NEXT STEPS

This session identified many issues and ideas to consider for follow-up, which the PPA will review in the course of its work in the coming year, and on which we welcome partners’ ongoing input as you conduct your own work. Please see sections below for ideas on potential actions.

Specific, near-term action items identified for all alignment session attendees include the following:

- Please fill out PPA request for information (English | French) and forward to your networks, to help inform our grantmaking for 2019-2020. The survey will close on May 31.
- Please contact RESOLVE (tkennedy@resolv.org) with any additions or amendments to this summary by May 31.
- Contact Gerard Nayuburundi (gerard.nayuburundi@icglr.org) and Philipp Wiederspahn (philipp.wiederspahn@giz.de) with comments about the revised ICGLR Regional Certification Mechanism.

FACILITATOR’S SUMMARY

Meeting Background and Objectives

The Public-Private Alliance for Responsible Minerals Trade (PPA) is a group of companies, civil society groups, and governments that joined together with the goal of developing and improving conflict-free mineral supply chains in the Great Lakes Region (GLR) of Africa. PPA objectives call for engagement and coordination of in-region stakeholders to identify gaps and solutions to advance this goal.

This meeting was convened by the PPA to encourage information-sharing, dialogue, and coordinated action by those working in the GLR to implement systems for due diligence and responsible sourcing. This facilitator’s summary was prepared to help document key themes and insights, current challenges and opportunities for further action and collaboration toward identifying and implementing solutions.

Scaling Up Responsible Minerals Trade: Incentives, Disincentives, Dynamics, and Potential Responses

In a session on “Aligning Incentives and Addressing Disincentives to Scaling Responsible Artisanal Minerals Trade” and “Strategies for Financial Sector Engagement in Responsible Artisanal Sourcing,” participants shared information on challenges and potential strategies to address barriers to responsible minerals trade in the GLR. Interventions included lessons from the overview of the ICGLR artisanal gold strategy (report available online in English and French), and a summary of findings from recent PPA-commissioned research on roles of financial institutions and barriers to financial systems access for the ASM sector in the GLR (see attached slides; the executive summary and full report are available on the PPA website).

The discussion spanned a range of themes relating to policy frameworks, financial systems and needs, capacity needs, and more. For each theme, the following summary outlines current challenges and
dynamics linked to incentives/disincentives for legal trading, as well as potential activity that could contribute to solutions.

Policy Frameworks

Current dynamics/challenges
1) There is a lack of enforcement against smuggling in import and export countries.
2) There is a lack of information exchange between countries on minerals, even though there are systems for reciprocal information sharing on other illicit trade, such as with drugs.
3) Characteristics of gold (light-weight, use as a currency) make it easily tradeable/smuggle-able
4) A minority of ICGLR member states are actively implementing policy changes called for in the (Regional Initiative against the Illegal Exploitation of Natural Resources) RINR.
5) Many formalization policies include steep fees for artisanal miner licenses (*cartes de creuseur*) or the “right to work”; these are disincentives to formalization.
6) The root cause of many illegal/informal mining issues (e.g., child labor) is poverty, which cannot be addressed through due diligence or supply chains alone.
7) Legal supply chain and financial actors (logistics and security companies, export companies, buyers) lack formal or legal mechanisms for engaging with informal actors (who may be moving toward formalization but aren’t yet formal). For example, local banks typically do not engage with the artisanal minerals sector, and the inability to open a bank account is actually another barrier to formalization for cooperatives—as it is difficult for legal entities to work with parties who do not have a bank account. In line with OECD principles of progressive improvement, there needs to be some risk assessment and mitigation rather than default disengagement.
8) The needs and experiences of communities surrounding artisanal development are frequently un-represented or under-represented in policy development.

Possible actions to support solutions
- Meaningful fiscal harmonization across ICGLR member states as one means to reduce smuggling incentives.
- Research could be commissioned to design a strategy or proposal for a new tax regime, including how government revenue might change under different taxation regimes, and incentives that lead some countries to maintain the status quo.
  - This research could build on past research which map gold flows or taxes (e.g., BGR 2019, CBRMT 2015, BGR/IMPACT 2015, IMPACT 2014)
    - Conversations should include:
      - Destination countries – both intermediary (e.g., Uganda, Dubai) and ultimate destination (e.g., China, India)
      - Downstream companies and systems who can articulate the need for and importance of appropriate due diligence documentation and working with suppliers who can support this.
- Legalization policy frameworks and complementary initiatives that incentivize formalization
  - Research could be commissioned to identify models for such policies, including holistic service offerings – e.g., village savings and loans
  - Governments can be encouraged to adopt policies that account for such incentives
- Incorporation of incentives aiming to address poverty and improve miners’ lives, into donor and government programs and interventions
Financial Barriers

Current dynamics/challenges
- Miners/traders rely on informal forms of financing and require more affordable access to legal financial services. Prefinancing/inventory financing – whether from bank or supply chains – is a particular service needed by miners, traders, and exporters.
- Traders/middlemen currently play a prefunding and aggregation role, and many have long-term trusting relationships (often underpinned by social or familial relation) with those who sell to them. The involvement of many middlemen can make supply chains more opaque, but removing them could disrupt existing, functioning financing relationships, eliminate livelihoods for these actors, and therefore create new opponents to the responsible minerals movement.
- Banks are generally unwilling to offer banking services to those in artisanal minerals trade (some banks have offered these services after intercession by NGOs working with miners).
  - Banks are generally limited by fact that few private savings accounts exist, so banks don’t have the liquidity to offer significant numbers of private loans.
  - Because artisanal miners are only permitted to work in official artisanal mining zones (zones d’exploitation artisanale or ZEA), and ZEAs are officially the property of the state and their designation can be revoked within a 60-day period, artisanal miners and cooperatives cannot use ZEAs as collateral for loans.
  - Additionally, artisanal miners usually have no data about the value of a concession, which could otherwise be used as a form of collateral for a loan (with appropriate documentation).
  - The informality of most cooperatives makes it unclear what individuals can be held responsible for management and repayment of a loan.
  - Miners may not have incentives to formalize and pay for a carte de creuseur (mining license), as this extra cost and further taxation in the formal market does not typically deliver any benefits to the miner. The observations of one organization working with artisanal miners in DRC suggests that female miners see different incentives for organizing that may trump these disincentives, including seeing value in complementary services to formalization such as savings and loan programs.

Possible actions to support solutions
- Explore the role of existing middlemen and develop a long term vision for their involvement and function in artisanal minerals supply chains. One gold exporter in Congo is beginning to work with some existing négociants.
- Explore how to help banks to consider offering finance to artisanal miners, including
  - Blended finance, risk guarantees, and other means by which donors can enable banks to transition into a market they currently see as high-risk.
  - Different models for financial organization of cooperatives (from other regions) to make them more loan-ready (e.g., by establishing clear officers who would be responsible for managing and repaying a loan) and to offer incentives for miners to join. PPA/others could offer funding for modeling of different cooperative structures.
  - Possibility of engaging formalized, loan-ready traders, other aggregators, or exporters who could act as an intermediary in offering finance to ASM.
  - Means of supporting geological assessments of ASM sites and how data could help unlock access to finance.
  - It was noted that this work could build on USAID’s work with 3 banks in Eastern Congo to offer finance, loan products, and loan guarantee programs to those in agriculture.
Cost/Benefits across Supply Chains

Current dynamics/challenges
- High administration and operations costs of due diligence systems
- A sense by many that costs are not fairly shared across the supply chain
- Mine site validation has been subsidized by donors, but a sustainable, cost-effective, long-term approach is needed. (BGR indicates that 41 joint validation missions at 649 mine sites cost $369,000, or $569 per mine site.)
- International industry seeks cost parity of minerals from the GLR with global market prices, vs. paying a premium for minerals from any specific region.

Possible actions to support solutions
- Explore how to tie data collection by miners and traders to financial solutions, e.g., can collection of certain data be tied to some kind of tool that allows ASM miners to benefit, grow their capacity, submit their data to lenders and buyers, etc.?
- Research on the actual distribution of risks/costs/benefits across supply chains, in multiple ICGLR countries, which includes:
  - Discussion of different types of cost (financial, human, environmental, reputational)
  - Enumeration of the types of legal (e.g., provincial and national taxes) and illegal payments (e.g., from illegal roadblocks).
  - Cost of developing minerals, social, environmental, and other data, who owns/produces the data and how they are compensated for that, and who uses or benefits from that data and how.
- It was noted that this research could possibly build on work by West Africa Trade Hub in Senegal which maps trade hubs and what funds were gathered by official taxation, local police, etc.
- Ideally this research can identify opportunities for reducing costs of due diligence and traceability for minerals from the GLR, as industry seeks parity in global minerals prices
- Identify opportunities for value addition in the region (e.g., creation of products vs. only mineral production and export).

Risk/Market Confidence

Current dynamics/challenges
- Most formal supply chain actors do not have mechanisms or appetite to engage with informal actors who are seeking to become formal. In order to conform with midstream due diligence systems and comply with some international regulations, midstream/downstream companies would incur extra costs for due diligence or audits when sourcing from a conflict-affected area and supply chain partners just transitioning to the formal market, as well as possible additional material risk or reputational risk.
- All due diligence systems implemented should have consistent requirements, aligned with the ICGLR RCM (and OECD guidance), to support market confidence that due diligence objectives are being met.

Possible actions to support solutions
- In-region trips to help downstream and other actors understand the reality on the ground.
- Messaging around need for informed risk tolerance (by banks, buyers), following good due
diligence practice, to initiate progressive improvements and bridge the gap between informal and
formal.
- Raising awareness of upstream due diligence funds (e.g., RMI’s Upstream Due Diligence Smelter
Fund)

Capacity

Current dynamics/challenges
- Lack of scaled-up implementation of due diligence and traceability systems for gold, from
production to export
- Inconsistent implementation of due diligence on artisanal minerals by midstream/refiners and
smelters from different geographies or certified by systems with different degrees of
conformance to the OECD Due Diligence Guidance
- Minimal ability for many upstream actors to meet due diligence requirements or absorb these
costs, without significant donor or buyer support
- Auditors and auditees alike have limited experience in reflecting progressive improvement in
assessments and outcomes, and limited incentive to take a progressive improvement approach to
supplier engagement (vs. stances of no-risk tolerance).
- A lack of systems to assess artisanal mine concession value, including a lack of trained, in-region
geologists to conduct these assessments and provide reports needed for financial loans
- A lack of in-region loan officers in banks with ability to make loans to the artisanal sector or take
creative approaches to collateral

Possible actions to support solutions
- Funding research/pilots to test how geological assessments may unlock access to finance

ICGLR Regional Certification Mechanism (RCM) Revision

The ICGLR Secretariat shared an update on the revisions process for the RCM. Please see attached
“ICGLR Remarks on Updates to Regional Certification Mechanism”. Comments are invited and should be
emailed to Gerard Nayuburundi (gerard.nayuburundi@icglr.org) and Philipp Wiederspahn
(philipp.wiederspahn@giz.de).

PPA 2019 Activities

The PPA presented an overview of its current and near-term activities planned, including a delegation to
the Great Lakes Region in fall, 2019. Please see attached PPA update slides for additional information.

The PPA has developed a request for information (RFI) survey to inform prioritization amongst key issues
and activities to be featured in a forthcoming series of small grants. Partners are encouraged to distribute
the RFI (English | French) to their networks prior to the survey close on May 31.

The PPA welcomes suggestions from participants on encouraging engagement from additional member
states in forthcoming alignment activities. One milestone includes the the PPA’s 12th Alignment session,
to be held in April 2020, the day or the morning before the start of the OECD-ICGLR-UNGOE Forum on
Responsible Minerals Supply Chains.
The PPA Governance Committee and Projects and Resources Work Group will review this summary to consider actions which are in scope for further PPA action, such as for continued engagement during the 2019 delegation or other convenings, research, grant making, or other PPA-led work.

**ATTACHMENTS**

- Website links to ICGLR artisanal gold strategy ([English](#) | [French](#))
- Sofala/BetterChain Report on Financial Institution Roles and Barriers for the ASM Sector
- Sofala/BetterChain Slides
- ICGLR Remarks on Updates to Regional Certification Mechanism
- PPA Update Slides
- Links to PPA Request for Information ([English](#) | [French](#)) – open through May 31
- Participant List
Alignment Session

Final Participant List

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Pact

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IPIS

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MKS PAMP GROUP

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Lisa Zschunke
GIZ
Report

The barriers to financial access for the responsible minerals trade in the Great Lakes Region

Prepared for

Public-Private Alliance for Responsible Minerals Trade
## Agenda

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<td>▪ Financial flows through the legal and illegal ASM gold supply chains</td>
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<td><strong>PART TWO: The barriers to financial access</strong></td>
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<td>▪ Key sectoral issues</td>
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<td>▪ Key barriers to finance: Local versus global banks</td>
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<td>▪ The upstream due diligence funding challenge</td>
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<td>▪ Key findings: Barriers to ASM financial access</td>
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<td>▪ Summary of X6 options for interventions designed to unblock access to finance for ASM</td>
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<td><strong>PART THREE: Stakeholder engagement</strong></td>
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<td>▪ Key messaging and advocacy recommendations</td>
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<td>▪ Prioritising areas of intervention</td>
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<td><strong>Annexes</strong></td>
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ANALYSIS
The barriers to financial access
**Key sectoral issues (I)**

**Gold sector**

1. Pervasive association between ASGM and money laundering:
   - Gold is not just a commodity but also a store of value, and is used extensively as a currency/medium of exchange
   - Challenges to create a bifurcated market with a premium price for legal gold, as the market price for smuggled gold will always be buoyant owing to demand from money launderers

**3T sector**

2. A key ‘market system’ challenge preventing access to finance is that the entire 3T sector in the DRC is sub-scale
   - Production in DRC of 3Ts is significantly lower than for commodities such as copper and cobalt in volume terms, and is much more fragmented.
   - For banks, the sub-scale/fragmented nature of the sector means that better risk-adjusted financial returns are always available elsewhere, there is little incentive to understand the ASM sector and to train loan officers to lend to 3T operators.
   - Exposure to global price volatility in the 3T sector acts as a further disincentive to local bank lending (price fluctuations make it hard to gauge risk.)
### Key sectoral issues (II)

**Specific to ASM**

| 3 | Unblocking access to finance for legal, conflict-free ASM is about much more than solving financing bottlenecks; barriers to formalisation must be addressed to enable access to credit from financial institutions.  
|---|---
|   | The disincentives for DRC’s artisanal operators to enter the formal sector rather than remaining in the informal sector  
|   | The DRC market is systematically undermined by regulatory arbitrage, whereby Rwandan, Ugandan, Burundian and Zambian firms can pay more for minerals as their operating costs are lower than their Congolese competitors |

| 4 | High-risk status of upstream operators hinders financial access  
|---|---
|   | ASM sector is dominated by the presence of numerous small entities that lack formalised management and governance structures, and do not have demonstrable financial track records  
|   | This absence of formalized operators makes it almost impossible for banks to lend  
|   | For the ASGM sector, the small quantity of legally exported product impedes the potential financial return available |

| 5 | At present, no local financial institutions or MFIs/DFIs provide finance to ASM in the DRC on a sustainable or scalable basis  
|---|---
|   | Stimulating direct lending by local banks to artisanal operators is likely to require extensive technical assistance, grant funding and a ‘blended finance’ approach, as banks would otherwise view it as too high risk.  
|   | DFIs and MFIs are highly sensitive to reputational risk and will not commit to investments unless they meet IFC Performance Standards (no artisanal operator in DRC can meet these standards) |
Key barriers to finance: Local versus global banks

For both local and global banks, the poor ratio between financial risk and return represents the greatest obstacle to engagement in the ASM sector.

“Including ASM activities into a business has a [negative] impact on the capital costs”

Risk sensitivity varies for different financial stakeholders

- Cost- and profit-driven;
- Focused on profitability and PAR criteria;
- Less concerned by reputation issues

- Primarily focused on commercial objectives but reputational concerns would place restrictions around DFI-backed lines of credit

- Decisions are influenced by a combination profitability, reputational risk and compliance risk concerns

- Decisions are driven by reputational risk concerns (all investment must meet full IFC Performance Standards)
# Key findings: Barriers to ASM financial access (I)

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<th>High level challenges.....</th>
<th>....and potential solutions</th>
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<td><strong>Financial institutions (local banks, global banks, DFIs)</strong></td>
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<tr>
<td>▪ Conservative lending culture</td>
<td>▪ Just as a globally-recognised certification benchmark for responsible ASM supply is needed, so industry-wide agreement on flexible, ASM-specific interpretations of collateral is required.</td>
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<td>▪ Work toward a performance-based approach for lending money</td>
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<td>▪ Lack of internal capacity to measure the risk related to ASM sector</td>
<td>▪ Strengthen the capacity of local banks and global banks on RMT due diligence processes, and on how the ASM sector functions</td>
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<td>▪ Current transaction due diligence processes at banks are binary and lead to ‘default disengagement’</td>
<td>▪ Cross-recognition, harmonisation and globally-recognised linkages between upstream due diligence programs and financial sector transaction DD processes are required.</td>
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<td><strong>3TG ASM sector</strong></td>
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<td>▪ Lack of formalized, organized and legal upstream structures</td>
<td>▪ Work toward the formalization of the ASM sector</td>
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<td>▪ There is a widely held negative perception among DFIs and banks that ASM is high risk and is not commercially viable.</td>
<td>▪ An awareness-raising and positive marketing campaign around the benefits, and importance to local economies, of ASM is required</td>
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# Key findings: Barriers to ASM financial access (II)

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<tr>
<th>High level challenges....</th>
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<td><strong>Upstream RMT due diligence</strong></td>
<td><strong>A multi-stakeholder platform approach involving global industry, finance and governments is required; and dialogue between banks and supply chain participants needs to be proactively fostered.</strong></td>
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<td>- Upstream due diligence programs focus on access to markets, not access to finance</td>
<td>- Cross-recognition, harmonisation and globally-recognised linkages between upstream due diligence programs and financial sector transaction due diligence processes is required.</td>
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<td>- Current transaction due diligence processes and supplier screening at refiners is binary and lead to ‘default disengagement’</td>
<td>- Promotion of progressive risk mitigation approaches at the refiner level is needed.</td>
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| - There is a lack of compliant upstream actors: The burden of due diligence costs on miner communities creates an incentive to remain in the illegal/shadow economy | - There is a need to increasing the value generated from the formal trade of minerals through:  
  - *More efficient supply chains, involving fewer intermediaries*  
  - *Minimised due diligence costs, which can be achieved by leveraging and empowering local stakeholders and by promoting due diligence cost sharing / optimisation among supply chain participants.*  
  - Increase miners’ productivity by creating incentives for investment in appropriate equipment for ASM miners involved in responsible supply chains.  
  - Unlocking value from due diligence information as a value proposition for buyers/downstream players. |
## Options to improve access to finance in 3TG

**KEY:**
- **Challenging**
- **Intermediate**
- **Promising**

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<th>Summary assessment</th>
<th>Measurable improvement to ASM financial access</th>
<th>Tackles perverse incentives of the smuggling/shadow economy</th>
<th>Likely to win support from DFI/MFI/NGO backers</th>
<th>Market-based solution, financially sustainable</th>
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### Option 1
Establish a financing facility within a bank or fund to provide ASM sector loans

### Option 2
Financing facility to support mining firms that integrate ASM suppliers

### Option 3
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Create stand-alone impact fund to lend to artisanal operators in 3TG

### Option 6
Challenge fund for innovative and scalable solutions to ASM financing
Remarks by Ambassador Ambeyi Ligabo

PPA Alignment Session

OECD Headquarters, Paris – FRANCE
Thursday 23rd April 2019
In the 2018 alignment session, consultants to the ICGLR sought input from participants on revisions to the ICGLR Regional Certification Mechanism (RCM). This year, the ICGLR shares an update on the outcomes of the stakeholder consultation process and plans for adopting the next iteration of the RCM manual.

1. First of all, we want to thank all downstream and upstream stakeholders who participated in one way or another in the revision process of the RCM by providing your feedback on specific sections or versions of the RCM as well as general views on the RCM.

2. As you may be aware, the last year’s PPA Alignment Meeting was dedicated to the review process of the RCM, and 3 consultative sessions for governments, industry and civil society were organized in the margins of the 2018 OECD Forum. Their comments have been very useful and were incorporated in draft version 1 of the draft revised Manual.

3. From July to October 2018, several consultation activities particularly meetings for in-region stakeholders and the public online commenting exercise were carried out. The outcome was version 2 of the draft revised Manual.

4. Upon presentation of the report on RCM revision process to the 5th Meeting of Ministers in charge of Mines held in December 2018 in Brazzaville, Republic of Congo, it was decided that further consultations be conducted in all 12 Member States.

5. Consequently, a consultation campaign was carried out in all 12 Member states involving governments, industry and sometimes civil society was carried out in all 12 Member States from 27th February to 29th March 2019.

6. The consulting team is integrating the views from Member States into the version 2; the outcome will be version 3 of the draft revised Manual.

7. However, while the process of bringing out Version 3 is still ongoing, the following are some major proposals from Member States.

   a. To introduce the Blue status for new established businesses or uninspected mine sites and unaudited exporters for a fixed period of time (3 years for mine sites and 1 year for exporters) while
undertaking risk assessments by exporters whose reports are to be made public and shared with respective governments and ICGLR Secretariat;

b. Introduce a Licensing Programme for Chain of Custody Systems to strengthen oversight of governments over the systems;

c. Introduce governments managed CoC systems or allow multiple third party CoC.

d. Remove progress criteria from mine site inspection and third party audit criteria. The RCM should only focus on status criteria that are related to conflicts and human rights.

e. Decrease the frequency of third party audits from 1 audit per year to 1 audit per 3 years.

f. Increase term of office of Audit Committee members from 2 to 3 years renewable once.

g. Repeal the OMCO or IMCA component while strengthening the ICGLR Audit Committee and Technical Unit to share the role of the IMCA.

8. Next steps:

a. Finalisation of 3rd version of the draft revised Manual, a technical meeting between ICGLR and GIZ experts and the consulting team is scheduled from 6th to 8th May 2019 in Bujumbura, Burundi;

b. Submission of the final 3rd version of the draft revised Manual to the 14th meeting of the audit Committee in June 2019 for further review; and

c. Presentation of the final 4th version of the draft revised Manual to the 19th Regional Committee meeting for consideration in June/July.

d. Subsequent endorsement of the adopted 2nd Edition of the RCM Manual by higher ICGLR regional organs, i.e. Ministers and Heads of State and Government.
Milestones

- **$2M+**: total private sector contributions to on-the-ground activity:
- **$35M+**: parallel funding by USAID
- **11**: sessions bringing together ICGLR, member states, due diligence systems, supply chain actors, and civil society
- **41**: member organizations
Planning for Results

GOAL STATEMENT:
Ensure that tin, tantalum, tungsten, and gold (3TG) minerals used in global supply chains do not directly or indirectly finance armed conflict and contribute to minerals-associated human rights abuses in the Great Lakes Region (GLR).

PPA OBJECTIVE:
Establishment (G) and scale-up (3TG) of efficient, impactful, and effective minerals due diligence and governance systems in the GLR to promote economically sound and ethical global supply chains.

OUTCOME 1
Increased alignment of industry operations and governance mechanisms to the OECD Guidance and ICGLR framework, to enhance efficiency of due diligence and related governance systems.

OUTCOME 2
Collection and socialization of high-quality independent data to identify key barriers to impactful due diligence and to measure progress (toward the goal statement).

OUTCOME 3
Testing and analysis of solutions to key barriers that are obstructing the establishment and effective performance and governance of due diligence systems.
PPA Phase II: Planned Outcomes

OUTCOME 1
Increased alignment of industry operations and governance mechanisms to the OECD Guidance and ICGLR framework, to enhance efficiency of due diligence and related governance systems.

OUTCOME 2
Collection and socialization of high-quality independent data to identify key barriers to impactful due diligence and to measure progress (toward the goal statement).

OUTCOME 3
Testing and analysis of solutions to key barriers that are obstructing the establishment and effective performance and governance of due diligence systems.

Sub-outcome 1.1
Alignment gaps are identified and addressed through tools or responses designed in partnership with systems and stakeholders

Sub-outcome 1.2
Improved knowledge and information sharing among GLR systems

Sub-outcome 1.3
Increased engagement with ICGLR Member States

Sub-outcome 2.1
Improved access to existing data to bolster due diligence, monitoring incident response, and reporting

Sub-outcome 2.2
Improved information on the impacts of due diligence to improve public and private action

Sub-outcome 3.1
Identification of key upstream barriers to effective due diligence systems and responsible minerals sourcing and sustainability identified

Sub-outcome 3.2
Strategies to address barriers to effective due diligence systems and responsible minerals sourcing are disseminated

Sub-outcome 3.3
PPA members’ and partners’ influence, expertise, and resources leveraged to address barriers
### 2018-2020 Activities

#### Sub-outcome 1.1
Alignment gaps are identified and addressed through tools or responses designed in partnership with systems and stakeholders.

#### Sub-outcome 1.2
- **Annual alignment meeting** with PPA GC, ICGLR, member state representatives, and in-region due diligence systems alongside OECD Forum on Responsible Mineral Supply Chains. Discussion to highlight key information or coordination gaps, and opportunities for PPA engagement to support shared alignment objectives (April 2019, +)
- PPA + partner **delegation to the region** to meet with local government actors and civil society organizations to share unified messages in support of responsible minerals trade and follow up on commitments made at April meeting. (tentatively, summer 2019)

#### Sub-outcome 1.3
Increased engagement with ICGLR Member States.

#### Sub-outcome 2.1
- **Improved access to existing data** to bolster due diligence, monitoring incident response, and reporting.

#### Sub-outcome 2.2
- **Improved information on the impacts of due diligence** to improve public and private action.

#### Sub-outcome 3.1
- Identification of key upstream barriers to effective due diligence systems and responsible minerals sourcing and sustainability identified.
- Strategies to address barriers to effective due diligence systems and responsible minerals sourcing are disseminated.

#### Sub-outcome 3.2
PPA members’ and partners’ influence, expertise, and resources leveraged to address barriers.

#### Sub-outcome 3.3
PPA members’ and partners’ influence, expertise, and resources leveraged to address barriers.

#### Alignment Activities
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#### PPA Webinar Series
Webinars for members on topics promoting understanding of conditions and trends on the ground, and new tools and resources to support due diligence.

#### Barrier Identification Activities
- Research on the roles and barriers to financial institutions in promoting responsible minerals trade from conflict-affected and high-risk areas.

#### Small Grant Series
Issuing a series of small grants focusing on capacity building as a mechanism to support in-region organizations in the Great Lakes Region whose work advances the objectives of the PPA.

#### Strategy Dissemination
Development and testing of a finance product(s) to support legitimate 3TG artisanal and small-scale mining in the Great Lakes Region.
Member Webinar Series

- In-region case studies, challenges, impacts and experiences from in-region organizations, and opportunities
- Webinars for PPA Grantees to present their work after the grant is complete, and/or to follow up on the progress of previous PPA Grantees
- Department of Labor’s (DOL) List of Goods Produced by Child Labor or Forced Labor; other DOL resources
Financial Institutions

Executive summary

The barriers to financial access for the responsible minerals trade in the GLR

Client

Focus

Great Lakes Region (GLR)

APRIL 2019

Sofala Partners Limited
www.sofalapartners.com | info@sofalapartners.com

ID Barriers & Strategies
Sub-outcomes 3.1 and 3.3
## Improving Access to Finance

### Strategies to Address Barriers
Sub-outcome 3.3

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option 1</td>
<td>Establish a financing facility within a bank or fund to provide ASM sector loans</td>
</tr>
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</table>

**KEY:**
- **Challenging**
- **Intermediate**
- **Promising**
Request for information on key needs related to:

- Empowering miners/communities against illegal/fraudulent taxation
- Child labor issues/livelihoods for young adults
- Capacity of government agents relating to due diligence
- Risk and incident reporting
- Women’s empowerment
- NGO technical/management skills
- Gaps in financial mgmt./savings/access for those in trade
- Occupational health and safety
- Formalization and organization

EN: https://forms.gle/SUJ9fLSdaJv5sFJ1A | FR: https://forms.gle/fsgxb6DgFoa3j1en9
PPA Alignment sessions have become a go-to forum for highlighting and identifying a path forward for technical and policy coordination gaps

- 11th Session: April 2019

- In-Region Delegation: ~September 2019
Contact Info for the PPA

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