
SOLUTIONS FOR HOPE: FREQUENTLY ASKED QUESTIONS



What is Solutions for Hope?

Solutions for Hope is a platform that connects actors at all stages of the supply chain to enable responsible sourcing of minerals from conflict-affected countries, such as the Democratic Republic of the Congo (DRC), as well as post-conflict regions. The platform unites downstream companies wishing to source material in a responsible manner with verified conflict-free mining communities. Solutions for Hope’s “closed-pipe” system identifies all actors of the supply chain in advance to move the minerals from conflict-free mines all the way through the supply chain to the end product. The platform also prioritizes transparency through regular consultation with governments and civil society.

Why source from the DRC and other conflict-affected areas?

Solutions for Hope participants believe that “conflict-free should not mean Congo-free,” and have demonstrated interest in the responsible sourcing of verified conflict-free material from the DRC. The platform was launched at a time when there was no market confidence to source from the DRC. From a humanitarian perspective, a *de facto* embargo of minerals from the DRC due to this lack of confidence has and would continue to have significant negative implications for the livelihoods of the millions of artisanal miners and their families—and fuel further destabilization. In early 2014, the U.N. Special Envoy for the Great Lakes Region of Africa released “A Framework of Hope: The Peace, Security and Cooperation Framework for the Democratic Republic of Congo and the Region,” signed by eleven countries. Among other things, the framework calls on: the DRC to deepen security reform; the region to strengthen regional judicial cooperation; and the international community to support economic integration and revitalization¹. Solutions for Hope offers an alternative for companies that want to support the DRC while ensuring they do not inadvertently support conflict.

Artisanal mining is a challenging but significant source of livelihoods in the DRC. Engagement by businesses, government, and civil society can support formalization of artisanal miners and improvements to mining conditions. Such engagement can also pave the way for a transition to alternative livelihoods.

¹ United Nations Office of the Special Envoy of the Secretary-General for the Great Lakes Region of Africa, 2013. A Framework of Hope: The Peace, Security and Cooperation Framework for the Democratic Republic of Congo and the Region. <http://www.un.org/wcm/webdav/site/undpa/shared/undpa/pdf/SESG%20Great%20Lakes%20Framework%20of%20Hope.pdf>

How does Solutions for Hope support other sourcing initiatives?

The platform supports and is supported by the development and implementation of several initiatives already underway to establish a conflict-free infrastructure in the DRC, which in turn bolsters the International Conference of the Great Lakes Region (ICGLR) regional certification mechanism. These initiatives include the following:

- Traceability and due diligence by ITRI's Tin Supply Chain Initiative (iTSCi)
- Certification of mines by the German Federal Institute for Geosciences and Natural Resources (BGR) Certified Trading Chains
- Conflict-free Smelter Program by the Conflict Free Sourcing Initiative
- Due diligence guidance and implementation by the Organization for Economic Co-operation and Development (OECD) and the United Nations Group of Experts

Who benefits from Solutions for Hope?

Participants benefit at all stages of the supply chain, from the local community to the end-use customer.

The pilot projects have demonstrated that miners participating in closed pipe systems are able to sell their material at global market rates, whereas illegally mined material is discounted. This competitiveness *increases miner wages*². The pilots have found that *more money from the sales transactions stays in the community*. Solutions for Hope also strongly encourages the *reinvestment of revenue by concession owners into social improvement programs* in the local community³.

Comptoirs/exporters benefit from assurance of a buyer, and they are able to demonstrate to the global market that they are a legitimate conflict-free source.

Smelters and downstream companies benefit from the increased certainty of supply and minimized supply chain disruption – at no increased cost. The closed-pipe approach simplifies the typical supply chain model; when supply chain actors are pre-established, some of the traditional links become unnecessary. This elimination creates economic efficiencies, generating the opportunity to support traceability implementation costs and increased miner wages *without impacting the market price of the end product*.

The closed-pipe model also enables downstream companies to gain direct visibility to the mine, creating an opportunity to engage with stakeholders to positively influence mining conditions. As stability increases and the relationships deepen, there are *opportunities to enhance social,*

² Enough Project, 2014. The Impact of Dodd-Frank and Conflict Minerals Reforms on Eastern Congo's Conflict. <http://www.enoughproject.org/files/Enough%20Project%20-%20The%20Impact%20of%20Dodd-Frank%20and%20Conflict%20Minerals%20Reforms%20on%20Eastern%20Congo%E2%80%99s%20Conflict%2010June2014.pdf>.

³ For example, at the Katanga Solutions for Hope site, the concession owner MMR has committed to reinvesting 10% of its profits into local community development initiatives.

safety, environmental, and other CSR performance indicators, in the spirit of continuous improvement.

The transparency created by a closed-pipe supply chain and through regular consultation with civil society and government reduces reputational risks for downstream actors that wish to demonstrate support for the region and set a positive example for other companies interested in responsible sourcing.

Who can participate in the Solutions for Hope?

The SfH is open to all actors in the supply chain including mining cooperatives, mining companies, concessions owners, exporters, smelters/refiners to downstream companies. It is not exclusive and mines that are participating can continue other commercial relationships with buyers who are not participants.

Where has Solutions for Hope been implemented?

Solutions for Hope was piloted at several tantalum mine sites on the Mining Minerals Resources concession in the Katanga Province of the DRC. The pilot began in July 2011 and concluded in late 2012.

In October 2012, *the Conflict Free Tin Initiative* was launched building on the Solutions for Hope model, in an effort to demonstrate scalability.

A second Solutions for Hope tantalum project began at the Bibitama mine site on MHI's concession near Rubaya. In late 2013, a multi-stakeholder Solutions for Hope delegation, including representatives from the Enough Project, downstream companies, component manufacturers, and the Public-Private Alliance for Responsible Minerals Trade, conducted a mine site visit and met with local civil society and government officials to discuss elements of the overall program. Several other participants and advisors, including, governments, equipment manufacturers like Motorola Solutions and Fairphone and civil society continue to send delegations to visit the site. The first shipment of materials from that site to Solutions for Hope participants is anticipated in late 2014.

The Solutions for Hope platform has recently expanded, with plans to support projects for other minerals and in additional geographies, including the broader Great Lakes Region of Central Africa, as well as Colombia.

Who participates in Solutions for Hope?

Several companies support and participate in Solutions for Hope, including: AVX, Blackberry, Cooperative Des Artisans Miniers du Congo, F&X, Fairphone, Flextronics, Foxconn, Global Advanced Metals, HP, Intel, Mining Minerals Resources, Motorola Mobility, Motorola Solutions, Nokia, and Société Minière de Bisunzu. Solutions for Hope also regularly engages with advisors

from civil society, provincial and national governmental agencies in the DRC and Great Lakes Region, and international donor agencies.

Quotes about Solutions for Hope

“The start-up of legitimate conflict-free mining in North Kivu is a significant milestone and supports USAID’s long-term goal of establishing a more stable economic environment in eastern Congo that generates benefits for local populations and transparent revenue for the Congo’s government. These efforts demonstrate to the world that with the proper cooperation of governments, civil society and industry a truly conflict-free supply chain can be developed within some of the more historically troubled areas of the DRC. We applaud and support the efforts of companies that engage in conflict-free sourcing from the DRC.” – *Diana Putman, Mission Director for Democratic Republic of Congo, USAID (March 2014)*

“Building a conflict-free mine in the heart of eastern Congo is both a tremendous and courageous step in an area where deadly armed groups were present as late as 2013. Motorola Solutions, AVX, and MHI deserve serious praise for making this happen. We look forward to seeing concrete benefits for Congolese miners and communities from the project, as we have seen from other clean mines in the region.” – *Sasha Lezhnev, Associate Director of Policy for Congo, Great Lakes Region, and LRA - Enough Project (November 2014)*

“The support and participation by companies like Motorola Solutions sends clear signals of downstream interest in verifiable conflict-free minerals. Solutions for Hope is an asset. It supports Colombia’s interest in OECD membership, builds valuable global partnerships, and seeks to build tools that are right for Colombia.” – *Tim Martin, former Canadian ambassador to Colombia (October 2014)*

“To respond to the intent of the U.S. Dodd-Frank law to eliminate conflict minerals and also to maintain the livelihoods of thousands of people in the DRC, we need a system that differentiates between ‘conflict minerals’ and legitimate ‘non-conflict’ sources. Transparently purchasing and promoting non-conflict minerals rewards clean trade. This is equally important as an embargo on conflict minerals. We welcome the Solutions for Hope Project as an important contributor with the potential to deliver ‘peace dividends’.” – *Assheton Stewart Carter, ethical sourcing expert (former Senior Vice President, Global Engagement, Pact) (July 2011)*