



Fair Cobalt Alliance
L'Alliance du Cobalt Equitable

2023 Impact & Finance Report



TABLE OF CONTENTS

Abbreviations	4
Foreward	6
2023 at a glance	10
Key developments for the ASM cobalt sector	12
Our Work in 2023	14
Achieving a tangible impact on mining communities	15
Legalisation support	15
Enabling safe and dignified working conditions	16
Child labour remediation	18
Raising workers' incomes	22
Achieving market acceptance of Fair ASM cobalt	24
Case study: Launch of the cobalt credit mechanism	24
2023 – A Year of Monitoring & Evaluation	27
Case study: 2023 baseline study and the 2024 follow-up	28
Creating an enabling environment	33
Governance and member engagement	33
Forging strategic partnerships & government relations	34
Case Study: Delegation visit to Kolwezi	34
Outreach, fundraising and recruitment	37
Case study: ASM photo exhibitions	38
Our membership	44
Organisational governance	45
Our team	46
2023 financial report	48
Noteworthy media coverages	52

ABBREVIATIONS

Abbreviation	Definition
AB	Advisory Board
AFA	Alternatives for Action
AoG	Articles of Governance
ASM	Artisanal and Small-Scale Mining
ATI	Africa Trade and Investment
BMZ	Federal Ministry for Economic Cooperation and Development
C4D	Cobalt for Development
CABR	Center of Advanced Battery Research
CAMI	Cadastre Minier
CARF	Centre Arrupe pour la Recherche et la Formation
CC	Cobalt Credit
CEEC	Centre d'Expertise d'Evaluation et de Certification
CLR	Child Labour Remediation
CMDS	Coopérative Minière pour le Développement Social
CTCPM	Cellule Technique de Coordination et de Planification Minière
CPVS	Conseil Présidentiel de Veille Stratégique
DR Congo	Democratic Republic of Congo
ESIA	Environmental and Social Impact Assessment
EV	Electric Vehicle
EGC	Entreprise Générale du Cobalt
EPRM	European Partnership for Responsible Minerals
ESG	Environmental, Social, and Governance
FAC	Fund Allocation Committee
FAST	Finance Against Slavery & Trafficking
FCA	Fair Cobalt Alliance
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
KBM	Katanga Business Meeting

Abbreviation	Definition
LSM	Large-scale Mining
M&E	Monitoring and Evaluation
MOU	Memorandum of Understanding
MTC	Musompo Trading Centre
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Co-operation and Development
OHS	Operational Health and Safety
PPA	Public-Private Alliance for responsible Minerals Trade
PE	Permis d'Exploitation
PEPM	Permis d'Exploitation de la Petite Mine
PPE	Personal Protective Equipment
RCI	Responsible Cobalt Initiative
RMI	Responsible Minerals Initiative
SAEMAPE	Service d'Assistance et d'Encadrement de l'Exploitation Minière Artisanale et à Petite Échelle
SC	Steering Committee
SCI	Supply Chain Integration
TMB	Trust Merchant Bank
USAID	United States Agency for International Development
VSLAs	Voluntary Savings and Loans Associations
ZEA	Zone d'Exploitation Artisanale

FOREWORD

By Camila Gomez Wills, Program Manager: Business & Human Rights, Responsible Sourcing and Sustainability at Tesla and Chairperson of the Steering Committee

The Fair Cobalt Alliance (FCA) remains steadfast in its commitment to nurturing a responsible and equitable artisanal cobalt sector in the Democratic Republic of Congo (DR Congo). As we reflect on the past year, 2023 emerges as a pivotal period led by significant changes in the global cobalt market.

Indonesia's rapid emergence as a major player in cobalt production poses a potential challenge to the DRC's long-standing dominance associated with human rights concerns. However, the narrative is currently shifting. Investors are expanding their presence in the nickel extraction and processing sector in Indonesia, positioning themselves to play a significant role in the global cobalt market. This expansion is part of a larger trend of companies competing to secure their positions in the battery supply chain, from mineral extraction processing to battery and electric vehicle (EV) manufacturing.

Additionally, the persistently low price of cobalt throughout 2023 has presented a significant obstacle for producers in the DRC, impacting their economic viability and sustainability efforts.

Nevertheless, despite facing headwinds stemming from market fluctuations, the FCA has continued to forge ahead, undeterred in our mission to drive positive change within the artisanal cobalt sector. These challenges have served as catalysts for resilience, prompting us to redouble our efforts in implementing sustainable practices and fostering equitable outcomes for all stakeholders involved. As we navigate these challenges, we remain optimistic about the opportunities for growth and transformation that lie ahead.

The FCA is committed to leveraging lessons learned from the past year to further enhance our initiatives, ensuring that we continue to make meaningful strides towards our vision of a sustainable and inclusive cobalt sector in the DRC.

Embracing local transformation, strategic partnerships and formalisation

As key players in providing green energy solutions, African countries, including the DRC, are increasingly seeking to lead local sustainability initiatives. The Congolese government's proactive steps towards formalising the artisanal sector, exemplified by the presentation of the Ministry of Mines's five-year strategic plan and their launch of the *Entreprise Générale du Cobalt (EGC)*, signify a significant stride towards aligning mineral exploitation with local development goals.

Strategic partnerships have been crucial in driving this transformation, fostering collaboration among governments, local institutions, and international stakeholders. For instance, initiatives such as *EGC* and *Conseil Présidentiel de Veille Stratégique (CPVS)* have facilitated two workshops involving various stakeholders in the ASM sector to find lasting solutions for its formalisation. Through the exchange of expertise, a clearer plan has emerged. Despite challenges such as the lack of a clear agreement between large-scale mining (LSM) and artisanal mining, our collective efforts have yielded tangible progress, paving the way for sustained collaboration.

International actors, including the United States, are also becoming more involved in the DR Congo, indicating a positive trend towards broader engagement. Formalisation is a beacon of hope, promising heightened investment and enhanced working conditions within the ASM sector. However, navigating its path is riddled with challenges, such as obtaining legal status for ASM operations and conducting thorough geological assessments that add layers of complexity to the formalisation process. Legalisation emerges as a pivotal milestone, indispensable for unlocking crucial funding streams and fostering sustainable practices.

Despite the formidable hurdles, the FCA's sustained interaction with key government figures underscores our resolute dedication to catalysing constructive transformation. The FCA remains steadfast in its efforts to

develop a legalisation format that garners acceptance from government bodies, as well as both LSM and artisanal and small-scale mining (ASM) actors. Through ongoing dialogue and collaboration, we are committed to forging a path forward that promotes regulatory compliance and fosters sustainable practices.

Changing the Narrative of DRC ASM Cobalt: Amplifying Transparency and Accountability

Transforming the perception of Congolese cobalt involves addressing both the realities on the ground and the narrative surrounding DRC cobalt. We will continue to nurture open dialogue and dispel misconceptions, paving the way for constructive change.

A 2023 delegation visit to the DRC served as a catalyst for concerted action, fostering collaboration among stakeholders and emphasising the urgency of our mission. Concurrently, journalist visits provided invaluable insights into the realities of the artisanal cobalt sector, highlighting the critical importance of transparency and accountability in our pursuits. The objective was to dispel the misconception that all ASM sites are synonymous with human rights violations and environmental degradation and to showcase the progressive practices that exist within the sector. This initiative aimed to foster a nuanced understanding among journalists, facilitating more balanced and accurate reporting on the artisanal cobalt sector in the DRC.

Key Achievements

Throughout 2023, significant strides have been made across various fronts:

- **Enhancing safety measures:** Our efforts to elevate safety standards at the Kamilombe mine site have led to significant strides, including the registration of mine workers and the rollout of tailored interventions designed to minimise risks and ensure the welfare of workers. These initiatives encompass

bi-weekly toolbox training, the strategic placement of safety posters across the Kamilombe mine site to reinforce safety protocols, and the provision of Personal Protective Equipment (PPE) to depot workers, safety captains, women washers and mine site cleaners.

- **Child labour remediation:** Significant strides have been achieved in tackling child labour through the establishment of a comprehensive remediation system in collaboration with The Centre for Child Rights and Business and Save the Children Germany, through The Hub. Currently, 18 children are enrolled in the remediation program, with a total of 20 children having been involved since its inception.
- **Improved Incomes:** Through the collaboration with Alternatives for Action (AFA), a local Non-Governmental Organisation (NGO) providing financial education to the Kapata community, the FCA, through sensitisation efforts done through Churches and local administrative frameworks resulted in 242 people joining the 10 saving groups created in 2023, resulting in a total of 21 savings groups made up of 456 individuals, who have been able to collectively save more than USD 40,000 in 2023. These groups allow the creation of micro-enterprises, solidarity funds, school fee loans, and alternative incomes. The saving groups represent a key element in raising the worker's and the community's incomes and help the diversification of revenue sources.
- **Governance and Member Engagement:** Our continuous dialogue and collaboration with our 19 members and stakeholders have fostered a collective approach that is yielding concrete transformation within the ASM cobalt sector. This collaborative effort exemplifies our commitment to inclusive decision-making and collective action, driving positive change in the sector.

As we look towards the future, fueled by the momentum of our achievements and the collective dedication of our members and stakeholders, we remain steadfast in our resolve to continue advancing towards our vision of a sustainable and inclusive ASM cobalt sector in the DR Congo.

Artisanal cobalt miner ascending from the underground tunnel the end of his shift carrying ore.
© Olivier Delafoy



2023 AT A GLANCE

THE HUB successfully launched with



26 CASE MANAGERS

from **6 LOCAL ORGANISATIONS** trained on the ASM-centric Child Labour Remediation System



20 CHILDREN

onboarded into the CLR System with the

1ST CHILD IN THE DRC

successfully completing remediation



5 OHS COMMITTEE MEETINGS

held to review, evaluate and develop management plans for mine operational safety



5 ASM PHOTO EXHIBITIONS

held around the world to inform the way the world views ASM



21 SAVING GROUPS

comprised of



456 MINERS

saved a total of



USD 34,997

This enabled the provision of peer-to-peer loans enabling the creation of **120** new micro-entreprises



217 WASHERS

enjoy access to appropriate PPE through rental facility, **117** of whom have bought their boots



22 TOOLBOX TRAINING SESSIONS



conducted by **100 SAFETY CAPTAINS**



reaching **400+ MINERS PER WEEK**

ROOFING of



5 UNDERGROUND TUNNELS

to stabilise the mine entry points



10 SAFETY BILLBOARDS

and



11 BANNERS

erected at the partner mine site to socialise safety at the mine site

Creation of a comprehensive



MONITORING & EVALUATION FRAMEWORK

informed by a baseline survey consisting of **200+ PARTICIPANTS** made up of **UNDERGROUND WORKERS, WOMEN WASHERS & COMMUNITY MEMBERS**



2026 STRATEGY

developed and approved



COBALT CREDITS SUCCESSFULLY LAUNCHED

through a pilot in partnership with Fairphone



2 ADVISORY BOARD MEETINGS held



+1 new members

19 members total



USD spent in 2023

41,505



USD raised for 2024

41,505



+15 JOURNALISTS

hosted by the FCA in Kolwezi to provide a nuanced perspective of the sector



+ 20 EVENTS & PRESENTATIONS

KEY DEVELOPMENTS FOR THE ASM COBALT SECTOR

To contextualise the work of the FCA, it is important to highlight a number of political and economic developments that have the potential to impact the ASM cobalt sector.

National Strategic Plan for ASM

In February 2023, the Ministry of Mines introduced the 2023–2027 DRC Congo Strategic Plan for the Development of the Mining Sector, establishing a comprehensive framework for sustainable growth in the sector, with a key highlight being a national strategic interest to pivot artisanal mining operations to small-scale mining activities.

To actualise these ambitions, President Tshisekedi appointed new leadership for the EGC in May 2023, signalling a deliberate reconfiguration in managing ASM cobalt sales. EGC, a Congolese mining company, monopolises the purchase, processing, and sale of cobalt extracted by artisanal miners in the DRC. Its role involves organising and overseeing safe cobalt mining operations, supporting secure mining zones, engaging stakeholders, providing technical assistance, and ensuring compliance with regulations and international standards.

Launch of the Musompo Trade Centre

In October, the inauguration of the Musompo Trade Centre (MTC) in Kolwezi, Lualaba, underscored the government's commitment to regulate and control the trade of artisanally produced minerals, offering an official trading hub that brings sellers and traders together. President Tshisekedi, the Minister of Mines, and other dignitaries presided over the ceremony, demonstrating the symbolic significance of this establishment. As part of the MTC premises, the Centre d'Expertise d'Evaluation et de Certification (CEEC) laboratory started operations and is ready to assess and certify mineral substances once MTC starts operations.

The laboratory's establishment aims to enhance revenue collection for central, provincial, and local authorities by identifying mineral products from artisanal and industrial miners, contributing to the mining industry at all levels with quality physical preparation of samples using advanced equipment.

University of Lubumbashi Centre of Excellence for Advanced Battery Research

In June 2023, the FCA team visited the University of Lubumbashi Center of Advanced Battery Research (CABR), which was established on April 22, 2022. The CABR project sets ambitious goals to secure a share of the global electric car market, valued at over 8 trillion US dollars, and propel the DR Congo to the forefront of electric battery production by 2040. With its huge reserves of cobalt and other battery-related minerals, the DRC has embarked on the production of battery precursors following the DRC–Zambia business forum held in Kinshasa in November 2021.

Our visit afforded us a firsthand glimpse into the remarkable infrastructure and resources available to the university. Notably, many students have the opportunity to engage in exchange programs with prestigious universities in Europe, fostering international collaboration and knowledge exchange.

The FCA is keen on fostering partnerships with key stakeholders, including universities like the University of Lubumbashi, poised to shape the emerging narrative surrounding Cobalt production in the DRC. Through collaborative efforts, we aim to harness the full potential of Cobalt resources in the region while contributing to global advancements in sustainable energy solutions.

RMI ASM Framework progress/pilot

The [ASM Cobalt Normative Framework](#) was published by the Responsible Minerals Initiative (RMI) in August 2023 after a lengthy development process in partnership with The Impact Facility, on behalf of the FCA, and the Responsible Cobalt Initiative (RCI) followed by extensive stakeholder consultations supported by the Global Battery Alliance (GBA).



Members of the FCA team, Antoine Kasongo, Laura Gerritsen and Freddy Mwamba on a visit to the University of Lubumbashi's Centre of Excellence for Advanced Battery Research on June 13th 2023.

Development of the framework dates back to 2019, when the Impact Facility developed a draft ESG framework to inform the works of the FCA. In line with our commitment to collaboration, The Impact Facility made the original framework available to the RMI and RCI and was jointly improved and aligned with relevant standards.

The endorsement of the ASM Cobalt Normative Framework (ACNF) by the Ministry of Mines marks an important milestone for the ASM cobalt sector. Different to other standards previously applied to the sector, the ACNF takes a progressive approach, differentiating between pre-investment, continuous improvement, and best

practice requirements. This fully aligns with the FCA's way of working, advocating for sector-wide change by allowing cooperatives to progressively adopt safer and responsible mining practices.

The RMI is currently working with the Ministry of Mines to identify pilot sites to test the application of the ASM Cobalt Criteria.

OUR WORK IN 2023

2023 marked the third anniversary of the FCA. Over the years, we have been able to forge and cultivate relationships with a growing network of local and international partners and collaborators. We have seen successes and learnt from failures and setbacks.

This chapter provides the highlights of our work in 2023 across the various underlying workstreams. Following the first sub-section with a focus on **achieving a tangible impact on mining communities**, we are proud to feature, for the first time, a summary of our **Monitoring and Evaluation (M&E)** survey, based

on FCA's global M&E Framework developed and tested in 2023, with the support of sustainability consultants LevinSources. The final sub-section focuses on how the FCA works to **create an enabling environment** to catalyse and scale sector-wide efforts to drive the professionalisation of the ASM cobalt sector.



LEGALISATION SUPPORT



ENABLING SAFE AND DIGNIFIED WORKING CONDITIONS



CHILD LABOUR REMEDIATION



RAISING WORKERS' INCOME



ACHIEVING MARKET ACCEPTANCE OF FAIR ASM COBAL

ACHIEVING A TANGIBLE IMPACT ON MINING COMMUNITIES



LEGALISATION SUPPORT

Most active mining operations in the region operate informally, often on industrial concessions, without the consent of the respective concession holders. For formal and well-regulated, responsible ASM to occur, however, obtaining legal recognition is a prerequisite. To facilitate more targeted, structural investment into FCA's partner mine Kamilombe, and understanding that many cooperatives are facing similar difficulties, the FCA supported the local Coopérative Minière pour le Développement Social (CMDS) in its efforts to achieve full legal compliance in accordance with relevant local and national regulations, hoping to be able to derive a legalisation process blueprint for legitimate ASM operators to follow.

Following a tender process, the FCA and CMDS contracted RMAC Global and Cabinet Mbuyu to aid CMDS' legalisation process. Legal and mining experts, along with selected consultants, were able to help CMDS navigate the complexities of the legal process and mediate discussion with Kamilombe's concession holder Gecamines. To identify the most suitable path forward for CMDS, the consultants engaged in extensive dialogue with a wide range of stakeholders, including civil society representatives, cooperatives, provincial and national government officials, EGC, and industrial actors to figure out a way forward.

The outcome of these consultations yielded two potential legalisation solutions for Kamilombe:

- 1. Amodiation or Lease:** Through research and discussions with the Mining Cadastre, a technical avenue emerged. The Mining Code allows for ASM cooperatives to operate under a small-scale mining exploitation permit (PEPM in French) if endorsed by the permit holder. Additionally, holders of industrial exploitation permits (PE in French) can convert portions of their permits into PEPMs, contingent upon feasibility studies and environmental and social impact assessments (ESIA)

conducted by accredited consultants. This option, confirmed by the Mining Registry (CAMI), offers a viable path forward, although it necessitates agreement from the permit holder Gecamines.

- 2. Ministerial Agreement:** The second option involves a longer process, entailing a Governmental Decree. This decree would empower the Minister of Mines to authorise the establishment of artisanal cobalt mining zones (ZEA - Zone d'Exploitation Artisanale) within existing concessions. While this option provides more enduring security for miners, the procedural timeline remains indefinite.

This signifies a crucial step towards formalising mining operations at Kamilombe, ensuring legality, and fostering sustainable practices that benefit all stakeholders involved. Using the insights from the legal advice provided by RMAC and Cabinet Mbuyu, the FCA will continue to support CMDS in their legalisation efforts, advocating for the formalisation of mining activities at Kamilombe. By fostering continued collaboration and consensus-building among stakeholders, we are confident in our ability to advance towards the legalisation of Kamilombe in a manner that is equitable, transparent, and beneficial for all stakeholders.



ENABLING SAFE AND DIGNIFIED WORKING CONDITIONS

Working in close collaboration with CMDS, the FCA was able to facilitate several interventions, many of which had been informed by the expert feedback from the Occupational Health and Safety (OHS) Committee comprising representatives from neighbouring industrial miner Kamoto Copper Company (KCC) and Service d'Assistance et d'Encadrement de l'Exploitation Minière Artisanale et à Petite Échelle (SAEMAPE), the government agency tasked with regulating and overseeing ASM activities.

Despite the below described awareness-raising efforts and worker interventions, a 34-year-old man tragically passed away in September as he was helping to haul ore up from underground. His tragic death occurred immediately after touching a poorly insulated electricity cable. CMDS supported the family of the deceased digger by covering the funeral expenses. Aiming to avoid a similar accident from happening in the future, FCA and CMDS held training on the risk of electrocution through faulty cables among mine workers and pit owners, highlighting the best practice mitigation exercises to undertake.

One of the five tunnels covered during the pilot stage of the roofing project. All five pits were covered with iron sheets, bolted to wooden frames reinforced with concrete at the base to stabilise the mine entry points at the Kamilombe artisanal mine site.



OHS Awareness Raising Campaign

Establishing a safety culture is key to ensuring that every man or woman looks out for their own safety and the safety of their peers and colleagues. Building on interventions developed and tested in previous years, the FCA continued its support of CMDS in promoting and driving a culture of safety by:

- Facilitating weekly toolbox training for underground workers, led by a group of Safety Captains trained by the FCA, reaching approximately 400 miners per week, covering topics such as the dangers of dust, rainwater management, insulation and working with electricity, fatigue management, and safe manual hauling of ore.
- Erecting billboards and banners across the mine site with key OHS messaging.
- Organising quarterly theatrical shows to raise awareness and educate the Kamilombe mining community on OHS.
- Broadcasting jingles with safety messaging via radio and television across different stations in Lualaba province.



Swahili safety signs in Kamilombe reading, "Safety first: arrange or check your workplace before starting work. Danger is ever-present."

ACTIVITIES	TYPES	#NUMBER
Toolbox training	# Sessions	22
OHS Meetings	# Sessions	5
Theater Campaign	# Sessions	3
Awareness raising	# Billboards	10
	# Banners	11
	#Jingles broadcast	60
	# TV spot broadcast	60

In addition to the OHS campaign, the FCA executed a number of physical interventions designed to increase worker safety, including:

- Providing the iron sheets needed to roof 150 tunnel openings at Kamilombe to enhance rainwater management. By the end of 2023, the first 4 tunnels had successfully been roofed. To select which tunnels should be roofed, FCA partnered with CMDS and SAEMAPE identifying a total of 270 active pits at the Kamilombe mine site.

- Supplying PPE to cooperative members, women washers, depot workers and site cleaning agents.
- Providing 50 trash bins across the mine site to maintain site cleanliness.
- Provided a card printer to CMDS to enable the resumption of issuing identity cards to the diggers, women washers and traders under the cooperative.

The PPE given to the CMDS/Kamilombe is distributed as follows:

RECIPIENTS	BENEFICIARIES	OVER-THE-HEAD BOOTS	SAFETY SHOES	RUBBER BOOTS	PVC GLOVES	LEATHER GLOVES	GLASSES	NOSE MUFF	SHIRTS
PPE	Washer women	97	0	0	0	0	0	0	0
	Depot workers	0	0	0	0	846	846	2115	0
	Site cleaners	0	0	17	34	34	0	170	0
	CMDS members	0	205	0	0	0	0	0	0
	Safety captains	0	0	0	0	0	0	0	100



CHILD LABOUR REMEDIATION

About The Hub for Child Labour Remediation

In 2022, Save the Children Germany and The Centre for Child Rights and Business (The Centre) established the Child Labour Remediation Hub (The Hub) in Kolwezi with the financial support of the FCA. The Hub has been set up to provide much-needed support to vulnerable children and youth in ASM mining communities. The Hub focuses on long-term solutions to get young people back into education and meaningful employment. It aims to break the cycle of child labour by supporting the return of children to education, overseeing their development, and providing financial assistance until the child reaches working age. Preventive activities include support for children of working age (16–18 years) and their families by finding alternative job opportunities outside of mining, and capacity building of schoolteachers to better cater for children at risk.

Achievements in 2023

In 2023, The Hub expanded its pilot programme by bringing an additional 17 children into the child labour remediation (CLR) programme, meeting its 2023 target of supporting 20 children. Each child was assigned a dedicated case manager and received support in the form of monthly living stipends and assistance with re-integration into education. Seventeen of the children returned to school, while three commenced vocational training. By the end of 2023, one child successfully completed the programme upon turning 16, while one child dropped out. A particularly encouraging highlight of 2023 was the story of Kamia, one of the children in the remediation programme who was reunited with her

family after a prolonged period of estrangement. Please see page 20 to read her story. In total, 100 months of child labour remediation were provided in 2023. Alongside an increased number of cases brought into the child labour programme, The Hub intensified its outreach efforts to expand the network of case management organisations and train additional case managers to support individual cases. To this end, six local organisations in Kolwezi were approved as case management organisations, with 26 individuals trained in case management, resulting in the certification of 13 junior case managers. 9 out of the 13 case managers were deployed to start handling cases by the end of 2023. Several refresher case management training sessions were also conducted throughout the year to uphold high-quality standards of case management. Several meetings were also held with local government agencies and NGOs to ensure alignment with the local government's strategies and global child protection standards, and a director was hired to oversee The Hub's operations. Together with the FCA and other partners, outreach efforts targeting downstream companies, governments and industry associations intensified in 2023, securing an important support net as The Hub moves into 2024.

With the successful completion of The Hub's pilot programme, it will now pivot towards becoming a fully independent non-profit organisation, sustained by private sector investment, as well as FCA funding. Eighteen children from the 2023 programme will continue to receive support through 2024, with plans to significantly scale up the number of children supported by The Hub.

“The pilot programme in 2023 was a chance for us to test and refine our model and processes as The Hub moves into an important new phase in 2024. We’re proud that we could support 20 children from ASM communities to date, but we are also aware that many more children in the DRC need support and opportunities beyond ASM. The Hub can’t solve the child labour problem in the DRC on its own. We need to continue our collaboration and outreach both within the DRC, but also globally. As the green transition gains momentum, The Hub is an opportunity for global buyers of cobalt to meaningfully invest in the future of Kolwezi’s youth, a generation who, like their parents, have very few viable prospects beyond informal mining. Together, I believe we can drive positive change.”

Cecilia Tiblad Berntsson, Director of Services – Europe, Africa and Americas at The Centre for Child Rights and Business.

Child Labour Remediation by the numbers

18
CHILDREN

currently under the remediation programme

15
CHILDREN

currently enrolled in school, with **3** accepted into vocational schools

76
MONTHS

of child labour remediation were provided in 2023

26
INDIVIDUALS

from 6 local organisations trained in case management

1
CHILD

completed the programme

1
CHILD

dropped out of the programme

13
JUNIOR

(approved) case managers

9
CASE MANAGERS

deployed

CASE STUDY: KAMIA'S REUNION AND SUCCESS STORY

Kamia (name changed to protect her identity) was 12 years old when she was found working at a roadside sorting area in Kolwezi. At that point, she had been estranged from her parents for two years. She was initially taken in by an aunt, but that was short-lived. The aunt could not take care of her long-term, so Kamia was left to fend for herself. School was no longer an option and the only means to survive was to search for work around informal mines. Alongside other children, Kamia was frequently stationed by the roadside, breaking down minerals with her bare hands. Sometimes, she also washed ores by hand without PPE, exposing her to toxins and health risks.

Kamia found refuge at an orphanage that was a member of The Hub's network. The orphanage had received training in child protection and child labour remediation management and referred her case to The Hub. As part of the programme's education support, Kamia was reintegrated into school, starting in Grade 3. Between 2022 and 2023, Kamia thrived in the school system and rel-

ished being able to sit in a classroom with peers. At the end of the school year, Kamia got the second-highest grade in her class, which is a remarkable testimony to her drive and motivation.

"Kamia has worked hard and passed her end-of-year-exams with good grades. She was placed second in her class with 73% passing scores. This is very encouraging for this child who is adapting well to studies after having experienced such a long period of dropping out of school," shared her teacher.

But Kamia's story does not end there. By leveraging The Hub's network, including a local child rights NGO and government agency, The Hub's case manager responsible for supporting Kamia, managed to locate her family. Kamia's father visited the orphanage, initiating the next phase of her remediation journey – a reconciliation with her family. As per her parents' request, the orphanage and her family jointly committed to caring for her during this process.

Kamia and her family outside their home.



A case manager visits Kamia's family to check in on her progress.

"I was very happy to see my daughter and could not wait to take her home. I just want to be with her"

Kamia's mother when The Hub's case manager spoke to her.

During the reconciliation process, Kamia spent the holidays with her parents, an important step to ensure a comfortable and safe transition back to family life. By November 2023, she had moved in with her family and started school in the neighbouring community, which

was evaluated by The Hub to ensure it met the necessary standards to support her specific needs. Through the remediation programme, Kamia is receiving a living stipend to cover her living costs, and The Hub will continue to monitor Kamia's progress until she turns 16.



RAISING WORKERS' INCOMES

The FCA is dedicated to raising the economic and financial resilience of miners and their surrounding community and supporting the raising and diversification of their incomes. Since April 2023, in collaboration with the FCA local partner AFA, the second phase of the Village Savings and Loans Associations (VSLAs) project started, a continuation of the first phase efforts that began in 2022, where 14 groups were created. In the second phase of the project, the project reached 721 people (407 women, 314 men) through the saving

groups' sensitisation efforts through churches and local administrative frameworks, resulting in the creation of 10 new groups, who benefitted from a full range of activities subsequent to their operationalisation such as training in conflict management, VSLA methodology, group dynamics and leadership, financial education and entrepreneurship.

Currently, there are 21 functional groups with 456 members.

MEMBER CATEGORIES	M	F	TOTAL	%
Diggers	88	0	88	19
Women washers	0	59	59	13
Other community members	46	263	309	68
Total	134	322	456	100

Through the support of A.F.A facilitating 605 savings meetings during the year, the project was able to achieve the following results in 2023:

\$34,997

mobilised as saving funds

120

new micro-enterprises identified and created

149

(103 men and 46 women) trained in entrepreneurship

250

members trained in conflict management

\$2,257

mobilised as solidarity funds

\$ 12,146

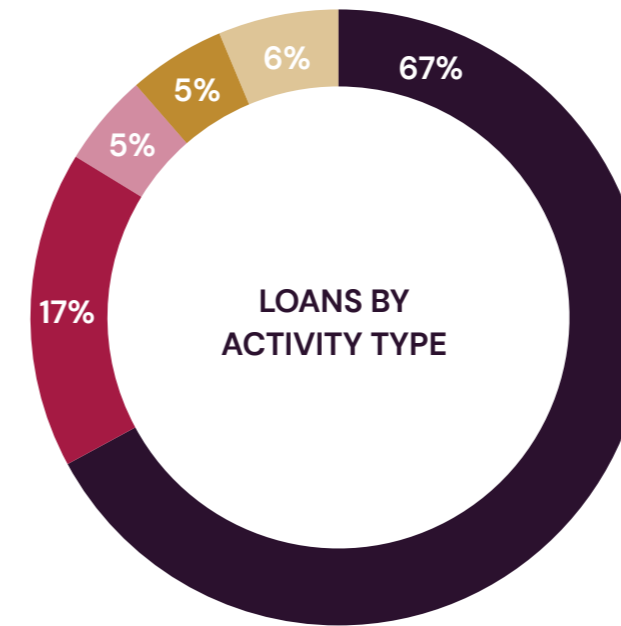
repaid during the period

150

(21 men and 129 women) trained in financial education

80

members trained in the VSLA methodology, group dynamics, and leadership



\$ 36,584

granted as loans to members

- Income Generating Activities (IGA) \$24,548.08
- Education \$6,086.54
- Health \$1,776.35
- Agriculture \$1,861.54
- Other \$2,312.12

The saving groups's project has positively impacted the lives of members and, in turn, that of households. The Savings Project has helped many families meet their food needs, provided tuition for 242 (174 girls and 68 boys) children's schooling and catered for medical care for some of the beneficiaries involved. To date, the impact is remarkable and the member-beneficiaries have provided testimonies that highlight the positive impacts that the project is producing on their lives, including:

- The establishment and development of a savings and investment culture, enabling the diversification of individual/household income streams.
- The strengthening of the solidarity between members.
- Increased access to knowledge through capacity-building actions through training on financial education and entrepreneurship.
- The strengthening of women's empowerment: 70.6% of VSLA members are women, improving their financial confidence and, subsequently, their decision-making capacity in their households.
- An increase in the household satisfaction level given that basic household needs, such as food, medical, housing, and schooling are more readily met.

One member of the saving groups said:

"I am Nene Rachidi, 46 years old, married and mother of 8 children. All the time, my household was supported by the income of my husband who was an artisanal digger. One

day, having met A.F.A agents raising awareness on the importance of savings, my husband and I opted to join the "Porte de brebis" group. Over time, with my savings and a loan taken out in the group, I launched into the sale of second-hand clothes and salted fish. Then, I added agricultural activities.

Later on, my husband fell ill and became disabled and could no longer work in the mine. It is I who, from now on, takes charge of the household thanks to the income from savings and the economic activities that we undertake. Currently, we have achieved a turnover of more than USD 700.

After the distribution of funds from the first cycle, we received USD 2,500, which contributed to the construction of a three-room house in Kapepa. The rent from this house brings me USD 35 per month. Today, the income from savings and rent allows me to meet the food needs of my household and the education of my 8 children, among other things. I thank FCA through A.F.A for the initiative of the project initiated in Kapata."



ACHIEVING MARKET ACCEPTANCE OF FAIR ASM COBALT

Recognising that to change the perception of the downstream on the artisanally-mined minerals, the FCA has embarked on a mission to reverse this and facilitate market acceptance of responsibly mined minerals. To

this, the FCA, with the help of some of our members, has developed and launched a Cobalt Credit (CC) Mechanism, Elaborated in more detail in the case study below:

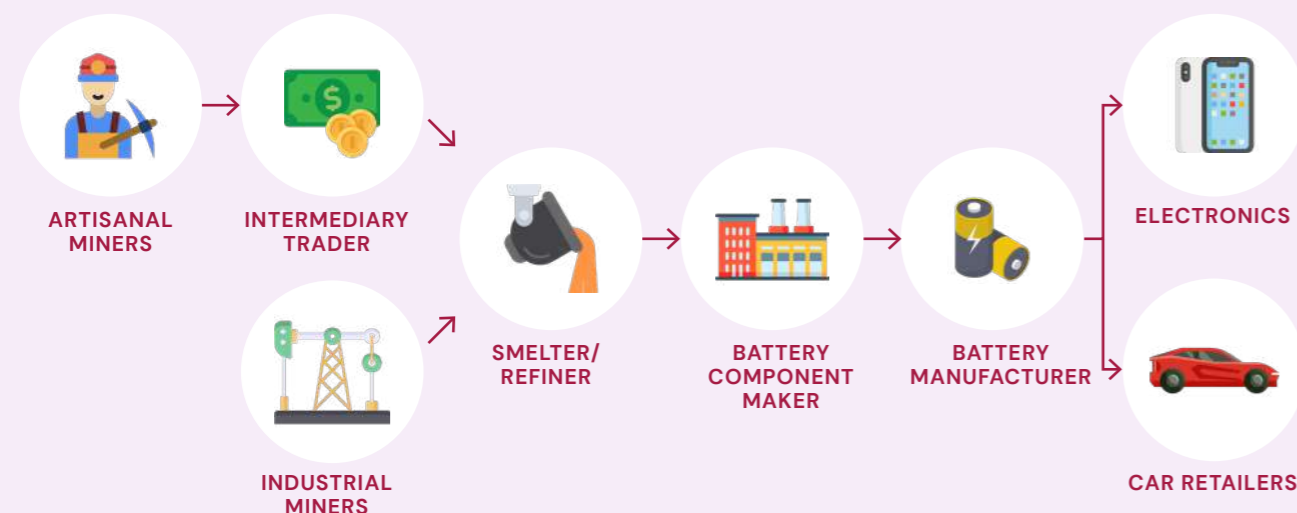
CASE STUDY: LAUNCH OF THE COBALT CREDIT MECHANISM

The ASM sector is highly informal. Currently, no official market channels in the DR Congo would allow ASM cobalt to formally enter into the global battery supply chain. Additionally, the battery supply chain is fairly complex, comprising several different tiers.

In an effort to facilitate the market acceptance of Fair ASM Cobalt, the FCA – together with Fairphone, a co-founding member of the FCA – launched the Cobalt Credits (CC) mechanism in August 2023 with the launch of the Fairphone 5, the latest product from the Dutch social enterprise that makes smartphones and other electronics and is dedicated to building a movement for fairer electronics, seeking to open up the supply chain and creating new relationships between people and their products. CCs represent an innovative

new approach to addressing the complex issues associated with artisanal and small-scale cobalt mining, particularly in the DR Congo. The mechanism has been designed in collaboration with the FCA's Supply Chain Integration (SCI) task force comprising eight members – Fairphone, Google, LG Energy Solutions, Shift Phone, Signify, IXM Metals, Ansvaridea and Sushi Bikes – allowing Fairphone to purchase credits worth slightly above \$12,000 for around 2.5 tonnes of cobalt from the mine site for the pilot.

The CC mechanism is a 'book and claim' based credit system that allows downstream companies to financially contribute to improvements at artisanal mine sites committed to professionalising their operations – enabling and incentivising the responsible production of

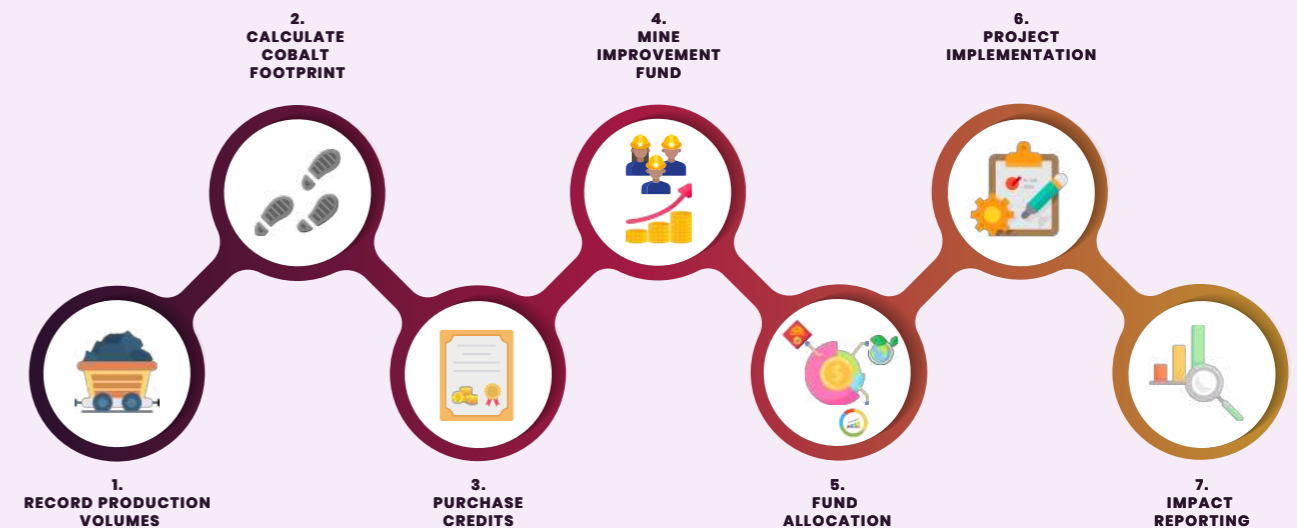


Visual of the battery supply chain

artisanal cobalt through joint work. To purchase a credit, downstream actors pay a premium of \$5,000 per tonne of cobalt, equivalent to 10% of the commodity's average price over the past three years, for cobalt produced at the Kamilombe artisanal mine site and sold to a trader or processing site. A credit within this system proves that a certain amount of cobalt has been produced and sold with a certain level of Environmental, Social, and Governance (ESG) performance. The funds generated from the sale of CCs are managed by The Impact Facility, the permanent secretariat of the FCA, with a dedicated Fund Allocation Committee (FAC) that includes the FCA, CMDS, and the Women Washer's Association, overseeing the articulation and prioritisation of funds

for mine development. The four mine-site priority areas are listed here: 1) Good governance, 2) Safe and dignified working conditions, 3) Environmental protection, and 4) Inclusive economic development. The governance procedure of the mechanism has been articulated and has been finalised in collaboration with the other members of the FAC.

Through this model, companies can buy credits commensurate with their cobalt use and support continuous mine improvements that, over time, will enable the mine's compliance with downstream requirements for responsible production, such as those stipulated in the ASM Cobalt Normative Framework – published by the RMI in mid-2023.



Cobalt credits mechanism

Why CCs are needed?

ASM plays a vital role in supplying cobalt, accounting for approximately 5–10% of global cobalt production. However, this sector has long been plagued by hazardous working conditions, child labour, and environmental degradation. Recognising the need for immediate reform in the sector and collective responsibility across the cobalt supply chain to address latent supply chain risks associated with ASM through co-financing the improvements needed, even if direct physical offtake and physical integration of ASM material into global supply chains remains challenging, if not impossible for many this credit system offers verifiable assurance of good practices and impact on the ground – bridging the gap between artisanal mineral producers and the downstream users of cobalt.

How do cobalt credits work?

- **Credit Issuance:** CCs are issued based on actual cobalt production volumes monitored at specific FCA partner mine sites by The Impact facility, such

as the Kamilombe mine site, which the local cooperative CMDS operates.

- **Company participation:** Downstream companies in the cobalt supply chain can determine their cobalt footprint – the amount of cobalt used in their products – and subsequently decide how many CCs they wish to acquire. Based on this, they are allowed to make a claim about how their cobalt use contributes to improving conditions in ASM production.
- **CC Purchase:** Companies purchase CCs, each representing one tonne of cobalt produced by a responsible local partner cooperative, like CMDS.
- **Fund Allocation:** The FCA, through The Impact Facility, collaborates with a local FAC, comprising representatives of different groups of workers active at the mine site, to invest the funds generated from CC purchases. These funds are directed towards projects addressing critical improvement areas, including Health and Safety, Child Rights Protection, Cooperative Governance, and Environmental Protection.

- **Monitoring and Reporting:** Participating companies receive detailed annual reports showcasing the tangible social, environmental, and economic improvements taking place within the supported mining cooperative and its community. This transparency ensures that companies can witness the impact of their investments firsthand.
 - **Supply Chain Integrity:** Supporting responsible cobalt production does not necessitate altering existing supply chain structures or changing suppliers. Companies can encourage informal, artisanal mines to professionalise their practices while maintaining their current operations.
 - **Direct Impact:** Companies do not incur additional traceability or logistical costs when purchasing CCs. Every investment goes directly towards transforming the ASM cobalt sector and fostering positive change.
 - **Transparency and Reporting:** Companies investing in CCs benefit from periodic reports highlighting the social, environmental, and economic improvements achieved by artisanal mining organisations and their communities. The Impact Facility, as the legal entity operating the CC scheme, manages the credit fund and participates in the Fund Allocation Committee through its local staff and is responsible for reporting to all parties involved on both finances and the impact achieved through the approved mine improvement projects. An annual third-party audit provides additional assurance that the funds have been spent accountably.
- Why should companies support cobalt credits?**
- **Social Responsibility:** CCs allow companies to proactively address the issues of hazardous working conditions, child labour, and environmental degradation within the cobalt supply chain. By supporting responsible production, companies can contribute to meaningful social change and improve the livelihoods of those involved in ASM.
 - **Enhanced ESG Strategy:** Investing in CCs aligns seamlessly with a company's ESG strategy. It enables companies to create a positive social and environmental impact right at the outset of their supply chain – commensurate with their cobalt footprint. Detailed reports on fund utilisation provide insights into how their investments contribute to improved ESG performance.

“Responsible sourcing starts with taking responsibility. This is why Fairphone developed and piloted the Cobalt Credits together with the FCA and The Impact Facility. This book and claim sourcing mechanism works as a way for companies to prevent and mitigate risks in supply chains (step 3 in the due diligence cycle), and to enable more responsible and safer artisanal cobalt production in line with their own cobalt consumption. At Fairphone, of course, this does not reduce our obligation to conduct due diligence into our cobalt supply chain. In fact, both go together – we know that the cobalt we use comes from the DRC and that it is highly likely that at least part of it is sourced from ASM. The purchase of cobalt credits, and generally our engagement in the FCA, is a way for us to address these salient issues in our supply chains and invest concretely in prevention, mitigation, and positive improvement for the mines and workers that need it most – in line with our footprint and responsibility.”

*Angela Jorns,
Head of Impact Innovation at Fairphone*

2023 – A YEAR OF MONITORING & EVALUATION

The FCA is evolving, and so is its knowledge base. 2023 was a year of learning – in part enabled by the FCA's new M&E Framework. In February 2023, Levin Sources – onboarded to support the development of the M&E Framework – together with the FCA team, completed the consultation and construction of the framework, reflecting the FCA's core workstreams in the ASM cobalt sphere:

- Result Chain 1/Workstream 1.2: Enabling safe and dignified working conditions
- Result Chain 2/Workstream 1.3: Child labour remediation
- Result Chain 3/Workstream 1.4: Raising workers' incomes
- Result Chain 4/Workstream 1.5: Increasing industry acceptance for ASM cobalt
- Result Chain 5/Workstream 2-4: Attracting blended-finance sector investment

We reached another milestone in March when the FCA conducted its first holistic, statistically significant baseline study. Consisting of 210 participants, disaggregated by the groups of community members in Kapata, located next to the Kamilombe mine site area, underground workers and women washers at Kamilombe, the study yielded a firm base of knowledge upon which the FCA has developed one of its most central tools: the FCA M&E Measurement Plan. The Measurement Plan outlines all the key indicators at the core of the FCA's operations, specifying measurable and timely assessment strategies for each distinctive output, outcome and impact. Going into 2024, the FCA has continued to expand its knowledge base – by starting the year with another holistic follow-up study to map out changes in key performance areas, further informing the priorities of 2024 and beyond.

How it works

The FCA's Results Measurement Process starts by identifying changes anticipated under each key activity, outlined at output, outcome, and impact levels. These result chains are supported by measurement plans that identify indicators that support the assessment of progress against each of the changes identified and anticipated and key data collection strategies (means of verification) for each change identified. The FCA has been collecting data for each result chain, allowing us to track

potential contributions to our work by validating causality and general trends. This is done by using robust methodologies to convince even the most sceptical – yet reasonable – observer. Practicality and pragmatism therefore remain the lead words for the FCA's M&E work going forward.

The 2023 Baseline Study, coupled with continuous monitoring and reporting from our on-site partners, has been, is, and will be used to assess the progress of the FCA's work and, additionally, support management decisions – ensuring that we remain an evidence-based organisation that makes decisions based on reliable and valid data.

Measuring change – at mine and sector level

The FCA's work can be categorised into two inherently intertwined objectives: mine-level change and sector-level change. The M&E Framework has been designed to reflect these objectives:

- The **mine-specific result chains**, including enabling safe and dignified working conditions, CLR, and raising workers' incomes, entail pragmatic in-house monitoring to check for early signs of impact – by conducting validation surveys where and when applicable to create more robust data sets. The focus here is to develop a solid baseline and lay the groundwork through early monitoring – subject to strengthening, substantiation, and validation in 2024 and beyond.
- For the **sector-specific result chains**, including increasing industry acceptance for fair ASM cobalt and attracting blended-finance sector investment, the measurement process relies heavily on internal tracking of changes – and seeking validation as to why those changes take place. Whilst sector-level change might be more intangible to measure, since change often happens because of a multitude of factors and actors such as, among other things, the political environment and industry trends, the FCA must interrelate its activities with timelines and validating causality by checking stakeholder opinions, participations, and interest.

CASE STUDY: 2023 BASELINE STUDY AND THE 2024 FOLLOW-UP

To showcase the commitment of the FCA to robust, evidence-based decision-making and programme design, the 2023 Baseline Study represents a starting point for our work in this respect. The Baseline Study and subsequent analysis and report contain a wide variety of insights that are foundational for various strategic assets of the FCA. One year later, in 2024, the FCA completed its second annual survey — meant to identify patterns and understand potential positive or negative trends at Kamilombe and in the adjacent community of Kapata.

Our methodology

The Annual Survey of the FCA uses a quantitative methodology to measure quantifiable perceptions against a given theme. The sampling process was conducted to ensure the representation and reliability of the collected data — a statistically significant sample. The target samples were held against the criteria of their occupation and connection with cobalt-related activities, except community members. Focus groups were held as a precursor to the development of the survey questionnaires with closed-ended questions (limited response options provided), sampled to correspond to the rel-

evant target groups. The perception surveys were utilised as the main data collection tool, valuable to capturing subjective experiences, attitudes, and beliefs of individuals within a specific context.

Like any research method, however, it comes with a set of limitations and strengths. One of the primary limitations of perception surveys is the inherent subjectivity of the responses. Since perception surveys rely on self-reported data, they are susceptible to biases, including social desirability bias, response bias, and memory bias. Participants may provide answers that they believe align with societal expectations or may not accurately recall past experiences or opinions. These biases can introduce a degree of inaccuracy and may compromise the objective reliability of survey results. The data, albeit statistically significant, can therefore not provide objective measurements or verifiable facts (nor is the objective to).

Notwithstanding, perception surveys are cost-effective, relatively quick to administer, and thus feasible for large-scale data collection that can be replicated

Explaining statistical significance: Whilst the number of workers at Kamilombe fluctuates, the average number of cobalt workers revolves around 5000 people. During peak cobalt prices, this number can increase up to 15,000 individuals. For the Kapata community, there are about 28,000 residents, albeit not all who live adjacent to Kamilombe. For women washers, there are about 300 when production is high – and can reach as low as 70.

in various localities, mine sites, and potential countries. In other words, the survey – and its data – can easily be standardised and re-utilised, enabling longitudinal studies¹ and, more importantly, cross-sectional comparisons across different groups, time, and geography. The sample size with specifically targeted numbers of statistical significance per group (>95 respondents) can furthermore help indicate representative trends across the broader population of artisanal cobalt operators in Kolwezi (with the above-listed limitations in mind). This also means that the data the FCA collects can present a higher likelihood of detecting statistically significant differences and relations, if they exist, in – and between – populations and/or over multiple years.

The implementation and roll-out of these surveys were done by two independent consultants who specialise in data collection and M&E, with active participation of the FCA team. The entire process has stretched over the course of about two months (February – April in 2023 and January – March in 2024), with the data collection being performed over one week's time respectively. The data collection consultants also trained 10 local data collectors to support the roll-out of the survey. The sample group was extended from 210 respondents in 2023 (96 underground workers, 95 Kapata community members, and 19 women washers) to 300 respondents in 2024 (100 underground workers, 100 community members, and 100 women washers).

Rolling out the survey

As much as the perception surveys are meant to inform the FCA of its impact and operations, they are also a means for the cobalt mining community to express their concerns, challenges, and opinions. The duality of that function is a key measure to bring the FCA's work as close to the everyday lives of the cobalt community as possible — stretching from aspects of professional experience, health and safety, and child labour, to mineral marketing processes, stakeholder perceptions and household income.

As such, the studies cover nine essential areas of inquiry:

- Demographic data
- Professional experience
- Safety at the mine site (OHS)
- Hygiene & cleanliness
- Child labour
- Mineral marketing processes
- Medical care
- Stakeholder perceptions
- Household income and goods

The reason for the extension was primarily due to the 2023 findings that the group of women washers (which, at the time, was a so-called indicative sample) should be tested against a larger group of respondents — to identify whether there are significant differences across an otherwise homogeneous, and smaller, population. Additionally, the number of women washers fluctuates significantly depending on production — between 300 and 70, which informed the decision to make the 2023 sample smaller. Comparative analysis, however, revealed that the responses did not vary significantly between the indicative sample (2023) and the statistically significant sample (2024).

Understanding key trends: survey findings, 2023–2024

1. Health & Safety: It was clear from the 2023 Baseline Study that health and safety remains a central priority for stakeholders at Kamilombe and for nearby residents. The 2024 Annual Survey confirmed that, despite various measures, campaigns, and training, there are still a multitude of corrective actions needed at Kamilombe —



¹ Longitudinal studies track the same group of people over time to observe how they change or remain the same.

both from the perspective of workers (underground and women washers) as well as for the community. Notwithstanding, there are positive trends to observe in terms of the perception of health and safety, mine cleanliness, and the identification of key risks within the workforce. The FCA remains committed to supporting the stabilisation of mine pits and ensuring timely and affordable provision of PPE to relevant workstations. Below is a set of visualisations of different key insights from the comparative analysis done between the 2023 and 2024 surveys.



Key risks identified at the mine site by women washers: Vaginal infection + skin problems



Key risks identified by the community: Accidents & fatalities



Key risks and cause of accidents identified at the mine site by underground workers: Ground subsidence/landslide/shaft collapse

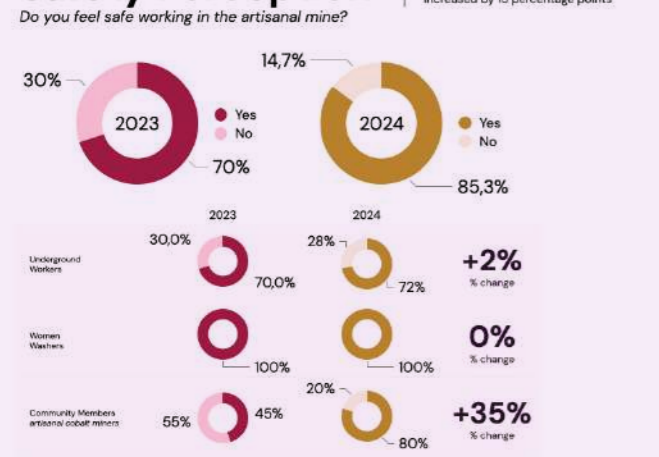
2. Mineral Marketing Process: The issue of perceiving fair trade terms is a notable concern to workers at Kamilombe. Above all, the perception that the ore grading done by traders at the point of sale is unfair is particularly represented – and that the severity of that gap is

large. There is a strong call for the government, local or national, to get involved and ensure that ore grading is done fairly and transparently, as well as having places to verify that the assessment has been done correctly – noted by workers as key measures to increase the profitability of cobalt mining. The FCA has, therefore, initiated work on anti-corruption and digitisation of payments to tackle trade challenges at the mine site – an initiative that includes Trust Merchant Bank (TMB) and is

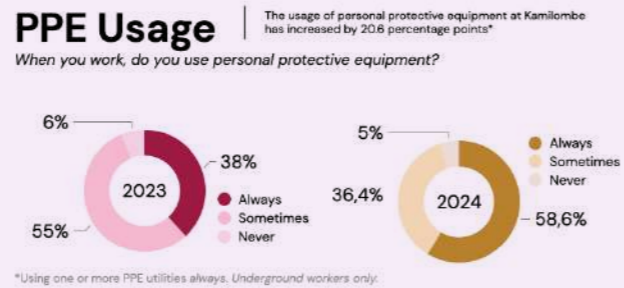
currently being rolled out in 2024. Below is a set of visualisations of different key insights from the comparative analysis done between the 2023 and 2024 surveys.

3. Child labour: Whilst most of the child labour remediation data comes from the FCA's work with The Hub, we seek to measure broad conceptions, observations, and knowledge about key child labour issues both within the workforce and the adjacent Kapata community

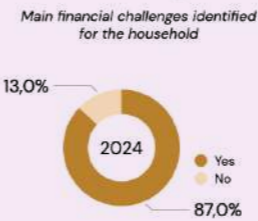
Safety Perception



PPE Usage



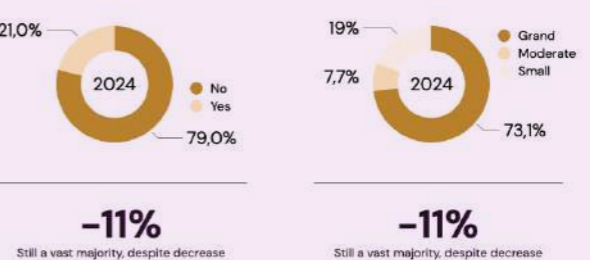
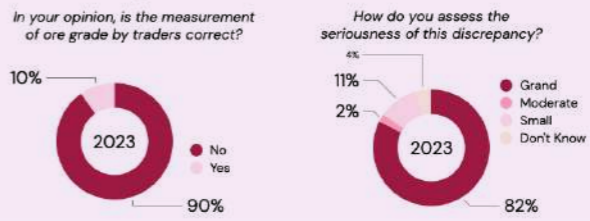
Key Challenges



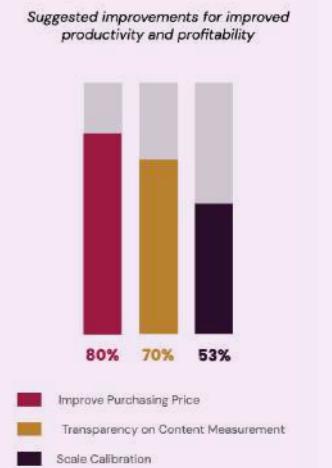
Fluctuating/Inconsistent Market Prices



Perception of Trade Terms

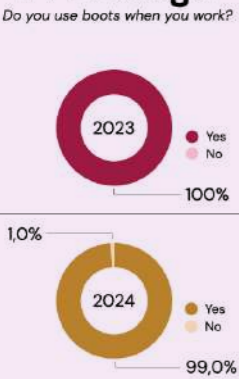


Suggested Improvements

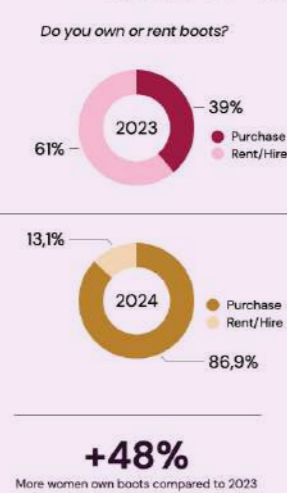


Personal Protective Equipment, Women Washers

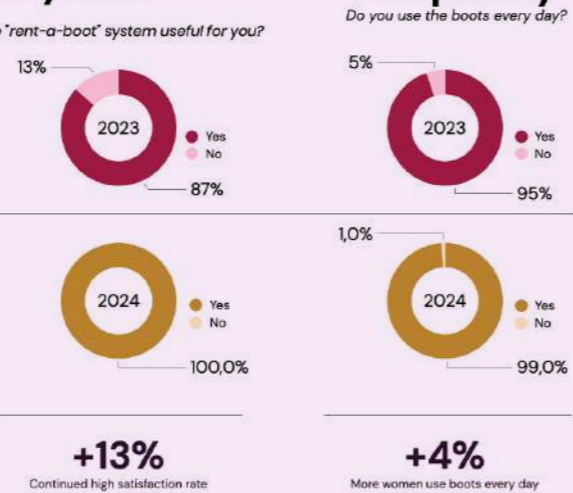
PPE Usage



Rent-A-Boot System



Frequency

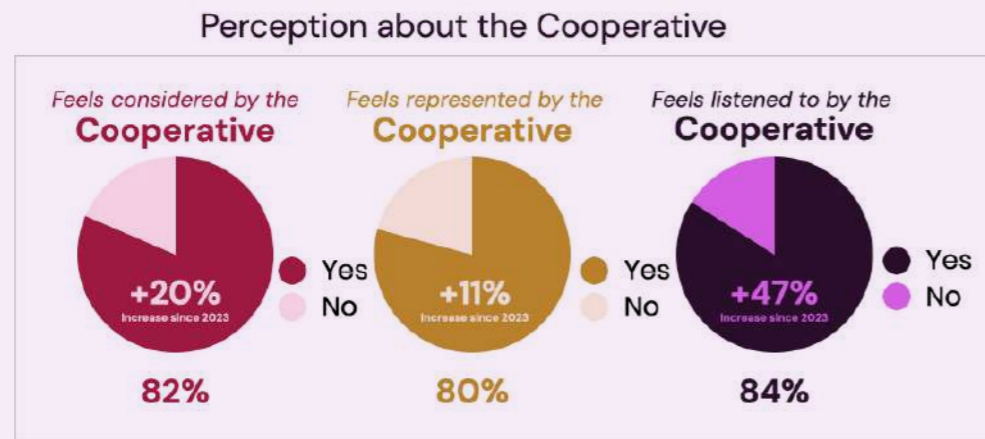
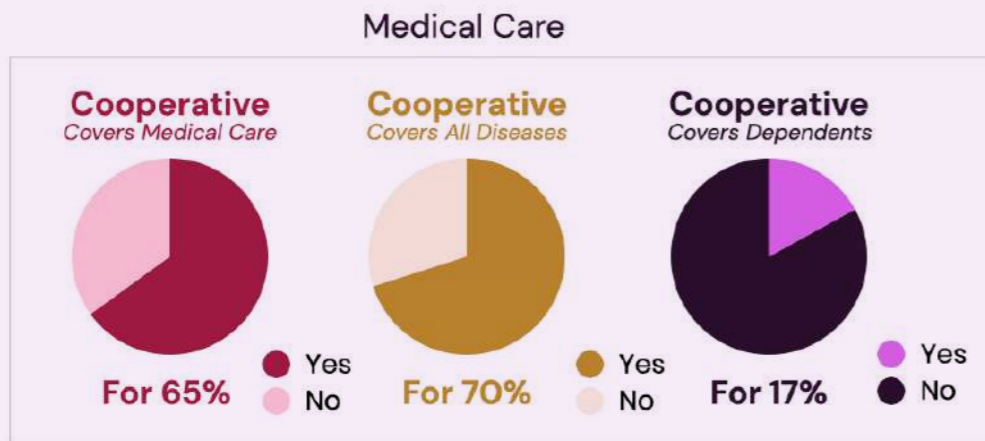
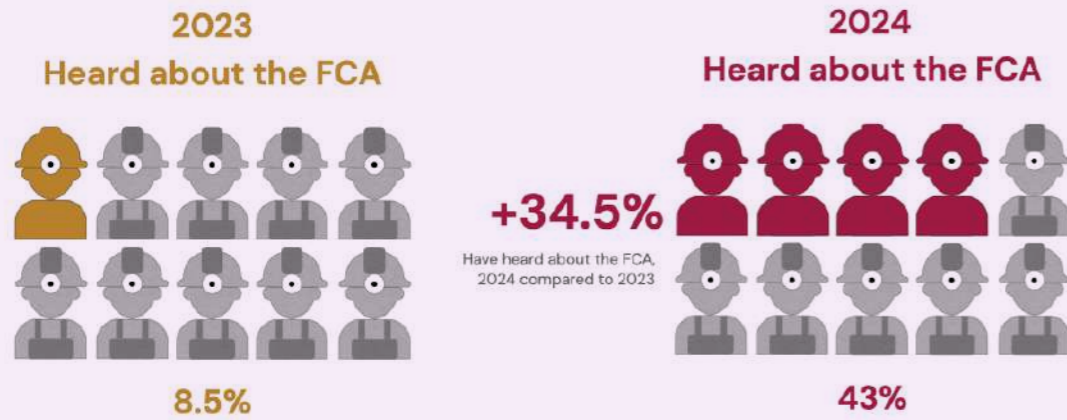


through the annual survey. From this, we have learned that 45.45% of community members in Kapata know about children working in the mines – but none have been observed at the Kamilombe mine site by workers and women washers.

4. Stakeholder Perception: As part of the wider monitoring of the FCA's outreach, we seek to monitor the workers' perceptions about the work we do at Kamilombe. Positively, a significant increase of almost 35% was observed between 2023 and 2024 in terms of how many have heard and know about the FCA's work. Furthermore, we continuously evaluate the broader perception and attitudes of workers towards one of our key partners: the CMDS Cooperative. These various perceptions and attitudes are visualised below – with a special emphasis on a slightly improved perception towards the cooperative's involvement of workers in decision-making and responding to grievances.

5. Workers' Income: Measuring income through perception surveys presents notable challenges, primarily

due to the subjective nature of how individuals perceive and report their earnings. Respondents' perceptions are influenced by a variety of factors, including personal financial obligations, social comparisons, and societal norms, which can lead to inaccuracies in self-reported data due to biases like the desire to conform to social expectations. Additionally, the definition of income can vary widely among individuals, encompassing not just formal wages but also informal earnings and financial support from non-employment sources. These factors, combined with the potential for income to fluctuate over time, make it difficult to obtain accurate and consistent data on income levels solely through perception-based surveys in a professional context. The FCA, thus, still has a way to go before accurate and comprehensive income data can be captured at Kamilombe – albeit some indicative data has been collected throughout the various surveys conducted. Subject to variation, there is, therefore, an indication that workers at Kamilombe earn between 100 USD – 300 USD / month.



2024 and beyond: Growing our Knowledge Base
Moving beyond 2024, the FCA will continue to substantiate its M&E systems and processes – all to grow our knowledge base. Thus, the FCA will continue to roll out comprehensive surveys to map out changes in key performance areas – further informing the priorities of the

FCA for 2024 and beyond. As our systems and processes grow more robust – so does our important work to support the improvement of practices across ASM cobalt mines in the wider region and, by means of reliable data, stimulate the overall value chain participation in doing so.

CREATING AN ENABLING ENVIRONMENT

To achieve a tangible impact on the ground, the FCA also has workstreams dedicated to creating the right environment to ensure the success and uptake of its programme. These are:

- Governance and member engagement
- Forging strategic partnerships and government relations
- Outreach, fundraising and recruitment



GOVERNANCE AND MEMBER ENGAGEMENT

Outside of the strategic direction offered by the members of the Steering Committee (SC) to the FCA's secretariat, the FCA has several working groups that seek targeted support from its different members to effect its work through their active participation; participation is voluntary. These groups leverage the members' different areas of expertise to achieve our mandate.

To this end, the FCA has a communications task force and a supply chain integration task force. The communications task force was created to get support to boost the downstream's awareness of the sector and our work, refine the FCA messaging, and encourage broader stakeholder engagement in the sector and member recruitment to the alliance. Members of the task force, meeting every six weeks, help the FCA shape the narrative surrounding cobalt sourcing, influencing industry standards, and fostering responsible practices. A key output from this task force was the FCA providing support for the Cobalt Institute's Journalist visit that occurred on the week after the DRC Mining Week in June. The supply chain task force was created to garner support to enable the FCA's goal of facilitating market acceptance for Fair cobalt, with last year's focus being on the development and roll-

out of the CCs. More information on this can be found in the case study on page 24.

Outside of the above, in January 2023, the FCA had its first FCA messaging workshop to get support from members on developing a core messaging document and an FAQ document in line with the current priorities of the alliance. The FCA held its first member meeting in March 2023, connecting with members to provide programmatic updates, including an update on the final 2023 budget and the political status of the DR Congo. The members met for another meeting on the 9th of November. In the first quarter of the year, the FCA developed the 2026 strategy, clearly articulating four core objectives to include a mine site support focus to enable safe and fair ASM production, CLR and prevention and community economic resilience, focusing on saving groups and economic diversity. To reach the objectives, value chain participation through an increased and engaged membership will be prioritised to enable the long-term sustainability of our interventions. This was also articulated to the members of the Advisory Board (AB), who met twice in 2023. More information on the board is available on page 47.



10.000 PEOPLE

people (at least 2 mine sites) benefiting from improved OHS



3.000 PEOPLE

people with increased financial literacy



600 YEARS OF CHILD

youth support activities committed
The Hub for CLR sustainability finances



2 MILLION

in private sector contributions RMC model scaled to 10+ companies

In collaboration with our members, the FCA developed and articulated the four impact targets above as the core objectives of the 2026 Strategy.



FORGING STRATEGIC PARTNERSHIPS & GOVERNMENT RELATIONS

Recognising the complexity of the ASM cobalt sector, the FCA praises the collaboration with different key actors. Given the critical role of government actors in shaping and implementing policies that significantly influence the mining sector, the FCA prioritises cultivating open, robust and strategic relationships with these key stakeholders. To ensure our initiatives align harmoniously with broader national ASM objectives and regulatory frameworks in order to make a meaningful contribution to the advancement of responsible and sustainable mining practices.

To support the realisation of the Congolese government's ASM mining vision, the FCA actively engages with industry stakeholders through its participation in workshops organised by government entities and other stakeholders. Notably, the FCA participated in a session organised by the Ministry of Mines, where the DR Congo government's comprehensive five-year plan for the mining sector was presented. This participation enabled the alignment of the FCA strategy with those outlined by the government, particularly focusing on the legalisation of ASM sites. By actively engaging in such initiatives, the FCA demonstrates its commitment to operating in harmony with local regulations and contributing to the broader socio-economic development goals of the DRC.

Acknowledged as an expert in the sector, the FCA articulated the essential requisites for an ASM mine during an *Entreprise Générale de Cobalt (EGC)* workshop. EGC, a Congolese mining company, monopolises the purchase, processing, and sale of cobalt extracted by artisanal miners in the DRC. Its role involves organising and overseeing safe cobalt mining operations, supporting secure mining zones, engaging stakeholders, providing technical assistance, and ensuring compliance with regulations and international standards. The EGC workshop delved into discussions on the evolving standards for cobalt extraction. Notably, the FCA facilitated a working group within the *Cellule Présidentielle de Veille Stratégique (CPVS)*, specifically addressing the question of the ideal cooperative model for the professionalisation of artisanal mining. CPVS serves as a monitoring body under the presidency to ensure the effective execution of governmental strategies and initiatives. The CPVS is designed to provide strategic analysis, advice, and support to the President of the DRC, Félix Tshisekedi, by monitoring the progress of various government programs and projects.

Furthermore, to ensure better collaboration in the mining sector between ASM and LSM, CPVS organised an atelier at the beginning of the year to foster the coexistence of these two groups which the FCA attended.

The FCA has also engaged in a preliminary Memorandum of Understanding (MOU) with the CPVS to concretise our engagement with this institution. Furthermore, The FCA has forged a reinforced partnership with the *Cellule Technique de Coordination et de Planification Minière (CTCPM)*, culminating in the presentation of a preliminary MOU draft to the Minister of Mines. CTCPM is an organisation established to provide counsel, research, and coordination for activities within the mining sector and operates under the direct authority of the Mining Minister. This unit is responsible for various functions related to the mining sector, including prospecting, marketing, and coordination. Beyond its contributions to workshops, the FCA organised its second annual delegation visit in September, bringing together essential stakeholders from the private sector, national government such as SAEMAPE, CTCPM, and CPVS, and provincial government. This visit played a pivotal role in catalysing the establishment of shared objectives at a regional level, fostering a more cohesive approach to formalising the sector. Additionally, the FCA conducted two other significant visits, engaging with civil society actors and national media such as TOP Congo, Mines.cd, to further enhance collaboration and understanding.

Complementing these efforts, the FCA has been actively involved in discussions with prominent banks such as TMB, EquityBCDC, and Rawbank. These discussions centre around key projects aimed at promoting the development and economic diversity of mining communities. Emphasising a commitment to holistic and inclusive approaches, these engagements underscore the FCA's dedication to advancing the mining sector's socio-economic impact.

The FCA continues to engage international stakeholders working in the DR Congo, including USAID, the European Union, Cobalt for Development (C4D), the Belgian Embassy, the Swedish Embassy, the European Commission, RMI, the Paris Peace Forum, and the Organisation for Economic Co-operation and Development (OECD). The FCA is committed to aligning on areas of collaboration with stakeholders across our membership rather than duplicating efforts for more sustainable sector development.

CASE STUDY: DELEGATION VISITS TO KOLWEZI

The FCA routinely facilitates visits to Kamilombe and our community-centric projects and partners around Kolwezi, aiming to foster collaboration, promote investment into responsible ASM and drive market acceptance of fair ASM cobalt. In-person visits serve as important platforms for bringing together various stakeholders from different sectors to discuss key issues and explore opportunities for collective action.

In September, the FCA hosted its second annual delegation visit to Kolwezi, welcoming a diverse group of 17 participants from 10 organisations, including FCA members, project partners, embassy representatives, and government officials from the DR Congo. The four-day visit provided stakeholders with an invaluable opportunity to engage directly with mining communities, observe on-the-ground operations, and discuss strategies for sustainable development. Central to the visit was the exploration of several key projects spearheaded by the FCA:

- Kamilombe mine site visit:** Participants had the chance to tour the Kamilombe mine site where FCA partner cooperative CMDS works, gaining insights into the intricacies of ASM practices. Witnessing firsthand the various stages of the mining process, and observing worker safety training, the visitors were able to get a glimpse of how CMDS is promoting more responsible ASM practices. Despite positive efforts to date, visitors also were able to see firsthand the importance of structural improvements across the mine site, requiring significant investment, to ensure the health and safety and dignity of the workforce.
- CMDS-funded hospital visit:** The delegation also visited a hospital, whose construction was funded by CMDS, the ASM cooperative operating at Kamilombe. This facility, located in the Kapata neighbourhood, stands as a testament to the positive socio-economic impact of ASM mining on local

Wader boots under safe storage at the Kamilombe mine site, available for use by the women washers at the mine site through a daily rental fee.



healthcare infrastructure. Yet to be furnished with medical equipment, the cooperative aims to have the establishment provide essential medical services to both miners and the wider surrounding population. All the miners holding a CMDS identity card will receive free medical treatment.

3. Round table on child labour remediation: A key highlight of the visit was a roundtable discussion among the participants on efforts to address child labour in mining communities. The Centre for Child Rights and Business, together with the FCA, represents The Hub and presented insights into ongoing efforts to combat child labour and promote education and alternative livelihoods for at-risk children. The discussion provided a platform for stakeholders to exchange ideas, share best practices, and explore potential avenues for collaboration in this critical area.

4. Mutanda Mining Site Visit: Participants also had the opportunity to tour the Mutanda Mining site, an industrial mining operation operated by Glencore located outside Kolwezi. This visit provided stakeholders with valuable insights into large-scale mining operations, allowing for comparisons with artisanal mining practices and facilitating discussions on the potential synergies and challenges associated with different mining models.

By bringing together diverse stakeholders and facilitating meaningful dialogue and collaboration, the FCA continues to play a pivotal role in driving positive change within the mining sector and contributing to the long-term acceptance of ASM by the downstream as part of the effort to drive the prosperity of mining communities in the region.

The team of delegates at the Mutanda industrial mine site.



OUTREACH, FUNDRAISING AND RECRUITMENT

To help expand the current FCA footprint to additional sites, the FCA updated its fundraising strategy in 2023. The strategy's focus is solidifying FCA's position as a strategic partner in the DR Congo, aligning with government commitments for in-country value addition through local battery manufacturing.

In a major achievement, The Impact Facility team, in collaboration with TMB, has secured confirmation from USAID's Jet Mineral Challenge for winning a proposal. This project, set to commence in 2024, aims to address corruption in the trade and taxation of the artisanal cobalt mining sector. The project will introduce TMBs Pepele Mobile payment platform to the artisanal cobalt trade, incentivising the adoption of digital payments and reducing reliance on commissions from third-party traders.

The FCA dedicated a lot of effort to converging consortiums to make applications for funding from the European Partnership for Responsible Minerals (EPRM) and the USAID funding opportunity made available through the Africa Trade and Investment (ATI). These applications present, if approved, major sources of funding that will enable the scaling of the FCA's work at Kamilombe.

The FCA is actively engaging in various sector events to recruit new members, connect with key industry stakeholders, and secure additional financing. This includes contributions to interviews with relevant media agencies and publications, notably the bi-monthly Mining & Business Magazine in the DR Congo. Such active participation underscores our commitment to advancing and replicating our work. On top of this, the FCA, supported by the communications task force, provided support in facilitating the Cobalt Institute's Journalist visit in June to the region.

This included a visit to the Kamilombe mine site where the FCA team, together with CMDS, provided a nuanced perspective on the ASM sector to media representatives, market analysts and third-party representation from the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the Public-Private Alliance for Responsible Minerals Trade (PPA), United States Agen-

cy for International Development (USAID) and the RMI. The participants, also taken to an industrial mine site, were able to see the differences between the large-scale sector and ASM and acknowledge the changes that need to happen for the professionalisation of the ASM sector.

For the second consecutive year, the FCA participated in the Mining Indaba event in Cape Town, South Africa, in February – the most significant mining conference in Africa. The team also participated in the DRC Mining Week conference in Lubumbashi, DR Congo, the biggest mining sector conference in the DRC, where the FCA was a cobalt sponsor. The FCA sponsored a panel discussion on the main stage on the importance of investing in the ASM sector and used the opportunity to connect with financial entities and downstream actor representatives to forge new partnerships and raise the visibility of our work.

Other key events include the BMZ's (German Federal Ministry for Economic Cooperation and Development) High-Level Forum in Berlin, Evolve: Assent's supply chain sustainability conference, Mines and Money, The Global Sustainable Development Congress in Saudi Arabia, Paris Peace Forum, Cobalt Congress in Istanbul, and the OECD Conference in Paris, Katanga Business Meeting (KBM) in Kolwezi and Lubumbashi and at the DRC-Africa Battery Metals Forum in Kinshasa, Finance Against Slavery & Trafficking (FAST) forum in The Netherlands and the RMI Annual Conference in USA, represented by different members of the FCA in-country and international team. The team also participated in different webinars and was able to display photo exhibitions at several events last year. A case study on the photo exhibitions is available on page 38.

Outside the September delegation and the journalist visit, the FCA team facilitated several significant visits and interactions throughout the year with our Kolwezi team and at the Kamilombe partner mine site, showcasing our commitment to fostering collaboration and promoting responsible mining practices. These include visits from academia, embassies, representatives from industrial companies, and members of civil society, fostering dialogue and mutual understanding.

CASE STUDY: ASM PHOTO EXHIBITIONS

By David Sturmes, Co-founder and Director of Partnerships & Innovation at The Impact Facility

The artisanal cobalt mining sector contributes roughly 7-15% of global cobalt production, despite operating with minimal mechanisation, and no access to formal financing.

Too often, artisanal miners – creuseurs as they are called in French – are viewed as either victims of exploitation, stuck in a vicious cycle of poverty, or written off as criminals and thieves. Either way, the artisanal mining sector is often seen as something that simply shouldn't exist.

The cobalt supply chain is very opaque. Regardless of the efforts by downstream companies to disengage from sourcing from the DRC as a whole, ASM supply

still finds its way to downstream consumer products as the commodity is largely refined in China, where efforts to separate cobalt from ASM and that from industrial companies is very expensive and not cost effective. This makes it hard for companies to claim 100% responsible practices upstream of their supply chains and, as such, should encourage companies to engage and support in alleviating the conditions upstream.

Having visited and worked with ASM sites across East and Central Africa and South America, based on the work that we do at The Impact facility to professionalise the sector, I believe that the reality is much more complex. I have taken a collection of images over the last two years under my work at the FCA, with several photos taken in

Contrary to popular belief, artisanal cobalt mining activities are relatively well-paying compared to other regional alternatives. Income for creuseurs working underground fluctuates based on international commodity prices. On the other hand, women washers are usually paid per bag of minerals processed, netting between USD 150-250 per month.



© Olivier Delafoy

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Most workers work six days a week, leaving Sunday as a rest day. For many women and me, Sunday is the day to attend Church and spend time with their families. These photos were taken on two subsequent days in March of 2023, trying to challenge the stereotypes we draw on when we talk about artisanal miners.

collaboration with Olivier Delafoy, publisher of the Congolese magazine Mining & Business. We exhibited at five events in 2023 including: the Cobalt Congress in May in Istanbul, the DRC Mining Week at the Belgium Embassy in June, the London Metal Week in London, IFA in Berlin, Germany and the RMI Conference in California, USA. I was bothered by the one-sided way artisanal miners are commonly shown: barefoot, in dirty clothes, ideally when it's raining, hardly ever smiling. This simply didn't match my perception of these individuals—who are proud to call themselves creuseurs, who use their hard-earned money to support their families, send their children to school, and build a future for themselves. To showcase that artisanal miners are not just anonymous data points or faceless and voiceless victims, we partnered with CMDS for a small photo project.

I teamed up with Olivier Delafoy, publisher of the Congolese Magazine Mining & Business, to photograph several individuals during a Saturday at the mines, and agreed to meet up the following day at a place of their choosing, close to their homesteads, wearing whatever they wanted. We need to stop thinking one-dimensionally about artisanal miners and appreciate that every one of the 40+ million artisanal miners across the globe have a life outside the mines. They are friends, brothers, fathers and husbands of someone. Daughters, mothers and wives.

I hope this selection of photos gives a glance into the workings of Kamilombe, an artisanal cobalt mine site close to the city of Kolwezi, DR Congo, that has partnered with the FCA to help improve conditions on the ground. In awe of the sector's socio-economic development potential, we must not shy away from association but seek to engage head-on, investing in the professionalisation of the sector moving from artisanal to small-scale mining. Hopefully, these impressions provide a more nuanced perception of the sector and

inform the way you look at it. Artisanal mining is incredibly hard work, with men and women working under incredibly hazardous working conditions and child labour is often an issue. Miners often feel cheated of the price of ore when selling to local traders and as such, even though the miners earn considerably more than their counterparts in other sectors within their communities, fair value retention is still a challenge.

Despite formalisation efforts in the region, no legal ASM sites exist. The zones for artisanal exploitation delineated by the government for ASM use have little to no reserves, pushing ASM to work within the concessions of industrial actors – in some cases creating ASM – LSM conflict. On top of this, the legal grey zone that ASM exists in puts them susceptible to bribery and corruption from corrupt government officials exploiting their lack of livelihood alternatives. Despite all this, communities like the one that exists in Kapata and the community around the Kamilombe mine site are built and thrive on ASM activity. Auxiliary services are created to cater for the many men and women working in the sector who take pride in their work. Regardless of the challenges associated with the sector, this billion-dollar industry provides a livelihood to millions of individuals with limited options. The media, together with international reports, while highlighting the real challenges in the sector, have historically failed to provide a human face to the individuals who take on a huge personal risk to extract the mineral.

I wonder what the future of artisanal mining looks like. If we invest in professionalising ASM commensurate with the opportunity, we can create safe and dignified working conditions for thousands of people in the region. The ASM sector holds the potential to serve as a catalyst for socio-economic development. Only through engagement and investment in the sector can we translate local mineral wealth into community prosperity.



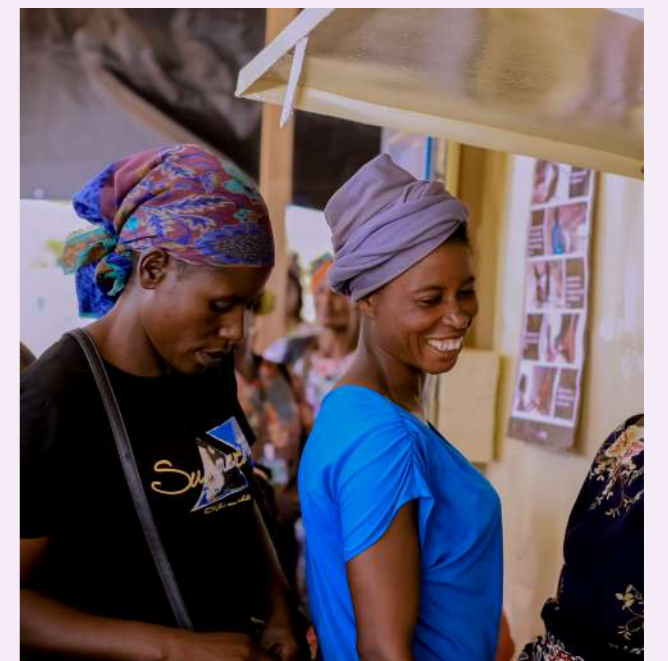
© Olivier Delafoy

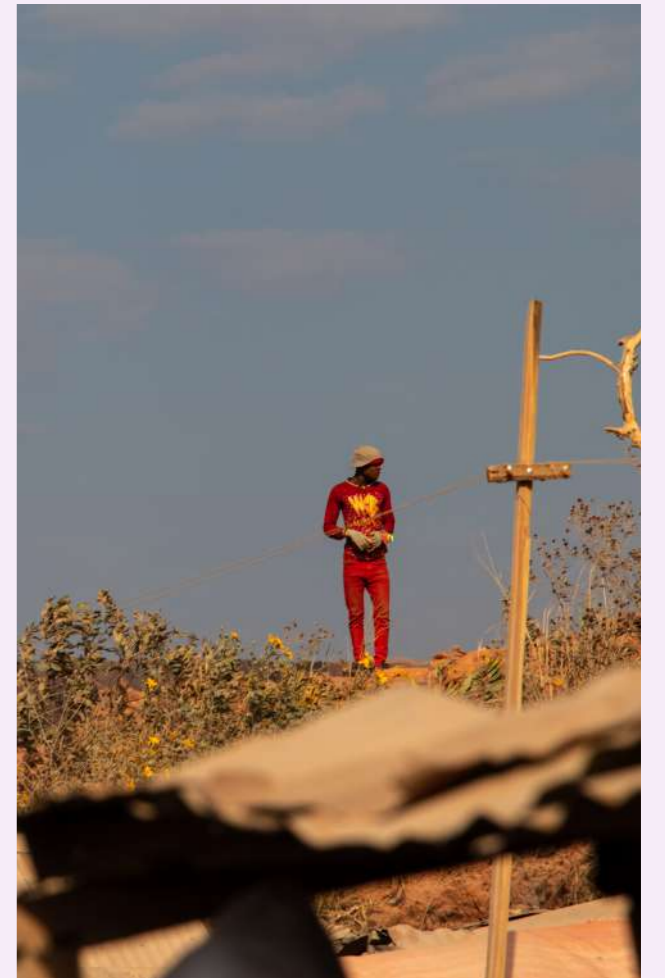


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OUR MEMBERSHIP

Three years since the launch of the FCA in August 2020, our membership has grown significantly to now tally 19 members. All members of the FCA are signatories to our Call to Action, committing to:

- Recognising the legitimacy of cobalt from responsible ASM operations
- Contributing resources to the development of responsible ASM cobalt
- Promoting the goals of the FCA

By joining the FCA, members endorse our Principles of Collaboration:

1. Avoiding duplication of efforts through transparent communication and planning
2. Maximising impact through proactive sharing of monitoring data, research and management tools
3. Working through local organisations and building local capacity whenever possible
4. Crediting relevant individuals/organisations in joint-effort achievements
5. Reporting impacts transparently and publicly and sharing lessons learned as widely as possible

FCA Members in 2023



“Gore Street Energy Storage Fund is proud to be a member of the Fair Cobalt Alliance. We share their commitment to a fair and responsible cobalt supply chain that benefits everyone, from miners to consumers. Our partnership with the FCA allows us to learn from the experts on the ground and make a real difference in the lives of miners and their communities who are essential part of the global transition to a more sustainable future.”

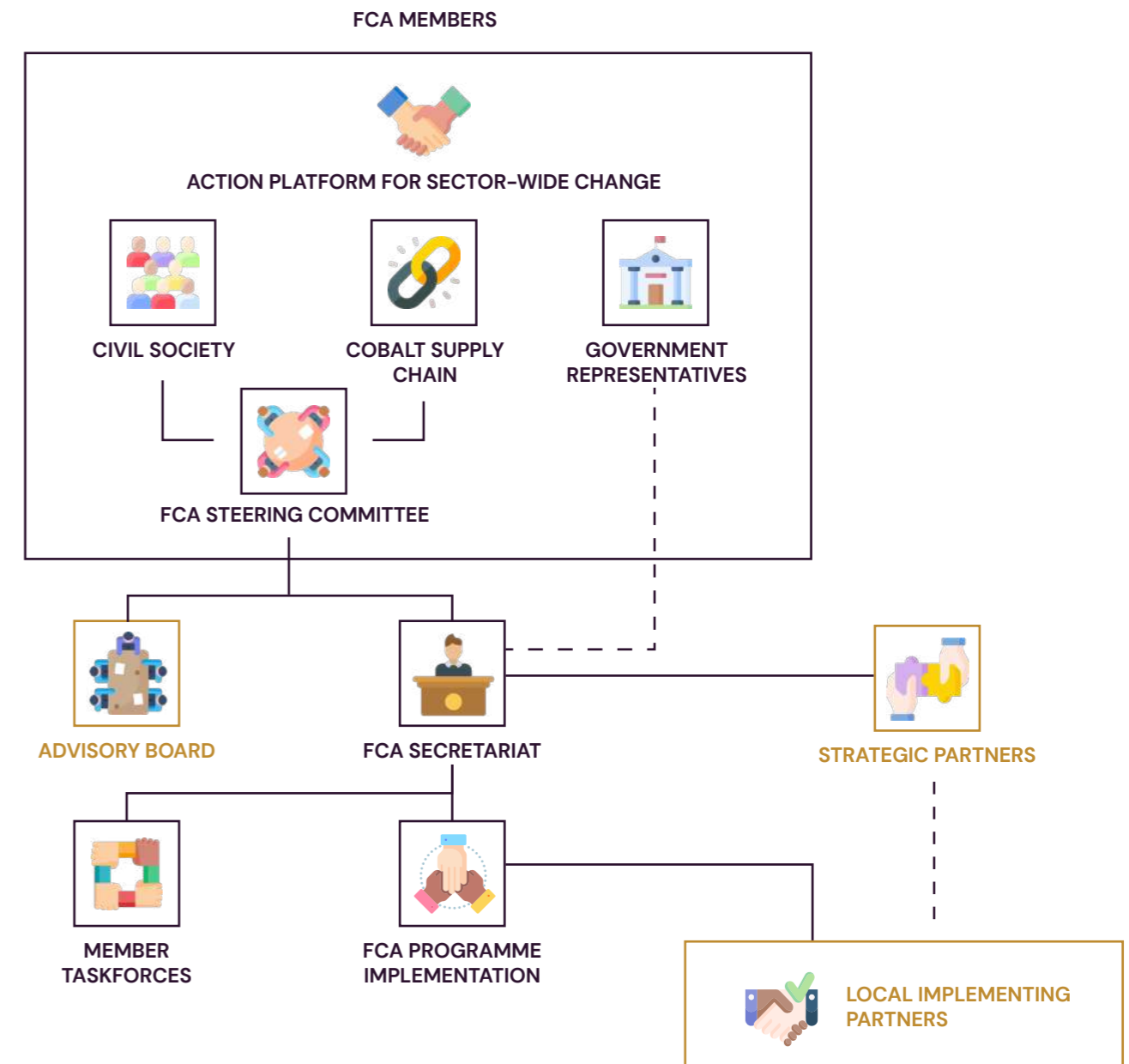
*Anna Wang,
Corporate Social Responsibility Advisor at Gore Street Capital*

ORGANISATIONAL GOVERNANCE

The Impact Facility manages the FCA as a stand-alone initiative and ensures that all FCA funding is allocated to projects approved and accounted for by the FCA Steering Committee (SC). In 2023, the members of the SC included representatives from the Centre Arrupe pour la Recherche et la Formation (CARF), The Centre for Child Rights and Business, Tesla, Glencore, LG Energy Solution and Fairphone. Meeting once every six weeks to provide strategic oversight of the work of the FCA, the roles of the SC can be summarised as follows:

- FCA Strategy: Approving the FCA's strategic objectives, including communication strategy and alignment with other initiatives.

- Organisational oversight: Approving the annual work programme, new FCA work groups, internal policies and the annual budget, and overseeing operational capability and organisational structure.
- Risk management oversight: Approving FCA risk management policy and approach and reviewing the design and effectiveness of risk management policies and procedures.
- Monitoring: Monitoring the effectiveness of the FCA grievance mechanism, monitoring the FCA's performance against its key performance indicators, and overseeing a financial review that includes independent third-party audit and assurance and transparency to Members and externally.



OUR TEAM

The FCA is managed by The Impact Facility, a UK-registered charity and one of the co-founders, which serves permanently as the Secretariat of the multi-stakeholder alliance. We maintain a permanent presence in Kolwezi, the capital of Lualaba Province, to support and coordinate the work of other FCA members, local implementing partners, and a growing partner network. We also have a presence in Kinshasa to ensure frequent and meaningful engagement with relevant government authorities and other key stakeholders at a national level.

An international team augments the capacity of our colleagues in Kolwezi. Our Congolese team is supported by an international team based in East Africa and Europe

and headed by Executive Director Assheton Carter. In the first quarter of 2023, the FCA welcomed the current Country Director, heading up the on-the-ground operations from the Kolwezi office. Antoine holds a Masters in Management, Humanitarian Aid, and Health Management, as well as a degree in Civil Engineering and has extensive experience managing development and humanitarian projects, having worked in Brazzaville and the DRC both as an Engineer and Manager for entities such as Itenco Marbreza, Office des Voiries et Drainage, SANRU, Church of Christ in Congo, Institut National du Bâtiment et Travaux Publics (INBTP), OXFAM UK, Christian Aid, Canadian Cooperation (PSAT) before joining FCA.



Antoine Kasongo
DRC Country Director



Anthony Muckaya
Logistics Lead



Assheton Carter
Executive Director



Alexandra Lukamba
Lead for Government & Public Relations



Benson Wambua
Finance Manager



Candice Jumwa
Fundraising & Outreach



David Sturmes-Verbeek
Director of Partnerships & Innovation



Freddy Mwamba
Lead for Health & Safety



Gustav Dahlqvist
M&E Lead



Mado-Esther Kitwa
Community Relations & Administration



Laura Gerritsen
Operations



Yves Kasongo
ASM Engagement

ADVISORY BOARD

Launched in April 2022, the AB consists of 13 third-party advisors with relevant experience in the sector selected by the Secretariat in consultation with the Steering Committee. The AB's role is to provide non-binding advice to the Secretariat and the SC.

Presided by Dr. Stacy Hope, the elected Chair of the AB, the board met twice in 2023 to provide input and perspective to the shaping of the FCA's strategic direction. In the first meeting in June, on top of providing programmatic updates on the work of the FCA, the Secretariat sought to get constructive feedback from the members on the draft of the CC mechanism and to provide an update on the M&E Framework of the FCA, for which at the time a baseline survey of the indicators had been rolled out to the miners and the surrounding mining community, the results yet to be compiled. On the credits, the AB was keen to point out that in the design of the mechanism, any communication on the credit scheme should be very precise as part of the efforts to avoid the greenwashing claims common in the carbon credit space. On the FCA M&E mechanism, the AB advised the FCA that once the results of the baseline survey were finalised, the FCA should aim to share the results with its peers and other actors working in the sector, in line with FCA's ambition of sector-wide collaboration and sharing of lessons learnt, especially to initiatives with similar goals.

During the second meeting in November, the FCA provided the AB with an update on the pilot on the CCs

with Fairphone, the results of the M&E baseline survey and an update on the FCA 2024 - 2026 strategy. On the CCs, the AB reiterated the need for The Impact Facility to prioritise 3rd-party assurance in the scheme as soon as possible. On external communications by members of the FCA relating to the purchase of the credits, the AB stated the need to accurately communicate the funding to be separate from membership contributions to avoid greenwashing allegations by the downstream. In the discussion on the FCA's Strategy, redesigned after three years of active operation, drawing learnings from the work done so far and in line with the FCA's overarching goal of contributing to a just and inclusive energy transition for the local mineral producers, the AB advised that despite Kamilombe being the only FCA partner mine site cooperative, the strategy should also take into consideration the FCA's ambition to scale to other mine sites. The secretariat was then able to reiterate that with additional funding from the CC scheme from downstream companies, the FCA will reduce the general funding for mine improvements as the revenue from the sale of credits will enable a trajectory of scoring higher against the RMI criteria, progressively limiting FCA's direct involvement in the site and enabling prioritisation of the FCA activities to other mine sites that score lower on the framework.

The Secretariat has committed to publicly reflect on the feedback provided by the members of the AB on the FCA website, as per the Articles of Governance. We are grateful for the insights and support of the AB members and for the support provided by the reigning Chair, Dr Stacy Hope:

STACY HOPE, PHD (CHAIR)

Hugh Brown

Auguste Mutombo

Brieuc Debontridder

Holger Grundel

Jared Connors

Jose Diemel, PhD

Nicole Hanson

Robert Robinson

Sebastian Vetter

Nikolaus Mclachlan

Olivier Delafoy

Benitha Thambwe

WOMEN IN MINING UK (WIMUK)

ASM Documentary Photographer and Author

Alternatives Plus

ASM Documentary Photographer and Author

Levin Sources

Assent Compliance

Levin Sources

London Metal Exchange (LME)

RMAC Global

Aurubis

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

Mining and Business Magazine

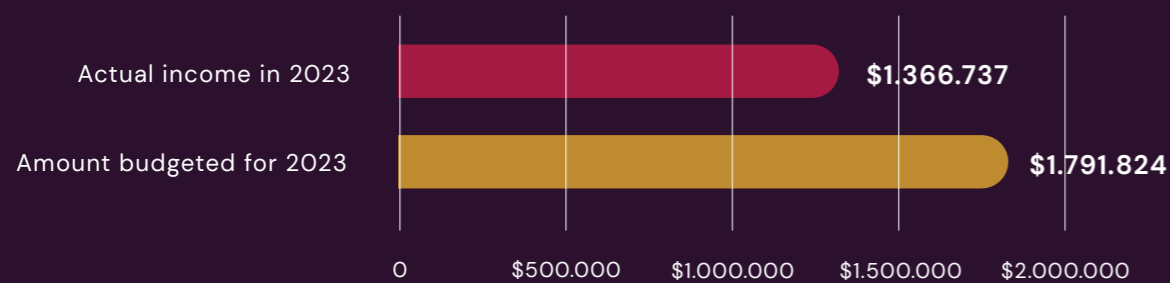
Comité Technique de Coordination et Planification Minière (CTCPM)

2023 FINANCIAL REPORT

Contributions to the FCA are received and managed by The Impact Facility, in its function as permanent FCA Secretariat. A UK-charity, The Impact Facility's financial accounts undergo independent financial audits every year, which are filed with the Charity Commission of England and Wales in line with UK-charitable regulations.

Our annual budget and workplan are subject to approval by the FCA's Steering Committee approval, who also monitor and review quarterly reporting on expenditures and workplan progress.

Forecasted budgets and workplans are based on receivables and anticipated financing flows; despite efforts to predict cashflow to inform the workplan, actuals tend to differ, in addition, we try to adapt to changing programmatic needs, when necessary, requiring retrospective changes to both budget and workplan.



Budget VS Actual Income (in million USD)

FCA EXPENDITURES IN 2023

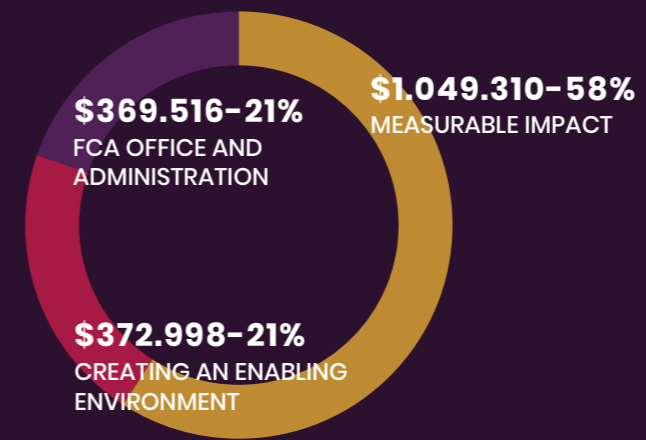
Budget and finance reporting are subject to review and approval by our Steering Committee, who monitor on a quarterly basis how the programme is progressing. The

Incoming Funding for 2023

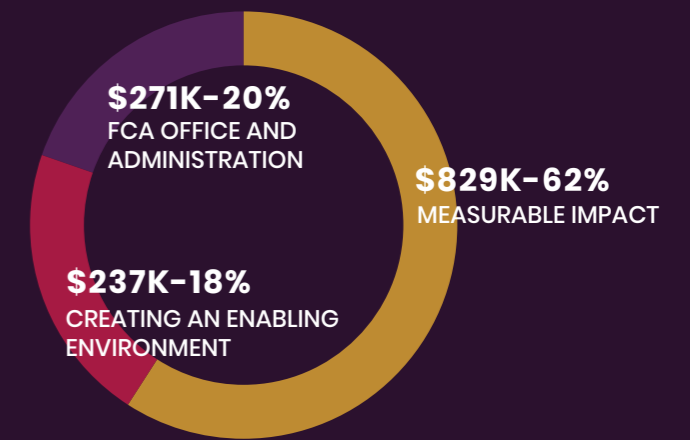
The FCA's programme implementation is financed through annual membership contributions, grants from (institutional) donors and public subsidies towards specific projects. All membership contributions are pooled to finance the implementation of the Steering Committee approved workplan; as such, individual member contributions are not attributed to specific activities.

Based on the forecasted funding available including anticipated membership contributions and (potential) donor financing, the Steering Committee approved a budget for 2023 of USD 1.79M. However, due to delays in receiving membership funding and difficulties in growing the membership as much as aspired, the actual income for 2023 reached just USD 1.37M.

total expenditure in 2023 was \$1,337,147, spent according to the breakdown below, differentiating between workstreams that create measurable impact on the ground, foster the creation of an enabling environment and admin / overhead costs. Cost items that might have contributed to multiple categories have been attributed to the categories most appropriate.



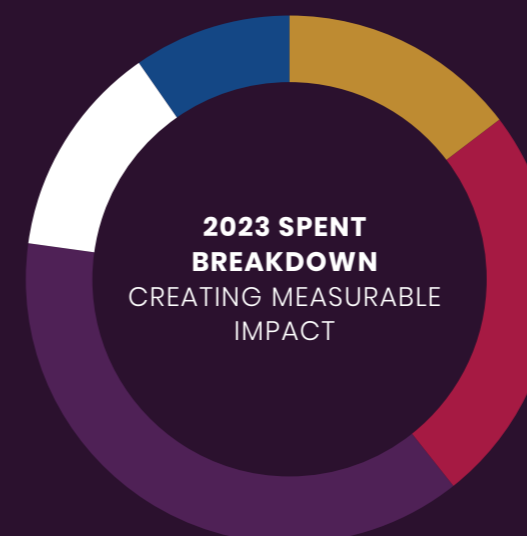
Budget Allocation per Workstream



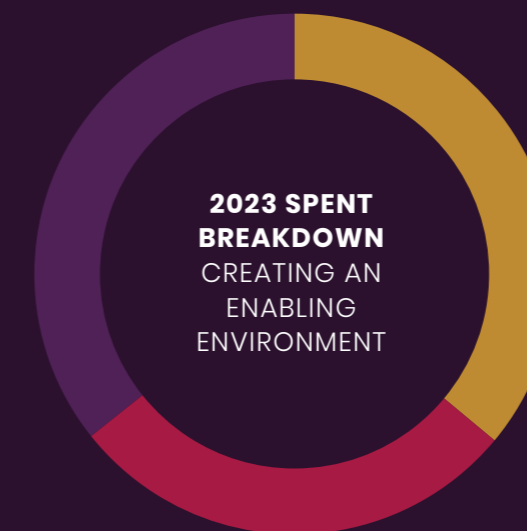
Expenditure per Workstream

FCA closed 2023 with a balance of USD 248,104 in reserves,² which have been carried over into the 2024

budget. Breakdown by programmatic workstreams:



- **\$126.438-15.24%**
1.1 MINE SITE EXPANSION AND LEGALISATION SUPPORT
- **\$197.702-23.84%**
1.2 ENABLING SAFE AND DIGNIFIED WORKING CONDITIONS
- **\$316.019-38.1%**
1.3 CHILD LABOUR REMEDIATION-
- **\$108.507-13.08%**
1.4 RAISING WORKER INCOMES
- **\$80.757-9.74%**
1.5 ACHIEVING MARKET ACCEPTANCE AND FAIR ASM COBALT



- **\$82.113-34.17%**
2. FCA GOVERNANCE & MEMBER ENGAGEMENT
- **\$73.550-31.09%**
3. FORGING STRATEGIC PARTNERSHIPS & GOVERNMENT RELATIONS
- **\$80.892-34.20%**
4. OUTREACH, FUNDRAISING & RECRUITMENT

² Despite a positive reserves balance, FCA fully exhausted available cash in practice, due to invoicing timing differences.

Measurable impact workstream

The core objective of the FCA is to achieve a tangible impact in artisanal cobalt mining communities. Therefore, the majority of the budget and expenditures were allocated to this category. A total of USD 829,423 (62% of our total budget) has been incurred as expenditure in this category, about 20% less than originally budgeted, due to cashflow challenges. Costs under this workstream include expenditure related to the FCA's work on the legalisation of the mine sites, enabling safe and dignified working conditions, remediating child labour, and strengthening financial resilience, both at the mine site and in its surrounding mining community. This includes third-party programme implementation costs (mostly through local partner NGOs), DRC staffing, and local travel expenditures.

Enabling environment: Fundraising, recruitment and partnerships

USD 236,555 (17.69%) of the total expenditure was allocated and spent on FCA member recruitment, general fundraising as well as partnership development, both locally and internationally, to strengthen the FCA in its reach, drive consolidation of efforts across the sector and mitigate duplication of efforts on the ground. In light of budget cuts, actual expenditure against this category was 37% less than originally planned, due to the above mentioned cash flow restrictions.

FCA office and administration

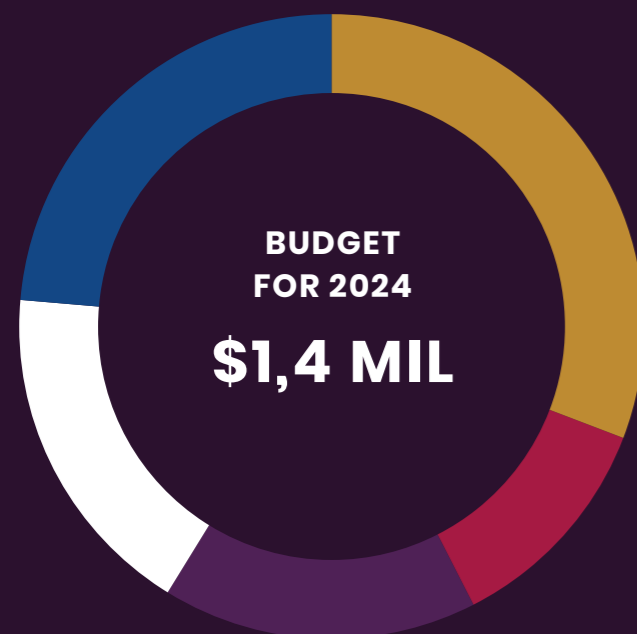
USD 271,169 (20.03%) of the total expenditure was spent

on office, admin and overhead costs. More concretely this includes administrative costs such as office rent, audits, legal fees, electronic devices for staff, insurances and alike, as well as, a 15% overhead contribution derived from total costs to The Impact Facility, as permanent secretariat of the FCA.

Budget Forecast for 2024

The budget approved by the FCA Steering Committee for 2024 based on expected incoming is USD 1,444,844. At this level, the budget for 2024 is roughly in line with the amount of funding spent in 2023. While membership contributions have increased slightly, the donor funding from the Dutch government totaling 800K since 2019 is coming to an end in 2024. The below graphic visualises the split of the budget for 2024 across different categories, differentiating between:

- Measurable impact on the ground – related to safe and fair working conditions working conditions, child labour prevention and remediation, economic resilience of the artisanal cobalt mining community and fair trading practices.
- Value chain participation activities such as the convening relevant cobalt standard setters, communications and public outreach, international travel for conferences and events and staff costs.
- FCA Administration – including office costs, financial audit and legal (management) costs.
- Overhead contribution to the FCA Secretariat, which is operating all activities at cost.



- **\$438,456–30%**
SAFE AND FAIR WORKING CONDITIONS
- **\$195,429–14%**
CHILD LABOUR REMEDIATION AND PREVENTION
- **\$244,939–17%**
ECONOMIC RESILIENCE
- **\$241,254–17%**
VALUE CHAIN PARTICIPATION
- **\$324,766–22%**
FCA ADMINISTRATION

NOTEWORTHY MEDIA COVERAGES

The FCA is committed to enabling constructive news coverage of the sector, facilitating on-the-ground access to our projects where possible, and upon agreement by local stakeholders such as cooperatives and concession holders and investing time and effort responding to interview requests from journalists, academics and rights groups. In 2023, the FCA was featured in several articles, podcasts and/or interviews, including:

- ABC News, February 8, 2023, "Artisanal cobalt mining swallowing city in the Democratic Republic of the Congo, satellite imagery shows" <https://abcnews.go.com/International/cobalt-mining-transforms-city-democratic-republic-congo-satellite/story?id=96795773#:~:text=The%20mines%20aren't%20only,land%20is%20conceded%20to%20mines>
- Susanova, April 19, 2023, "Apple aims to use 100 percent recycled cobalt in batteries by 2025" <https://www.wearepantarein.be/csrd-kennishub?share=5c4cad7ae472af96c37fced2640a6938>
- Finnish Business Weekly, April 26, 2023, "Justin, 31, manually digs for cobalt in the Congo, which is also found in the batteries of Finns' mobile phones and cars – but is that a problem?" <https://www.talouselama.fi/uutiset/justin-31-kaivaa-kongossa-kasityona-kobolttia-jota-on-suomalaistenkin-kannykoiden-ja-autojen-akuisa-mutta-onko-se-ongelma/6ce1e44f-bc8f-4777-9c9a-2f9e8e669d35?ref=twitter:4c9b>
- Africa Review, May X, 2023, "A new narrative around artisanal mining" <https://www.dropbox.com/scl/fi/jsu-gwukxdmu9k5deck9el/S11-ATR-May-2023-Fair-Cobalt-Alliance-3.pdf?rlkey=ilyl9wychr7ovp6j7xrnsclum&dl=0>
- Mines.cd, June 24, 2023, "Lualaba: ACE and Glencore visited the construction works of the Kamilombe mine site hospital financed by the CMDS" <https://mines.cd/lualaba-lace-et-glencore-ont-visite-les-travaux-de-construction-de-lhopital-du-site-minier-de-kamilombe-finances-par-la-cmds/>
- Financial Times, July 6, 2023, "Artisanal mining: the struggle to clean up a murky industry" <https://www.ft.com/cobalt!/?desktop=true&segmentId=d8d3e364-5197-20eb-17cf-2437841d178a#myft:notification:instant-email:content>
- Tagesanzeiger [German], July 28, 2023, "Controversial small-scale mines: How does the bloody cobalt get pure?" <https://www.tagesanzeiger.ch/umstrittene-kleinminen-wie-wird-das-blutige-kobalt-nur-rein-440594766281>
- Washington Post, August 4, 2023, "Despite reforms, mining for EV metals in Congo exacts steep cost on workers" <https://www.washingtonpost.com/world/interactive/2023/ev-cobalt-mines-congo/>
- VRT News [Dutch], December 7, 2023, "From cobalt to electric cars: how the Congolese population hardly shares in mega profits" <https://www.vrt.be/vrtnws/nl/2023/12/07/van-kobalt-tot-elektrische-auto-reportage-uit-congo/>

Learn more about the FCA on our website:
www.faircobaltalliance.org

Follow us on social media:
<https://www.linkedin.com/company/fair-cobalt-alliance>

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The Fair Cobalt Alliance is an initiative managed by The Impact Facility, a UK-registered charity and founding member of FCA that serves as its permanent Secretariat.
The Impact Facility, UK Charity Registration Number: 1181077, Registered office: Avening Park, West End, Tetbury, GL8 8NE.
Learn more about The Impact Facility at: www.theimpactfacility.com



Fair Cobalt Alliance
L'Alliance du Cobalt Equitable