

EPRM evaluation

High-level summary

20 July 2020



Introduction

The EPRM is a multi-stakeholder partnership established in 2016 with the goal to create better social and economic conditions for mine workers and local mining communities, by increasing responsible mining practices in Conflict and High Risk Areas (CAHRAs) and responsible sourcing across the supply chain.

The Ministry of Foreign Affairs of the Netherlands, as initiative-taker for the programme, has contracted PwC and Levin Sources to evaluate the programme's first years of operation. The evaluation covers the effectiveness of EPRM, its organisational structure and management by RVO.nl and a selection of (nearly) completed projects funded by EPRM.

The evaluation is intended to provide insights on processes that are **going well** (and should be continued) and on aspects that **can be improved** to increase the effectiveness of the partnership. The main value of the evaluation thus lies in providing the MFA and other involved stakeholders with insights and guidance on learning opportunities.

In this **High-level Summary** we share the **conclusions** of the evaluation and the **main lessons** (including the recommendations).

*For a complete appreciation and understanding of the conclusions and main lessons, as well as other recommendations, we recommend reading the **full evaluation report**.*

Methods: *The evaluation has a qualitative nature. We have used interviews with stakeholders, document study and case studies. The methods and limitations are detailed in the full report.*



Conclusions

Below we briefly summarize the findings and describe the main conclusions per evaluation aspect and across the evaluation.

| | |
|--|--------------------------------------|
| | Realized / effective |
| | Partly realized / partly effective |
| | Not realized / limited effectiveness |

| Aspect | Evaluation question | Conclusions |
|---------------------|---|---|
| Relevance | What is the added value of the EPRM in the current landscape of global mineral initiatives? | The EPRM clearly has a meaningful role to play in the responsible minerals landscape: it contributes to filling a critical gap in the landscape connecting stakeholders across the value chain (multi-stakeholder character) and in funding on-the-ground projects. |
| Organisation | How is the EPRM Secretariat (by RVO.nl) functioning and what could be improved? | Overall, the organisational structure of EPRM has been set up in an effective way . The secretariat is appreciated for its coordinating role, the board has a good representation of stakeholders and the pillars have linkage to the board. The secretariat and the board have been actively working to improve performance, also to meet member needs. |
| | To what extent is the Governing board functioning well? | |
| | Are current members actively engaged in the membership and/or is there room for improvement? | At the same time, there are some challenges, especially for the partnership to become more mature and impactful . The secretariat could be more pro-active and benefit from stronger sector expertise. The board needs to prioritize decision making in relation to EPRM's mission and vision. Particularly the private sector pillar risks loose engagement as it is growing and now has less direct internal interaction. |
| | To what extent does MFA contribute to the program of the EPRM? | |
| Programme | To what extent have planned activities of EPRM been implemented and are the interventions of EPRM effective? | In general we find that not all planned activities have been realized. It appears that some activities have not been prioritized in the first phase of EPRM, and are only now taking shape (such as the knowledge portal). There is still discussion about what activities EPRM should take up. The membership of EPRM has increased annually, although at a diminishing rate. Outreach appears to have been successful but could be further improved to enrol new members and/or deepen partnerships. |
| | How effective is the EPRM in committing companies to the partnership and contributing to their commitment to source responsible minerals? | |
| Project | To what extent are the current interventions of the funded projects by the EPRM effective and do they fit with EPRM's goal? | The projects we looked at all appear to have achieved most of their activity and output milestones with support and encouragement from secretariat staff. However, several improvements are possible to project selection, monitoring and management, especially as the portfolio grows. |

Main lessons

The conclusions showed EPRM is in many respects a very effective partnership and it has improved over the years. For the main lessons, we focus on what EPRM can do to further **increase its effectiveness**.

The EPRM describes the 5 year plan as follows: “*By the 1st of January 2023, the EPRM will have been able to show that the demand and the proportion of **responsibly produced 3TG minerals** from conflict-affected and high risk areas is increasing and that the socially responsible extraction of minerals that contributes to local development **is being supported**. In addition, the EPRM will have promoted **dialogue and cross-sector learning between upstream and downstream actors** through multi-stakeholder partnership. The EPRM will serve as an accompanying measure to the EU conflict minerals regulation and will play an **important role in educating and supporting SME suppliers**.” (annual plan 2019)*

In this section we relate our integrated findings to EPRMs strategic plan. We present what we consider should be focused on to realize the main objectives for EPRM for 2023: **1) Supporting responsible extraction of minerals** and **2) connecting supply chain actors** (up- to downstream), and **3) assisting the EU Conflict Minerals Regulation**. We thereby provide input for EPRMs “roadmap” in the form of steps to increase effectiveness. We do so by integrating recommendations from the report in three sections (related to the three types of key recommendations, being strategic recommendation, essential changes and quick-wins):

1. Decide on & implement the strategic recommendations
2. Revise & revitalize the governance
3. Jointly take responsibility for direct & continuous improvement



1. Decide on and implement the strategic recommendations



| Goal 2023 | Step to increase effectiveness |
|--|--|
| Supporting responsible extraction of minerals | <p>Seek opportunities for more pro-active project development outside regular calls for proposal to (a) scale up successful concepts, (b) involve members – especially from the private sector - and address issues they are particularly interested in and (c) promote innovation. This will allow more focused and coherent project portfolio that (a) is easier to manage, (b) more actively involves members and (c) contributes more consistently to the EPRM's mission.</p> <p>Particularly related to involvement of private sector members in projects, we advice to review what might lie behind the apparent reluctance by private sector members to get more involved in projects. Consider what could be done to incentivize more active engagement, e.g.:</p> <ul style="list-style-type: none"> • Encourage members to support project implementation on the ground through practical and/or financial assistance; • Create thematic or mineral-specific working groups and/or project clusters to identify solutions for specific challenges (e.g. technology & innovation); • Showcase successful projects and build coalitions of members (and potentially third parties) for scale up; • Consider providing guidelines and suggestions to private sector members to encourage their involvement in projects. |
| Assisting the EU Conflict Minerals Regulation | <p>Align on which activities EPRM can do to support the EU regulation. Consider what can be done in the short term (before 1 January 2021) and what can be done to provide more structural support to SMEs. Align these activities with the EC. The strengths of EPRM should be used as much as possible. Think of for example mentorship of frontrunner members who can support other companies or informing governments in CAHRAs about the regulation.</p> |
| connecting supply chain actors | <p>Deliberate how EPRM can best create alliances across supply chains:</p> <ol style="list-style-type: none"> 1. To this end, increasing the membership base seems desirable, particularly to upstream part of the supply chain, which is almost not represented in the membership. To address this, EPRM should establish a clearly developed unique selling proposition for upstream companies, especially mining companies and traders. Also, outreach should be intensified to overcome the apparent trend of fewer members joining each year. 2. At the same time, it might be desirable for EPRM to focus on realizing smart partnerships with initiatives with other strategic focus or existing representation in CAHRAs. Instead of competing for members, EPRM should seek cooperation with organizations striving for the same goal. Engage on a regular basis with other upstream responsible minerals and metals initiatives. A starting point could be to flag a few organisations to work with more closely. |

2. Revise and revitalize the governance

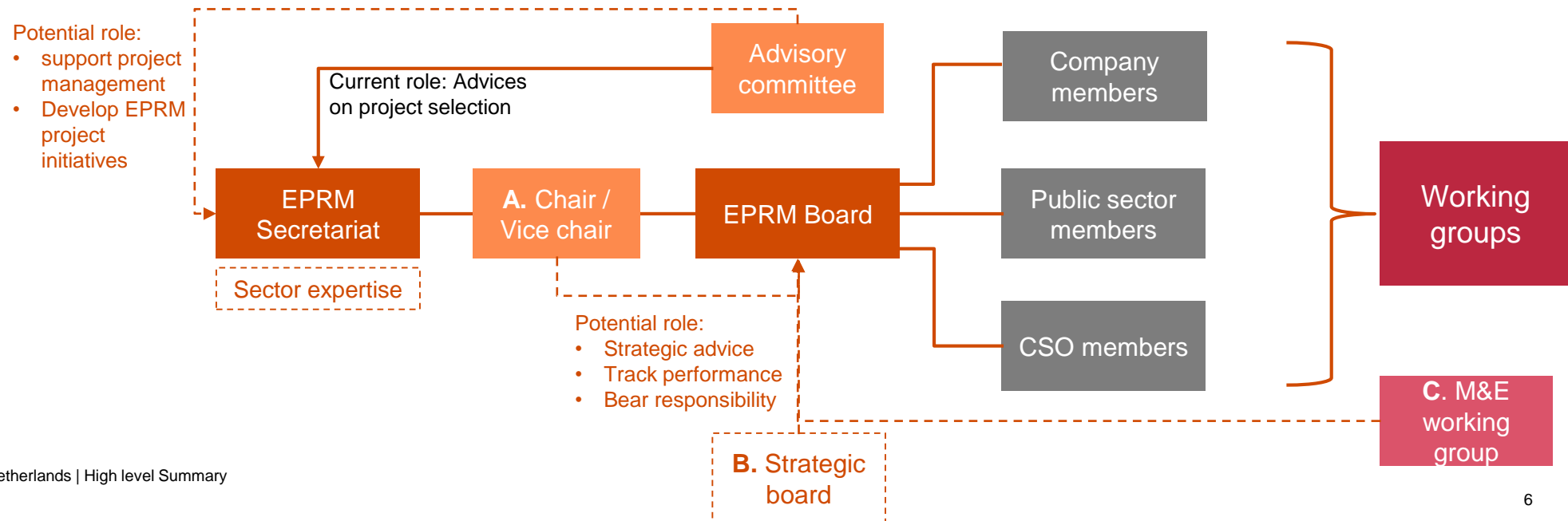


| Organisation goal | Step to increase effectiveness |
|---------------------------------------|---|
| Coordination & management | Strengthen the expertise position (and capacity) of the EPRM Secretariat. Either as part of the secretariat (additional staff) or continuous external support (which could be from members and co-financiers, such as GIZ). They should support with driving EPRM towards its strategy, manage (and instigate) projects, and scale up outreach and/or forging of smart partnerships. For project management, the most obvious option is to extent the role of the advisory committee to also follow-up on projects after selection. |
| Steering & decision making | Enable the board to really become a steering organ, focusing on strategic decisions and oversee that EPRM stays on track. This will require a stronger and more strategic secretariat and/or appointing an executive program director to support the governing board and manage/lead the operational activities. Through this director (or directing organ), the board should receive relevant information to steer on (integrated reports with information to support their 'helicopter view' – e.g. portfolio & financial performance). Options for this role include: A. Chair & vice chair: represent all pillars; already connect Board and secretariat; annual rotation might not be most effective B. Strategic board: can consist of (active) members or externals; can have multi-year role; would require introducing a new 'layer' C. M&E working group: developed framework linking strategy with performance monitoring; existing group; scope of role goes beyond M&E |

Governance model

The visual shows the current Governance of EPRM. With **dashed orange lines** and **text** we make suggestions of revisions to strengthen the governance and revision of roles.

This is intended as input for discussions EPRM should have internally.



3. Jointly take responsibility for direct & continuous improvement



| Who | Step to increase effectiveness |
|------------------------------|--|
| Secretariat | <p>To get a better hold on performance of the EPRM and effectiveness of activities, the secretariat (together with the board and a potential strategic team, members and project-partners) can introduce additional monitoring tools:</p> <ol style="list-style-type: none"> 1. For the knowledge portal and website, online analytics tools such as google analytics are free and easy to use and can provide EPRM with valuable insights. The secretariat (or third party) should set this up for the new Due Diligence Hub and integrate this in EPRMs monitoring framework. 2. EPRM would benefit from financial monitoring and reporting that (visually) gives insights into the contribution and share of different funders. This will allow the board to steer on the desired course (in terms of diversification of funding). In a later stage this could include monitoring of co-funding and pooled resources. 3. Upgrade and integrate secretariat systems for more effective and systematic project management and monitoring (including end of project evaluations). The new framework for outcome reporting could be a step forward if accompanied by other improvements (e.g. greater oversight by and accountability to EPRM members/Board). |
| Governing board | <p>The annual self-assessment that EPRM has applied, at least in the first years, can be a good mechanism to ensure EPRM keeps reflecting on its operation model and continuously improves. The Board and the secretariat should agree what form of internal learning works best (making sure it is constructive and manageable).</p> |
| Private sector pillar | <p>Pillar calls are good practice to make sure members of each sector remain engaged. The private sector pillar should re-install the calls to make sure members are properly consulted. To keep it manageable, it can be considered using a layered structure with supply-chain-level subgroups within the private sector pillar with 1 representative per group in the consultation calls.</p> <p>Pillar representatives as well as the secretariat can support and motivate members to be more active. Some form of tracking non-active members and interacting with them (understand their needs and think about the role they could take) could help EPRM ensure active membership, actually raise the bar for due diligence and learn where it can improve (as well as preventing greenwashing).</p> |



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