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THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX IV

of the Commission Implementing Decision on the Annual Action Programme 2022 for the Conflict prevention, peacebuilding and crisis preparedness part of the Peace, Stability and Conflict Prevention Thematic Programme

Action Document for Conflict sensitive natural resources management

ANNUAL MEASURE

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and action plans in the sense of Article 23 of NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Conflict sensitive natural resources management OPSYS number: ACT-60777 ; JAD.965351 Financed under the Neighbourhood, Development and International Cooperation Instrument (<u>NDICI-Global Europe</u>)
2. Team Europe Initiative	No
3. Zone benefiting from the action	Although with a global scope, the action shall be carried out in West and Central Africa primarily.
4. Programming document	Multi-Annual Indicative Programme for the Thematic Programme on Peace, Stability and Conflict Prevention 2021-2027
5. Link with relevant MIP(s) objectives / expected results	Priority 2: Promote conflict prevention and conflict resolution measures, including by facilitating and building capacity in confidence-building, mediation, dialogue and reconciliation processes.
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Peace, Stability, Conflict Prevention
7. Sustainable Development Goals (SDGs)	Main SDG: GOAL 16 Promote just, peaceful and inclusive societies Other significant SDGs: GOAL 7: Affordable and Clean Energy GOAL 8: Decent Work and Economic Growth GOAL 10: Reduced Inequality GOAL 12: Responsible Consumption and Production GOAL 17: Partnerships to achieve the Goal
8 a) DAC code(s)	15220 Civilian peace-building, conflict prevention and resolution 32210 - Mineral/Mining Policy and Administrative Management

8 b) Main Delivery Channel @	21000 – International NGO 20000 - Non-Governmental Organisations (NGOs) and civil society			
9. Targets	<input type="checkbox"/> Migration <input type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women’s and girl’s empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @ Tags: digital connectivity digital governance digital entrepreneurship job creation digital skills/literacy digital services	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Connectivity @ Tags: transport people2people	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>

	energy digital connectivity		<input type="checkbox"/>	<input type="checkbox"/>
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

BUDGET INFORMATION

12. Amounts concerned	Budget line(s) (article, item): BGUE – B2022-14.020230-C1 – STABILITY AND PEACE Total estimated cost: pending confirmation of contribution by the implementing partner Total amount of EU budget contribution EUR 6 000 000
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MANAGEMENT AND IMPLEMENTATION

13. Type of financing	Direct management through: Grants Indirect management with the entity to be selected in accordance with the criteria set out in section 4.3.2.
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1.2 Summary of the Action

For many countries around the world, the extraction and production of minerals, despite all challenges, constitutes the key to future economic growth. Very often, however, due to heavy corruption, smuggling and violence associated with the sector, the local population does not benefit from the extractive industry. The effects of mineral extraction and production on the environment and public health also have negative consequences on local populations.

This is why it remains important to invest in understanding and addressing this difficult issue. At the same time, to overcome the gaps and the challenges, which persist in the mining sector governance, it is vital to keep forging a multi stakeholder response, built on the knowledge exchanged between key experts.

The overarching objective of this action is to contribute to peace-building and stabilisation efforts in mineral-rich fragile areas through the promotion of responsible sourcing and trading of gold and diamonds by engaging with actors at regional, national and local level. For knowledge sharing and operating alignment with principles of responsible sourcing and trade of gold, diamonds and other minerals, the action will cover two regions, mostly focusing on West Africa while supporting exploratory work related to regional mining governance approach in Central Africa.

The action will focus in particular on four major goals. The first one is the continued support to the Regional Approach to the Mano River belt region of West Africa (Sierra Leone, Liberia, Guinea Conakry, Cote d'Ivoire) to strengthen the implementation of minerals related international norms and standards, like the Kimberley Process Certification Scheme (KPCS)¹, in the Mano River Union at the regional and national level. A regional approach to policy discourse on issues such as smuggling, ways to improve the livelihood conditions for mining communities while simultaneously increasing the space and roles for civil society in the mining sector has proven to be successful. With this action, the aim is to pave the way for its potential replication in Central Africa by supporting preliminary context analysis of the Central African region to assess whether a possible extension of the mining

¹ <https://www.kimberleyprocess.com/>

related regional approach to this region is sustainable and recommendable. As a second objective, the action will continue engaging, empowering and equipping civil society's active participation in the Kimberley Process (KP) and other due diligence initiatives. The action's third goal is to raise awareness of environmental management in mining governance in the selected regions, in particular with artisanal and alluvial miners, and encourage locally led, conflict sensitive activities related to addressing environmental degradation caused by mining.

Finally, the development of new technologies and the shift to green, renewable ways of life increases demands for the critical raw materials that power the green transition. The action will support research and dialogue to ensure better understanding of risks of destructive conflict caused or exacerbated by mining for green transition, in particular in conflict-prone and vulnerable countries and regions, such as West and Central Africa. This research will include an in-depth risk analysis and will allow to determine if targeted conflict prevention intervention in areas of mining for green transition is necessary.

This Action is aligned with the priorities set under the Joint Communication "Towards a Comprehensive Strategy with Africa", particularly related to step up efforts to ensure peace, security and stability and to promote democracy, governance, rule of law, human rights, gender equality and inclusive and participative societies. Besides, the action contributes to SDGs 16 (Peace, Justice and Strong Institutions), 7 (Affordable and Clean Energy), 8 (Decent Work and Economic Growth), 10 (Reduced Inequality), 12 (Responsible Consumption and Production), 17 (Partnerships to achieve the Goal).

2 RATIONALE

2.1 Context

Since the 1990s, natural resources have often been associated with the financing of armed conflicts and the perpetration of serious abuses of human rights in conflict-affected and high-risk areas. Conflict financing through mineral extraction and trade is a major impediment to peace, development and growth in mineral producing and transit countries, in particular throughout the African continent.

The artisanal mining sector is particularly vulnerable as it remains largely informal and is prone to wide corruption and violence. The sector's lack of policy cohesion and firm government presence results in significant loss to public revenues, undermining government oversight and, if left unchecked, could have implications for national and regional stability. The complex problem of the illegal exploitation of natural resources in the West and Central Africa, including the financing of armed groups and security forces, requires a comprehensive and multi-sector response, which should encompass the promotion of responsible sourcing and trading of minerals as well as technical knowledge sharing between countries.

The international community has a key role to play to encourage the governments of the region to become more engaged in the fight against illegal exploitation and trade of natural resources, especially by raising awareness on international norms and standards such as the KPCS and continuously pushing for reviews of such norms and standards so that they remain fit for purpose. The role of civil society in such discourses and reviews is fundamental to its own integrity and credibility, and ensures that the reasons for its existence - namely protecting communities from the devastating effects of conflict fuelled by the profits of the mineral - is never lost. The KP's unique multi-stakeholder structure has enabled stronger working relationships to be forged between civil society organisations and their host governments. It is therefore vital to continue empowering the KP Civil Society Coalition to remain engaged, advocating reforms to keep KP alert to current threats and challenges.

Beyond international standards and norms, what has proven to be successful in assisting in improved mining governance is the support provided to the Regional Approach to the KP in the Mano River Union. The aim of the previous and this initiative is to support the MRU countries to take forward action under national and regional-level action plans to tackle smuggling, improve internal controls, and ensure greater benefits are returned to the mining communities. These countries share a number of common vulnerabilities, including inadequate regulatory frameworks governing the exploitation and trade in diamonds and other precious stones. There are also important capacity gaps in enforcement capabilities of police, customs and immigration services and a lack of coordination amongst governments on fees and export duties to remove incentives to smuggling. Support to the regional

approach means working toward improving the governance of the artisanal and small-scale mining sector and trade of minerals in and from the four MRU countries to make it more compliant with international norms and standards, in particular the KP, the OECD Due Diligence Standards² and the EU Responsible Sourcing Regulation³. Considering the benefits of the regional approach, the aim of this action will also be to explore possible ways to potentially extend the programme/regional approach to Central Africa by considering positive outcomes and all possible risk factors of such an engagement, in line with relevant specificities of the current situation in different countries of the region.. Knowing the sensitivities that exist in the region regarding mineral sourcing and mining, the approach will be to engage with authorities, civil society and local mining community to assess the willingness of the stakeholders to engage with each other and on which areas they want to focus.

In addition, a communication strategy will also be developed to keep KP participants abreast of progress and challenges in the implementation of the Regional Approach both within the Mano River countries themselves, as well as within the KP and towards external stakeholders.

Besides fuelling conflict, the extraction of minerals also has negative effects for the environment. Various environmental impacts of mining have been observed, including air and water pollution, deforestation, and soil degradation. The location of mines, unaccountable extraction processes, and the lack of enforcement of mining codes are all factors that contribute to environmental degradation and public health concerns. It is therefore very important to initiate actions together with the local communities, in particular artisanal miners, on the protection of the environment through the sustainable management of mining areas. Awareness raising on health concerns should also be envisaged. The idea is to build on research already done on the negative environmental effects of mining and with concrete, locally led initiatives reduce the adverse effects of mining activities on the ecosystem and human beings and promote a peaceful mining atmosphere.

As stipulated in the International Energy Agency's 2021 report⁴, 'exploitation of mineral resources gives rise to a variety of environmental and social implications that must be carefully managed to ensure reliable supplies'. The report continues to emphasize that for minerals related to energy transition conflict risks are currently low. However, these minerals are often produced in countries that score below average in measures of perceived corruption risk. There is an expanding attention of due diligence frameworks and legislation as well as wider call by investors, consumers and civil society to look more closely at supply chains and reduce environmental and social harms through proactive engagement. The action will provide its contribution to this aim by supporting research and dialogue on green transition related mining practices and identify potential conflict hotspots connected to it.

The EU is committed to the responsible sourcing and trading of minerals, not only in terms of conflict prevention, stabilization and good governance, but also as a factor of economic and social progress for the mineral rich countries and regions.

2.2 Problem Analysis

Short problem analysis:

The extraction and production of minerals in conflict-affected and high-risk areas is often closely linked with heavy corruption, smuggling and violence, and with the perpetration of serious abuses of human rights. Conflict financing through mineral extraction and trade is a major obstacle to peace, development and growth in production and transit countries, in particular throughout the African continent. The local population does not benefit from the extractive industry.

The most common mining techniques, surface mining and underground mining, have the potential for significant adverse environmental impacts in the immediate operational area, across broader watersheds and country borders, and in contributing to environmental degradation and climate change. Environmental impacts in the immediate area potentially include ecosystem destruction, negative effects on biodiversity, release of heavy metals, toxic

² <https://www.oecd.org/daf/inv/mne/OECD-Due-Diligence-Guidance-Minerals-Edition3.pdf>

³ <https://ec.europa.eu/trade/policy/in-focus/conflict-minerals-regulation/regulation-explained/#:~:text=On%201%20January%202021%20a,are%20mined%20using%20forced%20labour.>

⁴ <https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions/reliable-supply-of-minerals>

substances and particulate matter through both mining and the beneficiation processes, significant use of water resources and effects on health.⁵

A new World Bank Group report (2020) reveals that the production of minerals such as graphite, lithium and cobalt, could increase by nearly 500% by 2050 to meet the growing demand for clean energy technologies.⁶ About 70 per cent of the world's cobalt – used for batteries in mobile phones to electric cars - comes from the Democratic Republic of the Congo (DRC), and a significant percentage from Madagascar. Countries such as Zimbabwe and Namibia have among the largest reserves of lithium globally.

As the global demand rises and the rush for these minerals by corporates from rich countries heightens, the creation of a level playing field is key so African countries and the local communities that are directly impacted by their extraction also benefit socially and economically from their own resources.

Other segments that need further support are:

- The institutional framework of the sector and the available tools to monitor and supervise the mining sector and associated domestic supply chains, including the carrying out of gender-disaggregated baseline assessments and the development and maintenance of appropriate information systems.
- The capacities of the national and local authorities to ensure full compliance with international standards, norms and regulation in the sector.
- The technical and professional capacities of relevant national and regional organisations.
- Engagement of the private sector so that they better understand what is required of them for KP and EU Regulation compliance, and work with local authorities to highlight risks to supply chain security and promote fair and equitable relations between actors throughout the supply chain with due consideration to redress social and gender inequities as well.
- The capacities of international and local civil society actors to act as watchdogs for peace, development and responsible sourcing through analysis, research and advocacy.
- The capacities of the Kimberley Process Civil Society Coalition, to play a crucial role in the global reform process of the KP.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

The two projects under this action will target a number of stakeholders and in particular:

- National and local Government authorities, with the aim of increasing their capacity to monitor and enforce Kimberley Process, EU Regulation requirements and due diligence programmes.
- Civil society and local communities, to enhance their capacity to contribute to both KP and due diligence initiatives.
- At a more local level, the involvement of artisanal and small-scale miners, mine site operators, traders or buying houses⁷ and local authorities (state and customary) is essential. Artisanal and alluvial mining communities, including women and children, helping to improve conditions of life for mining communities, and open up sustainable alternative livelihoods, and help stem the flow of illicit trade in commodities.
- Regional actors will also be targeted.
- The private sector, which has a key role in identifying and mitigating risks of conflict financing and human rights violations associated with mineral production and trade, as well as opportunities for more responsible supply chains and financing of diamond and gold production.

The specific focus on the above-mentioned stakeholders will vary depending on the outputs of the Action.

⁵ https://www.oecd.org/environment/outreach/20190413_Mining%20and%20Green%20Growth%20Final.pdf

⁶ <https://pubdocs.worldbank.org/en/961711588875536384/Minerals-for-Climate-Action-The-Mineral-Intensity-of-the-Clean-Energy-Transition.pdf>

⁷ The buying houses are the offices of diamond companies opened on the urban centres of the mining sites, where the companies buy the diamonds from the artisanal miners directly.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to **contribute to peace-building and stabilisation efforts in mineral-rich fragile areas** by focusing on regional multi-stakeholder engagement and peer learning aimed at strengthening cooperation, information and knowledge sharing.

An overarching objective of the action is to address **the environmental impact of mining and promoting technical cooperation between African countries**. The Botswana case of investing in diamond cutting and polishing and the creation of local jobs could serve as a learning experience for other African countries.

The Specific Objectives:

1. Promote civil society's capacity to actively participate in the KP Certification Scheme discussions and reforms thereby assisting in preventing illicit diamond trade from fuelling violence and conflict in the diamond sector.
2. Strengthen regional engagement among multi-stakeholder actors (governments, industry and civil society), in West and Central Africa and enhance the development and livelihood aspects of artisanal mining.
3. Raise awareness about mining related environmental degradation and support locally led mitigating activities which advance the protection of biodiversity and healthy ecosystems.
4. Undertake independent analysis and research on the green transition related mining to be used to identify and raise awareness about potential hotspots in West and Central Africa.

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

1.1 contributing to Specific Objective 1:

- Civil Society is empowered and equipped to actively participate in the Kimberley Process Certification Scheme and other due diligence initiatives;
- The Kimberley Process Civil Society Coalition (KPCSC) is strengthened through joint research, capacity enhancement activities based on an existing needs assessment, and reinforced networks;
- Enhanced participation of civil society in Kimberley Process events and activities, both at the level of producing and importing countries.

2.1 contributing to Specific Objective 2:

- Improved implementation of the Regional Approach, supporting closer regional integration of policies and practices aimed at improving KP compliance in conflict-prone and under-performing producer countries, continuing in Mano River region of West Africa, and potentially expanding to Central African countries. The potential Central African expansion will entail a preliminary context analysis of the Central African region to assess whether an extension of the mining related regional approach to this region is sustainable and recommendable.
- Continued support to the regional cooperation among the Western African countries and their neighbouring countries to combat smuggling, reduce illicit economies and improve conditions for mining communities involved in artisanal mining; Research and preliminary engagement undertaken in Central Africa to explore the willingness and feasibility of the same/similar regional approach, including outlining possible ways to effectively engage with civil society actors in different national and local contexts across the region.
- Enhanced awareness and understanding (at local community level, among civil society, government officials and private sector) on KP requirements and due diligence approach on gold (both OECD Due Diligence Guidance and EU Regulation);
- Enhanced economic activity and improved livelihood conditions at a local community level with particular consideration of social and gender equity and women's economic empowerment.
- Where opportune, strengthened conflict prevention and community conflict resolution mechanisms related to natural resources mining.

3.1 contributing to Specific Objective 3:

- Awareness about negative mining impact on environment, biodiversity and health raised through research, closer cooperation between conservation and mining community and support to small

scale, locally led mitigating initiatives.

4.1 contributing to Specific Objective 4:

- Enhanced understanding of linkages between green transition related mining and potential conflict hotspots in West and Central Africa.

3.2 Indicative Activities

Activities related to Output 1.1

- The KP CSC members are supported to engage in active participation and representation, to conduct research and to produce working documents in support of better diamond governance.
- Organize national and regional multi-stakeholder workshops that foster dialogue with, and participation of, African CSO partners.
- Fund CSOs (notably but not exclusively African) to undertake domestic activities that support research and engagement with artisanal mining communities, government officials and locally based industry members that either support KP compliance or regional cooperation.

Activities related to Output 2.1:

- Support of national tri-partite KP working groups in each MRU member country, involving governments, industry and civil society.
- Support to customs and border agencies.
- Support to border communities and civil society actors.
- Improved collaboration between law enforcement authorities, mining authorities and communities.
- Design and facilitate training workshops aimed at improving basic understanding of KP requirements by relevant government officials, private sector actors and artisanal mining communities in producing countries.
- Support artisanal mining communities through activities that broaden understanding of KP compliance and that support greater traceability of legal diamond production.
- Community outreach and awareness raising, including gender sensitization.
- Awareness campaigns among local communities, civil society and private sector of KP rules and due diligence approach/mechanism.
- Explore feasibility of fostering cooperation in Central Africa multiplying some of the successes of the Mano River Regional Approach.

Activities related to Output 3.1:

- Facilitate research and dialogue between conservation and mining communities in West and Central Africa to identify critical environmental and health impact of mining.
- Support community-level led initiatives to mitigate the identified impact and that way promote biodiversity preservation and healthy mining atmosphere.
- Promote cooperation between conservation and mining community in the two regions.
- In both projects, encourage a coordinated approach to improving environmental performance in the mining sector, drawing on international conventions and agreements as valuable conduits for standards, coordination and information.

Activities related to Output 4.1:

- Support expert analysis and research on green transition related mining in West and Central Africa.
- Develop potential green transition related conflict hotspots and provide recommendations for their mitigation.

3.3 Mainstreaming

Environmental Protection & Climate Change

One overarching objective of this action is to strengthen understanding and raise awareness about the negative impact mining has on the environment and biodiversity. The assumption is that this will create opportunities for cooperation across dividing lines on issues of common concern, lowering risks from disasters and of conflicts.

Environmental assessment is a core component of the action itself and thus no further assessment is deemed necessary. The environmental impact of artisanal mining has been largely neglected over the years. Emphasis will be placed throughout the intervention to improve these aspects while at the same time bringing the importance of safeguarding the environment to the forefront. This will include working with partners involved in environmental regulation while at the same time including environmental safeguards as part of miner and community trainings. Environmental considerations will be introduced into the development of strategic frameworks and the development of tools and guidelines taking into account clearly defined environmental standards and performance indicators.

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that the action will commit to address gender equality and women's empowerment in the context of women's marginalisation and discrimination, vulnerability to gender-based violence and their unequal access to natural resources and common property rights. In this regard, particular attention will be paid to understanding and analysing socio-economic and cultural diversity including differences gender-based power relations in the artisanal diamond mining.

Human Rights

The action will foster inclusive engagement and will strive to uphold social justice and human rights of all people – women and men in artisanal diamond mining communities in particular.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. However, the action will ensure that activities particularly at the policy formulation and community level are inclusive, participatory and emerge from partners themselves enhancing ownership by institutions and civil society alike.

Democracy

Projects to be funded under this Action should uphold fundamental democratic principles such as transparent and accountable governance, participation and fair representation, balance of power and the respect for human rights.

Conflict sensitivity, peace and resilience

In line with the NDICI regulation, projects under this Action should be based on a solid understanding of local conflict dynamics, should do no harm and should maximise opportunities to make positive contributions to build peace and resilience.

Disaster Risk Reduction

Issues related to natural disaster will be taken into consideration by implementing partners in their activities and analyses, as relevant.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
1, 3	Security related risks- the security and political	M	H	The risks include the volatility of the security situation in West and Central Africa that could potentially affect

	situation in selected countries /regions deteriorates.			relations between countries and could impact activities, in particular on the local level, artisanal mining. This risk will be mitigated by the development of customised conflict resolution mechanisms to address any related grievances in individual communities.
2	Lack of stakeholder capacity.	M	M	Another risk is potential lack of stakeholders' capacity to implement the action. This risk will be mitigated through support to and capacity building targeting the relevant actors, including civil society organizations, policy and decision makers and artisanal and small-scale miners.
1,3	Poor and deteriorating socio-economic situation in selected countries/regions.	M	H	There is also a risk that high levels of extreme poverty in the region provide counterincentives set to compliance with KP and Due Diligence principles and induce illegal mining, smuggling and human rights abuses along the value chain. The action will mitigate this risk by providing incentives to the formalisation of miners and traders, via finance and technical assistance.

Lessons Learnt:

The EU approach to the promotion of responsible sourcing of minerals and trade of diamonds is based upon the principle of the "integrated approach", which implies the mobilisation of a variety of tools. As indicated in the Joint Communication (2014)⁸, the Commission proposal for a Regulation is accompanied by a series of measures, which include the support to third countries via development cooperation to ensure responsible mineral extraction and commercialisation.

The activities aimed at strengthening regulatory and policy coherence with the due diligence approach in third countries need to be accompanied by support for the creation of economic and development opportunities for artisanal and small-scale miners.

The following lessons can be learned from past experiences in supporting the artisanal and small-scale mining sector:

- Need for due diligence practices to be understood, carried out and reported on by the private sector; conversely, need for these practices to be monitored by governments and civil society; chain of custody systems are tools that lend themselves to the carrying out of due diligence in particular in the gold sector;
- Need to map out and understand how women and other potentially vulnerable groups participate in the diamond and gold supply chains to ensure that they derive benefit from EU-sponsored interventions and are not further marginalised;
- Need for formalisation (i.e. improving technical capacity, safety procedures, economic management skills) of artisanal and small-scale producers;
- Need to ensure that upstream and downstream stakeholders' motives are understood so as to introduce effective incentive structures;
- Need to strengthen the technical capacity of miners and facilitate gold producers' access to financing opportunities; these opportunities should be extended to those working in auxiliary services (such as women

⁸ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014JC0008>

selling goods and food, etc.).

With regard to the Kimberley Process, the following lessons learned can be gathered from previous experience of EU support:

- Achieving and maintaining political commitments to natural resources governance requires constant engagement with actors at all levels of government, industry and civil society. Challenges to effective implementation of KP can arise because of lack of political will, inadequate resources, or compromised elites unwilling to relinquish control of lucrative resources which they may control. Whatever the cause, it can result in sub-optimal outcomes for governments and local communities in the mining sector.
- The consensus based decision-making process at the heart of the Kimberley Process has at times made it difficult for the KP to adapt to current challenges, and this has been to the detriment of the KP's efficiency and credibility. Nevertheless, good progress can be made on improving the implementation of KP at a technical level, and this has been the focus of the EU's efforts as Chair of the Working Group on Monitoring (WGM), in support of the Regional Approach for the countries of the Mano River Union.
- Regional approach: Experience in developing a regional approach in the Mano River Union shows that there is a need for ensuring political buy-in on a clear set of technical proposals. Identification of suitable regional actors to promote and champion the work was also critical in the Mano River Union, to ensure institutional ownership and momentum.

The Regional Approach to KP compliance in the Mano River region of West Africa demonstrates how increasing the stake of the community in artisanal mining production, making improvements to law enforcement cooperation and putting in place better traceability systems, can deliver dividends in the prevention of smuggling, and returning revenues to governments and the local people of mining communities. This model has the potential to be adapted to other regional contexts, to address similar KP compliance challenges elsewhere.

3.5 The Intervention Logic

The underlying intervention logic for this action, based on the theory of change, is that

IF regional multi-stakeholder engagement and peer learning aimed at strengthening cooperation, information and knowledge sharing in the mining sector are encouraged and

IF appropriate tailored made capacity support to relevant stakeholders is provided

THEN civil society organisations and local mining communities are empowered and equipped to participate in international debates on conflict minerals standards and norms and

Authorities better cooperate among them and design policies that are fit for purpose

THEN conflicts can be reduced and prevented ensuring a lasting stability

BECAUSE strengthening civil society's capacity, promoting regional engagement among multi-stakeholder actors, awareness raising about mining related environmental degradation and analysis and research on the green transition related mining can contribute to economic development, poverty alleviation and peaceful coexistence in mineral-rich fragile areas.

3.6 Logical Framework Matrix

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PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To contribute to peace-building and stabilisation efforts in mineral-rich fragile areas by focusing on regional multi-stakeholder engagement and peer learning aimed at strengthening cooperation, information and knowledge sharing.	1 Number and frequency of outburst of violence surrounding the minerals sector in the regions tackled by the action.	To be defined at project level	To be defined at project level	To be defined at project level	<i>Not applicable</i>
Outcome 1	Civil society's capacity to actively participate in the KP Certification Scheme discussions and reforms thereby assisting in preventing illicit diamond trade from fuelling violence and conflict in the diamond sector, promoted.	1.1 Number of civil society organisations engaged in advocacy on responsible mineral supply chains. 1.2 Number of new KPCSC members, ensuring a regional spread and strengthening of expertise.	To be defined at project level	To be defined at project level	To be defined at project level	
Outcome 2	Regional engagement among multi-stakeholder actors (governments, industry and civil society), in West and Central Africa strengthened and development and livelihood aspects of artisanal mining enhanced.	2.1 Number of stakeholders (private sector companies / industry actors, civil society and government agencies) engaging with others on implementation of KP Certification Scheme, OECD Due Diligence Guidance or similar frameworks. 2.2 Number of national policy changes adopted with regard to the management of conflict minerals (3TG) and other natural resources.	To be defined at project level	To be defined at project level	To be defined at project level	

Outcome 3	Awareness about mining related environmental degradation raised and locally led mitigating activities which advance protection of biodiversity and healthy ecosystems supported.	3.1 Number of research based actions to alleviate negative mining effects for environment.	To be defined at project level	To be defined at project level	To be defined at project level	
Outcome 4	Independent analysis and research on the green transition related mining to be used to identify and raise awareness about potential hotspot in West and Central Africa undertaken.	4.1 High quality research strengthens knowledge on the green transition related mining and potential for conflict in West and Central Africa.	To be defined at project level	To be defined at project level	To be defined at project level	
Output 1 related to Outcome 1	1.1 Civil Society is empowered and equipped to actively participate in the Kimberley Process Certification Scheme and other due diligence initiatives.	1.1.1 Number of Civil Society Organisations' representatives trained and capacitated.	To be defined at project level	To be defined at project level	To be defined at project level	
Output 2 related to Outcome 1	1.2 The Kimberley Process Civil Society Coalition (KPCSC) is strengthened through joint research, capacity enhancement activities based on an existing needs assessment, and reinforced networks.	1.2.1 Number of policy and action papers on the topic by civil society organisations demonstrate that they act contribute to development and responsible sourcing 1.2.2 Number of training and strategic meetings.	To be defined at project level	To be defined at project level	To be defined at project level	
Output 3 related to Outcome 1	1.3 Enhanced participation of civil society in Kimberley Process events and activities, both at the level of producing and importing countries.	1.3.1 Number of events and activities with KPCSC participation.	To be defined at project level	To be defined at project level	To be defined at project level	

<p>Output 1 related to Outcome 2</p>	<p>2.1 Improved implementation of a Regional Approach, supporting closer regional integration of policies and practices aimed at improving KP compliance in conflict-prone and under-performing producer countries, continuing in Mano River region of West Africa, and potentially expanding to Central African countries.</p>	<p>2.1.1 Number (%) of government staff and other relevant stakeholders trained on responsible business conduct standards for conflict minerals and extraction of other natural resources (M/W).</p> <p>2.1.2 Number of cross-border exchange/study visits and peer to peer learning exchanges have taken place within the MRU Region, to learn best practices from each other</p>	<p>To be defined at project level</p>	<p>To be defined at project level</p>	<p>To be defined at project level</p>	
<p>Output 2 related to Outcome 2</p>	<p>2.2 Enhanced regional cooperation among the Western and Central African countries and its neighbouring countries to combat smuggling reduce illicit economies and improve conditions for mining communities involved in artisanal mining.</p>	<p>2.2.1 Number of national Studies/Reports on cross-border management of resources extracted through artisanal and small-scale mining activities and prevention of smuggling</p>	<p>To be defined at project level</p>	<p>To be defined at project level</p>	<p>To be defined at project level</p>	
<p>Output 3 related to Outcome 2</p>	<p>2.3 Enhanced awareness and understanding (at local community level, among civil society, government officials and private sector) on KP requirements and due diligence approach on gold (both OECD Due Diligence Guidance and EU Regulation);</p>	<p>2.3.1 Number (%) of people reached by awareness raising campaigns (M/W).</p>	<p>To be defined at project level</p>	<p>To be defined at project level</p>	<p>To be defined at project level</p>	

Output 4 related to Outcome 2	2.4 Enhanced economic activity and improved livelihood conditions at a local community level with particular consideration of gender equity and women’s economic empowerment	2.4.1 Number of best practices /lessons learned from pilot activities specific to improving livelihoods, inclusive of gender aspects, for ASM communities.	To be defined at project level	To be defined at project level	To be defined at project level	
Output 1 related to Outcome 3	3.1 Awareness about negative mining impact on environment and biodiversity raised through research, closer cooperation between conservation and mining community and support to small sale, locally led mitigating initiatives	2.2.1 Number (%) of people reached by awareness raising campaigns (M/W). 2.2.2 Number of community led environmental initiatives.	To be defined at project level	To be defined at project level	To be defined at project level	
Output 1 related to Outcome 4	4.1 Enhanced understanding of linkages between green transition related mining and potential conflict hotspots in West and Central Africa.	4.1.1 Number of studies, research done. 4.1.2 Number of hotspots identified and dialogues around the subject conducted.	To be defined at project level	To be defined at project level	To be defined at project level	

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with the partner country /territory.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures⁹.

4.3.1 Direct Management (Grants)

Grants: (direct management)

(a) Purpose of the grant(s)

The grants will contribute to achieving specific objectives indicated in section 3.

(b) Type of applicants targeted

The type of applicants targeted for these direct awards are non-governmental organisations and not for profit organisations.

(c) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to international non-governmental and not for profit organisations selected using the following criteria: expertise on KP and other international due diligence guidance and regulations, with a particular focus on the KP civil society coalition and longstanding experience working on peacebuilding and security related matters; experience and operational capacity to work in the countries of intervention; experience and track record of engaging with local communities on mining sector, peace and conflict issues; capacity and credibility to foster collaborations with other relevant stakeholders, including private sector, at country and global level.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because the objective pursued under this action requires specific specialisation and expertise in mining governance, and a good knowledge of and experience on KP civil society engagement, as well as access ability to mines and other relevant sites to conduct environmental and green transition related research, as per article 195, paragraphs a) and f) of the Financial Regulation.

4.3.2 Indirect Management with a pillar assessed entity

A part of this action may be implemented in indirect management with a pillar assessed entity, which will be selected by the Commission's services using the following criteria: experience working in conflict prevention and peacebuilding with a focus and track record of engaging with local communities on mining sector, peace and conflict issues; capacity and credibility to foster collaborations with other relevant stakeholders, including private sector, at country, regional and global level; capacity to engage on these topics at the global policy level. All activities under specific objective 2 and some activities under 3 will be implemented in indirect management.

⁹ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.3.3 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

In case the selection of implementing partners as per the criteria and conditions set out above might not prove successful, changes from indirect to direct management mode, or from direct to indirect management, will provide the possibility to identify other types of applicants according to the same criteria. In both cases, the newly identified applicants will have appropriate expertise in the mining sector, conflict prevention, capacity building and governance in this area.

4.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)	Third-party contribution, in currency identified
Objective 1, 3 and 4 composed of		
Grants (direct management) – cf. section 4.3.1	2 500 000	
Objective 3 composed of		
Indirect management - cf. section 4.3.2	3 500 000	Amount in EUR to be confirmed at a later stage
Totals	6 000 000	

4.6 Organisational Set-up and Responsibilities

The action is managed by the European Commission's Service for Foreign Policy Instruments (FPI) as contracting authority, in collaboration with the European External Action Service (EEAS) and relevant EU Delegations. Relevant other services will be regularly updated in order to ensure synergies at the EU level. Implementing partners will establish and implement the necessary management and coordination mechanisms that will ensure regular information exchange within the respective projects funded under this action.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe

matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

Selected implementing partners will be responsible to collect, analyse and monitor data based on a monitoring and evaluation plan developed prior to the start of the implementation of activities. The monitoring and implementation plan will include a baseline assessment of performance indicators. Indicator values will be measured on a country-by-country and on an aggregated basis.

5.2 Evaluation

Having regard to the nature of the action, an evaluation will not be carried out for this action or its components.

In case an evaluation is not planned, the Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

The Commission shall inform the implementing partner at least 30 days in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with other key stakeholders following the best practice of evaluation dissemination¹⁰. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluation shall be covered by another measure constituting a Financing Decision.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

It should be noted that targeted awareness-raising and information sharing activities necessary to achieve specific programme/project objectives by engaging with specific audiences identified by the action remain possible.

¹⁰ See best [practice of evaluation dissemination](#)

Appendix 1 REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: 'a given contract can only contribute to one primary intervention and not more than one'. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a 'support entities'. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as;

Action level		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action
Group of actions level		
<input type="checkbox"/>	Group of actions	Actions reference (CRIS#/OPSYS#):
Contract level		
<input checked="" type="checkbox"/>	Single Contract 1	
<input type="checkbox"/>	Single Contract 2	
	(...)	
<input type="checkbox"/>	Group of contracts 1	