



Fairmined Premium: Who Takes the Decisions and How

A Management and Governance Guide for the Premium

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Alliance for Responsible Mining (ARM)

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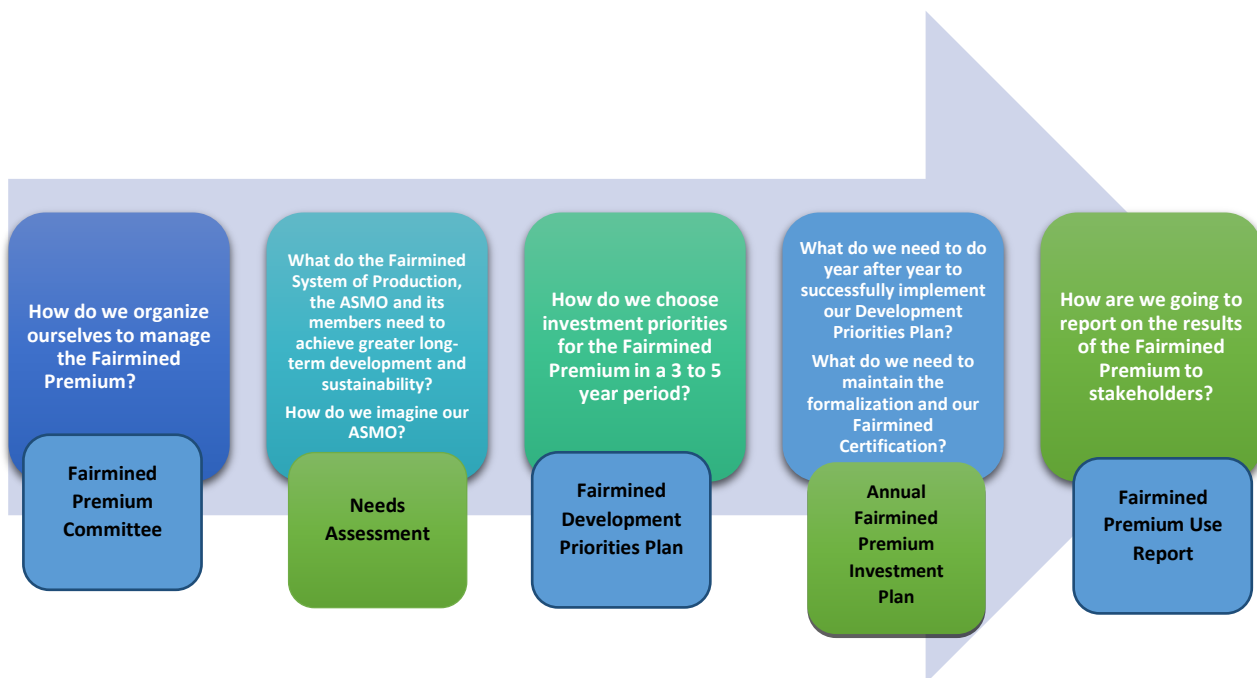
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Chapter 4 of the Fairmined Standard v2.0 defines several steps that must be followed to ensure correct management of funds received by the Fairmined Premium. This mechanism seeks to ensure that the Premium generates equal benefits for every actor involved in the certification process and fosters a management style that enables a planned and responsible development of the certified ASMOs' mining business.

The following chart shows the 5 steps that must be taken during the decision-making process and use of the Fairmined Premium. They are explained in detail in the chapters that follow.

Furthermore, the second part of this document offers various practical tools: a checklist to facilitate a correct implementation of all required steps, and examples of forms, which can be adapted by the mining organizations during their planning processes.



We encourage ASMOs to use the checklist presented in [Tool 1](#) as an instrument to guide decision-making and management process of the Premium's funds.

1. Fairmined Premium Committee

The body in charge of making decisions regarding the Fairmined Premium is the **Fairmined Premium Committee**, a democratic and inclusive body in charge of prioritizing the use of the Fairmined Premium.

1.1 Conformation of the Fairmined Premium Committee

One of the entry-level requirements of Fairmined Certification is for the ASMO to **propose the initial conformation and internal rules** of a Premium Committee. Furthermore, according to requirement 4.1.1 of the Fairmined Standard, the ASMO must publicly communicate it in their facilities/premises, for all of the ASMO's members and workers to see.

This must be carried out before the first audit!

The ASMO has the liberty of convening to the miners who are part of its System of Production to establish the Premium Committee. However, a ***fair representation of all of the groups that make up the Fairmined System of Production must be guaranteed.***

Once the ASMO is certified, it must organize a **constitutional assembly of the Fairmined Premium Committee**, where all miners who are part of the Fairmined System of Production are included, to discuss and approve its structure and internal rules.

Any change in the Committee's structure must be approved by the assembly and duly documented.

It is important to ***duly document such decisions in a clear,***

legitimate and detailed manner.

1.2 Structure of the Fairmined Premium Committee

The Fairmined Premium Committee must be made up of the ***representatives of all social groups involved in the Fairmined System of Production***, including ASMO representatives. A fair, reasonable and democratic representation of all social groups included in the ASMO must be guaranteed, taking vulnerable groups such as workers and women miners especially into account. In addition, the inclusion of members from other social groups within the community is optional if their input can help achieve the development goals set by the ASMO (Requirement 4.1.2 of the Fairmined Standard).

A fair and reasonable representation enables the participation of all social groups regardless of its size (workers, processing plant workers, women, self-employed miners, shareholder miners or ASMO members, administrative staff, vulnerable groups, local authorities and other social groups within the community). Representatives must be chosen and delegated by their respective groups in a transparent manner and must frequently consult and report to their groups (for example, a representative for the workers must not be arbitrarily designated by the ASMO's executive body!).

Every ASMO determines the size of its Fairmined Premium Committee, according to its own characteristics and conditions.

1.3 Internal Rules of the Fairmined Premium Committee

Internal rules define how the Fairmined Premium Committee must operate for making decisions in a participative and democratic manner.

Initial rules must be established in a meeting between the representatives of all groups in the System of

Production and the ASMO prior to certification. This meeting must also define:

- **Who can participate in the committee**
- **How to guarantee a "fair participation" of social groups who are part of the System of Production**
- **How to ensure an active, non-discriminatory participation of workers and other vulnerable groups**
- **How the democratic decision-making process will be**
- **How frequent will the Committee's meetings be**

The internal rules must guarantee a power balance between various actors, so as to prevent a stronger group (i.e. representatives of the owners) from exercising a majority of votes and disregarding the opinion of other groups (i.e. representatives of the workers). The Committee must reach a consensus (unanimous decision among the members) whenever it is possible.

Once the ASMO achieves certification, the Constitutional Assembly must approve all Internal Rules of the Premium Committee (see 1.1).

The Fairmined Premium Committee's internal rules must follow these principles.

- Democracy
- Non-discrimination
- Inclusion
- Gender equality
- Justice
- Participation
- Communication
- Representation
- Commitment

1.4 Responsibilities of the Fairmined Premium Committee

- ✓ Participate in the establishment of the Committee's internal rules
- ✓ Represent the interests of all miners (including workers) and social groups included in the ASMO's System of Production.
- ✓ Foster the Committee as a democratic decision-making body.
- ✓ Jointly do the evaluation of the needs assessment with the ASMO.
- ✓ Advise and decide on the priorities of the Fairmined Premium by making a Fairmined Development Priorities Plan
- ✓ Monitor the alignment of projects implemented by the ASMO in the Fairmined Premium Investment Plan with the committee-approved Fairmined Development Priorities Plan.
- ✓ Guarantee the ASMO is correctly managing the Fairmined Premium.
- ✓ Hold frequent meetings to ensure that decisions regarding the use of the Fairmined Premium are transparent, democratic and inclusive and looking for the ASMO's sustainability and the miners' wellbeing.
- ✓ Guarantee an adequate document keeping and registry of decisions and actions taken by the

Committee.

2. ASMO's needs assessment

Ideally, before receiving the Fairmined Premium the Premium Committee and the ASMO must jointly identify and assess the needs. This exercise will enable them to better understand how different groups within the ASMO perceive key challenges and opportunities, so as to create a better mining organization in the future.

On the basis of Requirement 4.1.4 of the Fairmined Standard, the needs assessment must indicate ***how the Fairmined Premium will help to promote sustainable social, economic and environmental development of the Fairmined System of Production, the ASMO and the community.***

This is why it is important for every social group within the System of Production represented by the Premium Committee to discuss:

- **How they imagine their ASMO in 3-5 years?**
- **What changes must be made in order to achieve this dream?**
- **What solutions do they propose to meet the identified needs and carry out the proposed changes?**

The Premium Committee and the ASMO's representatives have complete autonomy to choose the method with which they will carry out the needs assessment. However, it is very important for it to take into consideration the opinions and points of view of various actors within the System of Production and the ASMO. It is important to take into consideration women and workers who are part of the System.

It is fundamental to keep a register of inputs and appropriate documentation of the needs assessment process. They will be required during the audit. [Tool 2](#) offers an example of a list of identified needs.

As part of the Development Priorities Plan, the Fairmined Premium Committee prioritizes ideas that arise from the needs assessment.

3. Fairmined Development Priorities Plan

After the needs assessment exercise - where miners have the opportunity to reflect on, imagine and identify some problems and solutions - the Committee has the important task of defining the investment priorities for the Fairmined Premium funds. The outcome of this strategic planning process is the **Fairmined Development Priorities Plan**.

Addressing Requirement 4.1.5 of the Fairmined Standard: The Premium Committee prioritizes the uses that will be given to the Fairmined Premium based on a needs assessment and presents the ASMO with a Fairmined Development Priorities Plan.

The Development Priorities Plan is a business management and strategic planning tool that allows the ASMO to define its vision and responsible development goals on the medium and long term (3-5 years or the

timeframe stipulated by the ASMO). It also enables it to prioritize which actions and investments are of greater importance in order to achieve those goals. The Development Priorities Plan seeks to encourage certified ASMOs to start planning for their future from a strategic point of view and focusing on achieving their long-term goals by working on specific goals.

To follow an approved Priorities Plan is a way to ensure that the Premium is being used in a responsible manner, and that it successfully finances the continuous improvement of the ASMO, instead of funding immediate needs that have no long-term impact.

The actions and investments **prioritization process** carried out by the Fairmined Premium Committee in order to create the Fairmined Development Priorities Plan must include the following elements:

- ✓ Use the needs assessment as a starting point.
- ✓ Establish needs prioritization criteria. These criteria must prioritize the needs that will allow the ASMO's sustainability and continuous development, while guaranteeing the wellbeing of its members.

Examples of selection criteria for Fairmined Premium projects

(The greater the number of criteria, the better the project)

- Number of beneficiaries (the higher, the better)
- Equal benefits among social groups (ASMO, workers, women, etc.)
- Lasting impact
- Investment's cost-benefit ratio (seek high benefits with low costs)
- A more competitive ASMO and resistant to negative changes (i.e. greater productivity, lower production cost, new and efficient clean technologies, good relationship with the authorities and the community)
- Better trained and motivated ASMO staff
- Concrete social benefits (better health, education, employment, etc.)
- Cleaner environment (less pollution, protected forests and bodies of water, less waste)

- ✓ It is recommended to take into consideration the three levels of responsibility of the ASMO (1. System of Production, 2. ASMO mining area, 3. ASMO community) when prioritizing the needs to invest on the Fairmined Premium.
- ✓ All members of the Committee must participate in the exercise of prioritizing needs, according to the established criteria. A list of issues in order of importance must be drafted.
- ✓ The best solutions must be thought of for the identified needs, including the cost of the solutions and the resources needed to carry them out.
- ✓ The needs that must be chosen are the ones that will have a **greater positive impact on the largest possible group of beneficiaries, with a feasible solution and a reasonable price.**
- ✓ Every solution must be expressed with a goal (final objective to be achieved) and an action plan to successfully achieve it.
- ✓ Although it is a medium/long-term exercise and the information is not available, an approximate budget and schedule must be established.

Once finished, the Fairmined Premium Committee proposes the Fairmined Development Priorities Plan for its implementation to the ASMO. As indicated in Requirement 4.1.7, the **ASMO assumes the responsibility of verifying that the Fairmined Development Priorities Plan is always aligned to the needs assessment.**

Priorities may change due to certain circumstances and the plans must be adjusted to new challenges and needs. If for some reason the Committee chooses to make adjustments, a consensus must be reached first and the decisions must be discussed. The Fairmined Premium Committee must also duly document this.

The ASMO has the freedom of choosing its own planning structure as it sees fit. However, the table in [Tool 3](#) offers an example of a format and elements to be included in a 3-5 years Fairmined Development Priorities Plan.

Once this task is complete, the information can be structured in a document called Fairmined Development Priorities Plan, which can incorporate the details included in the aforementioned table.

4. Fairmined Premium Investment Plan (One-year Plan)

The Fairmined Development Priorities Plan is a medium/long-term tool that creates a roadmap for the use of the Fairmined Premium. Every year the ASMO must create short-term operational plan (1-year plan) to ensure a more efficient implementation of these strategic guidelines, called **Fairmined Premium Investment Plan**. This Plan is based upon the goals defined by the Priorities plan and details the intended activities for the immediate future.

Requirement 4.1.7 indicates that **the ASMO must adopt the Fairmined Development Priorities Plan and assume the responsibility of its execution through the creation and implementation of a detailed Fairmined Premium Investment Plan.**

Thus, the ASMO will annually draft, present and implement a Premium Investment Plan that includes the following elements for each of the projects or activities that will be developed:

- **The need:** a concrete need identified by the Needs Assessment.
- **The goal:** the goal established by the Priorities Plan, considering its impact.
- **Description of the activity:** a detailed and structured explanation of the activity's purpose.
- **Activity schedule:** planned start and end dates for the activity.
- **Responsibilities:** leaders and people in charge of carrying out the activity.
- **Activity budget:** necessary resources and funds (in case they are needed).

Incomes generated from the Premium may vary, especially when the ASMO is newly certified and building business relationships with buyers. It is normal for the activities schedule of the Investment Plan to require an adjustment. However, having a concrete plan by the time the ASMO receives the Premium's funds facilitates an effective implementation of the planned activities.

The ASMO has the freedom of choosing its own planning structure as it sees fit. However, [Tool 4](#) offers an

example of a form and elements to be included in a Fairmined Annual Premium Investment Plan.

4.1 Management of the Fairmined Premium

The ASMO must have in place an accounting system for the Fairmined Premium Investment Plan in order to guarantee transparent, efficient and adequate resource management (Requirement 4.1.9 of the Fairmined Standard).

The ASMO assumes legal responsibility for the Plan's implementation and must have (or develop) the administrative infrastructure to control and ensure proper accounting of the Fairmined Premium. All Fairmined Premium payments resulting from the sales of Fairmined minerals made to miners of the System of Production must be registered in the ASMO's Internal Control System.

Every ASMO has the freedom of keeping its books and choosing the accounting system of its choice to maintain a register of the Fairmined Premium's resources; however, they must follow these basic recommendations:

Recommendations to properly manage the Fairmined Premium

- The ASMO must have a separate bank account for Premium payments.
- The ASMO has a separate accounting system for the Fairmined Premium. It must manage it in a transparent manner with books that register all incomes and expenditures; as well as the necessary documentation required by each country's laws.
- All investments associated with the Fairmined Premium must be documented and must appear on plans and budgets.
- All complementary documentation (i.e. invoices, registries, meeting minutes, etc.) must be clear and intelligible)
- The ASMO must facilitate access to information regarding investments of the Fairmined Premium and Investment Plans for the Fairmined Premium, especially to the miners of the Fairmined System of Production.

5. Fairmined Premium Use Report

The importance of good communication between the Premium Committee, the ASMO, the miners and other stakeholders is paramount in order to guarantee that the Fairmined Premium is invested transparently.

As stated in **Requirement 4.1.8** of the Fairmined Standard " 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 ".

This means the ASMO and the Premium Committee must - at the very least - carry out an annual assessment to draft a Use Report or Summary of the Fairmined Premium.

The form and structure of the implementation report for the Fairmined Development Priorities Plan and the Fairmined Premium Investment Plan depends on the ASMO's creativity and capabilities. However, it must answer the following questions:

- Were the actions carried out yes/no? If not, why?
- When?
- At what cost?
- Was the objective achieved or is further actions needed?

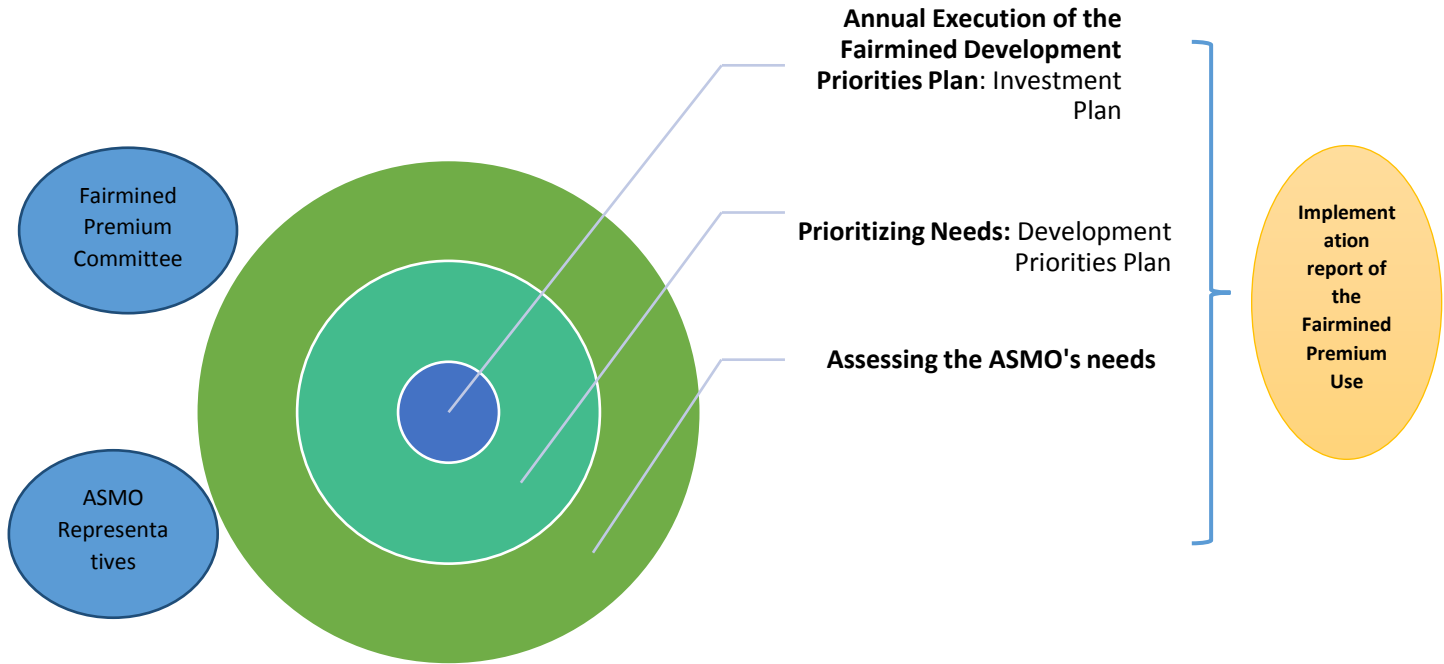
This report shows financial statement of the Fairmined Premium accounts, investments, results, benefits and the respective supporting documents or evidence of activities or projects, such as pictures, documents, etc.

The ASMO and the Premium Committee will establish a mechanism to discuss the results of the implementation of Fairmined Premium Plans. It is recommended to include the subject in the annual assembly or any other section for meetings and information dissemination, where a representative of the Premium Committee or the ASMO will present the implementation results and the corresponding accounts to the public. The creation of a section for feedback and discuss opinions of the results and effectiveness of projects funded by the Fairmined Premium is highly recommended.

In turn, the ASMO must report the results achieved by the investment of the Premium in the public places of its facilities so all miners within its mining area can be informed.

This report must be available for every annual audit and will be reviewed by the auditors, which is why implementation periods that correspond to annual audits are recommended.

To ensure compliance with the Standard, the ASMO must share the report with ARM.



Practical Tools

Tool 1: Fairmined Premium Decision-Making Checklist

It is advisable to complete the following checklist once the explanatory document of the Fairmined Premium Use is read in order to guide the ASMO through the process of fulfilling the proposed Premium governance goals: conformation of the Committee and its internal rules, identification and assessment of needs, creation of a priorities plan, premium investment plan and Fairmined Premium use report.

The guiding questions for each goal appear on the first column. YES/NO answers are given depending on whether or not the ASMO has complied. A comment can be added in case one of the proposed actions has not been considered.

The "Moment" column indicates when the ASMO must assess the corresponding questions: "Before Certification" is year 0, when the ASMO is preparing itself to receive the first audit; "Year 1": once certified, during the course of the first year of certification; "Every Year": every year during the time it is certified. Finally, the "Responsible" column indicates whether the ASMO or the Premium Committee have the responsibility of complying.

GUIDING QUESTIONS FOR A GOOD DECISION-MAKING PROCESS OF THE FAIRMINED PREMIUM	Compliance		Moment			Responsible	
	YES	NO	Before Cert	1st Year	Every Year	ASMO	Committee
Its use must be complimented by a detailed reading of the explanatory document							
PREMIUM COMMITTEE							
Has a representative and participative Fairmined Premium Committee been formed?	<input type="checkbox"/>	<input type="checkbox"/>	✓			✓	
o Do we have the participation of workers?	<input type="checkbox"/>	<input type="checkbox"/>					
o Are women represented?	<input type="checkbox"/>	<input type="checkbox"/>					
o Do we have the participation of the ASMO's directives?	<input type="checkbox"/>	<input type="checkbox"/>					
o Are there other groups that should participate in the Fairmined Premium Committee?	<input type="checkbox"/>	<input type="checkbox"/>					
o Is the inclusion of local authorities considered important?	<input type="checkbox"/>	<input type="checkbox"/>					
Have the initial internal regulations been established?	<input type="checkbox"/>	<input type="checkbox"/>	✓				✓
o Do the rules define who must be a part of the Committee, under the principles of reasonable and fair representation?	<input type="checkbox"/>	<input type="checkbox"/>					
o Is the decision-making process fair and democratic, and does it allow everyone to give their opinion and participate in making decisions?	<input type="checkbox"/>	<input type="checkbox"/>					

○ How frequently will the Committee meet?	<input type="checkbox"/>	<input type="checkbox"/>					
Were the initial composition and rules of the Premium Committee communicated in public spaces (posters, assemblies, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>	✓			✓	
Was an assembly to discuss and approve the Fairmined Premium Committee's rules held?	<input type="checkbox"/>	<input type="checkbox"/>					
○ Are the miners of the System of Production and the ASMO's directives involved?	<input type="checkbox"/>	<input type="checkbox"/>					
○ Is it considered important to include disadvantaged groups who are part of the mining area or local authorities?	<input type="checkbox"/>	<input type="checkbox"/>		✓		✓	✓
○ Is there a constitutional document for the Premium Committee and the approval of the Committee's internal rules?	<input type="checkbox"/>	<input type="checkbox"/>					
○ Has an annual schedule for regular meetings of the Premium Committee been defined?	<input type="checkbox"/>	<input type="checkbox"/>					
Given the circumstances, were adjustments to the rules or composition of the Fairmined Premium Committee presented?	<input type="checkbox"/>	<input type="checkbox"/>					
○ Has the change been justified? Are there supporting documents?	<input type="checkbox"/>	<input type="checkbox"/>		✓	✓	✓	✓
○ Are the principles for the composition and rules of the Fairmined Premium Committee taken into consideration?	<input type="checkbox"/>	<input type="checkbox"/>					
NEEDS ASSESSMENT							
Has there been a participative and inclusive needs assessment?	<input type="checkbox"/>	<input type="checkbox"/>					
○ Were different social groups and professionals of the ASMO's System of Production (representatives of workers, women, ASMO's directives, administrative staff, representatives of the community, etc.) involved?	<input type="checkbox"/>	<input type="checkbox"/>		✓		✓	✓
Was the encouragement approach of long-term sustainable development considered and communicated in the needs assessment?	<input type="checkbox"/>	<input type="checkbox"/>					
○ Economic approach: how can the ASMO be a more profitable business that grows sustainably.	<input type="checkbox"/>	<input type="checkbox"/>		✓		✓	✓
○ Environmental approach: how can we mitigate the negative impacts of mining	<input type="checkbox"/>	<input type="checkbox"/>					
○ Social approach: workers (how to improve working conditions and quality of life), women (how to improve their role and involvement), community (how to generate wellbeing among the ASMO's members families).	<input type="checkbox"/>	<input type="checkbox"/>					

Are there proposals for goals, problems, ideas for changes and solutions?	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
FAIRMINED DEVELOPMENT PRIORITIES PLAN							
Has a Development Priorities Plan been devised?	<input type="checkbox"/>	<input type="checkbox"/>					
○ Is there a medium/long-term Development Priorities Plan document?	<input type="checkbox"/>	<input type="checkbox"/>					
○ Was the Priorities Plan based on the needs assessment?	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
○ Was the process that the Premium Committee followed in order to create the Fairmined Development Priorities Plan documented?	<input type="checkbox"/>	<input type="checkbox"/>					
○ Are the criteria used in the prioritization of actions documented?	<input type="checkbox"/>	<input type="checkbox"/>					
Did the Premium Committee democratically approve the Priorities Plan?	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
Was the Plan implemented by the ASMO?	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
○ Did the ASMO verify that the Priorities Plan and the needs assessment were aligned?	<input type="checkbox"/>	<input type="checkbox"/>					
In case there were adjustments to the Fairmined Development Priorities Plan, did the Fairmined Premium Committee duly follow the approval process?	<input type="checkbox"/>	<input type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
○ Is this decision duly documented in a minute?	<input type="checkbox"/>	<input type="checkbox"/>					
PREMIUM INVESTMENT PLAN							
Was a detailed short-term Premium Investment Plan created?	<input type="checkbox"/>	<input type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
○ Do the activities in the Investment Plan seek to accomplish the goals identified in the Development Priorities Plan?	<input type="checkbox"/>	<input type="checkbox"/>					
Does the ASMO manage the Premium in a proper and transparent manner?	<input type="checkbox"/>	<input type="checkbox"/>					
○ Is there a person responsible for managing the Premium?	<input type="checkbox"/>	<input type="checkbox"/>					
○ Is there a separate bank account for the Premium's resources?	<input type="checkbox"/>	<input type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
○ Are all investments of the Premium documented, with their corresponding invoices, minutes and supporting documents?	<input type="checkbox"/>	<input type="checkbox"/>					
FAIRMINED PREMIUM USE REPORT							
Is there an annual Report of the use that has been given to the Fairmined Premium?	<input type="checkbox"/>	<input type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
○ Did the ASMO document and report on the implementation of the Fairmined Development Priorities Plan and the Fairmined Premium Investment Plan to the Fairmined Premium Committee?	<input type="checkbox"/>	<input type="checkbox"/>					

<ul style="list-style-type: none"> ○ Did the report include the financial statements of the Fairmined Premium accounts, description of investments, report of results and benefits and the respective supporting documents or evidence of activities (i.e. photographs)? 	<input type="checkbox"/>	<input type="checkbox"/>					
Did the ASMO inform the stakeholders of the results of the use that was given to the Fairmined Premium?	<input type="checkbox"/>	<input type="checkbox"/>					
<ul style="list-style-type: none"> ○ Were the results of the use of the Fairmined Premium publicly reported through an assembly or ASMO spaces for communication and dissemination of information? 	<input type="checkbox"/>	<input type="checkbox"/>			√	√	
<ul style="list-style-type: none"> ○ Were the miners of the ASMO's mining area informed? 	<input type="checkbox"/>	<input type="checkbox"/>					
<ul style="list-style-type: none"> ○ Was ARM informed? 	<input type="checkbox"/>	<input type="checkbox"/>					
<ul style="list-style-type: none"> ○ Were the local authorities informed (given the case)? 	<input type="checkbox"/>	<input type="checkbox"/>					
Did the ASMO present the Report in the annual audit?	<input type="checkbox"/>	<input type="checkbox"/>					
<ul style="list-style-type: none"> ○ Auditors will verify the proper execution of the Premium Investment Plan and will compare the ASMO's books with the Premium reported by buyers. 	<input type="checkbox"/>	<input type="checkbox"/>			√	√	

Tool 2: Example of a Needs Assessment

The goal of this example is merely to illustrate: so long as the intent of the Fairmined Standard and the explanatory document's indications are met, the ASMOs are free to use their own methodology and formats to develop their own needs assessment.

An ASMO called "Luz de Oro" Cooperative used the following table to identify and assess its needs for the coming years.

The process included a consultation round where the ASMO's needs were assessed by representatives of the partners, workers and other stakeholders. The criterion used to identify the needs was how much it contributed towards the economic, environmental and social development of the ASMO, its workers and its stakeholders in the long term. The following list is the result of the process:

Identified Needs	Who identified the need	Beneficiaries
A: Geological survey of the mine (phased approach)	ASMO Engineer	The ASMO and all of its members (partners and workers)
B: Improved maintenance of 2 mining shafts	ASMO Engineer	The ASMO, and especially workers
C: Renewal of processing plant equipment	ASMO Engineer	The ASMO and all of its members (partners and workers)
D: Revision of internal regulations	ASMO Directives	The ASMO and all of its members (partners and workers)
E: Modernization of the accounting system	ASMO Administration	The ASMO and the administrative staff

F: Training workers on emergency and rescue procedures in the mine	ASMO Directives	The ASMO and all of its members (partners and workers)
G: Knowledge of workers about emergency and rescue procedures in the mine	Person in charge of Fairmined Certification	Workers
H: Construction of a dining hall	Workers' Representative	Workers
I: Christmas gifts for workers	Workers' Representative	Workers
J: Contribution towards improving the road to the mine	ASMO Directives	The ASMO, its workers and the community
K: Strengthening the ASMO's administrative capabilities	ASMO Administration	The ASMO and its workers
L: Support or scholarship for worker students	Workers' Representative	Workers and the Community
M: Better living conditions in the miner's camp	Workers' Representative	Workers
N: Savings plan for eventualities and emergencies		The ASMO
O: Support with the local health entity to foster the reduction of mercury use in the community	Person in charge of Fairmined Certification	The Community
P: Savings plan to cover the cost of annual Fairmined audits	Person in charge of Fairmined Certification	The ASMO

Tool 3: Example of a Development Priorities Plan

The goal of this example is merely to illustrate: so long as the intent of the Fairmined Standard and the explanatory document's indications are met, the ASMOs are free to use their own methodology and formats to develop their own Development Priorities Plan.

Based on the needs assessment, Luz de Oro Cooperative's Premium Committee organized a meeting to prioritize the actions they would take with the Premium's funds in the following 3 years.

The main criteria used to prioritize were: 1. Balanced benefits for all social groups; 2. Investments that create a more profitable and more productive ASMO; 3. Concrete social benefits; 4. Lasting benefits; 5. Maintain Fairmined Certification.

During a lively meeting, the Committee's members assessed all identified needs against these criteria and with the help of the following table prioritized the needs and the actions that had to be taken to achieve it:

Prioritization of needs	Reason	Year 1 (2015-2016)	Year 2 (2016-2017)	Year 3 (2017-2018)	Estimated cost
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Prioritization of needs	Reason	Year 1 (2015-2016)	Year 2 (2016-2017)	Year 3 (2017-2018)	Estimated cost
A: Geological analysis of the mine	Knowledge of the geological and chemical characteristics of our mine determines the activity's sustainability and the exploitation's efficiency. It benefits all members of the ASMO and it is a lasting benefit that improves its productivity. It is essential for a realist mining plan.	Hiring a geological survey of the mine. Revision of the mining plan according to the results			\$xxxxxxx
C: Renewal of two parts of equipment from the processing plant	Two pieces of equipment of the processing plant are more than 6 years old, they are obsolete compared to the operation's growth, and do not facilitate the compliance of the progressive mercury elimination requirement.	Hiring a metallurgic engineer to design new plants	Buy and set up equipment		\$xxxxxxx
P: Savings plan to cover the cost of annual Fairmined audits	In order to maintain certification and further enjoy its benefits it is important to have the necessary cash flow to pay for IMOSwiss AG's annual audits.	Generate savings	Generate savings	Generate savings	

Prioritization of needs	Reason	Year 1 (2015-2016)	Year 2 (2016-2017)	Year 3 (2017-2018)	Estimated cost
L: Scholarship support for student workers	Investing on the education of young members is one of the key factors needed for the ASMO to be competitive in the future. Technical scholarships will be awarded to 2 students every year (1 man and 1 woman), on the condition that they return to the cooperative to work for at least two years upon finishing their studies. Scholarships will be awarded from the second year of the Cooperative's certification. It is a long-term benefit for workers.		Award 2 scholarships	Award scholarships 2	\$xxxxxxx
D: Revision of internal regulations	It is an important task for the proper functioning of the ASMO and one that does not require an investment (only the time of the person responsible for the certification process). We propose doing it during the first year of certification in order to guarantee the compliance the year-1 requirements.	Analyze the Fairmined Standard's year-1 requirements and revise the internal regulations accordingly			\$xxxxx
G: Miners trained on mining emergencies and rescue procedures	Given the fact that there have been multiple mine accidents within our municipality, it is important to guarantee that our workers can react fast and professionally in the case of a mining accident. Furthermore, this will ensure compliance with requirements of Years 1 and 3 of the Fairmined Standard.	Hire an engineer to develop an emergency procedure and train the staff.	Conduct emergency drills. Contact local mining authorities and ask for their participation in the implementation of the mining rescue plan.	Train key staff members and organize a mining rescue drill with the authorities.	\$xxxxxx

Tool 4: Example of an One-year Fairmined Premium Investment Plan

The goal of this example is merely to illustrate: so long as the intent of the Fairmined Standard and the explanatory document's indications are met, the ASMOs are free to use their own methodology and formats to develop their own Premium Investment Plan

Once the Premium Committee had established the development priorities for the next three years, the person responsible for Fairmined Certification within the Cooperative led a detailed planning process of activities financed by the Premium that would be implemented within the year.

A one-year goal was defined for each of the priority needs (what is to be achieved this year) and for the specific activities to achieve the goal. A person in charge, schedule and budget were assigned for every activity. The table below is an example of an Investment Plan for two needs.

Need A: Geological Analysis of the Mine																				
One-year Goal: To have a geological analysis of the mine in order to develop a realist mining plan and improve efficiency during the extraction phrase																				
#	Activity	Person in charge	2015					2016					Budget							
			AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY		JUN	JUL	AUG	SEP	OCT	NOV	DEC
1	Requesting and assessing quotations to carry out a geological Analysis	Administrative staff/Engineer																		\$xxxx
2	Hiring the option with the best cost/benefit ratio to carry out the geological Analysis	Administrative staff																		\$xxxx
3	Have the contractor carry out the geological Analysis	Contractor																		\$xxxx
4	Discuss the results and develop a revised mining plan based on the geological Analysis	Cooperative's engineer																		\$xxxx
TOTAL																	\$xxxx			
Need C: Renewal of two parts of equipment from the processing plant																				

One-year Goal: Acquire and set-up two parts of equipment for the processing plant to improve technologically during the processing stage and ensure improved efficiency and less contamination.												
1	Search for the professional (consultant) that will provide the consultancy for the equipment renewal plan in order to maximize efficiency	Administrative staff										\$xxx
1	Metallurgic survey of the mineral	Consultant										
2	Design, quotation and search of equipment	Administrative staff and the cooperative's partners										\$xxx
3	Acquisition and set-up of equipment; training staff to ensure adequate use	Consultant, workers, partners										\$xxx
											TOTAL	\$xxx
Need P: Savings.... (etc.)												
Goal:												

Tool 5: Fairmined Premium Use Report

At the end of the year, the ASMO must present a report that shows the results of every activity during a space for discussion that includes all the other members of the ASMO, stakeholders and ARM. This report must explain in detail **the implementation of the activities, the financial statements of the Fairmined Premium accounts, investments, benefits and all of the corresponding supporting documents or evidence of the activity or project, such as photographs, documents, etc.**

Below is an example of a table with the elements a Premium Use Report must include.

FAIRMINED PREMIUM USE REPORT



Summary Sheet

Name of the ASMO:	
Date of the Report:	
Date of Fairmined Certification:	
Fairmined Premium Reporting Period:	
Date discussed:	
Participants:	

Financial summary of the Investment of the Fairmined Premium

Previous year's balance of the Premium	\$xxxxxx
Premium received in the past year	\$xxxxxx
Investment in activity A	-\$xxxxxx
Investment in activity C	-\$xxxxxx
Subtotal (savings for next year's premium)	\$xxxxxx
Sum total of Fairmined sales in the past year	\$xxxxxx

Details of activities developed with the Fairmined Premium and Description of investments and beneficiaries

Activity A: Geological analysis of the mine

Add a description of the activity, the process to be implemented and the impacts. Attach documental evidence or photographic evidence and include in the description the answers of the following questions:

- Were the actions carried out yes/no? If not, why?
- When?
- At what cost?
- Was the objective achieved or is further actions needed?
- Who were the beneficiaries?



Activity C: Renewal of two pieces of equipment from the processing plant

Add a description of the activity, the process to be implemented and the impacts. Attach documental evidence or photographic evidence and include in the description the answers of following questions:

- Were the actions carried out yes/no? If not, why?
- When?
- At what cost?
- Was the objective achieved or is further actions needed?
- Who were the beneficiaries?