

# PPA Contributions to Responsible Minerals Trade

*Since 2011, the PPA has established itself as a unique and important platform for bolstering progress on responsible sourcing from the Great Lakes Region (GLR) of Africa through:*

- » Funding five in-region projects to promote the development of tools, and civil society and public capacity to enable responsible development and trade of artisanal minerals;
- » Complementing and informing government efforts to promote a responsible minerals trade;
- » Convening and facilitating tough and timely discussions among key regional and international leaders and stakeholders including ICGLR, regional governments, and international and regional business and civil society organizations; and
- » Exploring the role of finance and financial institutions in expanding responsible minerals trade from the GLR.

## MEMBERS

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Acer  
Africa Faith & Justice Network  
Alliance for Responsible Mining  
Amazon  
Apple  
Assent Compliance  
Boeing  
Colorado School of Mines  
Dell  
Ford Motor Company  
German Corporation for International Cooperation (GIZ)  
Global Advanced Metals  
Global Communities  
Global Witness  
Google  
Heartland Alliance  
HP Inc.  
IMPACT  
Intel  
International Conference of the Great Lakes Region  
International Peace Information Service  
ITSCI Programme  
KEMET Corporation, a Yageo company  
LG Electronics  
Microsoft  
Nokia  
NVIDIA  
Pact  
PAMP  
RESOLVE  
Responsible Minerals Initiative  
Responsible Sourcing Network  
Save Act Mine  
Signet Jewelers  
Solidaridad  
Sony  
Telefonica  
The Sentry  
University of Delaware's Minerals, Materials and Society Program  
U.S. Agency for International Development  
U.S. Department of Labor  
U.S. Department of State  
Verizon



# SELECTED OUTCOMES

## 2011 - 2021

### **Convened regional and international stakeholders to promote alignment and coordination.**

Brought together ICGLR, member states, due diligence systems, supply chain actors, and civil society in 9 sessions to highlight and identify a path forward for technical and policy coordination gaps

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### **Grants to Congolese organizations to mitigate human rights impacts.**

Supporting learning about the link between women's leadership, reintegration following sexual violence, and economic inclusion - and the long-term vision of a more responsible minerals economy with less risk of serious human rights abuses

### **First to engage on GLR artisanal gold.**

PPA's early grant directly contributed to first due diligence system for artisanal gold in the GLR

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### **Breaking links between military and minerals trade.**

Funding programming to encourage demilitarization of mine sites and minerals trade including breaking links between the military and illicit minerals

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### **Established ombuds office for responsible minerals.**

Supported launch and co-funded first year of office to support implementation and credibility of the Regional Certification Mechanism for conflict-free minerals

### **Addressing key financial barriers to responsible minerals trade.**

Commissioned research on the potential roles and existing barriers to financial institutions in promoting responsible minerals trade; and piloting approaches to expand access to finance for 3TG ASM miners

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### **Tested tools and models for enhanced upstream due diligence and reporting.**

Made grants to test models for collecting and disseminating due diligence data. Supported civil society training and mechanisms to monitor and report fraud and smuggling

### **CONTACT**

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**SINCE ITS LAUNCH IN 2011**, the united voice and action of the PPA as a coalition of companies, civil society organizations, and governments has enabled members to directly effect on-the-ground change at a much larger scale than any one member could achieve alone. In the past ten years, the PPA has become a unique and vital platform for bolstering progress on responsible sourcing from the GLR in several ways.

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## FIRST ACTION ON ARTISANAL GOLD IN GLR

In 2012, the PPA was the first funder of what is now recognized as one of the biggest challenges in responsible minerals trade in the region: artisanal gold. The project and the PPA's engagement raised this critical need to the attention of other donors and the international community. With PPA funding, IMPACT's early attempt to establish a conflict-free artisanal gold supply chain:

- » Directly contributed to the development of the first due diligence system for artisanal gold in the GLR;
- » Identified and tested possible interventions to break the cycle of conflict financing;
- » Yielded valuable insights into the dynamics, practices, and incentives for upstream actors within the artisanal gold trade in DRC.

## FACILITATING ALIGNMENT OF IN-REGION ACTORS AND SYSTEMS

The PPA convenes regular "alignment meetings" among ICGLR member states, due diligence system operators, supply chain actors, and civil society. **These meetings have become a go-to forum for highlighting and identifying a path forward for technical and policy coordination gaps**, as well as a mechanism for information sharing and follow-up on cross-sector commitments. A 2019 PPA member delegation to DRC and Rwanda also furthered these objectives.

## EXPLORING THE ROLE OF FINANCE AND FINANCIAL INSTITUTIONS

The PPA commissioned Sofala Partners and Betterchain to conduct research on the roles of and barriers to financial institutions in engaging in responsible minerals trade from conflict-affected and high-risk areas. Their findings were based on interviews with over 50 organizations working in either or both of the responsible minerals and financial sectors, as well as a desk-based public records search. The executive summary, full report, and webinar appear on the PPA website; research includes the following:

- » Issues and maps of financial flows in the tin, tantalum, and tungsten (3T) and gold (G) sectors;
- » Barriers to financial access, including identification of key issues in the Congolese banking sector, perceptions of artisanal and small-scale mining (ASM) in the financial sector, and a gap to link upstream due diligence to financial access; and
- » Potential design concepts aimed at overcoming ASM access to finance, along with the relative feasibility of each option.

Subsequent to this research, the PPA contracted Trust Merchant Bank (TMB, one of the largest commercial banks operating in DRC) to conduct a pilot to expand the ability of legitimate actors in the ASM sector to access legal finance. TMB's activities launched in October 2020. Please see the PPA website for more.

## TESTING MODELS TO SCALE UP COLLECTION AND DISSEMINATION OF DUE DILIGENCE INFORMATION

Under its 2016–2017 grant from the PPA, IPIS has tested a geography-focused<sup>1</sup> and primarily SMS-cloud based system to collect, assimilate, and disseminate due diligence information on gold production and trade in and around Mambasa, a major artisanal gold hub in eastern DRC. The **system** provides a variety of stakeholders with access to useful data on gold production, flows, pricing, and security in support of sector transparency good governance and responsible sourcing.

In addition to increasing local capacity of civil society and state services near Mambasa, the data system had other objectives including the following:

- » Facilitating OECD due diligence on artisanal gold at and between mines and trading hubs;
- » Supporting the identification of ASGM responsible sourcing opportunities;
- » Providing information on gold flows and pricing to support improved design of responsible sourcing programs; and
- » Providing insight and lessons to enable successful replication of the model in other major trade hubs.

## BREAKING LINKS BETWEEN THE MILITARY AND ILLICIT MINERALS

**A grant to COSOC in 2017 built awareness of the importance of demilitarization of mine sites.**

COSOC's work included direct workshops and a radio campaign targeting members of the Armed Forces of the Democratic Republic of Congo (FARDC), civil society, and citizens in critical sectors of South Kivu — one of DRC's most conflicted-affected provinces. In workshops with the FARDC, COSOC educated soldiers on the consequences of military presence in mine sites; the appropriate role of the military in supporting responsible mining; and strategies and mechanisms for raising awareness among their peers and reporting illegal behaviors. COSOC's radio programming included journalist-mediated roundtable discussions by civil society, government, and FARDC members on conflict-minerals issues; a series of radio reports by trained journalists to communicate first-hand information ranging from activities by local surveillance and monitoring committees, to perspectives from miners and traders, to common smuggling routes; recorded educational and humorous skits; and commercials summarizing key messages.

## REPORTING SUSPECTED SMUGGLING AND FRAUD

With its 2014–2015 grant from the PPA, Congolese NGO **Save Act Mine** **operated a telephone hotline to receive reports of suspected fraud and smuggling of tin, tantalum, tungsten, and gold in the Kivus.** 65 cases of suspected illicit activity were passed on to relevant authorities, including agencies responsible for regulating the exploitation and marketing of minerals, mining administration, border police, customs services, and supply chain systems.

## EDUCATING UPSTREAM ACTORS ABOUT DUE DILIGENCE

**In 2014, the PPA provided funding to Save Act Mine to develop a graphic manual** (available in **French, Swahili, and Lingala**) **to educate upstream actors on the importance of due diligence.** 1,000 hard copies were distributed to miners, traders, and civil society across five provinces in Eastern DRC. The printable manual is available online for use and distribution by other organizations.

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<sup>1</sup> Over 50% of gold trade in Eastern DRC flows through the 15 largest upstream trading centers. Analysis of interactive map of artisanal mining areas in Eastern DR Congo: May 2014 update, IPIS, May 2014.

## BUILDING CIVIL SOCIETY CAPACITY

From 2012–2014, the PPA grant enabled Congolese NGO CENADEP to **provide capacity building trainings to over 75 facilitators from monitoring committees and 40 civil society representatives in South Kivu**. The training curriculum included essential information on mineral traceability and certification issues in the region; international, regional, and national standards relating to due diligence in 3TG supply chains in the GLR; and the operation of the ICGLR Whistle-Blowing Mechanism. Workshops also offered skill-building, covering techniques for collecting, managing and disseminating information on artisanal mining; strategies for networking and partnership building; and strategies for internal and external communication. These workshops also provided the opportunity for civil society actors to share information on progress and obstacles to legal trade of artisanal minerals in 7 of the 8 territories in South Kivu.

## UNDERSTANDING IMPACTS TO INFORM FUTURE INTERVENTIONS

In 2015, the PPA **supported documentation of the impacts** that responsible sourcing efforts are having through an independent assessment of three direct sourcing pilots in the DRC. Such documentation is critical for advancing the message that “conflict free doesn’t mean Congo-free.”

The PPA also reflects at the completion of each grant to discuss lessons, good practices, and adjustments to incorporate into future interventions and grant priorities.

## ADVANCING US GOVERNMENT PARTNERSHIP AND ENGAGEMENT

PPA briefings and engagement with former Special Envoy Tom Perriello, former Special Envoy Russ Feingold, and other U.S. Department of State officials have led directly to high-level diplomatic efforts urging heads of ICGLR member states to support implementation of the Regional Certification Mechanism and alignment of in-region programs and initiatives. Congressional briefings over the past seven years have also helped raise the profile of PPA member priorities perspectives on progress and challenges.

**In remarks before the United Nations, former U.S. Ambassador to the UN Samantha Power recognized the PPA as an important demonstration of the U.S.’ commitment to institution-building and stability in the Great Lakes Region.**

## MAXIMIZING MEMBER IMPACT AND CAPACITY

The PPA draws from the experience, expertise, and contributions of supply chain actors, governments, and civil society organizations, and *each sector benefits from this tripartite engagement*. Members have reflected finding particular value from the following:

- » The PPA has created a trusted community of peers where members can share and discuss challenges and work together to build mutual and durable solutions.
- » The PPA provides members with an opportunity to play a leadership role in building solutions to conflict-free trade in the GLR and to directly impact in-region activities.
- » The PPA serves as a vetted, safe, and efficient channel for organizations seeking to provide funding to spur development of conflict-free sourcing in the GLR. Leveraging joint funding also allows individual donors to maximize the impact of their contributions.
- » The PPA serves as a forum for alignment, coordination, and harmonization of various sector-specific initiatives.