

European Public-Private Partnership (PPP) for Responsible Mineral Sourcing

The **European Public-Private Partnership for Responsible Minerals Sourcing** provides a platform for cooperation between EU governments, companies and civil society to address the issue of conflict minerals (3TG) and to enable their responsible sourcing.

The PPP will promote dialogue, cross-sector learning and support for the implementation of due diligence mechanisms along the entire chain, with special attention to SMEs. EU governments and private actors will contribute financially to a shared programme that will fund interventions that foster responsible mineral sourcing from conflict-affected regions.

Why we need to act on responsible mineral sourcing

Access to minerals is of crucial importance to European companies and costumers. Minerals such as tin, tantalum, tungsten and gold (3TG) have a range of applications in important technical sectors, including ICT, automobiles, health care, electronic devices, semiconductors, aerospace, defence and telecommunications. A number of regions that are endowed with these minerals, for example the Great Lakes Region (GLR) and Colombia, are experiencing prolonged violent conflicts and severe human rights abuses. International trade in minerals can play a significant role in financing and perpetuating violence and human rights violations in conflict regions. It is therefore imperative to break the link between mineral extraction and conflict.

Mineral sourcing and international trade can be powerful tools for stability and socioeconomic development when tackled responsibly. Responsible sourcing also contributes to the quality and stability of supply for European companies.

The Netherlands has extensive experience with public-private partnerships, e.g. the Conflict Free Tin Initiative (CFTI).¹ The view that public and private actors share a major responsibility and a common objective is our starting point in setting up the **European Public-Private Partnership for Responsible Minerals Sourcing**.

Making a difference together / Key targets EU perspective and mineral country perspective

Responsible, conflict-free mineral supply chains require cooperation from sourcing to the assembly of end products. The OECD Due Diligence Guidelines are a key point of departure, but further multi-stakeholder dialogue and cooperation are required to successfully implement them. The proposed PPP will fulfil an important role in facilitating information-sharing and learning, both along the supply chain and across different sectors that make use of 3TG. Large downstream companies rely on the entire chain to meet their responsibility, but can play an important role in educating and supporting SME suppliers.

In order to support responsible sourcing of 3TG from conflict-affected areas, this Partnership provides a crucial opportunity for further coordination of existing schemes and initiatives that have been previously initiated by governments and trade associations. A shared commitment by public and private actors brings together the network, knowledge and financial resources that will help to make these initiatives successful and financially sustainable. Close cooperation between different actors sends a strong message along supply chains, reaching both producing regions and users of end products. The partnership can take the lead in activities that make mineral sourcing and trade effective in enhancing stability and promoting development in vulnerable areas.

¹ <http://solutions-network.org/site-cfti/>

What is needed? Who should contribute?

- We encourage EU Member States and EU institutions to provide financial contributions to help launch the fund. The Public-Private Partnership will provide an important tool for donor coordination. A founding coalition will provide input on the governance structure and the focus of the activities. Governments will play a facilitating role by bringing private actors and civil society on board.
- Private companies, trade associations and foundations that are willing to contribute to responsible, conflict-free supply chains can share information and provide yearly financial contributions to the Partnership. A tiered system of contributions will keep the PPP accessible to a wide range of participants.
- Civil society organisations can provide important resources in the form of knowledge and networks.

What will the partnership do? Why contribute?

The role of the Public-Private Partnership will be twofold:

- I. Multi-stakeholder dialogue, information-sharing, collective learning, education to help actors along the supply chain (notably SMEs) enhance their due diligence, and active cooperation with OECD and other training schemes
- II. Support for initiatives that foster responsible sourcing from conflict-affected areas

The supervisory board will select specific activities to focus on, including but not limited to: support in developing monitoring, certification and traceability activities, formalisation of the local sector, capacity building, impact assessments, and forensic capacity building to eliminate criminal networks involved in smuggling from the supply chain. The knowledge of civil society organisations and market demand from European companies can provide crucial support in making activities sustainable.

- The Public-Private Partnership will have a global reach. However, an initial focus on 3TG from the Great Lakes region can be expected. The nature of the PPP will allow its stakeholders to address new issues, so that it can shift its focus over time if deemed necessary by stakeholders and approved by the board.

Complementing, not competing

- The Public-Private Alliance for Responsible Minerals Trade (PPA), which was established following the enactment of section 1502 of the 2010 Dodd-Frank Act, is a source of inspiration for this initiative. The example of the PPA demonstrates that it is possible to set up a tripartite partnership between government, business and civil society to fund suitable projects. The PPP, as the PPA's European counterpart, will seek close collaboration with it.
- The Partnership will provide an excellent way to back up the EC's proposed due diligence legislation with concrete action by both public and private actors in Europe. The Commission, European Parliament and Member States noted the need for such initiatives in the draft Regulation and ensuing discussions. However, the Partnership's establishment is not contingent on the outcome of the current discussions.

Plan of action

The Netherlands is currently reaching out to EU Member States and institutions, companies and civil society to obtain commitments to a shared platform and joint plan of action. Interested parties can participate in the reference group for a scoping study that will explore possible activities to be carried out by the PPP. The first results of this study are expected to come back at the beginning of May. On May 12, 2016, the launch of the PPP will jointly be announced by the Dutch and German Ministers of Development Cooperation during the European ministerial council for development. After the launch, the focus will be on further setting up the PPP and on starting a local pilot project.

Timetable

The aim is to announce the launch of the PPP on May 12, 2016, during the European ministerial council for the Ministers of Development Cooperation

- March – Beginning of May: Execution of the scoping study and presentation of first results
- March – beginning of May: Thinking about the Partnership's administrative structure, preparing launch on May 12
- May 12 – after: Setting up the PPP and starting with pilot project

Contact

The Dutch Ministry of Foreign Affairs is eager to receive your feedback. To request more information, ask questions or make comments, please contact:

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