses" (Harvey 1969 in: Rice 2010). This was done by talking to people involved in the Fairmined certification and analysing at how they respond to criticisms that are raised in the literature.

As a sampling strategy, gatekeepers were used as initial contacts. Due to my rather short stay in Colombia and because I did not know the country before, I was dependent on gatekeepers. As a start, the NGO was used as a gatekeeper to the ASMOs where additionally the heads of the ASMOs worked like gatekeepers enabling further interviews within their organization. Burgess (1984 in: Valentine 1997) defines gatekeepers as persons who hold the position in an organization to provide access to persons who may be of interest for research. The initial contacts were useful since I did not know anyone of ARM or the Fairmined certification beforehand.

In the further course of the research the sampling strategy of snowball sampling was additionally used. According to Mack et al. (2005) snowball sampling is a type of purposive sampling. Purposive sampling is a very common sampling strategy. It aims to choose participants based on criteria that are relevant to the particular research question. In the scope of this thesis, the focus lies on the actors involved in the implementation of a certification at the producer's end. To include different perspectives, I chose to talk to people working at the ASMOs as well as people working with the NGO. With the method of snowball sampling new interviewees that can contribute to the research are recruited with the help of informants that are already known to the researcher (see also Valentine 1997). This method is often used to find people that are not easily accessible to researchers (Mack et al. 2005). I used this method to identify further interview partners. The same strategy was used when doing interviews with NGO staff. After each interview, I asked the interviewee whether he knew about other people that could be interesting for my research which I then contacted.

4.3. Data processing and analysing

4.3.1. Data documentation

Data documentation was done by recording the interviews and then transcribing them. In order to document the interviews in the best possible way, at the beginning of the interview, the interview partners were asked whether they would agree with recording the interview. I then transcribed the interviews literally already during my stay in Colombia. This helped me to identify possible challenges and interesting points and to adapt these in the subsequent interviews. Hammersley (2010) emphasizes that even literal transcripts are always a construction of reality. A transcript is always a representation of reality and not reality itself.

Different languages were used in data documentation. The interviews I did in Colombia were conducted in Spanish and so were the transcripts. The analysis was also done on the original transcripts. When using direct quotations from the interviews in the thesis, the quotes were translated into English. This led to minor adjustments in the translation to increase the readability. The original quotations are therefore added in a footnote. The field notes were written in a mixture of Spanish, English and German as it was most convenient when observing in the field.

4.3.2. Data analysis

Grounded theory served as a concept to analyse data during and after fieldwork. Before the fieldwork for this thesis, I did not have much knowledge about Colombia yet, also because my stay was only decided at relatively short notice. However, this brought the advantage to start the fieldwork without any assumptions or hypotheses. The interviews were then analysed according to the concept of Grounded Theory according to Glaser and Strauss (1967 in: Charmaz 2006). Thereby form the interviews the data basis and various concepts are constructed out of this data. The data are thus the basis for the theories that are inductively formed from them (Charmaz 2006). The ideas and research questions that make up the main part of this work were only formed during and after the interviews as a first interpretation. As Pope et al. (2000) write, the analytical process begins during data collection, since already collected data always influence further data collection. This is inevitable, since it is impossible not to think about already collected data. These considerations then automatically flow into the further course of data collection. The research questions can also be revised during the data collection and new, even unexpected approaches can be pursued (Pope et al. 2000). The fact that legalization and formalization of ASM in Colombia are absent in great part became clear to me only during my fieldwork. Legalization being a major issue concerning certification was in consequence only identified out of the data collected during fieldwork. However, it was then possible for me to go into the questions about cooperation of the NGO with the state institutions in greater depth in further interviews.

Coding the interviews helps to organize the statements of the various interviews. The analysis of Grounded Theory usually begins with coding the interviews (Charmaz 2006). Cope (2010) explains that coding means that statements are named thematically with the help of individual terms. In this way, topics that are recurrent or demonstrate important insights can be identified (Cope 2010). This makes it possible to sort statements and compare the statements of different people on similar topics (Charmaz 2006). Codes should not simply summarize a statement, rather they should be an umbrella term for a statement so that the code can also be used for other statements on this topic (Strauss and Corbin 1990). The interviews were coded using MAXQDA software, which is well suited for working with large amounts of written data (Van Hoven 2010). The coding was started with the open coding according to Strauss and Corbin (1990). The first interview was analysed line by line and codes were formed. In the subsequent interviews, the existing codes were used wherever possible and new codes formed where necessary. The open coding was also applied here, but line by line was no longer used, but the existing codes were partially applied to entire sentences or sections. Already during the coding,

but also afterwards by rereading, different categories were formed from the codes and then arranged thematically (Pope et al. 2000).

The overview of all codes made it possible to identify topics that are repeated and seem to be important. The following categories were formed from the different codes: **non-certified ASM, state regularization ASM, Fairmined certification, limitations/barriers Fairmined certification**. These categories help to present the findings in an understandable way and to answer the research questions. The division into categories helps to identify and compare different statements on a topic (Pope et al. 2000). I realized, for example, that the certification of ASM is strongly linked to government institutions due to legalization and that the view on this cooperation is perceived very differently. These categories and the theories that have been derived from them are then placed in the context of the existing literature in the Grounded Theory only after coding. This is done because the categories and theories should be created from own data and not be influenced in advance. In my own research, the findings from the interviews on "who gets certified" were therefore put into the context of the existing literature and its criticism that only the best developed are certified, only in retrospect. The question as to why certification is nevertheless worthwhile in the eyes of miners who have already been certified has also only emerged based on statements made by these very miners in the interviews. Also, the advantages of certification, that it accompanies and supports miners on their way to formalization and thereby takes over state tasks, was only later placed in the context of the existing literature criticism of certifications "undermining" the state.

4.4. Reflections

4.4.1. Positionality

The own personality always has an influence on the research and its results. "Our research can never escape from the power relations shaping the situations in which we research" (Smith 2010: 165). Therefore, Valentine (1997) writes that when conducting interviews, "it is important to reflect on who you are and how your own identity will shape the interactions that you have with others" (Valentine 2005: 113 in: Longhurst 2010: 108). The recognition of one's own positionality not detached from the research process helps to critically analyse how the own personality can unintentionally influence an interview situation as well as the interpretations of interview statements (Valentine 1997; Smith 2010). This is particularly important if there are clear differences in the power relationship between interviewee and interviewer. Characteristics "of gender, class, race, nationality, politics, history, and experience

shape our research and our interpretations of the world, however much we are supposed to deny it" (Schoenenberger 1992: 218 in: Valentine 1997: 113).

In my own field work I was a bit worried about the influence my personality might have on the interview process. I thought about the possibility that people might not be interested in talking to me or would not talk openly and would not dare to make critical statements. It worried, for example, that interviewees have the feeling they should say to me, as a white woman from the Global North, that they care about environmental protection and protection of workers' rights, because they assume that I would do so. It is of course difficult to judge objectively whether this was actually the case. What was striking was that several interviewees regarded me as belonging to the NGO and expressed this in the same way, even after repeating it several times, that I do my research independently of the NGO. My position as "other" and the use of the NGO as gatekeeper probably led to this assumption. This supposed affiliation to the NGO could in turn have led to certain statements being made less critical.

4.4.2. Challenges and limitations

Using gatekeepers to recruit interview partners pose a number of challenges that one needs to be aware of. If help is sought from a gatekeeper, in my case the NGO and the heads of the ASMOs, you have to be aware that this may have some impact on the interviews. Valentine (1997), for example, writes that these gatekeepers tend to put you in touch with only a select group of people who are probably very similar to themselves and their opinions. I therefore tried to additionally approach people on my own and ask for an interview. Due to the passing on of some interview partners by the NGO, they consequently also knew who I was talking to. This can also lead to the fact that the interview partners did not want to say anything bad about ARM because they feared that this could have a negative influence on them. However, I had the impression that the majority of the people I met were very interested in what I do in my work and also very open in the conversations. There were interview partners who I noticed that they were very happy that someone was interested in their perspective and what they are thinking and told me a lot and freely and, in my opinion, honestly. Because despite ARM's role as gatekeeper, there were also critical voices in the interviews. In one example, the criticism should even be explicitly passed on to the NGO so that cooperation can improve. However, this was not fundamental criticism of the certification, but more about suggestions for improvement in future implementation.

In research, the feeling of a failed interview due to its difference to the other conducted interviews is quite common. Also in my fieldwork there were interviews where I had the feeling that they did not work. Nairn et al. (2005) write that in their research they considered one interview, which was clearly different from the others because there was much less talk and the answers were much shorter, to be a failed interview. In my research there was also an interview (with miner 1) that seemed much more viscous than the others and that I felt at first that it was somehow failed. It lasted only about half as long as other interviews with the same questions and many questions, especially about negative aspects, were not answered. Positive aspects of the certification were emphasized and sometimes seemed almost as if the answers had been memorized or very indoctrinated. This way of not saying anything additional to the official version of the story of ARM could also be interpreted as refusal to participate. However, on closer analysis, it turned out that interesting and critical statements were also made in this interview that could be used for this thesis and it is of course possible that this person is simply less talkative than others. One reason for this "failed" interview could be that this interview partner was also arranged by a gatekeeper, namely the president of the ASMO. Therefore, it is possible that the interviewee felt forced to take part in the interview although he or she did not really want to. This probably especially happens when the gatekeeper is in a higher position than the interview partners themselves are. In addition, the interview was conducted in a large room with several people in the room and an in and out atmosphere.

It is important to be aware that also the location where an interview is conducted can have an influence on the course of the interview. The large room mentioned before probably did not work so well because other people could listen and the interviewee might have felt observed. In another case (interview with miner 3), I had the impression of a failed interview which was probably influenced by the location and the interview setting. In an informal conversation before the official interview the interviewee was very talkative, in the actual interview, which took place during lunch and next to a running TV, the answers were rather short. Nevertheless, the informal conversation was very informative which is why I could use a lot of this information for my thesis.

Another limitation in my research was of course the language. Smith (2010: 164) writes: "Awareness of language use and translation remains important even when you know and speak a language fluently" (Smith 2010: 164). A certain distance was created by the fact that I do not speak Spanish as a native speaker. But I think my Spanish is good enough that I understood most of it and could ask questions in situations where I felt unsure; I also had the impression

that people felt that I understood them, and they could speak normally. Nevertheless, while transcribing I noticed that I did not understand certain statements during the interview at first go. When translating the interview quotations for this thesis, I took care that they were translated as literally as possible and that the meaning of the statements was preserved. In general, I think that it was an advantage that I speak Spanish, because the interview partners had a more direct access to me.

Time constraints and the situation in Colombia posed another limitation and had an impact on who I could talk to and for how long. Due to the organization and help of the NGO in my fieldwork, I felt I had to stick to the schedule they gave me by organizing the stays at the two ASMOs. In retrospect it would have been exciting to stay a little longer, especially at the first ASMO, and maybe talk to the community and the people in the village. It would certainly have been very exciting to hear what they thought of the certification, what limitations they saw and what added value they attributed to the certification. And finally, the situation in Colombia where some areas are still inaccessible or conflictual made it impossible for me to go there on my own. Therefore, I unfortunately only had very few time to talk to non-certified miners. The areas where many informal miners are active are often marked by violence and conflict, which is why I was unable to go there on my own.

The described methods of data collection in the form of document analysis and the interviews and observations of the fieldwork, form the basis of this thesis. The data analysis following Grounded Theory helped to derive the main topics out of the fieldwork. These were then placed in the context of the existing literature. The criticism in the literature that only the best developed ASMs are certified was confronted with the question "Who gets certified?", which is answered on the basis of the analyzed data. This will be discussed in *chapter 5*. *Chapter 6* discusses the added values of certification on the basis of the data collected and attempts to answer the question "How is certification heralded as a good idea to bring advantage in relation to simply state formalization?". This, in turn, will be placed in the context of literary criticism that certifications "undermine" state regulations.

5. Who gets certified?

One point of critique about certifications raised in the literature is that only legalized, better developed ASMs get certified (Hilson et al. 2016, Fisher 2018, Gulbrandsen 2008, Klooster 2005). In my research, I wanted to examine the conditions under which ASMs become involved in Fairmined certification. In this chapter I develop a structured answer to the question "who gets certified?". From the analysis, a first set of barriers emerge from the 3 official criteria set by ARM which determine who is eligible for certification (Fairmined 2020). They require that the ASMs are located in a low- or medium-income country, that they have a legal mining title and that they meet the entry level requirements of Fairmined certification. These criteria are influenced by the major standards of the aid industry and by state regulations of the specific country, but they are a first set of restraints with regards to whom gets certified, and this is developed in the first part of this chapter. A second type of obstacles to certification are not the requirements of the certification themselves, but much more the structure and characteristics of ASM that make miners not being interested in certification. These points are discussed in the second part of this chapter.

5.1. Criteria of Fairmined certification

For ASMs that are interested in certification, the officially set criteria for the Fairmined certification by ARM are the biggest obstacles. These three criteria are discussed in more detail in the following.

5.1.1. Location

As a first criterion, ARM defined that the mines must be located in a low- or medium-income country which is qualified for official development aid (Fairmined 2020; interview with NGO employee 1, Medellín, 30.7.19). A large part of ASM is located in developing countries (ILO in: Hentschel et al. 2003) and is regarded as employment for the poorer population, since only few utensils are needed (Saldarriaga-Isaza et al. 2013). The location in a low- or medium-income country should therefore not be an obstacle to certification, as most ASMs fulfil this condition.

However, the location can still be an indirect obstacle because the identification of new mines plays a decisive role in the question of who will in the end be certified. NGO employees emphasize that there are always mutual possibilities (interview with NGO employee 2,

Medellín, 31.7.19). Either the ASMs are interested in the certification and contact the NGO or the NGO tries to identify new possible ASMs.

On the one hand, ASMs themselves approach the NGO, because they have heard about it from colleagues and are also interested. It is very common for certification to be recommended by word of mouth (interview with NGO employee 5, Medellín, 9.8.19; interview with NGO employee 4, Medellín, 9.8.19). The two ASMOs I visited also heard about certification through a colleague or someone in the area. In the case of the first mine, the interviewee heard for the first time in 2011/12 about the certification Oro Verde by someone from the NGO involved (interview with miner 2, ASMO site, 23.7.19). Much later a call came from an ARM employee, asking him questions and saying that they probably would not lack much for certification (interview with miner 2, ASMO site, 23.7.19). In the case of the second mine too, the mine owner heard about the certification and contacted ARM by himself to express his interest: "*I realized that one of the mines here was applying for certification, I got interested, talked to them [ARM] and started the process"* (interview with miner 3, ASMO site, 25.7.19).[7] In both cases looked at in this thesis, the first time they heard about the Fairmined certification was from another ASMO.

On the other hand, NGO employees emphasize that the NGO always tries to identify new mines in different ways. One strategy is to concentrate on a specific region in a country. Often, they go through state institutions, which provide them with information about the activities in certain regions and on the basis of which they decide whether they want to cooperate with mines in this area. The selection for cooperation is based on various criteria: *"that there is little risk of- of non-compliance, of violation of human rights, for example, that we see that they have-, that they are motivated, that we see that they are advanced"* (interview with NGO employee 1, Medellín, 30.7.19).[8] In areas where few of these risks exist, they search for suitable mines. The first step is to identify which mines have the greatest potential and then to support these (interview with NGO employee 1, Medellín, 30.7.19). But according to an NGO employee, finding good and reasonable miners is very difficult (interview with NGO employee 3, Medellín, 31.7.19). Another strategy is to actively spread popularity of the certification. ARM participates in many events about ASM in order to talk about the certification (interview with NGO employee 1, Medellín, 30.7.19). Some non-certified miners told me that they heard about

[7] "*Me di cuenta que una de las minas de acá estaba solicitando la, la certificación, me interesé, hablé con ellos y empezó el proceso*" (interview with miner 3, ASMO site, 25.7.19)
[8] "*que hayan pocos riesgos de, de incumplimiento, de violación a derechos humanos, por ejemplo, vemos que tengan-, que estén motivados, vemos que estén avanzados*" (interview with NGO employee 1, Medellín, 30.7.19)

the certification at such events about ASM where ARM participated (interview with non-certified miners 1 and 3, ASMO site, 22.7.19).

Through these channels you can only get to know the certification if you are networked and organized within the ASMs and close to already certified mines. Geographical proximity to already certified mines or to NGO activities seems to be an advantage for certification. Fairmined-certified mines are currently only located in Peru, Colombia and Mongolia (previously also in Bolivia) (Fairmined 2020). And even in these countries, an NGO employee told me that they have not yet reached all areas of the country where ASMs are active (interview with NGO employee 3, Medellín, 31.7.19). ARM therefore only actively promotes certification in very few countries and areas, which makes certification difficult for ASMs in other regions. A miner in the certification process confirms this by saying that because of this geographic concentration of the Fairmined activities, many ASMs do not even know about the possibilities to be certified (interview with non-certified miner 1, ASMO site, 22.7.19). The focus on South America probably has to do with the fact that, as described in the case (chapter *2.1. Fairmined certification of ARM*), the origin of the Fairmined certification is derived from a local certification from Colombia and the headquarters of ARM is also located in Colombia. Also ARM employees see a problem in the lack of popularity of the certification (interview with NGO employee 1, Medellín, 30.7.19; interview with NGO employee 3, Medellín, 31.7.19). This goes in line with Brandi et al. (2015) saying that smallholders often lack the information about certification.

To summarize, these statements show that the location where an ASMO lies, plays an important role on "who gets certified". On the one hand, it is crucial to be networked within the ASMs and to be situated close to other, certified ASMOs to learn about the certification. This is exactly what is criticized in the literature by Hilson et al. (2016), that only well-networked ASMs get certified. On the other hand, it is an advantage to be located in an area that is in the focus of ARM since they are only actively involved in certain areas. These localities where the NGO activities take place, are very much influenced by the NGO itself and tend to be low-risk areas. This too results in not supporting the most marginalized ASMs as it is criticized by several authors (Hilson et al. 2016; Brandi et al. 2015; Jaffe 2007, Borck and Cary 2009 in: Sippl 2015).

5.1.2. Legalization

The second criterion that is a prerequisite for the Fairmined certification of a mine is a legal mining title for this very mine. Certification can therefore only be granted to those who have received a legal mining title from the state. Legalization is by some (Hilson 2008, Lowe 2005 in: Hilson 2008) seen as the core aspect of formalization. In their view, formalization describes the process of changing informal mining into a formal, legal activity. Formalization in this sense includes the presence of legislation, plus the activation and enforcement of it by the authorities (Lowe 2005 in: Hilson 2008). In this way, formalization in the form of legalization is a crucial prerequisite for certification which is confirmed by an NGO employee: *"if you don't have the formalization issue resolved, uh we can't enter into certification. Because in the certification, the regulations are based too"* (interview with NGO employee 5, Medellín, 9.8.19).[9] However, others (Fritz et al. 2018) include into the definition of formalization not only the legal frameworks and their implementation but also technical and financial support to meet the licensing requirements plus continuing improvement in performance after the legalization. In their view, this also means inclusion of marginalized ASMs into this process and thus generating conditions for the ASM sector to be able to integrate into the formal economy (Fritz et al. 2018). Formalization in the sense of Fritz et al. (2018) that includes the integration of ASM into the formal economy, however, is not a prerequisite for the Fairmined certification. Instead, it is rather something that the certification tries to achieve, and that is criticized as an "undermining" of the state as will be discussed in chapter *6. Added values of the Fairmined certification*. This chapter focuses on the legalization which is one of the prerequisites for Fairmined certification.

The two certified mines I visited were both legalized by the state before they initiated the certification process (field notes on conversation with NGO employee 1, Medellín, 16.7.19). One miner (interview with miner 3, ASMO site, 25.7.19) told me that the process lasted only very short and after 3-4 months they already received the Fairmined Certification. For them, it was relatively simple to receive the certification, as this ASMO was already legalized before (interview with miner 3, ASMO site, 25.7.19).

However, the condition of holding a legal mining title is one of the main obstacles to certification since a very large part of ASMs is informal. An ASMO employee argues that this is the only real hurdle in the certification process: *"What I do see as difficult for them to get the*

[9] "*si no tienen el tema de formalización resuelto, eh no podemos entrar con la certificación. Porque como en la certificación está basada también eh la normatividad*" (interview with NGO employee 5, Medellín, 9.8.19)

Fairmined certification is only those people who don't have a mining title" (interview with ASMO employee 1, ASMO site, 23.7.19).[10] This shows that for interested miners, obtaining a legal mining title is often the biggest hurdle in the certification process. The literature too has identified informality as one of the main obstacles to certification (Hilson 2008). A certified miner explains: *"in one minute, going from totally illegal into legal mining, as we are, is an extreme change, very difficult"* (interview with miner 1, ASMO site, 23.7.19).[11] This means that many ASMs remain without official rights over their gold resources and are in consequence not eligible for certification. Legalization is thus identified as requirement for the certification and at the same time being one of the main obstacles for interested ASMs.

The low number of ASMs holding a legal mining title has historical and organizational reasons. In Colombia, the large proportion of informal gold production has its origins in the past, when access was regulated differently. For a long time, exploiting mineral resources in Colombia was based on a 'first in time, first in right'-principle. For this reason, it has been common for centuries for people in rural areas to exploit natural resources without any legal basis. This historical tradition has led to a great informality of the small-scale mining sector that continues to this day. To this day, ASM remains an important livelihood for many communities. The current legal basis, on the other hand, states that the right to the minerals belongs to the official mining title holder. This leads to the problem that many ASMs today exploit resources to which they no longer have an official right (Echavarria 2014). In addition, the number of legalized ASMs in Colombia is low because the requirements of the state have changed various times in the past. In some cases, the same requirements were imposed on LSM and ASM, making it very difficult for ASM to meet these conditions. To date, there are several aspects making formalization difficult for ASM. These include lack of resources, the weak state capacity to manage the sector, short timeframes provided for miners to apply for legal titles, inadequate support for local miners and widespread violence and human rights violations by armed groups in mining areas. This means that it is difficult for interested ASMs to obtain an official mining title and that many applications are pending (Echavarria 2014).

The two main problems for miners to legalize themselves until today are the endless delays in obtaining the required documents and the high costs. Even an already certified miner (interview with miner 1, ASMO site, 23.7.19) says that the legalization was a big struggle for them, which

[10] "*Lo que sí veo como difícil para que obtengan la certificación Fairmined es solo aquellas personas que no tienen el título minero*" (interview with ASMO employee 1, ASMO site, 23.7.19)
[11] "*pasarte de ilegales-, una minuta totalmente ilegal, a pasar una minería legal, cómo estamos nosotros, es un cambio extremo, muy difícil*" (interview with miner 1, ASMO site, 23.7.19)

cost a lot of money, time and patience. But the fight was worth it and the mining organization was finally legalized by the state even before certification (interview with miner 1, ASMO site, 23.7.19). There are informal miners who would like to legalize themselves, but they are simply not given legal mining titles (interview with miner 3, ASMO site, 25.7.19). One miner explains that everything one needs from the state always lasts very long (interview with miner 3, ASMO site, 25.7.19). Also miners in the certification process talk about similar experiences of very long lasting legalization processes (interview with non-certified miners 1 and 3, ASMO site, 22.7.19). Also Echavarria (2014) identifies delays in government processing of legalization and titling as one of the main reasons for the high number of informal ASMs. According to an NGO employee, the legislation is sometimes very detailed or unnecessarily complicated, which does not make it any easier for the ASMs, as they generally have fewer resources, both financial and human (field notes on conversation with NGO employee 1, ASMO site, 23.7.19). The financial investments must also be made at a time when it is not yet clear whether they will ever pay off: *"Economically, acquiring a concession contract of the country is not easy. You have to pay for a series of studies and other things, more entrepreneurial, and it's not-, to make an investment but without knowing if the investment will be worthwhile, you understand"* (interview with ASMO employee 1, ASMO site, 23.7.19).[12]

This chapter showed that legalization is a requirement for the Fairmined certification. This requirement is defined by ARM, however, the specific conditions for legalization are given by the state concerned. In Colombia, the weak state capacity to manage the sector, inadequate support for local miners and widespread violence and human rights violations by armed groups in mining areas make it difficult for interested ASMs to legalize (Echavarria 2014). Nevertheless, this requirement leads to the fact, that only better developed, legalized ASMs can certify as it is criticized in the literature (Hilson 2008, Fisher 2018, Gulbrandsen 2008, Klooster 2005). The raised issue, that for many non-certified ASMs legalization is one of the biggest problems in certification, was confirmed in the interviews. However, the influence of certification bodies and NGOs is limited. Certification is dependent on the cooperation of the state for legal export and trade, because this bureaucratic framework is set at national level and certification must comply with these laws.

[12] "*Económicamente adquirir un contrato de concesión del país, no es fácil. Tu tienes que pagar una serie de estudios y demás cosas, de empresaria, y no es-, hacerle una inversión pero sin saber si posiblemente retornes de inversión, entiendes*" (interview with ASMO employee 1, ASMO site, 23.7.19)

5.1.3. Fulfilment of entry-level requirements

The third criterion formulated by ARM is the condition to meet the entry-level requirements of the Fairmined standard (Fairmined 2020). The entry-level requirements comprise approximately 140 requirements (see *Appendix*). These are divided into different categories about financial regulations, traceability, gender and non-discrimination; Environmental Protection Requirements; Labour Conditions; and the governance of the premium and a development plan. The entry-level requirements are those requirements of the Fairmined Standard Requirements that must be met in year 0. Over the years, the requirements of the standard increase continuously and become more complex. Additional requirements are added in specific years that then must be met at the respective annual audit (see *Appendix,* requirements for year > 0).

The currently valid version of the Fairmined Standard is version 2.0 from the year 2014 (ARM 2014a). It was created on the basis of the common "Standard Zero" of Fairmined and Fairtrade after the separation of the two NGOs. According to Hilson and McQuilken (2016 in: Fisher 2018) and Valerio (2013 in: Sippl 2015), the two NGOs disagreed on whether certified and non-certified gold could be mixed in the further processing steps after the first selling point. Fairmined argued that this would increase the volumes and thus benefit the miners. The Fairmined Standard allows mass balance in two out of three modes of certification (Fairmined Incorporated and Fairmined Certificates) (Fairmined 2020). The two organizations further disagreed on the priorities, with ARM noting on the production side that ASMOs complained about complicated and costly certification processes (ARM 2014 in: Sippl 2015). Both certifications officially permit the use of chemicals in closed cycles (Fairtrade 2013, ARM 2014a). However, this has become a restriction for ASMs in Colombia due to the Minamata convention that prohibits the use of mercury in the country (interview with NGO employee 1, Medellín, 30.7.2019). The requirements for this version have been specified after a transparent revision process with open forums with representatives from Latin America, Africa, the United States and Asia (ARM 2019b). Different actors are involved in the public consultation, these involve producers, the gold industry, consumers, but also academic experts, experts on certification systems and the public (field notes on conversation with NGO employee 1, Medellín, 16.7.19). According to some authors, the inclusion of different actors, also at the producer and community level, is a big difference to initial certifications that were characterized by a top-down approach (Grineski 2006, Hilson 2007 in: Childs 2014a).

The ASMOs I have visited have had little difficulty in meeting the certification requirements. One of the ASMOs already met about 75 percent of the certification's requirements when they initiated the certification process (interview with miner 2, ASMO site, 23.7.19). The process therefore did not take long since the pre-audit by ARM took place already after only three months (interview with miner 2, ASMO site, 23.7.19). Also the other ASMO was certified after only three or four months after the first contact with ARM (interview with miner 3, ASMO site, 25.7.19) However, one of the ASMOs had some minor difficulties during my visit because of the re-certification. The increase of the requirements with the years that regulate the organization and the use of the premium posed some problems (field notes, ASMO site, 23.7.19).

For many ASMs, however, meeting the criteria is not so easy. An NGO employee says about the requirements of the standard that their level is very high. Only the best developed ASMs can participate, the vast majority remains excluded from certification at the moment (field notes on conversation with NGO employee 1, Medellín, 16.7.19). The NGO employee (interview with NGO employee 1, Medellín, 30.7.19) also explained to me that the requirements for certification are this high because at the beginning they wanted to receive the attention of the public and the market in order to show that it is indeed possible to do ecologically and socially compatible ASM. In order to create a less demanding standard in a second step, which has now been done with CRAFT[13] (Code of Risk mitigation for ASM engaging in Formal Trade).

Fulfilling the requirements of the certification is a further cost factor in addition to the costs of legalization. There are many requirements for certification, which again cost a lot of money. A certified miner says that there are ASMOs that get stuck on the way to certification, not because they do not want to fulfil the requirements, but because the requirements are too expensive and they cannot fulfil them (interview with miner 1, ASMO site, 23.7.19). The preparation, equipment and implementation cost relatively much money at a time when no additional revenue can be generated from the certification (interview with non-certified miner 1, ASMO site, 22.7.19). This goes in line with Sexsmith and Potts (2009 in: Loconto and Dankers 2014) who write that: "costs of certification and indirect compliance costs act as a barrier to small and resource-poor groups" (Sexsmith and Potts 2009 in Loconto and Dankers 2014: 33). During my interviews, I identified another two areas of the entry-level requirements that cause the most difficulties. These are bancalization and organization.

[13] CRAFT is a "market entry standard, enabling OECD-conformant ASM gold producers to deliver into legal supply chains at the earliest possible stage in their development" (CRAFT 2018: 4).

5.1.3.1. Bancalization

Bancalization is a requirement that has caused some confusion. An NGO employee (interview with NGO employee 1, Medellín, 30.7.19) explained to me that the produced gold could not be legally sold without bancalization, which she perceived as requirement for the certification: *"But then there are […] contradictions. That you have to sell but you cannot sell legally"* (interview with NGO employee 1, Medellín, 30.7.19).[14] And for this reason, she concluded, an ASMO without a bank account cannot certify itself. However, another NGO employee (interview with NGO employee 3, Medellín, 31.7.19) puts this statement into perspective by saying that an ASMO can certify without a bank account, but since it cannot legally export and sell to a certified buyer, it would not receive the premium. This is what the version 2.0 of the Fairmined standard says as well:

> "To overcome legal restrictions or financial risks such as liquidity, some ASMOs or other miners within its scope may need to delegate their trade function to a third party (for example an agent such as a local trader or gold shop who provides services to the ASMO or its miners)" (ARM 2014a: 7).

> "Since there is no actual selling of the certified Fairmined Gold to a Fairmined authorized buyer, the gold transaction (sale to the local, legal buyer) is decoupled from the Premium payment (Premium is paid by the certificate buyer), allowing the gold to be sold through a non-Fairmined legal supply chain" (ARM 2014a: 50).

Bancalization is not a requirement for certification but it is necessary in order to benefit from the financial advantages of the certification. This means that exporting via a third, independent party means that they do not receive the premium nor does the Fairmined minimum price apply (ARM 2014a). ASMO without a bank account can only sell locally, at the local price. This goes in line with Childs (2014b) writing that the export of certain commodities is often difficult, and it is therefore not always possible to remove the middlemen. In this case the certification is probably not worth it for them, because they have to fulfil all criteria and still can only sell locally at a worse price than the informal miners. This assumption is confirmed by a certified miner (interview with miner 3, ASMO site, 25.7.19) who even argues that this is another reason why many ASMs do not want to legalize: Legalization is not worthwhile if in the end gold

[14] "*Pero entonces hay [...] contradicciones. Que tienes que vender pero no puedes vender legalmente*" (interview with NGO employee 1, Medellín, 30.7.19)

cannot be exported anyway because of the lack of bancalization (interview with miner 3, ASMO site, 25.7.19). (see also chapter *6.1.2. Financial incentives*)

Therefore, for ASMs that want to certify, lack of bancalization is not a reason why they cannot certify from the point of view of the NGO, but it is an obstacle to receive the added values they see in certification. In this way, the lack of bancalization is perceived as an obstacle to certification and its benefits and has an influence on who gets certified. A miner in the certification process with whom I was able to talk, explained to me that bancalization is the biggest problem for them in receiving the certification (interview with non-certified miner 1, ASMO site, 22.7.19). The difficulty of opening a bank account comes from the fact that the banks have to fulfil the due diligence (interview with NGO employee 1, Medellín, 30.7.19). In Colombia, where a lot of gold is sourced illegally and is often used to finance violent organizations (see Echavarria 2014), the banks are therefore very cautious. From the point of view of the NGO employees, the opening of a bank account is one of the main difficulties of the certification. One certified miner argues that the banks do not want to export the gold because the government perceives all miners as criminals (interview with miner 3, ASMO site, 25.7.19). One ASMO employee explains:

> *"you go to a bank and talk about mining and yet they do not really lend you money anymore, to do mining they do not lend you money. That is, that is, that is one of the flaws. Here banks provide opportunities for them, they give them the opportunity with the national credit but when you justify your activity as a miner, they are not going to provide you with the money. That's what restricts a lot"* (interview with ASMO employee 1, ASMO site, 23.7.19).[15]

However, a bank account is needed in order to legally sell and export the gold. In this case, too, the legislation is not always very conclusive and therefore represents a further barrier, especially for ASM (interview with NGO employee 5, Medellín, 9.8.19).

In other cases, however, this was not a problem. An already certified ASMO explained that bancalization did not cause any problems when they were legalized (field notes on presentation of ASMO employee 1, ASMO site, 22.7.19). An NGO employee explained that this has become an increased problem and there was a time when this was not a big issue. Now however, bancalization is further restricting the certification by having an indirect influence making

[15] "*tú vas a un banco y hablas de minería y realmente ya no te prestan dinero, para hacer minería no te prestan dinero. Eso, eso, eso es una de las falencias. Acá los bancos brindan oportunidades para ellos, les brinda la oportunidad que tengo el crédito nacional pero cuando tú justificas tu actividad como minero ya no te van a facilitar el dinero. Eso es lo que restringe muchísimo*" (interview with ASMO employee 1, ASMO site, 23.7.19)

certification less worthwhile. This is discussed in more detail in chapter *6. Added values of the Fairmined certification.*

5.1.3.2. Organization

The first requirement 1.1.1. (see *Appendix*) of the Fairmined certification is to be part of an Artisanal and small-scale mining Organization (ASMO): "Artisanal miners can participate in Fairmined if an ASMO (Artisanal and Small-scale Mining Organization) is in place" (ARM 2014a: 19). According to ARM (2014a: 7):

> "An ASMO comprises of different artisanal and small-scale miners operating with the ASMO's consent under its umbrella: these may consist of self-employed miners, family units, groups of self-employed miners, other community-based miners and organizations like mineral selectors, micro-enterprises belonging to the family economy, small enterprises, as well as all types of workers (including casual or migrant workers)".

For the NGO, motivation and being organized are a good start for certification. ARM collaborates "only with communities that show commitment to responsible mining" (Fairmined 2020). A certified miner (interview with miner 3, ASMO site, 25.7.19) perceives ARM in such a way that they would only work with those who know how to handle the money. An interview partner from the NGO confirmed that ASMOs that appear motivated and committed are more likely to be considered for certification. ASMOs who act proactively and search independently for solutions to improve their practices have a better chance of being certified (interview with NGO employee 1, Medellín, 30.7.19). To be organized in an association is a common requirement also for other fair-trade certifications. According to several authors this strengthens the organizational capacity which is seen as an important point for success of such certification schemes (Reynolds et al. 2004; Daviron and Ponte 2005 in: Lyon 2007; Leclair, 2002, Parrish et al. 2005 in: Hilson 2008). In an organization, financial capital can be accumulated, and at the same time this leads to an increased communication between miners, mutual learning and the development of a set of norms and rules which lets all members profit (Saldarriaga-Isaza et al. 2013).

ASMs that are not in an organization have less chance of success. Experience of ARM showed that if this commitment is missing, many ASMOs start with the certification process, but then get bored quickly. Since new norms will come out again and again, the processes are too long for them. These developments would demotivate them and they would end the certification

process again (interview with NGO employee 3, Medellín, 31.7.19). Because of this, being organized and motivated is an important prerequisite for certification. In addition, an ASMO employee agrees that it is not worth supporting individual ASMs from an organizational point of view. The quantities produced are then far too small and the wider impact is not large enough to bring about a significant improvement in the quality of life (interview with ASMO employee 1, ASMO site, 23.7.19). For this reason, only ASMs that have joined together to form an organization are supported. For many ASMs this is already a big hurdle, as they do not manage to get together with other ASMs which is further discussed in chapter *5.2.2. Organization*.

In summary, it can be said that the requirements of the Fairmined standard have an influence on "who gets certified". They are defined after consultation with various stakeholders and have been revised several times. Endres (2014) writes that the requirements of the standard were subsequently lowered to make certification more attractive. The "Standard Zero" was therefore less stringent than Oro Verde's original certification, which prohibited the use of chemicals (Endres 2014). Today, chemicals are allowed according to the Fairmined standard when used in a closed loop, however the use of mercury is not allowed in Colombia due to the Minamata Convention signed by the Colombian state (interview with NGO employee 1, Medellín, 30.7.19; Minamata Convention 2014 in: Sippl 2015). Some authors (Hilson and McQuilken 2016 in: Fisher 2018, Valerio 2013 in: Sippl 2015) argue that Fairmined has separated from Fairtrade to allow the blending of certified and non-certified gold for in the further processing after the first selling point. This has been done in order to make certification worthwhile for ASMOs with smaller quantities, and to certify not only the best, largest and most developed ones as it is criticized in the literature (Hilson et al. 2016, Fisher 2018, Gulbrandsen 2008, Klooster 2005). Many of the requirements of the Fairmined certification are therefore international guidelines and framework conditions given from outside, which are set by the wider aid industry and must be fulfilled for a standard to be credible.

Nevertheless, even employees of ARM say that the requirements are too high for many ASMs (interview with NGO employee 1, Medellín, 30.7.19). The fulfilment of the requirements is for many miners still too expensive. This is supported when looking at the relatively high number of ASMOs that achieve certification once but lose it again because they do not pass the annual third-party audit: of 21 once certified ASMOs only 10 remain (ARM 2019a). So, many ASMOs get lost on their way to certification, but also afterwards. Here, too, the question arises as to what the reasons for this are and how this problem can be solved. To reflect back to the criticism raised in the literature, also the high requirements of the certification therefore indicate that

rather already better developed, organized ASMs are certified (Hilson et al. 2016, Fisher 2018, Gulbrandsen 2008, Klooster 2005), because for them it is less effort to fulfil the requirements. However, the requirements are not only determined by the NGO itself but are also influenced by specifications and expectations from outside.

This chapter explained the three criteria for ASMs to enter into Fairmined certification in more detail. It showed the influence of location, legalization and the entry-level requirements on "who gets certified" and gave some insight into why it is easier for better developed ASMs to certify. The next chapter examines further factors that influence "who gets certified".

5.2. Factors inherent to structure and characteristics of ASM

In addition, there are other factors that influence participation in certification that do not arise from the characteristics of the certification itself. Rather, these factors are given by the characteristics of ASM. In particular, a lack of motivation and organization, as well as distrust in state institutions mean that a large proportion of ASMs are not interested in certification at all and are not willing to make the effort to meet the criteria.

5.2.1. Motivation

In the opinion of my interview partners, one of the main reasons for the low number of ASMs legalized and certified lies in the fact that many ASMs are not motivated to fulfil the conditions for legalization and certification. A certified miner (interview with miner 3, ASMO site, 25.7.19) told me that there are many miners who see no reason at all to formalize themselves. For decades they have been working in this way, which works very well for them. Why should they change something that they can still live off today? They do not see any advantage in giving part of their profits to the state or do not know anything about the advantages that could emerge from it. This miner (interview with miner 3, ASMO site, 25.7.19) also told me that people are not interested in responsible mining, that they do not care. They would prefer everything to be "simple", as they have always done. The employee of one of the certified ASMOs (interview with ASMO employee 2, ASMO site, 23.7.19) added that these informal miners: *"are people who suddenly because of what I was telling you, the issue that there are no resources, that there is no work, then people take their, their materials and leave without*

caring about causing the damage that they cause because they do it mostly as a source of income" (interview with ASMO employee 2, ASMO site, 23.7.19).[16]

For many ASMs in Colombia it is not attractive to legalize. The structure of ASM, that it is an important source of income for many poor people, results in the fact that for many the most important thing is to earn (interview with NGO employee 4, Medellín, 9.8.19). One interviewee argues: *"it is that in Colombia it is easier, it is easier to mine illegally than to mine legally"* (interview with miner 3, ASMO site, 25.7.19).[17] Because if you have a small mine, no permit, no taxes paid and no wages, then you actually do not have to make any investments and earn relatively well, since in Colombia prices paid for gold are not too bad. Especially for very small mines, legalization is therefore not really worthwhile (interview with miner 3, ASMO site, 25.7.19). Especially today, since one is not allowed to continue working during the legalization process, it is no longer worth it, since one has no income at the same time he/she must bear the costs of legalization (interview with non-certified miner 1, ASMO site, 22.7.19). One miner explains that people do not see why they should spend money on legalization when they have to leave their comfort zone in which they are fine (interview with miner 3, ASMO site, 25.7.19).

In addition, according to my interview partners, many ASMs are not consistent and motivated to make the effort for certification. ASMO employees explained to me that many ASMOs would not complete the certification process because the people were not constant (interview with ASMO employees 3 and 4, ASMO site, 25.7.19). Also an NGO employee said that it can happen that ASMOs do not want to participate in the certification process in the end, despite support and guidance for the certification process (interview with NGO employee 4, Medellín, 9.8.19). A miner even argues that it is not the certification itself that costs, but what costs is to organize yourself. And ARM cannot help you with the organization, you have to want that yourself (interview with miner 3, ASMO site, 25.7.19). But according to ASMO employees, people are not good administrators (interview with ASMO employees 3 and 4, ASMO site, 25.7.19). An NGO employee told me that the ASMs themselves are also sometimes responsible for delays in obtaining legal documents if they do not have costs and deadlines under control (interview with NGO employee 1, Medellín, 30.7.19). Many ASMs would not, like a company,

[16] "*Son digamos personas que de pronto por lo que te decía, el tema de que no hay recursos, de que no hay trabajo, entonces la gente coge sus, sus materiales y se van sin importarle porque causar el daño que ellos causan porque ellos lo hacen más que todo como una fuente de ingresos*" (interview with ASMO employee 2, ASMO site, 23.7.19)

[17] "*es que en Colombia es más facil, es más facil la minería ilegal que la minería legal*" (interview with miner 3, ASMO site, 25.7.19)

plan sustainably with their resources, but they rely on the fact that there will always be someone to support them (interview with NGO employee 4, Medellín, 9.8.19).

Due to the lack of education many do not know what the consequences of their actions are and how certification could help with formalization. If education is lacking, an important tool to understand the social and environmental impacts of ASM and political processes may be lacking. Echavarria (2014) writes that for informal miners with little education, it is difficult to understand information on formalization. One NGO employee said that ASMs know a lot about artisanal mining, but not so much about certain practices that should be implemented (interview with NGO employee 3, Medellín, 31.7.19). Many would therefore also not understand that today other, always new regulations are made, but that they lack the knowledge and are dependent on support (interview with NGO employee 4, Medellín, 9.8.19; interview with NGO employee 5, Medellín, 9.8.19). They understand only what is told, which in turn can lead to misunderstandings (interview with NGO employee 5, Medellín, 9.8.19). As a result, many ASMs are not aware what the regulations for ASM are. An example of this is the ban on mercury by the Minamata Convention. Although it has been clear since 2013 that the use of mercury must be stopped under the Minamata Convention, many miners have done nothing so far. The first deadline to achieve this expired last year and many miners are only now beginning to look for solutions at all (interview with NGO employee 4, Medellín, 9.8.19). Many of them have always worked with old techniques and argue, according to an NGO staff member, that they do not have the equipment to change their practices (interview with NGO employee 5, Medellín, 9.8.19). This ignorance leads to the fact that they do not fulfil many requirements because they do not know or understand them at all and therefore cannot be certified (NGO employee, 9.8.19). In summary, it can be said that this lack of motivation to legalize and the lack of knowledge about regulations for ASM mean that only a limited number of ASMs are interested in legalization and certification. This fact therefore also has an impact on "who gets certified".

5.2.2. Organization

To be part of an ASM organization is a prerequisite for certification as we have seen in chapter *5.1.3.2. Organization.* Also from the point of view of a miner, certification is rather worthwhile when being part of an organization. An ASMO employee (interview with ASMO employee 1, ASMO site, 23.7.19) explains that many ASMs are simply too small and the quantities of gold produced are not large enough to make the effort for certification worthwhile (interview with ASMO employee 1, ASMO site, 23.7.19). That is why it makes sense to join forces to form an

ASMO: *"The truth is, the issue of certification depends on the organization you have*" (interview with miner 3, ASMO site, 25.7.19).[18] The first ASMO I have visited formed an association of several miners where the president is democratically elected every few years from the circle of associates (interview with miner 2, ASMO site, 23.7.19).

However, many ASMs are not part of an ASMO. A certified miner (interview with miner 3, ASMO site, 25.7.19) told me, that apparently, many miners lack the motivation to or are unable or unwilling to organize themselves. He said that *"they are not interested in getting organized"* (interview with miner 3, ASMO site, 25.7.19).[19] One employee of a mine explained to me that a nationwide survey found that: *"what is just missing is-, dedication, administration and that other people, other mines, come up with the idea of working together"* (interview with ASMO employee 1, ASMO site, 23.7.19).[20] Also Brandi et al. (2015) write that smallholders often lack the degree of organization that is needed for certification. The lack of cooperation with other miners to form an ASMO is a problem on the way to certification. One miner, who would like to certify, told me that he could not certify on his own, if the other miners in the area did not want, he could not do anything about it alone (interview with non-certified miner 2, ASMO site, 22.7.19). And also in the cooperative of the first ASMO I have visited, it is not so easy to become a new member according to one associate (conversation with cooperative associate, 23.7.19). Also, an already certified miner told me that they had underestimated the need of cooperation of everyone for the certification. It is difficult that everyone pulls the same rope, especially if there are many different people involved. On the one hand you do not always want to control the others but on the other hand you still need them to do their job properly so that in the end they can be certified together (interview with miner 2, ASMO site, 23.7.19).

5.2.3. Distrust in the state

Mutual distrust between ASMs and the government is another reason for the informality of many ASMs. Rising gold prices from 2010 onwards made gold mining increasingly attractive for illegal activities. ASM was used to launder money and finance violent groups. As a result, the state took action against such illegal ASM, but at first made no distinction between illegal

[18] "*La verdad es que, el tema de la certificación depende de la organización que tu tienes*" (interview with miner 3, ASMO site, 25.7.19)
[19] "*A ellos no les interesa organizarse"* (interview with miner 3, ASMO site, 25.7.19)
[20] *"simplemente falta es-, dedicación, administración y que otra gente, otras minas, se propongan la idea de trabajar en conjunto"* (interview with ASMO employee 1, ASMO site, 23.7.19)

and informal activities. This was subsequently corrected. However, the government's role during the conflict in the past and the ongoing repression of ASM have led to a distrust against state institutions. A lack of support for ASM and government interventions for formalization that were not continuous have also made ASMs sceptical towards state institutions (Echavarria 2014).

The distrust in state institutions leads to an unwillingness of ASMs to formalize. Several people I have spoken to have told me that many miners do not want to formalize at all. Trust in the state, not only in the mining sector but also in general, is relatively low. One miner told me that the system is corrupt and people do not trust the system, which is why they do not want to legalize. They do not want to pay taxes to a corrupt system and prefer to leave it as it is (interview with miner 3, ASMO site, 25.7.19). Also the criminalization of ASM leads to the fact that many miners do not trust the state. An employee of a mining organization said that illegal ASM was not actually illegal, but informal, since it was subsistence mining that had always managed without permissions: *"they've criminalized mining in the country and that hurts me, in reality it is informal mining"* (interview with ASMO employee 1, ASMO site, 23.7.19).[21]

The state is seen as an unreliable supporter of formalization. One NGO staff member (interview with NGO employee 3, Medellín, 31.7.19) explained the lack of trust in the state and in state support by saying that experience had shown that many previous projects had not worked. Cooperation between the various state institutions is very poor and resources are distributed unfavourably. Therefore, many small projects are started, which often last only very short and do not offer concrete solutions for the problems of the miners. So, these projects are not continuous and furthermore the political direction changes with each governmental change after 3 to 4 years (interview with NGO employee 3, Medellín, 31.7.19). This leads to the fact that projects often are not continued any more after these governmental changes and the previous efforts show no results. These unreliable supports and changes of direction lead to the fact that the miners have little confidence in the state. *"Yes, there is like a mistrus-, or more than it is mistrust, it is rather like not believe"* (interview with NGO employee 5, Medellín, 9.8.19).[22] It is not really the trust in the state that is missing, but rather the belief in a state that supports you,

[21] "*la han criminalizado la minería en el país y eso a mí me duele, realmente es una minería informal*" (interview with ASMO employee 1, ASMO site, 23.7.19)

[22] *"sí, sí hay como una desconfí- o más que es desconfianza, es cómo no creer"* (interview with NGO employee 5, Medellín, 9.8.19)

an NGO employee told me (interview with NGO employee 5, Medellín, 9.8.19). The ASMs feel disadvantaged because they do not receive state support to adapt to the many new norms such as the Minamata Convention. But this non-belief is also associated with disappointed expectations of the miners. They would expect special support because they come from a disadvantaged environment. Another NGO employee (interview with NGO employee 5, Medellín, 9.8.19) added that the conflicts with large scale mining have also led to ASMs losing confidence in the state. This distrust is difficult to solve if platforms for dialogue are missing. For these reasons, many ASMs are sceptical about new ideas from the state as well as from private initiatives of NGOs.

These characteristics of a lack of motivation, organization and trust in state institutions put Hilson et al.'s (2016) criticism that only the best developed are selected for certification into perspective. It is indeed the best developed ones that are certified, but not only because they are selected by the NGO, but because many of the less organized ones are not interested in certification. The characteristics of ASM, such as poverty and low education, mean that a presumably considerable proportion of ASMs are not interested in legalization and certification. In order to make the investments for the formalization, the miners must be able to trust the state. But in the opinion of a certified miner, it is a struggle to find a person who can be trusted to obtain all the necessary documents and licenses (interview with miner 1, ASMO site, 23.7.19). This distrust towards state institutions due to the Colombian armed conflict and a high level of corruption do not motivate ASMs to formalize.

5.3. Discussion on "who gets certified?"

The criticism of Hilson et al. (2016) complains that only better developed ASMs are certified. NGO employees, on the other hand, emphasize that they work with a wide variety of ASMs. In fact, the two ASMOs I visited were legalized and better developed even before certification. So what influences "who gets certified"?

Various factors play a role in making it easier for better developed ASMs to certify. For the certified ASMOs, their location and contact with other already certified mines was essential for initiating certification. Employees of the NGO say that they prefer to recruit ASMOs in conflict-free regions, as this increases the chances of successful certification. The conflict in Colombia leads to the fact that certain areas are still inaccessible today because illegal armed groups who finance themselves by mining gold are present there (skype interview with ASM expert,

24.4.19). Massé and Le Billon (2017) write that in places where there is a lot of gold mining, there is often a lot of illegal activity and criminal organizations present. As a result, ASMs active in such areas do not have the opportunity to obtain certification. The NGO's decision on where they are active therefore has an influence on the areas in which certification becomes known and, consequently, where ASMs are more likely to be certified. This means that it is more difficult for marginalized and not well-networked miners to get certified.

A further barrier to certification is the fulfilment of the requirements. The requirements are set in a democratic process by various actors, but they are nevertheless also considered very high by an employee (interview with NGO employee 1, Medellín, 30.7.19). This is also shown by the fact that many ASMOs once certified do not recertify. ASMs said in the interviews that the fulfilment of the requirements is very expensive. The requirements for certification have been made less strict by the NGO over time. Nevertheless, the question arises as to whether it might not be possible to make these criteria less cost-intensive in future, so that certification is accessible to more ASMs. However, the criteria are also influenced by higher-level standards of the aid industry, including the fact that smallholders must form associations and can only be certified as a group (Loconto and Dankers 2014). This makes it impossible for ASMs to be certified individually, which is a big problem as in many countries ASM organization is scarce (Fisher 2018). Also, the problem of bancalization is a big one, especially in Colombia, as many illegal activities are still financed by the trade of gold. *"The ASMs often cannot open a bank account at all because they are suspected of financing illegal groups or laundering money"* (skype interview with ASM expert, 24.4.19). Thus, the ASMs also lack access to finance (skype interview with ASM expert, 24.4.19; Echavarria 2014). For this reason, ASMs cannot take out any loans and without these, it becomes difficult for them to make the necessary investments for certification (skype interview with ASM expert, 24.4.19, Echavarria 2014). Because investments in the gold sector are often very expensive (Fisher 2018). Brandi et al. (2015) write that "those who have the resources and the means to undertake the investments required are the first to participate in certification schemes" (Brandi et al. 2015: 296). "Who gets certified" is further influenced by international guidelines, the ban of mercury for example is not a requirement of the certification itself but it is a regulation of the Minamata convention[23] that

[23] "The Minamata Convention on Mercury is a global treaty to protect human health and the environment from anthropogenic emissions and releases of mercury and mercury compounds (Article 1). Signatories agreed to control and, 'where feasible', reduce emissions of mercury and mercury compounds, including 'control measures on air emissions, and the international regulation of the informal sector for artisanal and small-scale gold mining' (Article 8). 41 Signatory countries are committed to implementing National Strategic Plans for Mercury Reduction; Colombia is among them" (Echavarria 2014: 69).

was signed by the Colombian state (interview with NGO employee 1, Medellín, 30.7.19; Minamata Convention 2014 in: Sippl 2015). Because the standard adheres to national regulations these have an influence on who can be certified. This means that for better developed ASMs it is easier to meet the high requirements of the standard, because they are already more advanced and the effort to achieve certification is less.

The difficulties of legalization have an important influence on certification. Because the legalization of mining activities is required for certification. This certification requirement is strongly influenced by the framework conditions of the state. These geographical and institutional conditions are very context specific (Loconto and Dankers 2014, Hilson 2008). In Colombia, miners talk about very expensive and long-lasting legalization procedures. This standard condition therefore means that for the majority of ASMs it is not possible to certify and only the best developed, legalized ASMs get certified.

The NGO too has few resources to support ASM. An NGO employee (interview with NGO employee 1, Medellín, 30.7.19) explained to me that there are not enough resources to support all ASMs. This is why the standard was set so high at the beginning to show the world that responsible ASM is possible. This was the only way they could get more support and donors to continue supporting ASMs. Also, due to the size of ARM it is not possible to actively promote certification in all areas of Colombia (interview with NGO employee 1, Medellín, 30.7.19). This means that the current standard 2.0 is rather designed for already better developed ASMs.

However, not only the conditions of the Fairmined standard have an influence on who gets certified but also the willingness of ASMs to do so. Legalization is not only difficult on the part of the state, but many ASMs do not want to legalize due to a mutual mistrust between the state and ASMs. The lack of trust in state institutions, but also in other actors, can also be explained to a certain extent by the conflict-laden past, where a lack of rule of law was the order of the day (Echavarria 2014). Nor does the existing corruption in Colombia mean that ASMs have great confidence in the state. This is also confirmed by a miner who says that it was difficult to find a person they could trust in all these matters concerning legalization and formalization (interview with miner 1, ASMO site, 23.7.19). Non-continuous interventions on the part of state and non-state institutions in the past have made cooperation difficult, especially in the beginning, and have also influenced who is interested in certification and who is not.

These context-specific reasons, in particular the unwillingness of many ASMs to legalize and certify themselves, relativize the criticism of Hilson et al. (2016), because the NGO alone is not

responsible for the fact that only better developed ASMs are certified. On the one hand, the relationship between the state and ASMs has a significant influence on legalization and, consequently, certification. On the other hand, the requirements of higher-level certification standards also play a role. Nevertheless, the NGO of a certification system naturally has additional influence by choosing the places where they operate and the ASMs with which they cooperate. Financial aspects are also significant and limited. The NGO prefers motivated ASMOs, because they have to use their limited resources in a targeted way (interview with NGO employee 1, Medellín, 30.7.19). Their experience shows that the chances of success are greater with motivated ASMs. I assume that precisely these motivated ASMs are often better developed, because they are more likely to be legalized before the first contact with certification, since they are more interested in formalizing their activities. "Who gets certified?" is thus equally influenced by the motivation of ASMs and is further shaped by the other factors discussed, which favour better developed ASMs.

6. Added values of the Fairmined certification

Not many ASMs are Fairmined certified, which is related to the factors discussed in chapter 5. Specifically, many ASMs are not interested in adapting to government regulations and in legalizing. This is a problem for certification, as legalization is a prerequisite for certification. Nevertheless, the certified miners say retrospectively that the effort and expense involved in legalization and certification is worthwhile, because the benefits of certification outweigh the disadvantages (interview with miner 1, ASMO site, 23.7.19). ARM also sees an additional benefit for ASMs in their work compared to state formalization, as they try to influence state procedures and change the attitude of ASMs towards formalization. In this way, the chapter tries to give an answer to the question on "How is certification heralded as a good idea to bring advantage in relation to simply state formalization?".

Formalization in this sense follows the definition of Fritz et al. (2018). In addition to the legislation and its implementation, which are a prerequisite for certification (see chapter *5.1.2. Legalization*), formalization includes support for ASMs to promote their integration into the formal economy. This also means the inclusion of marginalized ASMs in the process. Formalization in this sense is also a goal of the Fairmined certification:

> "to promote the progressive organization and formalization of the ASM sector, bringing with it improved labor rights, safer working conditions for miners, and strengthened miners' organizations with the capacity to campaign for legislation and public policies that promote their rights and enable a responsible ASM sector" (ARM 2019a: 5).

These tasks are considered governmental tasks and certification is criticized because it takes these over and thus "undermines" state institutions (Nega and Schneider 2014, Raustiala 1997). The first part of this chapter therefore looks at what added values certified miners see that certification brings. In a second part I write about what makes certification better than the state from the NGO's point of view and in what way they are thereby "undermining" state regulations.

6.1. Miners' view

Certified miners emphasize two points in particular as added value that certification can offer. Firstly, support from the NGO in the process of certification and in the subsequent cooperation in order to carry out formalized mining. And secondly, the financial benefits that are generated by certification.

6.1.1. Support and control in certification

The non-legalization of ASM has one of the biggest influences on which ASMs are certified, as we have seen in chapter *5.1.2. Legalization*. The history of legalization and formalization of ASM in Colombia shows that the state has repeatedly changed the conditions for it (Echavarria 2014). The weak state capacity to manage the sector and the lack of support from the state to meet the conditions mean that even today 87 percent of gold in Colombia is still produced informally, i.e. without official mining title (Minminas 2012: 14). Formalization does not only mean the existence of laws, but also that these laws are implemented and ASM is supported in order to be able to fulfil these laws. ASM can only become an activity integrated into the formal economy if the requirements of formalization are also implemented (Fritz et al. 2018, Lowe 2005 in: Hilson 2008). This is where certification comes in by providing support in the certification process and thereby ensuring that ASM becomes a formalized activity.

In contrast to the state, Fairmined offers better support to meet the requirements of formalization and certification. An important factor for the success of a certification is when the standard has inbuilt support services (Loconto and Dancers 2014). From the miners' point of view, the certification of ARM offers added value precisely because it accompanies ASM on its way to an activity that reduces its damaging environmental and social impact and controls the fulfilment of these requirements regularly. This is a great advantage of certification, as new standards and laws are emerging and must be complied with, something that can only be dealt with at great expense as an individual miner. This support serves as one of the main incentives for certification. A miner says that one of Fairmined's biggest incentives for him was the organization they have and the support they offer: *"I have had a lot of support from them"* (interview with miner 3, ASMO site, 25.7.19).[24] Also an employee of a mine says that they would not be certified without the support of ARM (field notes on presentation of ASMO employee 1, ASMO site, 22.7.19).

In the opinion of the certified miners, the certification is also a better control that the damaging socioeconomic, health and environmental impacts of ASM are reduced and formalization can be achieved. The annual audit leads to a review of whether these requirements are actually being met*: "in order that the people who are carrying out the mining activity also do not cause a negative impact on the environment but are responsible miners"* (interview with ASMO

[24] *"yo he tenido mucho apoyo por parte de ellos"* (interview with miner 3, ASMO site, 25.7.19)

employee 2, ASMO site, 23.7.19).[25] In addition, if one wants to recertify, one is forced to constantly improve, as the requirements for certification are increasing (see *Appendix*, column year > 0) (interview with miner 1, ASMO site, 23.7.19). However, this control is seen as positive, as they want to do mining without damaging people and environment and see this as an aid to do so*: "a person who wants to do things right, who wants to get better"* (interview with miner 2, ASMO site, 23.7.19). Certification also helps to ensure that one complies with the state laws and norms, and thus they have fewer problems with the authorities, as the authorities also know that certification fulfils all the conditions and that the control is relatively good (interview with miner 2, ASMO site, 23.7.19). An ASMO employee also says that the certification provides an additional kind of control over compliance with laws: that there is no money laundering and that the ASM activity does not finance terrorist groups (interview with ASMO employee 2, ASMO site, 23.7.19).

One of the main reasons why ASM has a bad reputation is because they use very environmentally harmful practices and people work under bad conditions. Certification also provides an incentive not to damage the environment (interview with ASMO employee 2, ASMO site, 23.7.19). One miner told us that it was always his dream to operate a mine without mercury. ARM was a great support in this process (field notes, ASMO site, 22.7.19). Due to the monitoring and controlling of the NGO, they have stopped polluting the environment and are now much more aware of the impact of their activities:

> *"It is something that we saw that, that this - advice, this accompaniment that ARM has given us, was to improve, to mitigate all the impacts that we were doing. So, it has been important for that-, that support because it is clear that today we go to the field, to visit the mines and one sees that the issue of environmental impacts has changed a lot"* (interview with miner 2, ASMO site, 23.7.19).[26]

A miner says that they were led by the standard and thus led to a clean, much better mining activity. Before, the environment was polluted which could affect the community through polluted water. But with certification, there is support and control that all the requirements for

[25] "*mucho en que la gente que está realizando la actividad minera tampoco no causa un impacto negativo al medio ambiente sino que sea una minería responsable*" (interview with ASMO employee 2, ASMO site, 23.7.19)

[26] *"Es algo que nosotros vimos que, que este- asesoría, este acompañamiento que nos ha hecho ARM, fue para mejorar, mitigar todos los impactos que estábamos haciendo. Entonces, pues, ha sido importante por ese-, ese apoyo porque si es claro hoy en día vamos al campo, a visitar las minas y uno ve que ha cambiado mucho el tema de los impactos ambientales"* (interview with miner 2, ASMO site, 23.7.19)

Figure 5: "Shaking table" to separate sand and gold particles through physical process, ASMO 2 (Source: own photo).

"responsible mining" are fulfilled (interview with ASMO employee 2, ASMO site, 23.7.19). Also the other ASMO changed its environmental impact due to the certification, ASMO employees told me that in this mine no chemicals are used anymore, but everything is processed with physical processes (see *figure 5*) (interview with ASMO employees 3 and 4, ASMO site, 25.7.19). Even miners who are not yet certified see added value in certification through support in such processes. A miner who is in the process of certification explains that they wanted to end the use of mercury and have received support from ARM in this process (interview with non-certified miner 3, ASMO site, 22.7.19).

The working conditions and working regulations have also improved due to the certification. An ASMO employee (interview with ASMO employee 2, ASMO site, 23.7.19) told me that in her opinion, certification is important because it ensures that no bad practices are carried out and that there is no child labour. Other employees stressed that technology has improved since they have been certified, as well as safety and protection for workers (interview with ASMO employees 3 and 4, ASMO site, 25.7.19; interview with ASMO employee 1, ASMO site, 23.7.19). Furthermore, working in a certified mine offers certain securities that many people in alternative activities in the countryside do not otherwise get. Social security has to be paid under certification, something that many people don't even know you have to do. Workers in a certified mine therefore get the guarantee that these things will be paid for because it is controlled and ensured through the audits of the certification (interview with ASMO employee 2, ASMO site, 23.7.19). Because of the financial and entrepreneurial situation that improved (see also section *6.1.2. Financial incentives*), this ASMO was able to offer job opportunities and to hire more people (interview with ASMO employee 2, ASMO site, 23.7.19).

6.1.2. Financial incentives: export and premium

The financial advantages of export and premium payment through certification act as a great incentive for certification and are something that state formalization cannot offer in the same way. For the miners the possibility to export is of great importance. Several interviewees emphasized that for them the export is the most important incentive: *"So that is what motivated us the most and, and we know that here in the domestic market, the price is much lower"* (interview with miner 2, ASMO site, 23.7.19).[27] On the international market they get a better price than if they had to sell locally. Before the certification, their gold was legally sold on the local market (interview with miner 2, ASMO site, 23.7.19). They had also received requests from other buyers, but rejected them (interview with miner 2, ASMO site, 23.7.19). Today they sell their certified gold practically only internationally, for which they receive a price almost 40 percent better than on the national market (field notes on presentation of ASMO employee 1, ASMO site, 22.7.19). This alone makes certification worthwhile (interview with miner 2, ASMO site, 23.7.19).

Demand for certified gold is above production. In contrary to other fair-trade products where the demand for certified products remains below production and the producers must sell on the conventional market (Sick 2008), this is not the case for certified gold (interview with NGO employee 1, Medellín, 30.7.19; see also Fisher 2018). This makes it possible for certified ASMOs to export their gold directly and eliminate intermediaries: *"So we saw that with the certification we could export directly without the need for intermediaries. [I: Mhm] And this is what motivated us"* (interview with miner 2, ASMO site, 23.7.19).[28] This is one big achievement of certification as usually "miners are receiving below-market payments from buyers for their gold" (Keita 2001, Boungnaphalom 2003 in: Hilson 2008). Also for miners in the certification process the better price is the greatest motivation to get certified (interview with non-certified miner 1, ASMO site, 22.7.19). Through the export also the national and international reputation of the own cooperative and the ASMO has become very high, one ASMO employee (interview with ASMO employee 1, ASMO site, 23.7.19) says.

The premium is also welcome, but of lesser importance. A miner in the certification process says that the better price is the main motivation for certification, and he sees the premium as a

[27] "*Entonces fue lo que nos motivó más y, y sabemos que aquí en el mercado nacional, pues el precio es mucho más bajito"* (interview with miner 2, ASMO site, 23.7.19)

[28] "*Entonces miramos que con la certificación lo podíamos hacer exportaciones directamente nosotros sin necesidad de intermediarios. [I: Mhm] Y ya, eso es lo que nos motivó*" (interview with miner 2, ASMO site, 23.7.19)

nice addition (interview with non-certified miner 1, ASMO site, 22.7.19). However, the premium is also important because it allows you to further develop the ASMO and pay for the audits, for example (interview with miner 3, ASMO site, 25.7.19; interview with miner 2, ASMO site, 23.7.19; interview with ASMO employee 2, ASMO site, 23.7.19). The premium allows to invest in things that otherwise would not be possible and hence plays an important role in developing the ASMOs. *"It has helped a lot because with that the cooperative-, eh with our resources-, it is supporting, is making many improvements, in the office, in the mines, in the plants. So we see that it is a benefit for us"* (interview with miner 2, ASMO site, 23.7.19; also interview with miner 1, ASMO site, 23.7.19; interview with ASMO employee 1, ASMO site, 23.7.19).[29] It serves also as an assurance when something unforeseen happens (interview with ASMO employee 2, ASMO site, 23.7.19). Part of the premium is also used for investments in the community, which is very welcome (interview with ASMO employee 2, ASMO site, 23.7.19; interview with miner 2, ASMO site, 23.7.19). However, it is also criticized that the level of the premium always remains the same, although the requirements for certification increase over the years. In addition, it is complicated, since one may not use the Premium for everything, but has certain requirements (interview with miner 1, ASMO site, 23.7.19).

In summary it can be said that from the miners' point of view, certification thus offers support in implementing the requirements of a formalized activity. In addition, the requirements of a formalized ASM activity are better controlled by certification than through the state. Also, exportation is made possible due to certification. This means that certification enables the integration of ASM into the formal economy (Fritz et al. 2018), something that is actually a government task and criticized as "undermining" the state in the literature (Elgert 2012, Raynolds et al. 2007).

6.2. NGO's view

Compared to state formalization, certification as an independent instrument also has several advantages to ensure that ASM becomes an activity that is integrated into the formal economy. An NGO employee thinks that certification is intended to help transform an activity that has always been done in traditional ways into a "good" activity (interview with NGO employee 3, Medellín, 31.7.19). Firstly, it is easier for the NGO to create incentives for ASM formalization

[29] "*Ha servido de mucho porque con eso es que la cooperativa-, eh con nuestros recursos- pues está sosteniendo, está haciendo muchos mejoramientos, en la oficina, en las minas, en las plantas. Entonces nos vemos que es un beneficio para nosotros*" (interview with miner 2, ASMO site, 23.7.19)

and to monitor compliance with these requirements; secondly, they are better able to build trust in the miners; and thirdly, they see it as one of their main tasks to improve the reputation of ASM nationally and internationally.

6.2.1. Promoting and monitoring formalization of ASM

The state does not sufficiently promote the formalization of ASM because state institutions are poorly organized and lack resources. In this sector, there is a lack of both human and financial resources. An NGO officer (interview with NGO employee 5, Medellín, 9.8.19) argued that these local state representatives simply do not have enough resources to handle the legalization of ASM faster and more efficiently. The organization in the whole sector does not contribute to a quick and efficient legalization of ASM. This person also told me that: *"there are many municipalities or eh local officials who do not have experience in the mining sector"* (interview with NGO employee 5, Medellín, 9.8.19).[30] This NGO officer also talked about one of the largest departments in Colombia, where a single official is responsible for mining and it is therefore difficult for him to provide additional support for the certification. From the NGO's point of view, this also means that*: "So that's when one has to value well the willingness they have to collaborate, but also the capacity they may have"* (interview with NGO employee 5, Medellín, 9.8.19).[31] One interviewee explained that the lack of funds would lead to a lack of financial resources in the decentralized authorities to support ASM. This goes in line with Echavarria (2014) who says that the weak decentralization is one of the main barriers for formalization. For this reason, the whole organization is centralized, and this leads to the opinion of this NGO employee: *"It's such a centralized thing, the answers […] are delayed. So that also hinders the miner"* (interview with NGO employee 5, Medellín, 9.8.19).[32] Another NGO employee goes so far as to say: *"I would say that this is like the main reason […] why there are not that many certified miners"* (interview with NGO employee 3, Medellín, 31.7.19).[33] This management of formalization by the state results in NGO employees seeing the certification as a complement to state formalization.

[30] "*hay muchos municipios o si eh funcionarios a nivel local que no tienen experiencia en el sector minero*" (interview with NGO employee 5, Medellín, 9.8.19)
[31] "*Entonces eso es cuando uno tiene que valorar bien como la voluntad que tienen ellos en colaborar, pero versus también la capacidad que ellos pueden tener" (interview with NGO employee 5, Medellín, 9.8.19)*
[32] *"son cosas tan centralizadas, se demora [...] las respuestas. Entonces eso también frena el minero*" (interview with NGO employee 5, Medellín, 9.8.19)
[33] "*Diría que eso es como la principal causa [...] por la que no haya tantos mineros certificados*" (interview with NGO employee 3, Medellín, 31.7.19)

NGO employees see the added financial values and the support provided by certification as an incentive for ASMs to formalize and meet the requirements of the law regarding environmental aspects and working conditions. *"I improve the impacts generated by my company. So I say that it may be because of that [the premium] because the standard makes, in itself makes a difference, more, than just complying with the standard"* (interview with NGO employee 2, Medellín, 31.7.19).[34] They also see the support towards reducing social and environmental impact of ASM as well as the financial incentives, especially through the premium, as a good opportunity (interview with NGO employee 1, Medellín, 30.7.19; interview with NGO employee 4, Medellín, 9.8.19). Certification is important because, unlike state requirements and laws, it not only establishes such requirements but can also support the miners on their way: *"On the other hand, certification does allow us to accompany the miner, make him visible and connect him to markets"* (interview with NGO employee 5, Medellín, 9.8.19).[35] ARM tries to exert influence on the state processes, if possible, in order to speed up the legalization processes, because certification can only be initiated under this condition. An NGO employee stresses that: *"I mean, no, we do not just sit around and wait here, that everything will work out and […] We help and try to elevate the whole situation, from ASM, to this organization"* (interview with NGO employee 3, Medellín, 31.7.19).[36] ARM emphasizes that they would also accompany and support ASMs on the way to legalization: "ARM works to support miners in their journey to certification, either directly with them on the ground or with local partner organizations" (ARM 2019b). This was also confirmed to me in an interview with an NGO employee:

> *"However when mines come that do not have several permits, uh that have not obtained certain permits, they are helped to submit the request before the authority, that they are given priority, because they are miners who are in-, they are initiating, that want to start a full certification or CRAFT project with us, in order to give priority to them"* (interview with NGO employee 3, Medellín, 31.7.19).[37]

[34] "*mejoro los impactos que genera mi empresa. Entonces yo digo que puede deberse a eso [el premio] en, en porque el estandar marca, en si marca como una diferencia, más, frente a sólo cumplir con la norma*" (interview with NGO employee 2, Medellín, 31.7.19)

[35] "*En cambio, la certificación si permite acompañar al minero, visibilizarlo y conectarlo con mercados*" (interview with NGO employee 5, Medellín, 9.8.19)

[36] *"O sea no, no nos quedamos sentados y esperar aquí, todo se solucione y [...] Ayudamos y tratamos elevar como toda la situación, de la MAPE, a esta organización"* (interview with NGO employee 3, Medellín, 31.7.19)

[37] "*Sin embargo cuando vienen minas así que no tienen varios permisos, eh que no han obtenido ciertos permiso, se eleva como la solicitud antes, se les ayuda ellos a elevar la solicitud de la autoridad, que le den prioridad, que son mineros que están in-, que están iniciando, quieren iniciar un proyecto completo de certificación o de CRAFT con nosotros, entonces que le den prioridad a eso*" (interview with NGO employee 3, Medellín, 31.7.19)

An NGO employee told me that they cannot directly support ASMs financially, but they can look for so-called sponsors who would take over this task. These are usually interested buyers of Fairmined Gold, who have not yet been able to cover their demand due to the too small supply (interview with NGO employee 1, Medellín, 30.7.19).

Furthermore, the certification automatically fulfils the national and international requirements for ASM (interview with NGO employee 2, Medellín, 31.7.19). Additionally, *"eh there are going to be much stricter rules which are going to make the miner fulfill a series of requirements, that are very strict and that he will maintain them, in due course. Well, there are no longer any restrictions on why they are not certified"* (interview with NGO employee 4, Medellín, 9.8.19).[38] Therefore, the NGO is a help to get support for the always new laws and norms, so that the ASMOs can develop further. Due to the annual control for the recertification, the NGO has a better control than the state. In addition, the control does not cost the NGO anything, because this control is based on voluntary basis of the ASMOs and is financed by themselves (Fairmined 2020). This means that the responsibility of the state to ensure the formalization of ASM and integrate it into the formal economy is partly taken over by the NGO and private actors as it is criticized by Nega and Schneider (2014) and Raustiala (1997).

6.2.2. Building trust

Lack of trust is one of the main reasons why so many ASMs remain informal. As described in Chapter *5.2.3. Distrust in the state*, the lack of trust in state institutions is a major obstacle to the fact that many ASMs do not want to legalize. For the NGOs, too, one of the greatest challenges is to win the trust of the miners (interview with NGO employee 3, Medellín, 31.7.19). When it comes to winning new mines for certification, many miners are somewhat distanced at the beginning due to these negative experiences and their situation during the conflict: *"Here the miner is sometimes distrustful of the processes, which is understandable, they are in areas that are sometimes of conflict, very [...] a lot of risk, so they are very careful about that, so sometimes they do not trust an NGO"* (interview with NGO employee 3,

[38] "*eh van a salir normas mucho más estrictos qué van a hacer que el minero, pues cumple una serie de requisitos, es muy estricto y que los mantenga, en su momento. Pues ya no haber ninguna restricción de porqué no se certifican"* (interview with NGO employee 4, Medellín, 9.8.19)

Medellín, 31.7.19).[39] Also because they think that if someone comes to invest in the mine, he only does so to get a part of the profit (interview with NGO employee 5, Medellín, 9.8.19).

For the NGO, it is easier to gain the trust of the ASMs. The NGO has the possibility to open a dialogue with the miners in order to make a concrete contribution to solving the problems that the miners have. According to an NGO employee, it is easier for them to gain trust in the miners than for state institutions (interview with NGO employee 5, Medellín, 9.8.19). One NGO staff member (interview with NGO employee 5, Medellín, 9.8.19) said that this problem could be solved relatively easily over time by building relationships and trust between NGOs and miners and explaining the certification and its benefits.

> *"Give them solutions, and solutions that are practical, not something crazy, expensive, and, or out of the context in which they are. That helps a lot, that they understand that, little by little. In addition to trust. This means not just go and work for a month, three months and then I am gone, I did what I did, then I am gone, ciao. It is like a- constant communication with them, intervention with them with-, constant and things that are very much in line with their activity. So, and give them real solutions. So here can be like the key to making it work little by little"* (interview with NGO employee 3, Medellín, 31.7.19).[40]

In principle, the ASMs are more open to NGOs than to the state and have less distrust (interview with NGO employee 5, Medellín, 9.8.19). NGOs can even help to rebuild trust in the state by sitting down and talking with state and ASM representatives and thus supporting ASMs' and states' collaborations at regional and local level (interview with NGO employee 5, Medellín, 9.8.19). Nevertheless, many miners remain suspicious of certifications because they are controlled by an external, third entity, which also presupposes trust in this actor (interview with NGO employee 2, Medellín, 31.7.19). The revision should therefore also contribute to maintaining and strengthening trust between the NGO and the miners. Trust in the label is

[39] "*Aqui el minero es a veces desconfiado con los procesos, que es entendible, están en unas zonas a veces que son de conflictos, muy- eh [...] mucho riesgo, entonces ellos se cuidan mucho por eso, entonces a veces no confían en que una ONG*" (interview with NGO employee 3, Medellín, 31.7.19)

[40] *"Darles solución, y soluciones que sean prácticas, no una cosa loca, carísima y, o fuera del contexto en el que ellos están. Eso ayuda mucho, que ellos entiendan eso, poco a poco. Además de la confianza. Sea no solo ir y trabajar un mes, tres meses y ya me voy, hice lo que hice, me voy ciao. Es como un- constante comunicación con ellos, intervención con ellos con-, constante y cosas que sean muy acordas a la actividad de ellos. Entonces, y darle soluciones reales. Entonces cómo ahí puede ser como la clave para hacer que ello poco a poco vaya"* (interview with NGO employee 3, Medellín, 31.7.19)

important so that the miners can see the advantages they can derive from this cooperation (interview with NGO employee 2, Medellín, 31.7.19).

NGO employees have experienced that ASMs have more confidence in them because their projects are more continuous. In chapter *5.2.3. Distrust in the state*, an NGO employee also explains that government interventions to formalize ASM often last only a very short time and do not offer concrete solutions for ASM. Every 3 to 4 years, the political interventions would change, and the projects would therefore not be continued (interview with NGO employee 3, Medellín, 31.7.19). This leads to a mistrust of ASMs in formalization. In contrast, the NGO can build trust over a longer period of time and therefore has an advantage over governmental institutions in their opinion (interview with NGO employee 3, Medellín, 31.7.19; interview with NGO employee 5, Medellín, 9.8.19). This contradicts the criticism in the literature of Nega and Schneider (2014), who write that NGO activities often have a limited project period and are therefore less sustainable than government services.

6.2.3. Improving the reputation of ASM

ASM has a bad reputation with the government. Parallel to the process of the peace agreement, sharply rising gold prices led to strong growth in the Colombian gold sector between 2008 and 2012. The high prices made gold particularly interesting for criminal organizations as it is well suited for money laundering, also due to its difficult traceability. Gold was also used to finance the ongoing conflict (Echavarria 2014; Massé and Le Billon 2017). For this reason, a miner says that the state often suspects illegal groups behind gold mining activities. And since the state does not want to legalize violent groups, there is a general mistrust of ASM (interview with miner 3, ASMO site, 25.7.19).

The reasons for the difficulties and slowness of the legalization process of ASM lie in political interests that are not favouring ASM. Some argue that problem in the legislation is that the different laws and regulations are adapted to the conditions of large-scale mining. *"Eh and I think this is because the small mining sector is not very well positioned in relation to large-scale mining. So, what happens in many countries is that the laws are designed or made for the big multinationals"* (interview with NGO employee 1, Medellín, 30.7.19).[41] This goes in line with Sippl (2015) writing that many countries prefer LSM and fit legislation to their needs. The

[41] "*Eh y creo que eso se debe a que el sector minero pequeñ-, de la pequeña minería no está muy bien posicionado en relación a la gran minería. Entonces lo que pasa en muchos países es que las leyes son pensadas o están hechas para a las grandes multinacionales*" (interview with NGO employee 1, Medellín, 30.7.19)

duration of legalizations and the legislation in favour of large scale mining are not favourable for ASM in Colombia and in many other countries where large scale mining is promoted and is considered an important industry (ILO 1999, Hilson and Potter 2003, Hilson 2007 in: Hilson 2008; Massé and Le Billon 2017). This makes it difficult for ASMs to be able to meet these requirements at all, which then means that they cannot acquire the legal titles of their mining area. This is confirmed by another NGO employee:

> *"That […] the artisanal miner, they ask him for the same environmental instruments […] or plans, the same as the big miner. So that is a barrier that they say is not fair, I do not know what, and with this we have made an impact. Eh it has been difficult, because they are not going to change the regulations from one moment to the next, but we have managed to influence things in the National Development Plan"* (interview with NGO employee 5, Medellín, 9.8.19).[42]

One interviewee (interview with non-certified ASMO employee, ASMO site, 22.7.19) told me that political interests would also play a role in the award of concessions to ASM. This goes in line with what Hilson (2008 in: Fisher 2018: 82) writes: "Factors such as political economies favouring corporate mining, plus diminishing land area for ASGM mean the vast majority of miners remain without mineral rights". There are areas in which LSM companies are active and, through their relations with politics, hinder the award of mining titles to ASM (see also Sippl 2015). The authorities are only interested in the large mines, where they make legalization very quick, unlike in ASM. Since they do not want to legalize ASM in these regions for political reasons, the authorities delay the processes for a long time (interview with non-certified miner 1, ASMO site, 22.7.19). In many cases, the legalization process has not been completed until this day (Echavarria 2014). As a result, many ASMs no longer even try to apply for a legal mining title. Because once the authorities know where these ASM activities take place, it is difficult to return to the invisibility of informality.

Many ASMs are active in areas for which LSMO at some point in recent years have acquired concessions. The conflicts that have arisen between active informal ASMs in such licensed areas have relatively often been resolved by means of an operation contract. This means that LSM is responsible for ensuring that the ASMs active there comply with the formal

[42] "*Que ? el minero artesanal, les piden los mismos instrumentos ambientales o de trabajos y obras sobre su plan, igual al minero grande. Entonces eso es una barrera que ellos dicen que no es justa, no sé que y con esto hemos hecho incidencia. Eh ha sido difícil, pues porque no van a cambiar la normatividad eh de un momento a otro, pero si logramos incidir en cosas en el Plan Nacional de desarrollo*" (interview with NGO employee 5, Medellín, 9.8.19)

requirements. In return, the ASMs are obliged to sell their gold mined there to the LSM company (Echavarria 2014: 61). This is happening to one ASMO to who's representative (interview with non-certified ASMO employee, ASMO site, 22.7.19) I could talk. The territory in which they are working belongs to a large-scale mining organization. The small miners of their organization have to sell everything to them. This is confirmed by the statement of an NGO employee saying that in S., where there is a lot of ASM, a large part of the mining area is private property belonging to a large-scale mining organization. And basically all ASMs that operate there, have to resell to this company (interview with NGO employee 3, Medellín, 31.7.19). Under Fairmined certification it is indeed possible not to have the mining rights, but to work under an agreement for the land use rights with the land-owner (ARM 2014a: 9), but since this ASMO must sell the gold to a non-Fairmined licensee, they cannot receive the premium for it (see also chapter *5.1.3.1. Bancalization*). Without this added value, certification is made less attractive, as argued by ASMs in chapter *6.1.2. Financial incentives*. It can be assumed that the bad reputation of ASM leads to the state not being interested in formalizing this sector. This is where the approach of ARM lies: to improve the reputation of ASM.

ARM sees it as one of their main tasks to improve the reputation of ASM in order to facilitate formalization for ASM. The bad reputation and the stigmatization of ASM due to the damage it has caused in the past is to be remedied by the transparency of certification (interview with NGO employee 3, Medellín, 31.7.19). The world should get a new view about what "good" mining done by ASMs is and the certification should show that this is possible (interview with NGO employee 1, Medellín, 30.7.19). This can be achieved by the fact that the certification is internationally well known and affects actors of the entire value chain. It was therefore important to set the certification requirements very high at the beginning in order to show the world that it is also possible for ASMs to do "responsible" mining and to gain the attention of the entire industry (interview with NGO employee 1, Medellín, 30.7.19). The certification helps to take the ASM activity out of the invisibility and to show that many people work in this sector and that ASM also is important for the development of the country and especially for the communities (interview with NGO employee 5, Medellín, 9.8.19). An NGO employee also says that if the miners are treated like small entrepreneurs, they can be empowered (interview with NGO employee 2, Medellín, 31.7.19). And through the certification also make visible to other miners that it is possible to do "responsible mining" as ASMs and motivate them to do the same (interview with NGO employee 2, Medellín, 31.7.19). This task of the NGO does not serve individual ASMs but is intended to change the reputation of the entire sector and thus its perception.

The better reputation of ASM within a country or a particular government should help improve its position in comparison to LSM. The difficult relationship between ASM and the state is also a reason why the certification is seen as an instrument that helps to legitimize ASM (interview with NGO employee 1, Medellín, 30.7.19). The formalization of ASM is very difficult due to structural problems and high requirements on the one hand and the negative political climate towards ASM on the other hand. Certification therefore attempts to influence this level and to change attitudes towards ASM. In particular, it aims at improving its position in comparison to LSM. Because one of the NGO's tasks is to influence changes in laws and regulations so that ASM no longer has to meet the same requirements as LSM (interview with NGO employee 5, Medellín, 9.8.19). On the one hand, certification has the opportunity to do this through its international reputation and influence in the industry (interview with NGO employee 5, Medellín, 9.8.19). And on the other hand, through their experience in the field, which in turn helps to change the laws and work of the authorities in such a way that it becomes easier for ASM to legalize and certify itself. This can be done by the NGO's participation in events about ASM (interview with NGO employee 1, Medellín, 30.7.19).

However, the cooperation between the NGO and the state is sometimes described as difficult also by the NGO and its influence on government processes is limited. Where possible, the problems and needs of ASM are highlighted and discussed at round tables and other occasions where ASMs, governmental representatives and ARM are present (interview with NGO employee 5, Medellín, 9.8.19; interview with NGO employee 1, Medellín, 30.7.19). But by far not everywhere such possibilities are available*: "sometimes there exist no spaces for dialogue, so there are not built any policies for these miners"* (interview with NGO employee 5, Medellín, 9.8.19).[43] These statements show that a lack of resources plays a major role in the non-legalization of many ASMs. However, this NGO staff member contradicted the accusation that the government was not interested in legalizing ASM:

> *"Uh I think that even from the central level, there is interest for the artisanal miners to be formalized. What has been missing so far is a little more commitment from the State to accompany these miners, but - that also depends a lot on how the local authorities ask or move forward this mining issue"* (interview with NGO employee 5, Medellín, 9.8.19).[44]

[43] *"algunas veces no existen los espacios de dialogo, entonces no se construyen como políticas a la medida para estos mineros"* (interview with NGO employee 5, Medellín, 9.8.19)

[44] *"Eh yo creo que incluso desde el nivel central si hay interés de que los mineros artesanales se formalicen. Lo que ha faltado de pronto es un poco más de compromiso del Estado de acompañar estos mineros, pero- eso*

In her opinion, the state is therefore quite interested in the outcome of this formalization process, namely that the ASMs are legal, but it does not have the resources to accompany and support this process. This statement will be further explained: *"I mean, it is very difficult to engage this actor, I mean, they like it and they sit down to dialogue, listen to the miners, etc., but at the moment of taking responsibility for something, sometimes it is difficult but not impossible"* (interview with NGO employee 5, Medellín, 9.8.19).[45]

Fairmined sees it as one of its tasks to formalize ASM. They support ASMs in this process and monitor the fulfilment of these criteria with an annual audit. In this way, the NGO partly takes over tasks that are government responsibilities. However, contrary to the criticism in the literature (Elgert 2012, Raynolds et al. 2007) that NGOs replace state tasks, ARM is aware that they are dependent on cooperation with the state. Only legalized ASMs are eligible for Fairmined certification. Therefore, the NGO tries to exert influence at this point to improve the reputation of ASM in order to facilitate the requirements for ASM legalization. In the following the added values are discussed further.

6.3. Discussion of added values of certification

The certified miners mention as added values of the certification the better support in the legalization and certification process, and subsequently in the further reduction of damaging social and environmental impacts as well as the control of these requirements. Furthermore, the better price through export, as well as the premium is important. Additionally, the NGO says that compared to the state, they can promote and monitor formalization in a more targeted way. By ASMs having more confidence in the NGO than in the state, the NGO is also able to include more ASMs.

The literature criticises that NGOs are bypassing the state by performing such tasks (Elgert 2012, Raynolds et al. 2007). In the case of Fairmined certification, this may be the case, for example, when NGOs take over state tasks such as monitoring compliance with legal requirements on environmental protection and working conditions and their work to create

también depende mucho de cómo las autoridades locales pidan o se muevan para adelantar, pues como ese tema minero" (interview with NGO employee 5, Medellín, 9.8.19)

[45] "*O sea, es muy difícil comprometer a este actor, o sea a ellos les gusta y se sientan a dialogar, escuchar a los mineros, tata, pero al momento de ya responsabilizarse de algo, a veces es difícil pero no es imposible*" (interview with NGO employee 5, Medellín, 9.8.19)

incentives for formalization of ASM through the added values. The NGO supports ASM in the integration into the formal economy, a task usually assigned to the state. It is also likely that the state can save resources if such tasks are carried out by NGOs, since the certification is paid for by private donors and the ASMOs themselves.

Nevertheless, I would agree with Sippl (2015), who says that certifications cannot completely bypass the state. Because the state has reserved certain areas, such as legalization, which means that the NGO is dependent on the state to be able to issue the certifications at all. The NGO is not only dependent on legalization because this is specified in the prerequisites, but especially because it is a prerequisite for export and therefore also for the premium. Thus, one of the greatest added values of certification, namely the financial incentives, is based on cooperation with the state. A complete bypassing of the state is therefore not possible, as this would deprive certification of its greatest incentive. I would therefore argue that the NGO and the state work together in a complementary way. This is in line with Loconto and Danker's (2014) statement that governments do indeed play a role in certification and that this kind of cooperation generates the best impacts. Accordingly, the NGO also tries to influence the political level to improve the reputation of ASM and, more specifically, to make legalization easier for ASM in cooperation with the state.

7. Conclusion

Supporters of certification see it as an instrument for improving the situation of ASM. Certification is intended to ensure environmentally and socially compatible activities and to connect producers directly to the market. However, in the literature, three main points are criticized in such certification systems. First, that only the best developed smallholders are eligible for certification. Second, that power distribution within such systems is unequally distributed and that producers have no influence on them. And thirdly, that certification systems often result in "undermining" the state, with former state tasks being taken over by NGOs as private actors. Through these effects, it is criticized, certifications aggravate precisely these grievances, because of which they were once initiated. Given this literature background, the thesis tries to find an answer to the question of how participation in the Fairmined certification scheme is explained by the miners and NGO involved.

This master's thesis has therefore on the one hand side looked at "who gets certified" in the case of the Fairmined certification of ARM and at the extent to which the criticism that only the best developed ones are certified applies. In fact, the ASMOs visited were legalized and developed before certification. However, when I looked at the various factors that influence "who gets certified", I found out that not only the criteria and requirements of the certification are responsible for this, but also the influence of outside factors. These include requirements and legislation of the state and its performance regarding legalization, higher-level standards of the aid industry, location where ASMs are active, as well as the willingness of the ASMs to meet the requirements for legalization and certification. I therefore argue that the context of where certification takes place has a significant influence on "who gets certified".

Despite the factors that make certification difficult, certified miners argue that efforts to legalize and meet certification requirements are worthwhile because the benefits outweigh the effort. Thus, on the other hand, this thesis has tried to identify how certification is heralded as a good idea to bring advantage in relation to simply state formalization. Certified ASMs stress the financial benefits they receive through the direct export of gold and the premium. They also appreciate the support of the NGO in implementing the requirements of the certification and of a formalized ASM activity in general. This is something the state does not offer in their eyes. The NGO also sees an added value in its activities in comparison to state formalization. They emphasize the promotion, implementation and monitoring of a formalized activity where they are better able to offer support. In their eyes, it is also easier for them to build trust to the ASMs and thus work with them together towards formalization. When looking at these added values

seen by the involved actors, the question arises whether a bypassing of the state takes place, as it is criticised in the literature. It can be argued that certain tasks of the state are taken over by the Fairmined certification. These include supporting ASM towards formalization, reducing the socially and environmentally damaging impact of ASM, verifying that such goals are met and integrating ASM into the formal economy. However, the state is decisive in legalization, which is an important prerequisite for certification. The NGO is thus heavily dependent on the state which is why it is working to ensure that ASM is better recognized by government institutions. I argue therefore that there is a cooperation between the NGO and the state rather than bypassing it.

Furthermore, legalization is not only a prerequisite for certification, but also a prerequisite for achieving one of the important benefits from the miners' view. Exporting is mentioned as a major advantage, especially in comparison with state formalization. In order to be able to export, and for the gold to be internationally recognised, a mine must be legal. Legalization is one of the biggest difficulties in obtaining ASM certification, and at the same time exportation as a result of legalization is the greatest motivation for certification. The NGO is therefore dependent on the state in order for its own certification to be attractive, but at the same time there is a recognisable effort to involve the state as an active partner in improving ASM's reputation.

It is clear that some ASMs receive added values through certification and others do not. What this empowerment of some means for the sector as a whole, however, and whether this will result in a further inequality of developed and less developed ASMs, remains unclear. It is assumed that such initiatives can only provide selective support. Further empirical studies must therefore be carried out to find out what such certification systems really achieve, whether they improve the situation for only a few, have a lasting impact on the entire sector or actually worsen the overall situation.

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Pictures

All pictures are taken by the author, during fieldwork in July 2019.

Appendix

Data overview: Semi-structured Interviews

#	Interview pseudonym	Information	Date	Place	Length
1	secretary of ASM gold standard	telephone interview	04.02.2019		52 minutes
2	ASM expert	skype interview	24.04.2019		65 minutes
3	ASMO employee 1	employee of a certified ASMO	23.07.2019	ASMO site	35 minutes
4	ASMO employee 2	employee of a certified ASMO	23.07.2019	ASMO site	35 minutes
5	Miner 1	Fairmined certified miner	23.07.2019	ASMO site	20 minutes
6	Miner 2	Fairmined certified miner	23.07.2019	ASMO site	43 minutes
7	Miner 3	Fairmined certified miner	25.07.2019	ASMO site	25 minutes
8	NGO employee 1		30.07.2019	Medellín	55 minutes
9	NGO employee 2		31.07.2019	Medellín	31 minutes
10	NGO employee 3		31.07.2019	Medellín	34 minutes
11	NGO employee 4		09.08.2019	Medellín	44 minutes
12	NGO employee 5		09.08.2019	Medellín	44 minutes
13	NGO employee 6		14.08.2019	Medellín	35 minutes

Data Overview: Unstructured Interviews

#	Interview pseudonym	Information	Date	Place
1	non-certified miner 1	miner in the Fairmined certification process	22.07.2019	ASMO site
2	non-certified miner 2	artisanal miner interested Fairmined certification	22.07.2019	ASMO site
3	non-certified miner 3	miner interested in Fairmined certification	22.07.2019	ASMO site
4	Employee of non-certified ASMO		22.07.2019	ASMO site
5	ASMO employee 3 and 4	employee of a certified ASMO	25.07.2019	ASMO site

Data Overview: Field Notes

#	What	Date	Place
1	Meeting with NGO staff	15.07.2019	Medellín
2	Meeting with NGO staff	16.07.2019	Medellín
3	ASMO workshop	22.07.2019	ASMO site
4	ASMO and NGO meeting	23.07.2019	ASMO site
5	ASMO visit	25.07.2019	ASMO site

Fairmined Standard Requirements

#	Fairmined Standard Requirement	Year
	1. GENERAL REQUIREMENTS	
	1.1 Application	
1.1.1	Artisanal miners can participate in Fairmined if an ASMO is in place.	0
1.1.2	The ASMO must accredit its "artisanal and small-scale" nature.	0
1.1.3	The ASMO must accept audits of their premises and subcontracted premises and provide information at the certification body's request.	0
1.1.4	The ASMO must appoint a contact person for all certification matters. This person must keep the certification body and ARM updated with contact details and important information.	0
Modulo 1	CRAFT: Module 1: scope and membership	0
Modulo 1	CRAFT: Module 1: scope and membership Assurance Point	0
Modulo 1	CRAFT: Module 1: scope and membership Assurance Point	0
	1.2 Certification Scope	
1.2.1	The Fairmined System of Production must be defined.	0
1.2.2	If external service providers are part of the Fairmined supply chain, and where there are choices, the ASMO must demonstrate that best efforts are made to choose providers that comply with traceability requirements and legal requirements.	0
1.2.3	The ASMO and all legal organizations of its Fairmined System of Production must have a legal and transparent structure in place according to the respective legislation applicable for the specified type of organization.	0
1.2.4	The ASMO and all legal organizations of its Fairmined System of Production must have financial control complying with national regulations.	0
1.2.5	The ASMO must establish an Internal Control System being able to cover all volumes and sales into the Fairmined supply chain and clearly separating it from all mineral, gold or tailings from miners, areas and processing units that are not included in the Fairmined System of Production.	0
1.2.6	The majority (50%+1) of the miners working in the scope of the ASMO must be community based artisanal or small-scale miners.	0
1.2.7	Clear and non-discriminatory rules for inclusion and non-inclusion of miners in the Fairmined System of Production must be in place.	0
1.2.8	Only the miners and areas included in the Fairmined System of Production may produce Fairmined gold, gold ore, concentrate or tailings. Gold, gold ore, concentrate and economically valuable tailings from miners or areas not included in the Fairmined System of Production must be kept separate from Fairmined Gold and must not be sold as Fairmined Gold.	0
Módulo 4 5.1.5 R/1	Policy against money laundering in the ASMO	0

	1.3 Specific ASMO Responsibilities	
1.3.1	The ASMO or its miners must possess or be granted land-rights and mining rights for all areas included in its Fairmined System of Production.	0
1.3.2	Taxes, fees, royalties and other tributes as required by applicable legislation must be paid to the relevant authority.	0
1.3.3	Revenues of the ASMO and its miners must not be used directly or indirectly to finance or support illegal activities or armed conflicts.	0
1.3.4	The mining operations must be conducted with the agreement of the legal and traditional local community authorities.	0
1.3.5	A Grievance Procedure for human rights and environment must be in place, which includes a due diligence process. The ASMO must inform ARM about grievances not resolved at a local level.	1
1.3.6	As part of its 2nd level responsibilities, the ASMO actively promotes Responsible ASM practices in its entire mining area. (Applicable if not all miners are included in the Fairmined System of Production)	1
1.3.7	The ASMO plays an active role in planning and promoting local sustainable development in its mining area. The ASMO must also assume 3rd level responsibilities (see 0.2.5) over the surrounding community including areas, entities and people that are NOT part of its mining area. Through activities to address and monitor sensitive issues, and including them in the Fairmined Development Priorities Plan, the ASMO pro-actively assumes co-responsibility in coordination with authorities, community organizations, and relevant NGO's (where applicable) progressive improvement of core Fairmined principles in its community.	3
Módulo 4 2.2.1 /R3	???	0
Modulo 3 M.3/1.1.5/R	???	0
Módulo 3 2.1.7 /R1 2.1.8 /R2	ASMO operations in Conflicy and High-Risk Areas (CHRA)	0
M.4/2.1.8/R.1	Extortion money	0
M.4/2.1.8/R.2	Relationship with public and private forces	0
M.4/2.1.8/R.4	Relationship with public security forces	0

M.4/2.1.8/R.3	Relationship and contracting of private security forces	0
M.4/2.1.8/R.5	Relationship and contracting of private security forces	0
M.4/5.1.3/R.1 M4/5.1.3/R.2	Bribery to cover up or conceal the source of the minerals	0
	1.4 Traceability within the Asmo	
1.4.1	The entire volume of Fairmined Gold produced must be physically traceable.	0
1.4.2	If there exists any need to lease or hire third party owned equipment for mineral processing, or to contract third party operators to process their mineral or to perform further enrichment of intermediary products, best available efforts towards full compliance with physical traceability of gold must be ensured. Only where full compliance with physical traceability requirements imposes disproportional costs, ASMOs are exempt from physical traceability requirements. Subcontracted service providers (such as processors) are subject to physical audits for which the ASMO has the responsibility.	0
1.4.3	Joining, blending and consolidating of two or more certified volumes of mineral or intermediate products from two or more certified producers for the purpose of joint processing is allowed.	0
1.4.4	ASMOs that are certified for Ecological Gold must ensure full compliance with physical traceability requirements at all times.	0
	1.5. Gender and non-discrimination at the Asmo	
1.5.1	The rules for inclusion or non-inclusion in the Fairmined System of Production must be transparent (accessible to any interested party) and must not discriminate on the basis of race, color, gender, sexual orientation, HIV status, disability, marital status, age, religion, political opinion, language, property, nationality, ethnicity or social origin unless this is consistent with its goals and objectives. Furthermore, there must be no discrimination regarding participation, voting rights, the right to be elected, access to markets, access to training, technical support or any other benefit or obligation.	0
1.5.2	Programs related to disadvantaged/minority groups must be in place to improve the position of those groups in the organization, particularly with respect to recruitment, access to training and Premium Committee membership.	3
1.5.3	Appropriate measures must be taken to ensure equal representation of women.	3
1.5.4	Women miners and minority groups must have equal access to mineral resources and technological innovation within the organization.	3
	2. Environmental Protection	
	2.1. Management of toxic substances	
2.1.1	Amalgamation should not be used if gold recovery without mercury is reasonably possible.	0
2.1.2	Whole ore amalgamation of gold with mercury is not allowed. A mercury-free concentration process must precede amalgamation. Concentration may be done mechanically or manually.	0

2.1.3	Retorts or alternative mercury recovery techniques must be used for decomposing amalgam.	0
2.1.4	Nitric acid must not be used for dissolving amalgam.	0
2.1.5.	Amalgam burning must not take place in homes and kitchens and other indoor places, nor in urban residential or recreational areas where people without protection may be affected.	0
2.1.6	Toxic and dangerous substances such as explosives, mercury and cyanide must not be kept in residential houses, but in appropriately signposted places with adequate conditions for safe storage, inventory keeping and disposal.	0
2.1.7	The use of toxic and dangerous substances, such as mercury and cyanide, must be under the responsibility of trained adults over 18 years of age, never pregnant or breastfeeding women, or persons diagnosed with mental deficiencies or diseases of the gastrointestinal, urinary, nervous or respiratory systems.	0
2.1.8	Instruments and tools used for operations with mercury must not be used in any other domestic activity.	0
2.1.9	Cyanide solutions and tailings must be detoxified in a lined pond or tank before discharge.	0
2.1.10	Amalgamation and cyanidation tailings and solutions must not be discharged into water or where they can reach water bodies.	0
2.1.11	Cyanide leaching plants must be operated by personnel trained in the safe and proper use of cyanide.	1
2.1.12	Amalgam burning must be done only in designated premises providing privacy and security, and with proper equipment and trained personnel.	3
2.1.13	If nitric acid is regularly used to purify liberated gold or doré, purification must be done only in designated premises containing proper equipment for neutralizing liquid and gaseous emissions that is operated by trained personnel.	3
2.1.14	Cyanide leaching of unprocessed amalgamated tailings is not allowed. If amalgamated tailings are leached, mercury recovering gravimetric pre-processing must precede cyanidation.	3
2.1.15	The amount of amalgamated tailings that go into leaching must have been significantly reduced	6
2.1.16	Leaching of any amalgamated tailings is not allowed.	9
	2.2 Protection of Ecosystems	
2.2.1	All mining operations and processing plants must comply with national environmental laws and have valid environmental licenses, permits, or management plans according to national legal requirements.	0
2.2.2	The mining areas of the ASMO must not be located (totally or partially) in any area protected under national legislation where mining is not allowed. If the mining area is located within such area, the ASMO may apply for an exception only if: -The ASMO has authorization from the relevant authority stating that the mining activities are legal and compatible with the conservation and management objectives of the protected area; -The ASMO applying for Fairmined certification has an environmental mitigation plan in place; -The ASMO has a positive track record; -The ASMO can demonstrate that their activity provides a viable solution for livelihood in complex areas.	0

2.2.3	In the case of open-pit mines, inclination of slopes and height of benches must not exceed limits generally considered safe for that type of soil or rock.	0
2.2.4	Fuel residues and their containers must not be dumped in water bodies or where they can reach water bodies. They must be properly recycled or disposed of.	0
2.2.5	The environmental impact of any technological change must be evaluated and an environmental mitigation plan must be established if appropriate.	0
M.5/3.2.1/R.1	The ASMO consumes water resources in coordination with other water users.	0
2.2.6	Open pits and underground mine apertures must be refilled or blocked immediately after the termination of extractive activities to enable ecological regeneration and ensure hazard prevention.	3
2.2.7	Where mining could lead to acid mine drainage (AMD), effective methods to isolate acid forming materials from water must be employed.	3
2.2.8	Tailings and contaminated water must not be discharged into water bodies or where they can reach water bodies.	3
2.2.9	Intervened areas must be rehabilitated through topographic restoration as appropriate for the ecosystem or intended use.	3
2.2.10	Intervened areas must be re-vegetated as appropriate for the ecosystem or restored in accordance with land planning priorities of local community authorities.	6
2.2.11	Disposal of tailings, chemical waste and wastewater must be properly planned and carried out by experienced persons.	6
	2.3 Ecological gold, silver and platinum	
2.3.1	Mercury or cyanide must not be used for mineral processing; only gravimetric methods are used.	0
2.3.2	Ecological disruption due to mining must be minimized through implementation of an environmental management plan.	0
2.3.3	From the outset, the ASMO must undertake a process of rehabilitation of the native ecosystem, or agree on an alternative use in accordance with land planning priorities of local community authorities.	0
	3. Labor Conditions	
	3.1 Labor conditions assessment and improvement plan	
3.1.1	To progressively improve the employment conditions of all hired workers and entities (enterprises, employers) in its area, the ASMO shall start by making an assessment of existing employment conditions in its Fairmined System of Production, later followed by a similar assessment in the whole of its mining area. This assessment is the baseline against which progress shall be tracked over the years.	3
3.1.1	To progressively improve the employment conditions of all hired workers and entities (enterprises, employers) in its area, the ASMO shall start by making an assessment of existing employment conditions in the whole of its mining area.	6
	3.2 Healt and safety conditions in the workplace	
3.2.1	All miners must use basic personal protection equipment in accordance with the nature of the mine, the work to be done and the place where it is done.	0

3.2.2	A committee must be established, in charge of taking decisions and implementing actions in health and safety in the workplace, for the whole mining area of the ASMO.	0
3.2.3	All work processes, workplaces, machinery and equipment must be as safe as reasonably practicable	0
3.2.4	A register of all work related accidents, fatalities and illnesses must be kept.	0
3.2.5	All miners must receive basic training on health and mining security risks.	0
3.2.6	A first aid program must be in place	0
3.2.7	All miners must have access to information and training on health and safety in mining, its main risks and hazards and how to prevent, prepare for and respond to emergencies.	1
3.2.8	All miners must be included in a program of regular medical checks, including care related to women's health. Miners are free to decline the medical check, unless it is compulsory by law. The respective register of medical records must be set up within the first year of certification.	1
3.2.9	The ASMO must have a clear and defined policy and process to deal with gender-based violence and will educate its miners regularly about sexual harassment at work and in the community.	1
3.2.10	Workplace risks must have been identified and a monitoring system (collecting and analyzing gender-disaggregated data) must be in place.	1
3.2.11	The ASMO should work with local authorities or other relevant parties towards making a gender-based diagnosis of the main risks and vulnerabilities to accidents and disasters in the community arising from mining activity. An action plan should be established to address the main risks and vulnerabilities identified.	3
3.2.12	The ASMO should take measures to educate the surrounding community about mining related health and safety risks.	3
3.2.13	A rescue plan must be put in place.	3
	3.3 Social Protection	
3.3.1	In the absence of social security protection systems, the miners affected by accidents, occupational disease or disaster must receive solidarity help through economic support collected among its miners.	0
3.3.2	Heirs of shareholders must not lose the rights and obligations held by the deceased in the mine and in the organization.	0
3.3.3	All miners included in the Fairmined System of Production must benefit from a social security scheme covering health and pension and occupational risk insurance.	3
3.3.4	In case of death of a miner, reparation will be given to the widow or widower and to heirs, if there were any. This applies only for workers who are not covered by an appropriate pension scheme and occupational risks insurance, as stipulated by national laws.	3
	3.4 Conditions of employment	

3.4.1	Conditions of employment and salaries for hired workers must be equal to or exceed the sector national average wages or official minimum wages for similar occupations, whichever is higher. Any employer in the scope of a Fairmined System of Production must specify wages for all functions. Average income under profit sharing agreements (where applicable) must not be disadvantageous in comparison to fixed salaries.	0
3.4.2	Payment must be made regularly and in a timely manner, either in legal tender or "in kind" (ore or gold) as agreed upon and properly documented. Payment in the form of vouchers, coupons or promissory notes is prohibited.	0
3.4.3	Deductions from salaries of hired workers are only permitted as agreed by national laws, as fixed by a Collective Bargaining Agreement or if the employee has given his/her written consent.	0
3.4.4	Sick leave, annual leave, maternity leave, social security provisions and non-monetary benefits for hired workers must at least be equal to national law, the sector Collective Bargaining Agreement regulations where they exist or the agreement signed between the workers' organization and the employer, whichever is higher.	0
3.4.5	Working hours and overtime must comply with applicable law and industry standards. Hired workers must not be required to work in excess of 48 hours per week as normal working hours. Atypical working hours can be put in place if these are determined and agreed upon by the employer and employee. These atypical working hours must include appropriate resting times and according to national Law. Under any circumstances can conditions be agreed upon that are detrimental to the employee or that ignore legal determinations.	0
3.4.6	Overtime shall be voluntary and shall not exceed 12 hours per week for hired workers, unless exceptional circumstances apply. It cannot be required on a regular basis and shall always be compensated at a premium rate. The workers' organization (not the individual worker) and the employer may sign an agreement for other standard working times if deemed in the mutual interest of both parties, so long as it is allowed by the legislation and is reasonable and fair for the miner.	0
3.4.7	Workers must have at least 24 consecutive hours of rest every 7 days, unless exceptional circumstances apply. Eventual exceptions must be in line with the legislation for mining industry. Exceptions cannot be claimed on a regular basis. The workers' organization (not the individual worker) and the employer may sign an agreement for other standard working times if deemed in the mutual interest of both parties so long as it is allowed by the legislation and is reasonable and fair for the miner.	0
3.4.8	Annual leave, not including sick and casual leave, must be at least 2 paid weeks per year for hired workers	0
3.4.9	All hired workers must have a legally binding contract	0
3.4.10	If the ASMO or employers in its scope contract a third party for hiring workers, then this party must be included in the ASMO scope and must comply with all Fairmined requirements.	0

3.4.11	Permanent self-employed miners who have been working for over 3 months in a Fairmined System of Production must have in place a fair and transparent profit-sharing agreement with the owner.	3
3.4.12	Salaries must be gradually increased to 'living wage' levels above the official minimum.	3
3.4.13	Local, migrant, seasonal and permanent workers must receive equivalent benefits and employment conditions for equal work performed.	3
3.4.14	If the workers are provided with housing, the conditions and the infrastructure of the house must be such as to ensure decency, privacy and security. Housing must be provided at reasonable costs. However, the miners are not obliged to use the employer's housing.	3
3.4.15	All regular work must be undertaken by permanent workers.	6
	3.5 Freedom of labor	
3.5.1	Forced labor, including bonded or involuntary prison labor, must not occur.	0
3.5.2	Debt and/or confiscation of identity documents or other personal effects that limit the freedom of movement must not occur.	0
3.5.3	Employment of a worker must not be conditioned by employment of their spouse. Spouses have the right to work elsewhere.	0
	3.6 Child protection and elimination of child labor	
M.3/ 1.1.1 /R.1	**Worst forms of child labor**	0
3.6.1	Minimum contracted employment age must not be less than 15, or existing national law for the mining sector, if this age were older.	0
3.6.1	Minimum contracted employment age must not be less than 15, or existing national law for the mining sector, if this age were older. After 3 years the requirement becomes applicable for the entire mining area of the ASMO.	3
3.6.2	Minimum contracted employment age must not be less than 15, or existing national law for the mining sector, if this age were older.	0
3.6.3	Minimum contracted employment age must not be less than 15, or existing national law for the mining sector, if this age were older. After 3 years the requirement becomes applicable for the entire mining area of the ASMO.	0
3.6.3	Persons under 18 years of age who participate in family work must 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. After 3 years the requirement becomes applicable for the entire ASMO	3
3.6.4	Work performed by persons under 18 years of age must not jeopardize schooling or the social, moral or physical development of the adolescent.	0
3.6.5	In case of systemic presence of child headed households where mining is a crucial family income obtained by older children, the guiding principles of the UNCRC must be used by the ASMO to ensure well-being and safety for the impacted children. Upon granted exception (for 3 years duration) by the certification body, a youth employment program must be established that (1) ensures access to educational, developmental, vocational, economic and social opportunities, and (2) protects working children from hazards in the workplace.	0

3.6.5	In case of systemic presence of child headed households where mining is a crucial family income obtained by older children, the guiding principles of the UNCRC must be used by the ASMO to ensure well-being and safety for the impacted children. Upon granted exception (for 3 years duration) by the certification body, a youth employment program must be established that (1) ensures access to educational, developmental, vocational, economic and social opportunities, and (2) protects working children from hazards in the workplace. After 3 years, the need for continuation of the youth employment program has to be reassessed, and in case of continuation, the youth employment program must cover all child headed households in the scope of the entire ASMO.	3
3.6.6	In areas of prevalence of child labor the ASMO must include activities for child protection and the elimination of worst forms of child labor in the surrounding community in its Fairmined Development Priorities Plan.	3
3.6.7	Where applicable, decent youth employment opportunities must be enabled, that do not represent a danger for their health, safety and schooling, and undertake actions to help adolescents who work within its mining area to have access to technical training, including responsible mining practices.	6
	3.7 Freedom from discrimination	
3.7.1	Discrimination must not occur, neither on the basis of race, color, gender, sexual orientation, disability, marital status, age, religion, political opinion, membership of unions or other workers' representative bodies, national or social origin, in terms of recruitment, promotion, access to training, remuneration, allocation of work, termination of employment, retirement nor any other personal characteristics or activities unless this is consistent with the ASMO's goals and objectives (for example women´s or indigenous people' organizations).	0
M.5/1.1.3/R.2	The ASMO takes measures to respect women's rights, and especially to reduce any restriction to access mineral resources based on gender.	
3.7.2	Miners must not engage in, support or tolerate the use of corporal punishment, mental or physical coercion or verbal abuse.	0
3.7.3	Miners must not engage in, support or tolerate behavior, including gestures, language, and physical contact, that is sexually intimidating, abusive or exploitative.	0
3.7.4	Disadvantaged or handicapped individuals must be granted equal opportunities in recognition of their specific capabilities and needs.	3
3.7.4	Disadvantaged or handicapped individuals must be granted equal opportunities in recognition of their specific capabilities and needs.	6

3.7.5	The ASMO and its miners provide support to all pregnant and breast-feeding women miners in the ASMO´s mining area (self-employed women, women mineral selectors, or hired women miners), so that they can pass to lighter, non-dangerous work, and they make their best possible efforts to work with local authorities to ensure that the ASMO's women miners may access health services, childcare facilities where they can breastfeed their infants and receive benefits of social security where applicable.	6
	3.8 Freedom of association & collective bargaining	
3.8.1	All employers must recognize in writing and in practice the right of all workers to organize and to join workers' organizations of their own choice and to collectively negotiate their working conditions.	0
3.8.2	All employers must allow trade union organizers to meet with all of the workers, and allow workers to hold meetings and organize themselves without the interference of management.	0
3.8.3	All employers must ensure that neither workers nor their representatives are discriminated against or suffer any other repercussions for freely exercising their right to organize or because of their decision whether or not to join a workers' organization and/or participate in its legal activities.	0
3.8.4	Social dialogue and representation, organization and participation of workers shall be improved through training activities for workers and employers in the ASMO's mining area. The ASMO's management shall provide adequate resources for this to take place.	3
3.8.5	All workers shall enjoy the freedom to democratically elect representatives (as individuals or in the form of an organization of their choice) to defend their rights and negotiate their interests with employers in the mining area of the ASMO.	3
	4. Fairmined premium governance and development plan	
4.1.1	The ASMO must propose and publicly communicate the initial composition and initial Internal Rules for the Premium Committee.	0
4.1.2	The Internal Rules of the Premium Committee must not discriminate and must define a democratic decision making process, taking into consideration the fair representation of all social groups in the scope of the ASMO's Fairmined System of Production, and, optionally, representatives of local community authorities and other local social groups. The ASMO must seek to include a fair representation of women in the Premium Committee.	0
4.1.3	The ASMO must organize an assembly to discuss and approve the Internal Rules of the Premium Committee with all miners included in the Fairmined System of Production, ASMO management, and optionally delegates of disadvantaged groups in the ASMO's mining area, and local community authorities. The ASMO must record the constitutional assembly of the Fairmined Premium Committee and make an official record of the decision.	1
4.1.4	Within one year of certification the Premium Committee in cooperation with the ASMO must carry out a 'needs assessment' about how the Fairmined Premium can help to promote the environmentally, social and economic sustainable development of the Fairmined	1

	System of Production, the ASMO, and the community..	
4.1.5	The Premium Committee must decide on priorities for the use of the Fairmined Premium, based on the evaluation of the needs assessment, and propose the Fairmined Development Priorities Plan to the ASMO for adoption.	1
4.1.6	The ASMO has a Fairmined Development Priorities Plan	
4.1.7	The ASMO must Analyze whether the Fairmined Development Priorities Plan is aligned with the needs assessment, Make justified adjustments in documented consensus with the Premium Committee, (if applicable) Adopt the Fairmined Development Priorities Plan, Assume the responsibility for the execution of the Fairmined Development Priorities Plan by elaborating and implementing a detailed Fairmined Premium Investment Plan.	1
4.1.8	The ASMO must document, report to the Premium Committee every year, inform key stakeholders (miners in its mining area, ARM and local authorities) and publicly communicate the results of the implementation of the Fairmined Development Priorities Plan and the Fairmined Premium Investment Plan.	1
4.1.9	The ASMO must have an accounting system in place for the Fairmined Premium Investment Plan in order to manage the Premium transparently.	1
	5. Trading relationships	
5.1.1	All Fairmined Gold must be produced by the Fairmined System of Production of the certified ASMO.	0
5.1.2	The ASMO or miners included in its Fairmined System of Production may sell certified gold to buyers. Miners of the Fairmined System of Production selling certified gold individually must provide the ASMO with a report of all transactions. The ASMO must consolidate all transactions of certified gold in its Internal Control System (ICS).	0
5.2.4	If the ASMO or miners included in its Fairmined System of Production have no trade function or export permit, then they may contract a third party operator as service provider (which can be a local trader) to implement and administrate all corresponding trade, export and traceability-related requirements on the ASMO's behalf and under the ASMO's responsibility.	0
5.2.7	If the ASMO or miners included in its Fairmined System of Production have no trade function or export permit, the contracted trader or exporter (see 5.2.4) acts as pro-bono intermediary for Premium payments.	
5.3.1	There exist clear written agreements (paper or electronic copy) for all Fairmined transactions with all involved parties at all stages of mining, processing and trading. The ASMO (or miners included in its Fairmined System of Production) and the buyer must define the gold content determination and arbitration procedures in the purchase contract, in line with existing practices in the sector.	0
5.3.2	The ASMO (or miners included in its Fairmined System of Production) and the buyer must draw up a contract for each Fairmined transaction.	0

5.3.3	Where notice of an ASMO's or buyer's suspension is made, contracts signed before the date of such notice will only be recognized as representing certified products for a maximum period of six months.	0
5.3.7	After three years of establishing a business relationship with a buyer, ASMO shall provide its business partners and ARM with its indicative Annual Production Plan of Fairmined Gold.	3
5.4.3	The ASMO or miners included in its Fairmined System of Production must have a transparent mechanism for the management of down payment funds.	0
5.4.10	Requests for down payment by the ASMO or miners included its Fairmined System of Production have to specify the intended use of the funds and period of delivery. Down payment can only be requested for purposes in line with the contractual obligations, such as producing the contractually agreed volumes and buying internally from Fairmined System of Production included miners.	0

Personal Declaration

I hereby declare that the submitted thesis is the result of my own, independent work. All external sources are explicitly acknowledged in the thesis.

Meret Burkart

Zürich, January 2020