

2022 PPA Member Meeting

October 21, 2022
Summary

NEXT STEPS

- **PPA Members** should please share the [proposed PPA Phase 3 MOU](#) with their legal teams and other relevant personnel for advanced review to reduce delays in turnaround once the final version is available for signature.
 - Due diligence reviews are still underway on all members, and clearances are pending. The Secretariat will contact organizations on an individual basis to relay updates regarding clearance status. In some cases, the Secretariat may request follow-up conversations to support a final decision. Please refrain from sending a signed MOU until you have received an invitation to do so.
 - ****Regarding invoicing for Supply Chain Actors**** We have heard a number of queries from Supply Chain Actor organizations regarding invoicing. If you are conscious of internal financial deadlines and would like to pre-pay, please contact RESOLVE (tenright@resolve.ngo).
- **The Secretariat and Governance Committee** have been working together to distill member feedback from the breakout and plenary discussions and refine 2023 priority issue areas and associated work planning to inform the creation of task groups and activity milestones. A few opportunities to volunteer will be featured in the next PPA newsletter!
- **The Governance Committee** will deliberate on the potential extension of work following Phase I of the PPA's grant to IMPACT, in partnership with Synergy and will bring any funding recommendation back to broader membership.
- **PPA members** who would like to get involved in USAID's Powering the Just Energy Transition Green Minerals Challenge or, more broadly, in the Grand Challenge on Countering Transnational Corruption, are encouraged to contact Brooke Stearns Lawson (bstearns@usaid.gov).

OVERVIEW

On October 21, 2022, the Public-Private Alliance for Responsible Minerals Trade (PPA) gathered for the eleventh annual PPA member meeting to discuss and collaborate on the following:

- Outcomes of PPA's work in 2022 and the "soft" launch of a 5-year extension of the PPA's partnership;
- Findings and takeaways from recent PPA grantee activities, including IMPACT and Synergy's research on artisanal cooperative governance models in the Democratic Republic of Congo (DRC) and Trust Merchant Bank's (TMB) efforts to increase and promote access to finance for artisanal mining communities, and
- Priority activities and work planning for PPA 2022-2027.

Ahead of the meeting, members also had the opportunity to review PPA grantee City of Joy’s final reporting ([executive summary](#), [annual report](#)) and the approved [PPA 2022-2023 work plan](#). For further information on the above or to connect with grantees or other PPA members, members may email the Secretariat (tenright@resolve.ngo).

45 attendees joined the meeting. The full meeting agenda is available [here](#). Additional meeting resources, including advanced materials, the 2022 State of the PPA presentation slides, Trust Merchant Bank’s and IMPACT’s presentation slides, and a group photo can be found in the appendices [below](#).

MEETING SUMMARY

The 2022 PPA Member Meeting served as a “soft launch”¹ of a third phase of the PPA, which features a broadened scope to include additional minerals and geographies that are linked to human rights or other due diligence considerations. These changes, as well as a recap of 2022 activities and milestones, were detailed in the State of the PPA and Next Generation presentation ([slides](#)).

USAID Chief Climate Officer and Deputy Assistant Administrator Gillian Caldwell and Senior Advisor to the Administrator and Executive Director, Anti-Corruption Task Force Shannon Green applauded this evolution in the PPA mandate, citing the necessity of innovative partnerships and solutions to support a just and sustainable green energy transition.

Following these opening agenda items, members heard findings and takeaways from recent PPA grantee activities, including IMPACT and Synergy’s research on DRC ASM cooperative governance models and Trust Merchant Bank’s (TMB) efforts to increase and promote access to finance for ASM communities. Attendees also learned of opportunities to support the USAID Grand Challenge on Countering Transnational Corruption, beginning with the Powering a Just Energy Transition Green Minerals Challenge. In-person and virtual attendees also spent time in breakout groups and the plenary to engage in horizon scanning on critical minerals and other emerging issues to identify potential roles, activities, and outreach for the PPA.

Key themes and takeaways from the 2022 Member Meeting are summarized in further detail below.

Opening Remarks from USAID

In her opening remarks to the PPA – as well as in keynote remarks to RMI, USAID Chief Climate Officer and Deputy Assistant Administrator (DAA) Gillian Caldwell highlighted the PPA as an important component of USAID’s continuing commitment to addressing systemic challenges in minerals sourcing, including those associated with shifts in demand for minerals to support a global energy transition. DAA Caldwell reflected on significant outcomes of work led by PPA members (e.g., first conflict-free artisanal gold supply chain established by IMPACT, work by IPIS to map ASM sites and information related to trade and conflict, etc.) As part of its support for the PPA, USAID has committed \$500,000 toward Secretariat services and administrative costs in the next phase of the PPA. DAA Caldwell encouraged members to

¹ Members have committed to partnership for another 5 years and are working together informally until the new MOU can be signed. Signatures and the formal beginning of the 5-year partnership will follow completion of due diligence by U.S. government partners on all candidate members. In the interim, all parties seeking admission to the PPA are able to engage in PPA activities.

similarly seek opportunities to bring additional resources and engagement to support the PPA's efforts to address today's global minerals challenges.

Senior Advisor to the Administrator (SAA) and Executive Director, Anti-Corruption Task Force Shannon Green commended the PPA for its proven track record addressing the daunting challenges around conflict minerals, and emphasized that trust-based partnerships such as the PPA will be crucial for ensuring that the coming energy transition is centered on equitable, transparent, and accountable governance of mineral supply chains and genuinely benefits the countries where these minerals are found. She acknowledged that corruption is an uncomfortable issue to talk about, but remarked that this was true of conflict minerals and human rights issues a decade ago. Corruption is a driving factor to many of the harms seen in the minerals sector, and normalizing discussions about corruption is an important step toward enabling leaders in the sectors to understand and address these challenges. SAA Green referenced USAID's Grand Challenge to Counter Transnational Corruption and emphasized that the PPA can play – and several members have already played – a valuable role in shaping and implementing its first initiative – the Powering a Just Energy Transition Minerals Challenge (see notes [below](#) from Brooke Stearns-Lawson's presentation).

Promoting Financial Inclusion and ASM Access to Finance

In October 2020, the PPA funded grantee Trust Merchant Bank (TMB) to pilot financial services with artisanal mining communities in Kampene, DRC. Though technical and security challenges prevented the completion of the pilot as initially conceived, partial PPA funding – and significant investment by TMB – propelled the bank's development of a novel ASM risk rating system and accompanying approach to due diligence. TMB's David McEvoy presented these developments during the member meeting and outlined key barriers to ASM lending in the finance sector along with opportunities for PPA action. *Please see Trust Merchant Bank's presentation [slides](#).*

Themes that emerged in subsequent group discussion include the need to create enabling conditions for ASM lending, exploring a broader suite of financial solutions for miners, leveraging progressive improvement at mine sites to address risks, advancing supply chain data standardization, and, in conjunction, offering better incentives and tools to upstream actors. Suggestions for PPA action are as follows:

- Help miners overcome initial barriers to lending by supporting progressive improvement or other baseline measures to meet those requirements, with a focus on combatting fraud and smuggling.
- Disseminate TMB's risk rating framework and approach to ASM lending, as well as other novel tools and mechanisms, among other leading and relevant financial institutions at varying scales.
- Seek to replicate TMB's lending approach in other countries.
- Identify additional, existing resources that support financial literacy and wealth management within ASM communities.
- Advance discussions and practical tools that contribute to data standardization throughout the supply chain.
- Avoid biases against ASM by considering attitudes and finding opportunities to align practices surrounding risk, lending, and anti-corruption to apply consistently to large-scale and artisanal mining.

Supporting ASM Formalization and Legitimate Trade

In late 2021, the PPA awarded a grant to IMPACT, in partnership with Synergy, to research models for ASM governance structures (e.g., cooperatives), including those which have successfully addressed or avoided issues of elite capture and social inequities that are often perpetuated within these structures in DRC. IMPACT's research drew from lessons in other contexts where they operate and leveraged interviews with diverse partners and stakeholders, including women and Indigenous peoples, who are often excluded from management structures.

At the member meeting, IMPACT Executive Director Joanne Lebert summarized key barriers to legally registering a cooperative in DRC and governance challenges within cooperative structures, as well as strategies for mitigating risks of reinforcing social inequities within cooperatives followed by observations and recommendations for complementary PPA approaches and activities. *Please see IMPACT's presentation [slides](#) and accompanying [report](#).*

Member discussion reflecting on the presentation included the following points:

- Current trends and developments in cobalt present a unique opportunity to uplift the ASM sector. Heightened global demand has accelerated interventions and brought new actors to the table. Data from increased formalization that testifies to improved livelihoods and community benefits can help propel responsible practices elsewhere in ASM.
- Historic donor models have typically fallen short of providing funding that is aligned with the scale of the problems in ASM. PPA can outline a framework and key messages to demonstrate the impacts and costs of interventions to help right-size donations and investments upstream. To that end, preliminary data transparency efforts may need to take place in order to collect existing inputs that are currently not being shared throughout industry and civil society alike.
- Reflecting on systemic inequities within ASM cooperatives in DRC, members considered whether the PPA can identify or create resources to support democratization within these structures.
- Members also acknowledged that coordination with host governments can falter after initial engagement due to technical and political barriers (e.g., regulatory obstacles, intersecting laws, etc.). Advocates should be able and prepared to position clear benefits when presenting strategies and interventions.

As part of the initial grant agreement, the PPA allocated additional funding for a possible extension (Phase II), to be determined following Phase I and in response to IMPACT's recommendations for continued engagement on this topic. As noted in the report, these ideas included:

- Capturing life histories of women traders and pit owners, which are relatively rare, to identify the conditions and characteristics that have enabled them to advance, while also highlighting challenges they have faced.
- Supporting initial dialogue and discussion with the Government of DRC to explore options to address issues raised in the report.
- Explore stakeholder appetite for creating a responsible gold program in the DRC. While many projects have worked on one or a small number of sites, a larger program may be able to more systemically address a number of issues.
- Creating free, basic tools and sensitization resources on democratization, inclusive governance, and gender equity, to be used in work with ASM communities and structures.

The Governance Committee will meet on November 18 and will advise on the value and potential direction of a Phase II.

Anti-Corruption and the Green Energy Transition

Late in 2021, USAID announced a five-year Combating Transnational Corruption Grand Challenge, which aims to mobilize a wide range of partners – including businesses, associations, technologists, civil society organizations, governments, and more – in the fight against globalized corruption. Brooke Stearns Lawson, Innovation, Research, and Learning Team Lead, USAID Anti-Corruption Task Force, shared with members that USAID recently launched the first call for innovations under the Grand Challenge, titled, “Powering the Just Energy Transition Green Mineral Challenge.” The Green Mineral Challenge seeks to build coalitions and source novel tools and approaches that detect and disrupt illicit finance and trafficking in commodities, strengthen transparency and accountability in global supply chains, and promote standards, practices, and norms that enhance integrity in the public and private sectors – all with a focus on minerals critical for a green transition.

Brooke also shared several ways that the PPA, member organizations, and individual representatives can get involved with the Green Minerals Challenge:

1. **Become an official partner** by providing financial support
2. **Provide access to data** to inform innovation and decision-making
3. **Spread the word**
4. **Be a “solver”** by applying or adapting tools to address transnational corruption, supporting or hosting an activity (e.g., prize competition, codefest, etc.), and more.
5. **Judge early concept papers**
6. **Honor and mentor semi-finalists**
7. **Judge full applications**
8. **Provide technical assistance**
9. **Test the tools**
10. **Be an end-user**

Further details on the above and other ways to participate can be found [here](#). Members who would like to get involved are encouraged to contact Brooke Stearns Lawson (bstearns@usaid.gov).

Horizon Scanning

Members highlighted several priorities to pursue in the next few years. To advance priority issue areas including ASM formalization, access to finance, and anti-corruption, members expressed support for the following approaches and interventions:

Thinking and working beyond due diligence and market interventions to center local community impacts

Members reinforced interest in taking a broad view of “responsible minerals trade” – looking beyond due diligence and risk mitigation to encompass efforts to improve conditions for artisanal miners and their communities. This has been reflected in recent years (through the PPA’s evolving Results Framework, engagement on equity in cooperatives and access to finance, the inaugural Data for Impact Symposium, grants to the Panzi Foundation and City of Joy, and support for the Congo Power directed funding project), and members see opportunity to engage even more strategically and systemically in the next phase of PPA.

Data for impact

The PPA should seek to promote tools, methodologies, etc. that increase local benefits, assess intervention outcomes and costs, improve data aggregation and analysis, and promote data

transparency. Members viewed the 2022 Data for Impact Symposium as a success and would like to replicate the event in 2023.

Fostering member coordination and learning

Members would like to amplify shared learning and coordination opportunities, which the PPA can convene. Members also cited the recently-introduced directed funding model as a valuable tool for promoting shared learning and information-sharing among actors engaging in responsible sourcing efforts. Under this model, when multiple members are supporting an external project aligned with PPA, they can propose a linkage and affiliation to the PPA which would enable all PPA members to learn from and contribute to the project.

Fostering coordination with aligned donors and multi-stakeholder groups to inform PPA strategy and avoid duplication

The PPA can seek to foster better coordination with allied organizations, perhaps by convening periodic information sharing sessions. As the PPA expands its geographic and minerals scope, a landscape review of existing aligned initiatives (including their objectives and activities, as well as gaps across the landscape) can help the PPA identify best points of entry and how it can complement rather than duplicate existing efforts.

Supporting reflection and learning in the sector

The PPA has over a decade of experience working to support responsible minerals trade. As the PPA expands its scope, this is an opportunity to capture insights and lessons learned – both to inform the PPA’s entry into other minerals and geographies and to help others supporting responsible sourcing to learn from the PPA’s experience. The PPA should consider creative story-telling mechanisms to support uptake and learning.

Promoting access to finance requires the full sector

The PPA has helped propel the development of novel financial lending practices to ASM communities, and should sustain this momentum through expanded engagement with the financial sector to socialize lessons and tools and to encourage a broader share of the sector to engage with artisanal miners.

Build new channels of support by clearly linking minerals to climate solutions

Evolving government policies, global demands, and heightened attention on climate change all contribute to a heightened sense of urgency around minerals that are critical to the green energy transition. The PPA should clearly communicate these links to broader audiences and seek to leverage new streams of financial support, engagement, and expertise.

Appendices

Appendix I. Meeting Materials

Links to all meeting materials referenced above are aggregated here for reference:

Advance Materials

- City of Joy final reporting
 - [Executive Summary](#)
 - [Annual Report](#)
- Next Generation PPA Overview ([PDF](#))
- PPA 2022-2023 work plan ([PDF](#))

October 21 Session

- [Final agenda](#)
- State of the PPA and Next Generation ([slides](#))
- [Participant list](#)
- TMB's presentation ([slides](#))
- IMPACT's presentation ([slides](#), [report](#))
- [Appendix 2](#): Group photo

Appendix II. Group Photo

