



Public-Private Alliance for Responsible Minerals Trade

31 OCTOBER 2018
MEMBER MEETING

About the PPA

The Public-Private Alliance for Responsible Minerals Trade (PPA) is a multi-sector and multi-stakeholder initiative to support supply chain solutions to conflict minerals challenges in the Democratic Republic of Congo (DRC) and the Great Lakes Region (GLR) of Central Africa. The PPA seeks to contribute to the establishment and scale-up of efficient, impactful, and effective minerals due diligence and governance systems in the GLR to promote economically sound and ethical global supply chains. For more information on the PPA, including members, please visit the website at <http://www.pparmt.org>. Further detail on the PPA's objectives, intended outcomes, and currently planned activities, appear in the PPA Results Framework, which is included in Attachment B.

October 31 Member Meeting: At a Glance

PPA members gathered on October 31 in Santa Clara, California, to review a proposed scope of work for 2019 – 2020 and share guidance on major activities for the coming year, hear updates on PPA milestones and work in progress in 2018; learn about government partners' activities and priorities over the near- and long-term on responsible minerals trade in the Great Lakes Region, and identify opportunities for PPA collaboration. This meeting also marked record participation with 44 individuals representing 30 member organizations.



PPA members gather in Santa Clara, CA, for the 7th Annual Member meeting. The full list of participants is captured in Attachment A.

October 31, 2018 PPA Member Meeting

Next Steps

All members will continue providing guidance to RESOLVE and PPA committees, including with the following near-term opportunities identified in the meeting:

- Complete [this short survey](#) by **December 28** to share ideas and preferences for activities and priorities to include in scoping a delegation to the Great Lakes Region.
- Contact RESOLVE ([mlee\[at\]resolv.org](mailto:mlee[at]resolv.org)) by **December 28** if interested in joining the Projects and Resources Work Group (PAR) or planned task group on the 2019 PPA delegation to the Great Lakes Region.
- Share suggested webinar topics with RESOLVE ([mlee\[at\]resolv.org](mailto:mlee[at]resolv.org)) or volunteer to help lead a webinar of interest by **January 9**.

The Projects and Resources Work Group will follow up on ideas from the member meeting and continue to lead scoping and drafting PPA grants and other activities, including the following:

- Prepare a request for information (RFI) for broad distribution in early 2019, to seek feedback on small grants priorities and additional suggestions from in-region civil society, and from donors and others working with local civil society.
- Work with the GC to further scope plans for a potential small grant series in 2019, to incorporate input received via the forthcoming RFI and the April Alignment Session at OECD.

RESOLVE will:

- Continue to work with PPA members, including forming a task group of interested members, as well as coordinating with RMI and EPRM, to scope potential objectives of a delegation to the Great Lakes Region (GLR).
- Prepare a letter of invitation describing the intent of the GLR delegation, and providing a sample budget, to assist members in discussions within their own organizations to confirm plans to participate.

Summary

HIGHLIGHTS FROM 2018

RESOLVE shared a few highlights from 2018 as well as a general status of PPA membership, strategic planning, and resources.

[38 organizations have re-committed to or initiated membership](#) via the 2017 Memorandum of Understanding, renewing the PPA through August 2022. New members included the first jewelry company to join the PPA.

In the 7 years since the PPA first launched in late 2011, additional key developments include the following:

The PPA has raised a total of ~\$2M in private sector contributions that have or will go toward work to support responsible sourcing in the Great Lakes Region. In phase 1, PPA grants supported a range of issues and impacts, including the following:

- First work on artisanal gold in DRC in 2012 (IMPACT), which brought attention to the issue and stimulated engagement by other donors -> both at IMPACT's sites and on other pilots.
- Capacity building and coordination of local civil society to engage in due diligence and data collection
- Research on impacts of responsible sourcing pilots in the Great Lakes Region
- Support to the Regional Certification Mechanism in piloting the office of the Independent Mineral Chain Auditor

The US Government has also contributed \$20M+ toward "parallel funding" by USAID, which has included support to the PPA Secretariat for 5 of 7 years; on-the-ground support for the [first ASM gold export from DRC to a U.S.-based and LBMA-certified buyer](#), as part of the [Capacity Building for Responsible Minerals Trade program](#); capacity building on the ground for government, NGOs, and miners; and [artisanal mineral site validation missions via the International Organization for Migration \(IOM\)](#).

The PPA has directly engaged government leaders, due diligence systems, and other key stakeholders from the GLR via 10 alignment sessions in Europe and the Great Lakes Region, including the most recent in April 2018. These sessions enable information sharing about systems operating in the region, candid dialogue on barriers to effective and efficient responsible sourcing efforts, and joint identification of opportunities to coordinate to address these challenges.

Since the launch of Phase II with the MOU renewal in late 2017, the PPA has reached several key milestones. Members selected a representative [Governance Committee](#) (GC) to guide the Secretariat and finalize PPA strategic direction, decisions, and documents; the GC initiated their two-year term in January 2018. A primary responsibility for the GC – with input from the full membership at the 2017 member meeting – has been the finalization of a [Results Framework](#) articulating the PPA's theory of change and priorities for impact. The GC has tasked the Projects and Resources Working Group (PAR) to take stock of PPA resources and to scope priority activities that would support the PPA in achieving the objectives in the Results Framework.

Of the \$2M in private sector contributions raised in Phases I and II, the PPA currently has approximately \$643,000 to support grant making in Phase II. Members also bring significant resources in the form of diverse expertise, individual organizational capabilities, and combined influence and networks. Dedicated Secretariat time – which has been supported through parallel funding by the US Government for 5 of the PPA's 7 years – allows RESOLVE to support membership in strategic planning activities, convening discussions, tracking and moving forward on commitments, and serving as a liaison with other organizations, such as the European Partnership for Responsible Minerals (EPRM), the Organisation for Economic Cooperation and Development, and more.

OCTOBER 2018 – EARLY 2020 PPA ACTIVITIES

Taking the above-mentioned resources into account, the PAR and the GC have agreed to prioritize the following activities between 2018 and 2020:

Amplified Alignment Efforts

The PPA will continue to convene annual PPA Alignment sessions, involving the GC, ICGLR member states, in-region due diligence systems, and other stakeholders, to address key challenges in responsible sourcing and opportunities for collaborative solutions.

The PPA will also plan a delegation of PPA members to the Great Lakes Region in summer 2019, with the objectives of following up on alignment commitments, vetting ideas for potential PPA grants to aid in-region organizations; and supporting member education on GLR sourcing via site visits and dialogue with local civil society, government, and business stakeholders. The Responsible Minerals Initiative (RMI) and EPRM have expressed interest in exploring the possible co-convening of a delegation. Members discussed potential elements and activities that a tripartite delegation might prioritize, including meeting with provincial government leaders about tax harmonization (to reduce incentives for smuggling) and other technical challenges, visiting artisanal sites, observing due diligence systems in action, meeting with traders and exporters, meeting with local civil society and due diligence committees, observing mercury remediation, and more. Discussions with many stakeholders could include clarifying misconceptions about the existence of Dodd-Frank regulations on conflict minerals reporting (which have resulted in the development of stockpiled, untraced material) to emphasize that due diligence will continue to be expected throughout minerals supply chains.

Members also identified considerations such as participant budget, trip length, and delegation size that will require further scoping. This trip is also contingent on important in-region factors, such as whether the DRC government holds promised elections in December and the security assessment closer to the time of travel.

Next steps in scoping and planning the delegation will include the following:

- RESOLVE will continue to work with PPA members, as well as RMI and EPRM, to scope potential objectives of the delegation – including potential elective side-trips for those wishing to observe different elements of production and supply chain performance.
- To support scoping, members should complete [this short survey](#) by **December 28** to share their ideas and preferences.
- RESOLVE will prepare a letter of invitation describing the intent of the delegation, and providing a sample budget, to assist members in discussions within their own organizations to confirm plans to participate.

Promoting Information Sharing Across PPA Membership

The PPA will also continue a webinar series to share new research, data, and tools that can support due diligence, as well as case studies and perspectives from those working in the region. A recent webinar featured research from the International Organization for Migration trends in the production and trade of artisanal minerals in DRC. Topics for future webinars include Department of Labor's (DOL) 2018 List of Goods Produced by Child Labor or Forced Labor, and other DOL resources that can enhance due diligence; and webinars on in-region case studies, challenges, impacts and experiences from in-region organizations, such as an anticipated webinar with the Director of Virunga National Park to discuss some

of the complementary priorities in conservation and minerals, in terms of linkages to conflict and illicit networks. PPA grantees will also offer webinars at the completion of supported activities.

- Members with other suggestions about webinar topics, or interested in helping lead or present on a future webinar, are encouraged to contact RESOLVE by **January 9** to facilitate planning the 2019 webinar calendar.

Addressing Key Barriers

Financial Barriers

The PPA has recently released requests for proposals (RFPs) to conduct two commissioned research activities to address key financial barriers to responsible minerals trade, including in the international finance sector and in financing legitimate minerals businesses and complementary livelihoods.

The first RFP was designed to explore the financial sector's approach to compliance in conducting business with supply chain actors engaged in conflict-affected and high-risk areas (CAHRAs), which has been observed to be a barrier to engagement for international and regional downstream companies seeking to produce and source responsible minerals from the DRC and other CAHRAs. The PPA is therefore seeking research to analyze the roles of financial institutions in responsible minerals supply chains and their current policies and concerns, as well as the development of an outreach and education strategy for the financial sector.

The second RFP seeks an exploration of how legitimate ASM operations, businesses, and trade in the Great Lakes Region can be expanded with access to tailored financial tools and legitimate finance. Currently, artisanal miners and those in adjacent trade (suppliers, traders, etc.) often lack access to legitimate finance, which is an impediment to them in engaging in formal markets, or in having the ability to invest in better tools and practices that would increase production and decrease some of the negative outcomes (like mercury use). Many miners also work seasonally because of the rainy season, and global supply chain shifts can also make income from mining uncertain. Access to finance could support the development of complementary livelihoods that could significantly improve their economic conditions and resilience. The PPA is commissioning the research, scoping, and design of a finance product or program (e.g., microfinance, group savings programs, or other mechanisms) that could be accessed by miners, cooperatives, exporters, and those adjacent to the artisanal mining sector.

Proposals on the above topics were due on November 9, and are currently under review by members of the PAR and the GC. Work is expected to begin by February 1 and conclude by the end of March 2019.

Small Grants Series

The PPA is also scoping priorities for a grant series to address barriers that are obstructing the establishment and effective performance and governance of due diligence systems in the Great Lakes Region, with a focus on capacity building and support to organizations in the Great Lakes Region of Central Africa whose work advances the objectives of the PPA, including miners, cooperatives, local civil society, and government agencies.

These grants might address a range of priority capacity issues. The Projects and Resources Work Group (PAR) has already identified the following topics as possible priorities to feature in a request for proposals from eligible organizations:

- **Amplify the impact of NGOs and local committees** that are working on responsible minerals issues in the GLR by addressing gaps related to **technical/management skills** (e.g., strategic planning, organizational management, grant writing, reporting).
- **Support women’s empowerment in mining** (e.g., increasing representation of women in cooperative management and at the provincial level; assisting women in the mining sector with business initiatives). Possible projects include supporting development of women’s associations, due diligence training for female supply chain actors, etc.
- **Promote quality reporting and transparency in artisanal supply chains** (e.g. helping aggregators and exporters to understand due diligence risks, providing capacity building on due diligence reporting).
- **Support efforts that would establish/strengthen institutional memory of local, provincial, and state government agents** to preserve and amplify the impact of training programs on due diligence risks and professional responsibilities.
- **Aid “youth” organizations** (individuals up to the age of 35), to address child labor issues and support livelihoods for young adults in artisanal minerals supply chains.
- **Support activities to clarify legal taxation requirements and disseminate that information**, to empower miners and communities against exploitative or fraudulent taxation.

Members discussed the above ideas during the meeting and provided feedback. With smaller grants (e.g., \$20-\$50K each), it will be important to confirm whether and how the PPA can have *meaningful impact* on priority issues. Members are optimistic that small grants can be impactful if the PPA plans strategically to enable pathways for coordination or “connective tissue” between existing networks; to support creation of templates, tools, or training which can be shared or replicated among organizations beyond the grantee; and/or to otherwise elevate and disseminate guidance on best practices.

Member suggestions and further discussion with the GC identified the following additional next steps:

- The PAR will prepare a request for information (RFI) for broad distribution in early 2019, to seek feedback on the above priorities, information about related activities already underway, and additional suggestions from in-region civil society, and from donors and others working with local civil society.
- The PAR and GC will further scope plans for a small grant series, to incorporate input received via the RFI and the April Alignment Session.
- PPA members will utilize the 2019 In-Region Delegation as an opportunity to further “ground-truth” ideas and priorities.
- Following a debrief from the delegation, the PAR will prepare a final RFP to be released in Fall 2019, with the expectation of finalizing grants in late 2019 or early 2020.

GOVERNMENT MEMBERS’ IN-REGION ACTIVITIES AND PRIORITIES

Representatives from the U.S. Government and the International Conference on the Great Lakes Region (ICGLR) shared updates from their own activities and priorities relevant to the PPA’s work.

ICGLR

Ambassador Ligabo, ICGLR, shared five key updates:

- 1) The ICGLR continues its work to revise its Regional Certification Mechanism (RCM) and the associated manual. This review process was the focus of the PPA’s Alignment Meeting in April 2018 alongside the OECD Forum on Responsible Minerals Supply Chains. The ICGLR and the consultants leading the work convened additional side meetings at the Forum to consult with

foreign governments, downstream private sector, and international civil society. In September, the ICGLR continued the consultation process in the Great Lakes Region, meeting with civil society in Kigali and Bukavu, and with ICGLR member states in Kinshasa. An online public consultation was also carried out in between August and October. Ambassador Ligabo reported that most ICGLR member states did not participate in these open consultations. Therefore, the ICGLR is organizing national consultations in all member states, with the aim of promoting uptake and finalizing decision-making on the RCM by all member states by April 2019. Ambassador Ligabo noted that the PPA could contribute to the RCM implementation by providing funding support to the Audit Committee or the office of the Independent Mineral Chain Auditor (IMCA).

- 2) The executive summary of the report from the IMCA's review of due diligence systems in the Democratic Republic of Congo [has been published](#).
- 3) With support from GIZ, the ICGLR has commissioned a consultancy to develop an ASM Gold Due Diligence Strategy to inform implementation of the RCM as it relates to gold, with an objective of expediting progress on gold to match that seen on tin, tantalum, and tungsten (3Ts). This report will be informed by a stakeholder consultation that took place in September, and will be submitted for approval at a meeting of the Ministers of Mines of the ICGLR member states in early December.
- 4) The December meeting of the Ministers of Mines will also include discussion of self-financing mechanisms to support the ICGLR's Regional Initiative on Natural Resources, and a Regional Guide for Formalization of the ASM Sector.
- 5) The ICGLR Regional Committee has developed a 6-year "Regional Roadmap" for implementation of the RCM, which will serve as an accountability mechanism for member state action. Individual member states are now developing their own national roadmaps to align with the Regional Roadmap, and 7 of the 12 member states have already completed theirs.

U.S. Government

Betsy Orlando (U.S. State Department), Pilar Velasquez (U.S. Department of Labor) and Brooke Stearns-Lawson (USAID) shared perspectives from U.S. Government (USG), including the following key points:

Expansion of PPA Participation: USG has been pleased by the level of member interest in renewal, and extends a welcome to new members in Phase II: LG, Global Communities, Signet, and KEMET. USG also expanded its own participation in Phase II with the addition of engagement by DOL. DOL has conducted extensive work on issues related to child labor and forced labor in mining – including in DRC – and seeks to share reports and tools that can support PPA members in conducting due diligence. USG continues to recruit additional new members to the PPA to complement existing member expertise and to build the PPA's funding pool. Other members are also encouraged to devote time and energy to advocating for the PPA. RESOLVE can provide two-pagers or other materials that would be helpful in outreach to other organizations.

USG Engagement with PPA Members: USG members are very willing to organize 1:1 discussions with PPA member organizations, including to discuss the importance of responsible sourcing with staff in other departments. Members should feel free to reach out directly or to make suggestions to RESOLVE about what would be helpful to hear and see from USG.

There are further opportunities for engagement by stakeholders with USG, including through a USAID Global Development Alliance (GDA) co-creation process. Interested stakeholders can submit an "Annual Program Statement" to pitch ideas for public-private cooperation on issues where there is alignment

between private sector objectives and USAID. More information is available at: <https://www.usaid.gov/gda/global-development-alliance-annual-program>.

2018 PPA Activities: USG is also excited to see a thoughtful strategic planning process now beginning to translate into tangible action through the recent release of two RFPs, as well as the initiation of planning for small grants and a delegation of members to the Great Lakes Region, in which USG strongly encourages members to participate.

Parallel Funding to Support Responsible Minerals Trade: USG reported on a suite of projects and outcomes of its parallel funding, in line with the PPA's objectives. This has included support for Capacity Building for Responsible Minerals Trade (CBRMT) artisanal gold pilots in the DRC, as well as support for the [Responsible Artisanal Gold Solutions Forum](#), which brought CBRMT and downstream companies together to work through technical challenges related to due diligence documentation and disparate expectations and requirements relating to financial arrangements, to facilitate a first export of artisanally mined gold from DRC to a U.S.-based, LBMA certified refiner and U.S. jeweler. This experience is also documented in two films – a virtual reality film produced by the RAGS Forum called [Journey of Gold](#), which brings viewers to the South Kivu mine site where the artisanal gold was produced, and a [video on USAID's Responsible Minerals Trade Program in DRC](#) describing the challenges involved in establishing the pilot and the eventual successful export of the material. Through CBRMT, USAID also co-funded with PPA the pilot initiation of the office of the Independent Mineral Chain Auditor. Through a grant to the International Organization on Migration, USAID supported ASM mapping efforts by the International Peace Information Service (IPIS), and provided support to the PPA secretariat for 5 of the past 7 years. In the coming years, USG looks forward to supporting three new major activities:

- 1) A 5-year, 12-million-dollar project on conflict-free gold, building on the proof of concept from CBRMT pilots and moving it into something scalable and sustainable. This will include working with the private sector to leverage \$4M for a responsible gold innovation fund and to increase demand for responsible gold. The project will also work to increase capacity of artisanal cooperatives, including through the development of a women-owned jewelry line.
- 2) Scaling up mine site validation systems which are not donor dependent.
- 3) Supporting artisanally mining programming in CAR, with focus on diamonds but also to include gold.

Attachment A: PPA Meeting Participants

PPA MEMBER MEETING

OCTOBER 31, 2018

Christine Ackerson
LG Electronics

Olivier Demierre
PAMP

Chantal Akinyemi
Global Communities

Susan Dreveny
Intel

Christopher Alberty
Ford Motor Company

Nikki Duncan
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Richard Barrett
ITA

Pamela Fierst-Walsh
U.S. Department of State

Kyle Besley
Microsoft

Eric Gilbert
Acer

David Bouffard
Signet Jewelers

David Hancock
Boeing

Mary Ellen Bridges
Ford Motor Company

Lotte Hoex
IPIS

Leah Butler
Responsible Business Alliance

Leann Hudson
Dell

Annie Callaway
Enough Project

Taylor Kennedy
RESOLVE

Roland Chavasse
ITSCI (T.I.C.)

Sasha Lezhnev
Enough Project

Mickaël Daudin
Pact

Ambeyi Ligabo
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Christy Dehus
Apple

Jean-Paul Meutcheho
Global Advanced Metals

Ephi Banaynal dela Cruz
Microsoft

Erin Mitchell
Intel

Gerard Nayuburundi
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Alyssa Newman
Google

Carly Oboth
Global Witness

Elizabeth Orland
U.S. Department of State

Jennifer Peyser
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Elina Raask
Nokia

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HP Inc.

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HP Inc.

Kady Seguin
IMPACT

Rawiya Shenouda
Dell

Joel Sherman
KEMET

Marianna Smirnova
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Brooke Stearns Lawson
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Kelly Steffen
Microsoft

Pilar Velasquez
U.S. Department of Labor

Chelsea Verhasselt
NVIDIA

Jat Verma
Apple

Philipp Wiederspahn
GIZ

Attachment B: PPA Results Framework

PPA Results Framework – Working Draft



