



EPRM

Quick Scan form

IMPORTANT

Because the quick scan will be used to assess the eligibility of the final formal application, it is important that the information provided in the quick scan is as accurate and complete as possible. It might be the case that you will be unable to answer all of the questions at this stage. If so, this will not prevent you from receiving advice from our EPRM-advisors. Please be aware that the earlier the quick scan is received by the EPRM Secretariat (RVO.nl), the more time there will be for your organization to take into account the advice received and prepare the formal application.

NOTIFIATION

In case you have specific questions about your quick scan or want to discuss your preliminary ideas in person, the EPRM Secretariat is able to advice your during the quick scan phase. Please note that this is only possible during the quick scan phase and not after submitting your full proposal.

LEAD APPLICANT

Name organization	5.1.2.e
Type organization	NGO/company/(semi-)public institution/knowledge institution/other (please delete the not applicable)
Name contact person	5.1.2.e
Email	5.1.2.e
Telephone number	5.1.2.e
Envisioned grant size in Euro's	€380,000

(Envisioned) PARTNERS

In case the partnership is not yet finalized, please indicate which type of partners you are trying to find and how you will do so.

Name organization	Type organization, choose between: NGO/company/(semi)public institution/ knowledge institution/other	Name contact person
Gemi S.A.S.	Advisory Company	5.1.2.e
Agrominera El Desquite S.A.S.	Company	5.1.2.e
Agrominera La Esperanza S.A.S.	Company	5.1.2.e 5.1.2.e
Nélson Montecino Ruíz	Other	5.1.2.e
Aral Consultores y Asesores	Advisory Company	5.1.2.e

Provide a short description of the 'core business' of the (envisioned) project partners, including the experience of each partner on the subject of conflict minerals and supply chain due diligence. If the partnership is not yet finalized, please indicate which type of partners and experience are still needed.

Project partners and experience:

- 5.1.2.e : (5.1.1.c), owner of the land to which the right pertains and project leader) Entrepreneur in sectors including agriculture, construction and mining for more than 50 years. Knowledgeable about the Bajo Cauca region (for more than 50 years) with a strong sense of social responsibility.
- Gemi S.A.S: (Technical advice in mining production) Company providing engineering, geological, mining, geotechnical and environmental services, founded in 1991, with extensive experience in the mining

<p>sector.</p> <ul style="list-style-type: none"> - Aral Consultores y Asesores: (Legal, Environmental and Mining Advice) Legal consultancy firm founded in 2006, with sound experience of the sector and recognition and experience in the Environmental sector. - Agrominera El Desquite: (Gold Mining) Group of artisanal miners with more than 15 years in the region. - Agrominera La Esperanza: (Gold Mining) Group of artisanal miners with more than 15 years in the region. - 5.1.2.e : (Gold Mining) Artisanal miners' leader with more than 40 years in the region, of which 20 years have been spent in artisanal mining. <p>Key resources of the partners:</p> <ul style="list-style-type: none"> - Landownership: The main applicant owns the land on which the mining activity is carried out and this facilitates project development and the movement of miners to safe areas. - Mining Rights: The main applicant holds the mining concession for the project area, thereby facilitating the allocation of formalisation subcontracts. - Artisanal Miners involved: The people in the region who are carrying out mining activities are involved and are prepared to cooperate with the other project partners. - Experts in Mining and managing mining rights: The project partners include GEMI S.A.S., a company that has expertise in mining and managing mining rights with different authorities. - Experts in mining and environmental law: The project partners include ARAL Consultores y Asesores S.A.S., a legal practice with expertise in environmental and mining law.
<p><u>In which country are you planning to carry out the project (provide exact location if known)?</u></p> <p>The project will take place in Colombia, specifically in the Bajo Cauca, one of the most conflict-affected areas in the country. The exact location is Morropoto parish, Las Flores district, Nechí town, Antioquia-Colombia Department (8.114740, -74.766065) Google Maps coordinates)</p>
<p><u>On which 3TG mineral(s) does the project focus?</u></p> <p>Gold and its associates</p>
<p><u>Please provide a short project summary of no more than 300 words</u></p> <p>It is estimated that 80% of gold production in Colombia is illegal. The Department of Antioquia, as the main gold producer in the country, with 58% of all production, is no stranger to this phenomenon. The adverse effects of illegal mining on the environment, society and the economy are largely well known, and yet there are countless families who earn a living from artisanal mining and who depend on this activity to subsist. Specifically, a community of 150 families (approximately 600 men, women, children) lives in the town of Nechi, Antioquia, and depends on informal goldmining. These families have been living in very unsafe conditions in a conflict area with environmental, physical and public order risks and without any kind of amenities for more than 15 years. The authorities are stepping up their fight against illegal mining, and this region is now being targeted by raids seeking to put an end to these informal activities, which is threatening their economic livelihood.</p> <p>Our project consists of extracting and trading gold efficiently in a socially and environmentally responsible way, seeking to develop a sustainable business that can improve this community's living conditions, repair environmental damage and promote regional progress.</p> <p>The project can be broken down into 3 stages:</p> <ul style="list-style-type: none"> • Implement a mining programme to extract and trade gold efficiently, legally and sustainably for the community that lives around the mine. • Relocate the mining community's housing with a view to improving their quality of life, safety and well-being. • Design and implement productive and sustainable projects that complement mining activity, thereby generating sources of employment and development for the local community.

1. Project relevance

Briefly describe the problem that this project aims to solve and what the target groups and beneficiaries of the project are. Please explain the demands and needs that have been expressed by these groups. *(max. 300 words)*

The main objective is to benefit the community currently residing in the area of Morropoto and living from mining activity. We seek to increase the production capacity of the artisanal miners through technically and environmentally responsible methods, within a legal framework that allows them to access formal markets.

The communities currently living in the area and practising artisanal gold mining are very inefficient and use practices such as the use of mercury, which degrade the environment and put their lives at risk.

<p>The government is implementing strict controls on this type of activity, and consequently, these communities will not be able to continue working if they do not enter a formalisation programme. The communities do not have the technical knowledge nor resources needed to embark on a formalisation process, and consequently, their economic activity is in jeopardy. They are therefore at greater risk of succumbing to illegal activities or becoming actors in the conflict.</p> <p>This project will also benefit the holders of mining rights and landowners, as it allows gold exploitation to be carried out legally and includes the mining community in the production and profit chain.</p>
<p>Provide a brief explanation of the context in which the project will be operating. Thereby explaining why the region in which the activities take place can be considered a Conflict-Affected and High-Risk Area and elaborate on the conflict and high risk aspects related to mineral extraction. Also take into consideration the risks that may be hampering the implementation of the project and explain how the project will act upon these risks. <i>(max. 300 words)</i></p>
<p>The town of Nechí is located in the Bajo Cauca region of Antioquia which is an area of Colombia which has a number of public order problems, including drug trafficking, killings, forced displacement, feuds, lockdowns and confrontations between different armed groups such as the constant disputes between the Clan del Golfo (Gulf Clan) and the Autodefensas Gaitanistas de Colombia (AGC) (Gaitanista Self-Defence Forces of Colombia), the group that refers to itself as Los Caparros, the National Liberation Army (ELN) and dissident groups of the Revolutionary Armed Forces of Colombia (FARC).</p> <p>The dynamics of the armed groups show that more than 75% of the Nechí river has been contaminated by the bad practices of illegal mining, in which both the Rastrojos and the Paisas participated, between 2011 and 2015; and more recently the Caparros, the AGC and the ELN, increasing the risks for mining extraction in this area. (https://www.elespectador.com/colombia2020/pais/los-vaivenes-de-la-violencia-en-el-bajo-cauca-antioqueno-articulo-899192)</p> <p>Artisanal miners are currently at risk not only due to a lack of law and order, but also because of their living and working conditions. Currently, they live and move daily through improvised tunnels more than 20m deep, they use mercury to extract gold, which contaminates water sources, and do not have any security precautions whatsoever. Neither do they enjoy pensions or public healthcare.</p> <p>In general, we believe that the success of this project depends on three sustainability criteria: it should benefit society, the environment and be economically viable. Our project fulfils the purpose of benefiting all those involved in the chain and adding value for the region, by involving artisanal miners as key components of the chain, by using environmentally friendly methods and creating a profitable business.</p>
<p>What are the short and long term objectives of the project? Please reflect on how these objectives contribute to the overall goal of the EPRM: <i>increasing the ability of artisanal and small-scale mines to produce responsibly and/or increasing the amount of responsibly produced minerals and providing access to formal markets. Thereby indicate how the project supports promotion and implementation of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and/or supports the preparation of the target group for the coming into force of the EU Regulation on Conflict Minerals. (max 250 words)</i></p>
<p>Short-Term Objectives:</p> <p>To increase the productivity of the artisanal miners in Morroputo by using environmentally responsible technical procedures within a legal framework. This is possible because this project can already count on the availability of the mining community, the mining rights, the ownership of the land on which the project is located, technical advice from GEMI and legal advice from ARAL. Formalisation subcontracts will be used to organise groups of miners who, under the technical advice of our team, will become more efficient at extracting minerals from the mine. Then, the minerals will be extracted using an environmentally friendly extraction plant to ensure an efficient process. Finally, given that this type of exploitation is legal, it will be possible to trade the mineral on formal markets and access better prices.</p> <p>Long-Term Objectives:</p> <p>Relocate the housing of the inhabitants of Morroputo to a safe area with suitable housing conditions. Develop additional economic activities to include members of the community who do not participate in mining activity. For example, beekeeping, fish farming, goldsmithing, etc.</p> <p>This project seeks to improve the community's living conditions and offer job opportunities to prevent population displacement and participation in illegal activities and consequently contribute to resolving the conflict.</p>
<p>Also provide an indication of the activities that will be undertaken to achieve these goals. <i>(max. 250 words)</i></p>
<ol style="list-style-type: none"> 1. Raising awareness and communicating the project to the mining community. 2. Establishing work groups to allocate the formalisation subcontracts. These will be set up as small mining companies. 3. Applications for and allocation of formalisation subcontracts. 4. Environmental and technical studies. 5. Applications for operating licences.

<ol style="list-style-type: none"> 6. Assembling centralised plant to process the mining minerals. 7. Training and advice for the mining groups in safety, occupational health and good mining and environmental practices. 8. Technical and safety adjustments to the mining tunnels. 9. Auditing and support for mining operations. 10. Environmental restoration activities. 11. Studies and preparation of the site for the relocation of housing. 12. Relocation of housing. 13. Study of additional activities.
<p>Please describe how your project relates to other initiatives and actors in the field. What is the specific added value of this project? <i>(max. 250 words)</i></p>
<p>In Colombia, various governmental mining formalisation programmes exist to help people involved in mining to carry it out in a technical, efficient, safe and legal fashion. Nevertheless, the huge difficulties involved in executing these processes have impeded their success. The artisanal miners do not have the resources or the technical and legal knowledge to fulfil formalisation requirements, and there is not enough government assistance to help all those who want to embark on this process. The landowners do not want these activities to be carried out on their properties, as they cause trespassing and environmental degradation, and take action to evict the miners. The holders of the mining rights take action to evict the artisanal miners with a view to developing their industrial processes.</p> <p>This project adds value to traditional formalisation processes insofar as, at the initiative of the land and rights owner, the artisanal miners have been included in the mining project and not excluded as is usually the case. The inclusion of technical and legal partners means that the project has all the capacities needed to advise and support the formalisation of the artisanal miners and introduce technical support. This will improve their efficiency while respecting the environment and providing access to formal markets under better conditions.</p> <p>The development of this project will contribute to the well-being of more than 600 people who live in a conflict zone in risky conditions, insofar as responsible mining can become a source of income and development for the region.</p>

2. Project design and management

<p>Provide a short description of the allocation of the responsibilities between the envisioned partners in the implementation of the project. <i>(max. 250 words)</i></p>
<p>Project Leader: Responsible for coordinating and managing activities related to the mining project and keeping the mining rights up to date. Agrominera El Desquite S.A.S., Agrominera La Esperanza S.A.S. and 5.1.2.e (Formalised): Extraction and processing of minerals. Gemi S.A.S.: Technical coordination of the project, advice to miners, design of eco-friendly plant, technical and environmental studies. Aral Consultores: Responsible for Legal Assistance</p>
<p>Provide a short description of how this project is planning to involve different supply chain actors (i.e. upstream, midstream and downstream). <i>(max. 250 words)</i></p>
<p>The project seeks to extract and trade gold in a legal, socially and environmentally responsible manner. The supply chain starts with the artisanal miners who have previously grouped together in small agromining companies in order to formalise their activities. During this process, the project will offer the miners legal advice and support to help them fulfil all formalisation requirements. The miners will extract the minerals while observing technical and safety conditions through project advice and support. Later, these minerals will be processed in a centralised plant, free of mercury, without contaminating the environment and with much more efficiency than the current artisanal process. This means that the miners will be able to process 10 times more minerals than they do today and be more efficient in extracting gold at less cost and time and with better returns.</p> <p>Finally, the gold will be traded on a formal market with better prices and payment conditions. This system will improve the miners' income as it increases production capacity, reduces the time needed to recover the minerals and secures better prices for the extracted minerals.</p>
<p>Describe how the project seeks to create a link with the supply chain (e.g. creates market access, encourages due diligence or traceability mechanisms and how the project encourages fair cost sharing of supply chain due diligence between supply chain actors). <i>(max. 250 words)</i></p>
<p>The project is integrally linked to the supply chain, as it acts as a partner to the artisanal miners and offers technical advice and support both on mining processes and on the formalisation and trading of the</p>

purpose than the quick scan procedure.

- If you would like to receive more general information about the programme before filling out the quick scan, please consult our website: <https://europeanpartnership-responsibleminerals.eu/> or contact the EPRM Secretariat (RVO.nl) at EPRM@rvo.nl



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LEAD APPLICANT

Name organization	Pact Global (UK) CIO
Type organization	NGO
Name contact person	5.1.2.e
Email	5.1.2.e
Telephone number	5.1.2.e
Envisioned grant size in Euro's	€ 800.000

(Envisioned) PARTNERS

In case the partnership is not yet finalized, please indicate which type of partners you are trying to find and how you will do so.

Name organization	Type organization, choose between: <i>NGO/company/(semi)public institution/ knowledge institution/other</i>	Name contact person
Magma	Company	5.1.2.e CEO

Provide a short description of the 'core business' of the (envisioned) project partners, including the experience of each partner on the subject of conflict minerals and supply chain due diligence. If the partnership is not yet finalized, please indicate which type of partners and experience are still needed.

Pact is submitting this proposal in partnership with Magma: a Mauritania-based geotechnical services company. For the purposes of this EPRM proposal, Pact will be the Prime applicant, and will sub-contract services from Magma, so that Pact and Magma can work closely together to undertake the EPRM Project as proposed herein.

Pact

Pact is an international NGO with experience working on development of the Artisanal and Small-Scale Mining (ASM) sector in many countries, for more than 15 years. Our Mines to Market programme (M2M) supports development of the ASM sector through various means, but principally through market based approaches that deliver social and economic benefits, while minimising negative environmental and health impacts. In 2019 we directly supported the work of over 160,000 artisanal miners (105,000 men and 60,000 women). The M2M approach focuses on supporting positive incentives for improved practices.

Pact is a recognised leader in implementation of due-diligence in mineral supply chains: notably OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (i.e. the 'OECD Guidance'). Our ITSCI programme focused on 3T minerals in the African Great Lakes Region exemplifies our work in this domain. We have played an active role in developing the Code of Risk-mitigation for ASM engaging in Formal Trade (CRAFT), and we have developed materials to Pilot a CRAFT scheme in ASGM supply chains. Further, Pact is a founding member of the Voluntary Principles Association (VPA), responsible for developing the Voluntary Principles on Security and Human Rights (i.e. VPSHR). We have conducted numerous training on the VPSHR and we are a leading NGO on implementation of this important international guidance.

In the African region, most of our programmes are focused in Central and Southern Africa, and we are increasing our ASM (specifically ASGM) work in West Africa with recent work in Nigeria and Mali, and with active programme development in Mauritania, Sierra Leone, Liberia and Ghana. For example, in 2018-2019, we trained gold miners in Northern Nigeria and facilitated the installation and use of mercury-free processing equipment. In 2019 we conducted a field study in Mauritania, in which we surveyed ASGM processing sites and interviewed traders and blacksmiths (*forgerons*) in Chami, and forged a partnership with Magma and other groups, in Nouakchott.

Magma Group

Magma Group is a Maghreb-owned mine and geotechnical services contractor based and operating in Mauritania, Tunisia, and Morocco (Magreb). The company provides mine services, onshore, and marine geotechnical services for construction and mining sectors, as well as environmental and laboratory services. For more than a decade, Magma has serviced the region's emerging mining sector, providing mine and geotechnical investigation services, preparation and analysis of soil samples, engineering studies for infrastructure, topographic surveys, core and reverse circulation (RC) drilling, and other services. In addition, Magma Group has registered a mining company in Mauritania under the name 'Sandstone' and has the aspiration to be leaders in responsible ASGM, including by providing training services for the sector.

Magma's subsidiary IRC-Consultants will provide specialised training and consulting services for the Project. IRC is an international services firm that has provided engineering, research and training services in Mauritania for more than 15 years. They are leaders in Mauritania in the fields of construction, mining, energy, consultancy, as well as in the supply of engineering hardware and software and training for the management and practice of various technical trades. IRC conducts training and promotes technology transfers in partnership with the Université de Nouakchott, as well as foreign laboratories. IRC has worked with various clients and donors including the Ministries of Equipment and Transport, Housing and Town Planning, Hydraulics, Oil-Energy and Mines, Rural development, Environment, Health; mining companies (SNIM, Kinross, Hatch, Glencore, CCC, Xstrata, etc.); and international donors such as the World Bank and the African Development Bank.

In which country are you planning to carry out the project (provide exact location if known)?

Mauritania (particularly around Chami and Zouerat)

On which 3TG mineral(s) does the project focus?

Gold

Please provide a short project summary of no more than 300 words

Pact and Magma propose to undertake a three-year (36-month) EPRM Project ('the Project') focused on Mauritania's emerging ASGM sector. The project aims to demonstrate the business case for responsible ASGM gold by professionalising ASGM miners and forgerons (a historically-marginalised caste of blacksmiths), stimulating their value addition, and linking them with formal gold buyers.

In a first phase, the Project will develop a detailed understanding of key actors in ASGM production and trade through a comprehensive supply chain mapping exercise. The objective of this component is to identify and engage suitable gold buyers, as well as groups of ASGM miners, gold processors, and forgerons that the project will partner with and support. The Project will be sensitized with key stakeholders to ensure buy-in, and understand needs and interests of core beneficiaries.

Following this, a second phase (the core of this project) will focus on various capacity development engagements with upstream, mid-stream and downstream actors, through one component focused on gold *production* and another component focused on gold *trade*. Under the component on production, mercury-free mineral processing equipment will be installed by Magma. ASGM miners and government staff will be trained on safer and mercury free mining and processing. In addition, gold smelting, refining and jewellery-making equipment will be installed and forgerons will be trained on smelting, refining and jewellery-making. Under the component on trade, ASGM miners and forgerons will both be trained on business management

and supported in the formalisation process. Moreover, they will be linked with identified gold buyers and supported to co-develop and implement CRAFT schemes to engage in formal gold trade.

In a final phase, the Government of Mauritania (GoM), gold traders and other stakeholders will be trained on supply chain due diligence and supported to develop a national ASGM formalisation strategy including a clean gold marketing plan.

1. Project relevance

Briefly describe the problem that this project aims to solve and what the target groups and beneficiaries of the project are. Please explain the demands and needs that have been expressed by these groups. (max. 300 words)

Mauritania has a unique and emerging ASGM sector. Around 2015, artisanal miners discovered shallow gold in Inchiri Province, leading to a rapid spread of ASGM activities targeting shallow gold deposits using manual methods. We estimate that between 10,000 and 20,000 miners are directly involved in ASGM in Mauritania (a conservative estimate). However, the sector is completely informal and lacks access to training, equipment, finance, and supply chain transparency. Consequently, miners rely on inefficient processing methods (including 'whole ore amalgamation') which consume and emit large quantities of mercury, affecting human health and the environment. Moreover, ASM gold is currently smelted by 'forgerons' (i.e. blacksmiths), a caste consisting of descendants of slaves in the Sahel region that has been historically marginalised and continues to rely on unsafe practices and equipment, blocking their professionalisation and socio-economic empowerment. Finally, the sector lacks professional refining and jewellery-making capacity, undermining its potential for value addition and formal market access.

This project aims to target the following beneficiaries and their core needs, as identified by Pact and Magma during field studies in Chami and Nouakchott in October 2019 and May 2020:

- **ASGM miners**
Consulted ASGM miners have limited awareness of mercury's harmful impacts and limited understanding of mineral processing. They need training, better processing equipment, and fair markets.
- **Forgerons (local blacksmiths)**
Consulted forgerons rely on ancient smelting and jewellery-making methods and need training, better equipment, and fair markets.
- **Gold traders/exporters**
Gold traders/exporters in Chami and Nouakchott have expressed the need for a stable supply and demand for gold.
- **Ministry of Petroleum, Energy and Mines (MSME or 'the Administration')**
As a signatory to Minamata Convention on Mercury and as per 'Stratégie Nationale de l'Environnement et du Développement Durable, 2017-2030'¹, the Administration plans to ban mercury use in ASGM and formalise the sector.

Provide a brief explanation of the context in which the project will be operating. Thereby explaining why the region in which the activities take place can be considered a Conflict-Affected and High-Risk Area and elaborate on the conflict and high risk aspects related to mineral extraction. Also take into consideration the risks that may be hampering the implementation of the project and explain how the project will act upon these risks. (max. 300 words)

After a turbulent political history with various coups d'état, Mauritania's first peaceful power transfer occurred in 2019 (since independence from France in 1960). Although Mauritania is has no reported acts of terrorism or cases of violent insurgencies, neighbouring Mali and other countries in the Sahel region have seen a recent upsurge in terrorist groups targeting gold mines to finance their activities.² For regional stability, it is critical to ensure that Mauritania's emerging ASGM sector does not face the same fate.

According to [Human Rights Watch](#) (2018), Mauritania has restricted freedom of expression and assembly, racial discrimination, and although slavery has been abolished, there are still "modern forms of slavery" such as forced or bonded labour. Mauritania ranks high on the global state fragility index, at #22 in the 2019 Fragile States Index.

Whereas [BGR and GIZ](#) (2018) reported clashes between ASM miners and police in proximity to industrial mining projects, conflict associated with ASM has not been reported. But the Administration has a top-

¹ <https://www.environnement.gov.ma/fr/strategies-et-programmes/sndd?showall=1&limitstart=>

² <https://www.reuters.com/investigates/special-report/gold-africa-islamists/>

down/coercive approach to enforcing order amidst the present gold rush. Child labour has not been observed though it is expected to occur in (remote) mining communities. The risks of money laundering and corruption are present in view of power disparities and absence of effective grievance mechanisms. Risks relating to insecurity and theft are considered to be serious. Strong state controls are present on transport by road in rural areas, by way of road checks and requirements for state-sanctioned authorisations. Risks will be mitigated through direct coordination with GoM, and following Magma's well-established security protocols. Due diligence on target beneficiaries, Project affiliates, and partners will be conducted in a transparent manner involving both Pact and Magma. The Project will utilise risk assessment and mitigation tools designed around the CRAFT code to identify, assess, and mitigate risks.

What are the short and long term objectives of the project? Please reflect on how these objectives contribute to the overall goal of the EPRM: *increasing the ability of artisanal and small-scale mines to produce responsibly and/or increasing the amount of responsibly produced minerals and providing access to formal markets. Thereby indicate how the project supports promotion and implementation of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and/or supports the preparation of the target group for the coming into force of the EU Regulation on Conflict Minerals. (max 250 words)*

Short term objectives:

1. To assess the regional gold supply chain, and tailor project activities to identified needs
2. To demonstrate new technology and transfer knowledge and skills to improve conditions for mining, gold processing, smelting, refining and jewellery-making
3. To build the legal and organisational capacity of ASGM miners and forgerons, and support them with business tools that facilitate their access to formal gold buyers
4. To transfer knowledge about ASGM formalisation and supply chain due diligence, and support the development of a national ASGM formalisation strategy

Long term objectives:

1. To demonstrate the business case for clean and responsible ASGM gold
2. To facilitate the adoption of better processing, smelting, refining, and jewellery-making practices, thereby enhancing gold supply while mitigating environmental and health impacts and ensuring compliance with regulations and international best practice
3. To enable ASGM miners and forgerons to manage their organisations as professional entrepreneurs possessing requisite licenses, and foster their relationships with formal gold buyers through a CRAFT scheme
4. To develop national capacity on ASGM formalisation and supply chain due diligence and increase demand for clean and responsible ASM gold.

Adoption of better mineral processing, smelting, refining, and jewellery-making practices will help miners and forgerons to produce *more gold* and responsibly. Moreover, organisational strengthening and development of CRAFT schemes enables them to trade gold responsibly, and facilitates their access to formal buyers. Finally, the support with supply chain due diligence enables Mauritania to embrace the new EU Regulation and brace for regional security threats.

Also provide an indication of the activities that will be undertaken to achieve these goals. (max. 250 words)

1. Investigate the regional gold market

- a. Prepare a research plan
- b. Conduct a field study to identify supply chain actors, assess trade dynamics, and identify national and regional buyers interested in responsibly-produced and refined gold
- c. Develop a research report, select beneficiaries, and engage regional gold traders/buyers

2. Facilitate responsible gold production, smelting, refining and jewellery-making

- a. Procure and install mercury-free mineral processing equipment in Chami
- b. Procure and install gold smelting and refining equipment in Nouakchott
- c. Train ASGM miners and MSME staff on mercury-free ore processing
- d. Train forgerons on safer, more efficient gold smelting, refining and jewellery-making

3. Strengthen formal gold trade and market access

- a. Support miners with organisational strengthening, business plan development, bookkeeping, licensing, and land use
- b. Support forgerons in organisational strengthening, business plan development, bookkeeping and licensing

- c. Facilitate business relations between professionalised miners, forgerons and identified jewellery and gold buyers, and support their development of CRAFT schemes for formal market access

4. Develop capacity in formalisation and supply chain due diligence, and market clean gold

- a. Train Administration staff on formalisation and supply chain due diligence
- b. Organise a multi-stakeholder workshop to train participants on responsible gold and due diligence, and obtain inputs for a national vision and formalisation strategy for the ASGM sector
- c. Support the Administration in developing an ASGM formalization strategy including national vision and clean gold marketing plan
- d. Organize multi-stakeholder workshops in Mali and Senegal to promote due diligence, market clean gold and share lessons learned

Please describe how your project relates to other initiatives and actors in the field. What is the specific added value of this project? (*max. 250 words*)

As Mauritania's ASM sector only started to emerge with in 2015/2016, very few initiatives have taken place to date. At the national level, GoM issued a Ministerial decree (Decree of 22nd April 2016) and updated the Mining Code to recognise ASM, and MSME intends to formalise the sector. Moreover, with '[Stratégie Nationale de l'Environnement et du Développement Durable, 2017-2030](#)', GoM plans to ban mercury use in ASGM, and develop *National Action Plan* under the Minamata Convention. Besides this, Magma has established a showroom where it showcases advanced mineral processing equipment and engages miners for responsible gold production.

GIZ and Pact/Magma have recently conducted field studies in Mauritania's gold sector. The only concrete intervention that has been planned at the moment is the establishment of a small-scale mercury-free mineral processing plant under GIZ's 'Integrated Economic Development in the Mining Sector Project' (DEIM), which would be implemented by the Danish consulting group Apel Associates.

Against this background, the proposed project fits the consortium's long-term ambitions and GoM's priorities of reducing mercury use and formalising ASGM. GoM's buy-in is reflected in ongoing meetings Magma and Pact have had with MSME and the Ministry of Handicrafts ('Ministère des l'Artisanat'). This project would be the first to address formalisation and supply chain due diligence in Mauritania's ASM sector. Moreover, while GIZ's processing plant constitutes a short-term *technical* intervention, the proposed project would be the first to take a *market-based approach* to developing *sustainable solutions* for *all stages* of responsible gold production (and trade).

2. Project design and management

Provide a short description of the allocation of the responsibilities between the envisioned partners in the implementation of the project. (*max. 250 words*)

Pact, as Lead Applicant, will assume overall responsibility in coordinating Project activities and Project consortium members. We will manage and disburse Project funds, provide required reporting, and liaise with the EPRM Secretariat. We will provide advisory and technical leadership and coordinate activities during all four components of the Project. Especially in components three and four, that focus mostly on aspects of formalisation, supply chain due diligence and market access, we will assume a leading role.

Magma is the principal local partner and will be directly engaged in all aspects of the Project. In view of their technical expertise in mining, engineering and geotechnical services, Magma will assume more responsibilities under component two, and less so under components one, three and four (though Magma will still be involved in the implementation of associated activities). Pact and Magma will work closely together, under the umbrella of *Sahel Clean Gold*³. This initiative is an expansion of Magma's well-established presence in Nouakchott, where they operate laboratories and an office complex, which will be used to accommodate Project activities (e.g. trainings, workshops, meetings). Magma will provide engineers, technicians, and programme officers (administrative staff), who will be employed by the project, part-time.

Pact and Magma's senior staff members will form a Project Management Unit (PMU) which makes strategic decisions with the support from EPRM. For smaller operational issues, decision-making responsibility will be divided between Pact and Magma in accordance with assigned responsibilities for activity implementation.

³ Refer to www.sahelcleangold.com

Provide a short description of how this project is planning to involve different supply chain actors (i.e. upstream, midstream and downstream). (max. 250 words)
<p>Upstream In extraction sites, miners and pit bosses will be trained on safer mining. In the centralised processing centres in Chami and Zouerate, processors will be trained on more productive, mercury-free processing methods. All these actors will also be trained on business management and supported with formalisation.</p> <p>Midstream Forgerons will equally be trained on business management and supported with formalisation. Moreover, they will be trained by subcontracted professional jewellers from LAO, a high-quality jewellery-making school in Italy⁴. Magma will also benefit as a midstream player in the gold supply chain, as Magma will expand its existing laboratory activities to include refining 99.9% gold from doré, as a service to gold buyers/exporters. Once operational, the forgerons will also benefit from this, as Magma will train them on gold refining.</p> <p>Downstream At the national level, the Central Bank buys most of Mauritania's gold and has it refined in Turkey to subsequently store it as a national reserve. The Bank has expressed keen interest in buying gold from the ASGM miners involved in this project and using Magma's refining services. Nouakchott-based <i>comptoirs</i> (i.e. gold exporters) have expressed similar interest and will therefore be engaged as potential gold buyers. Local jewellery buyers will equally be engaged as potential buyers of jewellery made by forgerons. Finally, international gold buyers, some of whom have already expressed interest, will be engaged for gold-buying. <u>One of these buyers may be added to the consortium for the formal application.</u></p>
Describe how the project seeks to create a link with the supply chain (e.g. creates market access, encourages due diligence or traceability mechanisms and how the project encourages fair cost sharing of supply chain due diligence between supply chain actors). (max. 250 words)
<p>Preliminary market research undertaken by Pact and Magma will be expanded to include more information on perceptions, incentives, and market metrics at all nodes of the regional supply chain. It will essentially help to identify and engage suitable gold buyers interested in buying gold from engaged miners and forgerons.</p> <p>Supply chain due diligence will be catalysed through CRAFT tools. Under the third Project component, the engaged ASGM miners, forgerons and identified downstream gold buyers (which may be national or international) will be supported in the registration, development and (preliminary) implementation of their own CRAFT scheme. This will enable the linked supply chain actors to firstly set their own responsible gold criteria (while respecting minimum requirements); secondly identify, assess and report risks in their supply chain; and thirdly articulate and enact steps for mitigating these risks as a supply chain scheme. A national workshop focused on supply chain due diligence and formalisation will further build the Administration's and downstream supply chain actors' capacity and prepare them for the entry into force of the new EU regulations.</p> <p>The Project's support in organisation, formalisation and co-development/implementation of the CRAFT scheme are all enabling activities for facilitating viable business relationships between the engaged supply chain actors, and realising a <i>first formal gold sale to the downstream buyer</i>. Fair prices and cost-sharing will be ensured through adequate gold volumes and value addition that will be achieved through the project's activities on improving ore processing, refining and jewellery-making, and <i>aggregation</i> at the processing centres.</p>
Please give an indication of the expected project costs, the EPRM contribution and the own contribution. Please also indicate how the own contribution will be financed.
<p>Total expected project costs: 800,000 Euro</p> <p>EPRM contribution: 560,000 Euro</p> <p>Own contribution: 240,00 Euro</p> <p>Magma and Pact will both contribute in-kind contributions to the EPRM Project. Magma's contributions (€200,000) include capital and personnel costs for the acquisition, import and installation of mercury-free ore processing, smelting and refining equipment, which will be made available for training and free use by</p>

⁴ For more information on LAO Jewellery School, see: <https://www.artiorafe.it/en/>

the selected miners and forgerons during the EPRM Project. Plans are already underway to procure mercury-free equipment solutions from multiple international equipment manufactures. In addition, Magma plans to set aside office space to be used exclusively as an EPRM Project office, and the Project will have access to Magma's existing laboratory in Nouakchott. Pact's in-kind contributions (€40,000) will come in the form of staff time, including mostly advisory support from senior (Pact VP) staff, and staff time from technical Project staff for the development of new CRAFT tools, including Excel templates, matrixes, and so on.

3. Sustainability

Please describe how this project will have a long-lasting impact in and around mines and mining communities also once the project funding has ended. Take into account how the project results will be embedded by target groups, in local structures and/or in responsible bodies once the project ends. (*max. 250 words*)

Pact and Magma met the Minister of Mines in late 2019, and have continued dialogue with different departments of the Administration ever since. During such meetings, the Administration has expressed support to the 'Sahel Clean Gold' initiative (SCG) of Magma, designed as a private sector-led 'service vehicle' for delivering professionalisation and training services to the emerging ASGM sector, well beyond the lifetime of this three-year project. The proposed Project is further fully in line with the Administration's objectives of reducing mercury use and formalising the ASGM sector. And by engaging the Administration in project activities – including especially with the fourth component where MSME will be supported to develop a national vision, formalisation strategy and clean gold marketing plan – the Project is expected to not only benefit from sustained political support during implementation, but also from possible follow-up activities by the Administration, SCG and formal gold buyers.

At the mine site and community level, the Project has been designed based on local perceptions and preferences regarding the introduction of new mining, processing, and jewellery-making technology, as documented in previous and ongoing field studies. This will be strengthened with the Project's thorough gold supply chain assessment. The Project will further ensure lasting impacts through empowering and strengthening existing (informal) miners' and forgerons' associations, providing them with tools (e.g. business plans) to self-organise. By linking these beneficiaries with downstream gold buyers through CRAFT schemes, and by raising the demand for clean gold, the responsible practices are expected to proceed after the Project ends.

An important end result is the scalability or replicability of the project (in other countries/regions or in size). Please describe why this project is scalable and elaborate on the activities that will be undertaken to ensure this once the project funding has ended. (*max. 250 words*)

Scalability considerations will be mainstreamed in all project activities, such as by adopting Train-the-Trainer approaches and disseminating training materials printed in local languages (e.g. Arabic). Component 4 has been specifically designed to enhance scalability and sustainability. Firstly, as mentioned, by training the Administration on supply chain due diligence and supporting them in developing a national vision, ASGM formalisation strategy and clean gold marketing plan, a stronger enabling environment will be created in which GoM can take ownership over the process of professionalising ASGM production and trade. Secondly, by convening a multi-stakeholder workshop and training gold and jewellery traders, buyers and exporters on the OECD Due Diligence Guidance and the EU Conflict Minerals Regulation, supply chain actors will be encouraged to establish further CRAFT and other responsible supply chain schemes in Mauritania. Thirdly, by convening similar workshops in Mali and Senegal, similar processes may be kickstarted in the wider Sahel region, and the demand for clean Mauritanian gold will be increased.

Finally, SCG will be leveraged for scalability. SCG aspires to demonstrate the business case for responsible ASGM, supply chain due diligence, and value addition through such activities as described in this proposal. As the name suggests, SCG aims to do this not only in Mauritania but in the wider Sahel region, with the support from GoM and other stakeholders engaged in this Project. The regional workshops and meetings with administrations in Mauritania, Mali and Senegal will be used to identify options for scaling and replicating Project activities in the region.

How will the process continue?

- Please submit this form, once completed, by email to EPRM@rvo.nl

- The goal of the quick scan is to ultimately receive formal applications that are better tailored to this Call for Proposals. As deemed necessary by the project officer and/or requested by the applicant, the project officer will contact you to discuss the quick scan form. In all cases, you will receive a written advice and recommendation.
- The quick scan is mandatory so that the EPRM Secretariat (RVO.nl) can assess the eligibility of your envisioned formal proposal. The format of the formal proposal will to a large extent require similar questions.
- A positive recommendation from the project advisor in the quick scan phase does not entail that you will automatically be entitled to a subsidy following the formal subsidy application procedure. In other words, this quick scan form should not be regarded as a formal project proposal for the EPRM Call for Proposals. The formal proposal application form is a separate document that can be downloaded from the website, once available. Here you can also find further information on the subsidy programme and how to apply for a subsidy.
- All information that you provide in this case will be treated confidentially and will be used for no other purpose than the quick scan procedure.
- If you would like to receive more general information about the programme before filling out the quick scan, please consult our website: <https://europeanpartnership-responsibleminerals.eu/> or contact the EPRM Secretariat (RVO.nl) at EPRM@rvo.nl



EPRM

Quick Scan form

IMPORTANT

Because the quick scan will be used to assess the eligibility of the final formal application, it is important that the information provided in the quick scan is as accurate and complete as possible. It might be the case that you will be unable to answer all of the questions at this stage. If so, this will not prevent you from receiving advice from our EPRM-advisors. Please be aware that the earlier the quick scan is received by the EPRM Secretariat (RVO.nl), the more time there will be for your organization to take into account the advice received and prepare the formal application.

NOTIFIATION

In case you have specific questions about your quick scan or want to discuss your preliminary ideas in person, the EPRM Secretariat is able to advice your during the quick scan phase. Please note that this is only possible during the quick scan phase and not after submitting your full proposal.

LEAD APPLICANT

Name organization	RESOLVE
Type organization	NGO
Name contact person	5.1.2.e
Email	5.1.2.e
Telephone number	5.1.2.e
Envisioned grant size in Euro's	€300,000

(Envisioned) PARTNERS

In case the partnership is not yet finalized, please indicate which type of partners you are trying to find and how you will do so.

Name organization	Type organization, choose between: <i>NGO/company/(semi)public institution/ knowledge institution/other</i>	Name contact person
RESOLVE	NGO	5.1.2.e
Refiner and downstream due diligence systems	NGO	
Local ASM implementers/service providers (specific entities such as ARM and others to be more formally confirmed in full proposal process)	NGO	
Supply chain actors (artisanal producers/cooperatives, traders, refiners, jewelry, and electronics companies, with representatives to be more formally confirmed prior to full proposal)	Company	
Other due diligence and responsible sourcing experts and entities (e.g., multilaterals, public-private partnerships)	Knowledge institution	
Other service providers and relevant private sector actors (e.g., auditors, banks, due diligence or chain of custody technology applications)	Company	

Provide a short description of the 'core business' of the (envisioned) project partners, including the experience of each partner on the subject of conflict minerals and supply chain due diligence. If the partnership is not yet finalized, please indicate which type of partners and experience are still needed.

RESOLVE specializes in building projects, partnerships, and networks among industry, NGOs, and government to jointly address environmental, ethical, economic development, and other social and sustainability issues. Our Ethical Resource program focuses extensively on systemic challenges relating to minerals development, with engagement at both industrial and artisanal scales of production. Our ecosystem of work is designed with the full supply chain in mind, addressing key barriers – both acute and chronic – through catalytic, self-sustaining solutions that reflect the needs and values of stakeholders at all stages of the value chain. We seek progressive improvement on environmental practices, rights compliance, and social benefits across supply chains from source to product. Our interventions target demand, market and investor access and awareness, supply chain capacity, and efficiency of resources.

RESOLVE has a track record of successful, multi-stakeholder processes and partnerships with key influencers and actors on conflict minerals and supply chain due diligence, as well as technical expertise. Example projects include those with direct sourcing of artisanal minerals (e.g., Responsible Artisanal Gold Solutions Forum), creating due diligence systems and tools (e.g., CRAFT Code with ARM, Artisanal Gold Due Diligence Toolkit), market readiness assessments for national ASGM sectors (for Central African Republic), public-private partnerships (e.g., PPA for Responsible Minerals Trade), and communications and outreach tools (e.g., *Journey of Gold* virtual reality film). With these efforts we have built trust and credibility across a wide network of partners.

Thus, although we have not yet formalized partnerships for this quick scan phase, RESOLVE has strong relationships with each of the envisioned actors/partners noted in the above chart and has conducted targeted outreach in recent weeks to shape this concept and seek interest from refiner due diligence systems, downstream representatives, multilateral organizations, and field-level implementing organizations. We are in the process of seeking letters of interest or more formal partnership from local implementers who have existing and potential future work with artisanal producers (e.g., Alliance for Responsible Mining), global and country-level projects (e.g., planetGOLD), due diligence systems (e.g. Responsible Minerals Initiative); individual companies (e.g., Google); technology and service providers (e.g., Ulula, Minespider); and organizations planning to submit their own EPRM proposals to determine opportunities to synchronize work. We understand that the Call for Proposals requires partnerships and we are confident we can formalize and fulfil this requirement in time to submit a full proposal.

If this quick scan is approved for pursuing a full proposal, RESOLVE will use the additional time to either build partners into the proposal, or secure letters of interest or an articulation of participation and in-kind support to join the effort. We are also open to suggestions from EPRM about other proposals or partners that you would like us to explore partnering or linking with in some way in our final proposal, as this concept has many opportunities for complementary global and field-level or regional work.

In which country are you planning to carry out the project (provide exact location if known)?

Global + Colombia

On which 3TG mineral(s) does the project focus?

Gold

Please provide a short project summary of no more than 300 words

This partnership will support

- 1) a **market shift toward progressive and collaborative due diligence**, and
- 2) a **regional strategy to achieve economies of scale** for due diligence support and sourcing of responsible artisanal and small-scale gold (ASGM).

The CRAFT Code will be the foundation for globally-applicable and regionally-tested due diligence and sourcing tools, technologies, and practices.

At a global level, RESOLVE will convene a **Progressive Due Diligence Lab and Practice Group** of upstream, midstream, and downstream supply chain actors, experts, and stakeholders to a) create and vet a suite of market engagement and scaling tools and templates to streamline and increase ASGM trade with responsible buyers, and to move the market from risk-avoidance toward progressive and collaborative due diligence with the artisanal sector; and b) inform a regional implementation strategy and troubleshoot due diligence bottlenecks and practice challenges that arise in sourcing.

At the regional level, with Colombia as the proposed first hub, the project will create an **open-source, multi-site ASGM scaling strategy**. To accomplish this, RESOLVE will continue to identify and solidify partnerships with supply chain actors and implementing organizations already working with artisanal producers, and design a multi-site model for enabling ASGM trade at sufficient scale to mitigate costs, and for supporting development of solid upstream-downstream commercial relationships via linkages to the global practice group. The regional model will include the following:

- an upstream supply chain scheme design based on CRAFT—and completing the formal RMI recognition process to make this scheme audit-ready;
- a sourcing map and logistics plan for achieving volume tiers of CRAFT-conformant gold; and
- a business and sustainability plan to account for costs of due diligence, logistics, and a miner/upstream benefit or investment fund.

The resulting regional scaling strategy will be adaptable by other existing or emerging ASGM projects in other regions.

1. Project relevance

Briefly describe the problem that this project aims to solve and what the target groups and beneficiaries of the project are. Please explain the demands and needs that have been expressed by these groups. (max. 300 words)

Beneficiaries: The main beneficiaries of this project will be **artisanal gold producers and other upstream actors such as traders and exporters**. It also seeks to influence other actors in the ecosystem of responsible sourcing:

- Midstream/downstream due diligence systems (e.g., LBMA, RMAP, RJC)
- Refiners (LBMA-, RMPA-, or RJC-certified or -eligible)
- Downstream supply chain actors (e.g., tech, jewelry)
- Implementing organizations (e.g., ARM)
- Auditors
- Banks

Problems: This project will take on the persistent upstream and downstream barriers of increasing the scale of responsible sourcing of artisanal gold.

From an upstream perspective, it will address barriers and typical lack of incentives for ASGM producers to engage in formal supply chains such as the following:

- Due diligence which is achievable by artisanal producers and credible to responsible buyers, and which results in commercial contracts;
- High per-volume cost of due diligence and logistics of ASGM;
- Fair cost-sharing of due diligence by upstream and downstream; and
- Difficulty to compete with pricing and ease of entry of informal trade
- Difficulty in matchmaking and establishing professional, commercial relationships between upstream and international, responsible buyers

From a responsible buyer and downstream perspective, the project will design for the following challenges:

- Lack of ability to identify legitimate artisanal producers;
- Reputational risk of artisanal sourcing
- Limited ability to conduct ASGM due diligence and site visits – from a technical, cost, and now (in the pandemic context) physical perspective;
- Company decision-making with progressive due diligence rather than disengagement;
- Lack of trusted and resilient relationships with upstream actors.

Finally, this project aims to address the pilot scaling barrier. With dozens of organizations working with individual mines, and bespoke approaches to each, achieving sourcing and due diligence at scale will remain confusing and a challenge to buyers who must currently choose among many pilots and proprietary systems.

Provide a brief explanation of the context in which the project will be operating. Thereby explaining why the region in which the activities take place can be considered a Conflict-Affected and High-Risk Area and elaborate on the conflict and high risk aspects related to mineral extraction. Also take into consideration the risks that may be hampering the implementation of the project and explain how the project will act upon these risks. (max. 300 words)

This project has a global reach across many possible CAHRAs, as well as regional application. It is designed to be tested in one region, as a starting point, but with a key feature to design systems and tools which are adaptable for uptake beyond this funded project.

At a global level with the Progressive Due Diligence Practice Group and Lab, RESOLVE will engage international representatives of supply chain actors, due diligence systems, stakeholders, finance sector, and service providers committed to a global shift to progressive due diligence from CAHRAs. That is, we will engage actors and influencers to expand responsible sourcing from CAHRAs on a broad scale rather a single region or supply chain.

For the regional element of this project, RESOLVE proposes Colombia as a viable first test of a multi-site approach. Colombia has meaningful CAHRA factors including presence of armed groups, illegal and illicit production and trade in-country, and smuggling from neighboring countries. However, the Colombian context also includes a track record of national and regional government engagement in mining sector reform; OECD status and commitment to Due Diligence Guidance; a significant history of donor projects in mining formalization (including EPRM projects); responsible traders like Anexpo; and a skilled community of locally-based practitioners with the ability to connect with and support miners, traders, and other upstream actors. This duality – the presence of significant risks combined with the capacity to demonstrate risk mitigation – makes Colombia a very promising geography to model progressive due diligence.

RESOLVE is also very open to linking with ASM supply-side work in other regions. We have exchanged with Minespider on their Sierra Leone EPRM concept; planetGOLD's projects in Colombia, Ecuador, and Peru; ARM's and AGC's work in Burkina Faso; etc. These are currently informal linkages, but we welcome suggestions to align efforts.

What are the short and long term objectives of the project? Please reflect on how these objectives contribute to the overall goal of the EPRM: increasing the ability of artisanal and small-scale mines to produce responsibly and/or increasing the amount of responsibly produced minerals and providing access to formal markets. Thereby indicate how the project supports promotion and implementation of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and/or supports the preparation of the target group for the coming into force of the EU Regulation on Conflict Minerals. (max 250 words)

The project's short-term objectives include the following:

- Providing incentives, support, and a business case to ASGM producers and traders to engage in formal supply chains in at least one region;
- Enabling commercial relationships between responsible, upstream ASGM actors from at least one region;
- Designing tools to enable "docking" of upstream due diligence with downstream due diligence systems and audits, applicable globally;
- Building a community of practice, ambassadors, and a "helpdesk" for progressive due diligence in ASGM sourcing, following the practices and principles of OECD Due Diligence Guidance; and
- Engaging auditors, implementing organizations, and banks who are not supply chain actors but who strongly influence ASGM sourcing.

The project will also support longer-term goals:

- A "cultural" and practice shift in refiners and downstream actors toward progressive and collaborative due diligence, away from the status quo of disengagement from ASGM sourcing
- Unification of upstream and downstream actors, and service providers, with the common framework of CRAFT to drive greater scale, efficiency, and acceptability of ASGM due diligence
- Enabling greater volumes and economies of scale to make ASGM sourcing more commercially viable in legitimate supply chains
- Building longer-term relationships between the responsible, international market and the upstream ASGM sector, and commercial terms which promote greater resilience of the sector in times of crisis like the COVID pandemic

This project also responds to OECD's Call to Action to "foster sustainable inclusion of responsible ASM projects into global supply chains" and "ensure the right balance of maintaining integrity and flexibility in due diligence efforts."

Also provide an indication of the activities that will be undertaken to achieve these goals. (max. 250 words)

RESOLVE will convene a **Progressive Due Diligence Lab and Practice Group** of upstream, midstream, and downstream supply chain actors, stakeholders, auditors, and bank representatives to advise on several outputs:

- Recruitment of a cadre of responsible buyers;
- Tools to tangibly connect upstream and downstream systems (e.g., audit-friendly CRAFT reporting template to link with LBMA, RJC, RMAP refiners)
- Communications toolkit with progressive due diligence guidance for industry actors;
- Government guide with metrics and actions to integrate due diligence enabling factors in ASGM sectors and donor projects;
- Review of possible technologies to complement ASGM site visits, reduce due diligence costs, and build confidence in ASGM sourcing;
- A “helpdesk” with advisors on ASGM sourcing bottlenecks.

The project will also create a **regional ASGM scaling strategy** with Colombia as a first hub:

- A CRAFT-Colombia Supply Chain Scheme, with a formal RMI recognition process for the general CRAFT code and regional scheme, to streamline ASGM audits;
- A Colombian multi-site mine and logistics map based on outreach to upstream traders, exporters, and mines – including through implementing organizations and donor projects – to build a pool of possible ASGM sources;
- A region-specific business plan for due diligence and logistics, based on volume tiers (e.g., 5 or 20 kg/month);
- Design for a miner benefit/investment fund from transactions, e.g., \$1/gram, to be allocated by miner-buyer consensus in times of crisis, or reinvested in revolving loans to increase production at sites.

The region-specific plan will inform an **open source ASGM scaling strategy and guidance** which can be adapted for other regions.

Please describe how your project relates to other initiatives and actors in the field. What is the specific added value of this project? (max. 250 words)

This project is designed to complement existing and emerging work with ASGM producers and supply chains, as an independently-led and multi-stakeholder hub for responsible ASGM sourcing. It can support other initiatives in many ways at a global and regional level:

- Creating an open-source scaling and due diligence strategy, adaptable and applicable by any implementer in other geographies;
- Building on existing ASGM formalization, trader, and exporter outreach projects (e.g., by OECD and ARM), connecting these mines with responsible, international buyers;
- Informing work by governments in producing countries seeking guidance on ASGM sector reform and international market readiness;
- Supporting integration of refiners currently unaffiliated but eligible for RMAP, RJC, or possibly LBMA certification and who want to responsibly source ASGM but don’t know where to begin, by providing “on-ramp guidance” and informing them of potential legitimate sources;
- Acting as a hub for information sharing and outreach to replicate pilots, including other EPRM-funded projects (e.g., Minespider’s proposed project in Sierra Leone, considering where and how that model and technology could be applied in other regions, or Anexpo’s Colombia project);
- Serving as an early model of a fully-formed CRAFT scheme (going beyond the CRAFT mine-site-level code to reliably vet and document the supply chain from mine to export); and
- Supporting OECD’s Call to Action and LBMA’s call for emergency support, serving as a forum and concrete opportunity for companies and others to advise on ASGM sourcing and engage with the ASGM sector in such a way as to support COVID recovery and resilience.

2. Project design and management

Provide a short description of the allocation of the responsibilities between the envisioned partners in the implementation of the project. (max. 250 words)

RESOLVE will be the independent convener and hub for the project at the global and regional level, and will be cementing additional spokes in this project from the upstream and downstream.

Because RESOLVE is not an implementing organization but has expertise and credibility leading partnerships with industry, government, civil society, and other stakeholders, we can link the global

initiative with multiple, field-level projects and implementers and supply chains. With this work we have the opportunity to shift competitive orientations to a “pre-competitive” or collaborative platform which will be needed to scale up responsible ASGM sourcing globally.

RESOLVE will identify and convene founding members of the Progressive Due Diligence Lab and Practice Group. With this group, we will scope, draft, and get multi-stakeholder agreement on the suite of “open-source” deliverables (e.g., globally-adaptable ASGM scaling strategy, design for miner benefit/investor fund, CRAFT audit-ready templates, guidance and communications toolkits on progressive due diligence). We will also undertake the RMI recognition process for CRAFT.

At the regional level, RESOLVE will identify and formalize partnerships with “supply side” or upstream partners who have candidate, responsible ASGM sources for applying and implementing CRAFT. We are still exploring whether RESOLVE would lead or partner to create Colombia-specific products (CRAFT-Colombia scheme) and the regional mine and logistics map. We can take on this work but also have trusted partners in the region and can allocate funding to their engagement if this creates greater efficiencies or if COVID prevents RESOLVE travel.

Provide a short description of how this project is planning to involve different supply chain actors (i.e. upstream, midstream and downstream). (max. 250 words)

As described in earlier sections but to summarize here, this project will involve supply chain actors from across the supply chain.

At a global level in the Progressive Due Diligence Lab and Practice Group, we will engage upstream, midstream, and downstream companies, industry associations, and due diligence systems as advisors for proposed products and strategies. We also think it is critical to engage the “hidden” organizations who support supply chain actors and who can strongly influence supply chain decision-making by enabling or blocking ASGM sourcing decisions, including auditors, banks, and implementing partners.

At a regional level, we plan to involve upstream actors including miners, traders, aggregators, and exporters in the regional scaling strategy, map, and business plan, along with implementing organizations which may be supporting these supply chain actors.

Finally, we will engage midstream and downstream companies as potential buyers and downstream off-takers of responsible ASGM from the Colombia regional model. We expect these entities would be members of groups or certification programs such as EPRM, RMI, RJC, and LBMA, but we would also like to engage “candidate” companies who could be eligible to join such programs but to-date have not known where to start with responsible ASGM sourcing. To this end, it could be very worthwhile to engage SMEs or smaller refiners and bring them into the community of practice (and Progressive Due Diligence Lab).

Describe how the project seeks to create a link with the supply chain (e.g. creates market access, encourages due diligence or traceability mechanisms and how the project encourages fair cost sharing of supply chain due diligence between supply chain actors. (max. 250 words)

Through a global practice group and design and implementation of a first, regional scaling strategy, the proposed project is fundamentally oriented to supporting due diligence, market access, and cost- and benefit sharing in the upstream, midstream, and downstream ASGM supply chain.

The project will work on the downstream, ASGM demand side by creating an enabling culture and practical tools to encourage progressive and collaborative due diligence and “get to yes” on sourcing ASGM by responsible refiners and downstream actors. It will create tangible templates and guidance to directly link and focus upstream due diligence work to constructively connect with the midstream and downstream due diligence systems (e.g., RMAP, RJC, LBMA) which the international market relies on as responsible sourcing gatekeepers.

The project will also work on the upstream, ASGM supply side by designing solutions to ASGM due diligence challenges, with a scaling strategy and business and logistics plan to overcome cost barriers, as well as designing a miner benefit/investment plan to integrate favourable commercial terms and other incentives for upstream ASGM to engage in formal markets. Other tools such as model ASGM-refiner/buyer contracts could also support scaling up future ASGM sourcing with fair terms.

Please give an indication of the expected project costs, the EPRM contribution and the own contribution. Please also indicate how the own contribution will be financed.

We estimate a budget of €300K, for RESOLVE and possibly shared with additional organizations with whom discussions are currently in process. RESOLVE has the capacity to conduct the work described but we are open to collaboration and seek to engage other experts who may take on elements of this scope efficiently and effectively, especially those with field presence. We also recognize that COVID could impact some regional elements of this project or at least their timing, and see benefit in formalizing a local partner to mitigate potential international travel restrictions.

We see multiple avenues to leverage this EPRM funding with company co-investment in supporting the project objectives:

- In-kind contributions (time, expertise) as advisors;
- Outreach to peers (e.g., refiners, downstream companies) to recruit buyers or share information on best practices in progressive due diligence; and
- Financing of supply chains (e.g., pre-payment of gold) when sourcing is underway, including contribution to the miner benefit/investment fund.

The project is also designed to leverage donor funds allocated for formalization or other ASGM projects which have been or will be invested in cooperatives or at mine sites (especially in Colombia as the first proposed regional hub). While this proposed project cannot fund all the capacity building work across multiple sites, it will seek to link the minerals flowing from existing or new project sites to a regional strategy, and provide tools and systems to more readily link these producers with responsible buyers so each site or cooperative does not need to go out and seek its own international buyers, and vice versa.

3. Sustainability

Please describe how this project will have a long-lasting impact in and around mines and mining communities also once the project funding has ended. Take into account how the project results will be embedded by target groups, in local structures and/or in responsible bodies once the project ends. (max. 250 words)

In Colombia as the proposed first regional hub, the project is designed to create an ecosystem of responsible production and trade in the ASGM sector, from mine to export, and practical strategies and tools to support this ecosystem. The regional scaling strategy will identify and link legitimate Colombian mines and upstream supply chains with responsible buyers, with the engagement as needed by local implementers working with those parties. The regional scaling strategy will also integrate incentives like the miner benefit/investment fund to encourage long-term engagement of upstream actors and stable, commercial relationships with the responsible, international market.

Further, tools like the CRAFT-Colombia Scheme will be established and available for continued implementation beyond the project life, and products of the Progressive Due Diligence Lab will be open source rather than proprietary; they could be documented across sites like EPRM, LBMA, RMI, etc. for supply chain actors in Colombia and beyond to access and use in perpetuity.

The work to achieve official RMI recognition of CRAFT (and CRAFT-Colombia) can also benefit all ASGM actors in Colombia and beyond as they implement CRAFT, as this status will enable a more streamlined audit process of ASGM sources for RMAP refiners.

Finally, with a long-term goal of this project being a culture shift of companies toward progressive due diligence, the community of practice and tools established by this project will be a foundation for longer-term and multi-geography initiatives to responsibly engage the ASGM sector beyond the project lifetime.

An important end result is the scalability or replicability of the project (in other countries/regions or in size). Please describe why this project is scalable and elaborate on the activities that will be undertaken to ensure this once the project funding has ended. (max. 250 words)

As described earlier, a key barrier of upscaling responsible ASGM sourcing is the plethora of different supply chain systems, preventing the economies of scale needed for most buyers and investors to engage – combined with a cost structure lacking sufficient benefits to attract a significant share of ASGM actors. Building and based on CRAFT, the intended legacy of this project is to help shift from site-by-site approaches to regional scaling strategies and a business plan, to mirror in a way the midstream and downstream, industry-wide systems which allow consistent and relatively efficient due diligence. Scaling will also help integrate commercial benefit to upstream actors.

With global and regional work, activities and products will be designed for maximum scalability, adaptability, and applicability to other CAHRAs. Such application could come within the project lifetime, or may happen subsequently.

Project sustainability could include a combination of at least three forms:

- 1) Commercialization of solutions, i.e., supply chain actors carry forward their trading relationships as in other B2B supply chain operations;
- 2) Decentralized distribution, adaptation, and uptake of the open source systems, strategies, and tools by industry associations, supply chain companies, and other global actors; or
- 3) Continued implementation with other funding (e.g., if private sector find value in and fund the Progressive Due Diligence Lab).

We ultimately seek to enable professionalization of the ASGM sector and commercialization of solutions, shifting from donor projects to market solutions where possible, while recognizing and answering the need for a community of practice and “pre-competitive” tools and solutions.

How will the process continue?

- Please submit this form, once completed, by email to EPRM@rvo.nl
- The goal of the quick scan is to ultimately receive formal applications that are better tailored to this Call for Proposals. As deemed necessary by the project officer and/or requested by the applicant, the project officer will contact you to discuss the quick scan form. In all cases, you will receive a written advice and recommendation.
- The quick scan is mandatory so that the EPRM Secretariat (RVO.nl) can assess the eligibility of your envisioned formal proposal. The format of the formal proposal will to a large extent require similar questions.
- A positive recommendation from the project advisor in the quick scan phase does not entail that you will automatically be entitled to a subsidy following the formal subsidy application procedure. In other words, this quick scan form should not be regarded as a formal project proposal for the EPRM Call for Proposals. The formal proposal application form is a separate document that can be downloaded from the website, once available. Here you can also find further information on the subsidy programme and how to apply for a subsidy.
- All information that you provide in this case will be treated confidentially and will be used for no other purpose than the quick scan procedure.
- If you would like to receive more general information about the programme before filling out the quick scan, please consult our website: <https://europeanpartnership-responsibleminerals.eu/> or contact the EPRM Secretariat (RVO.nl) at EPRM@rvo.nl