

# Artisanal Gold Monitoring Pilot Phase I Progress Report August-September 2016



# Editorial

## **Artisanal Gold Monitoring Pilot. Phase I Progress Report: August-September 2016**

**Front Cover image:** artisanal miners at work on the mine site 'Mavula', close to the gold trading hub of Kampene in Maniema province (IPIS consultants, June 2016).

**Antwerp, October, 2016**

The **Public-Private Alliance for Responsible Minerals Trade (PPA)** is a multi-sector and multi-stakeholder initiative to support supply chain solutions to conflict minerals challenges in the Democratic Republic of Congo (DRC) and the Great Lakes Region (GLR) of Central Africa. The PPA provides funding and coordination support to organizations working within the region to develop verifiable conflict-free supply chains; align due diligence programs and practices; encourage responsible sourcing from the region; promote transparency; and bolster in-region civil society and governmental capacity.

**International Peace Information Service (IPIS)** is an independent research institute, providing governmental and non-governmental actors with information and analysis to build sustainable peace and development in Sub-Saharan Africa. The research is centred around four programmes: Natural Resources, Business & Human Rights, Arms Trade & Security, and Conflict Mapping.

# Executive Summary

In April 2016, the Public Private Alliance for Responsible Minerals Trade (PPA) granted IPIS funds to implement a pilot monitoring system for gold production and trade in eastern DRC. The first overall objective of this pilot is to monitor gold supply chains according to a system that balances data accuracy with safety/security, and cost. The second objective is to facilitate access to useful data for a variety of stakeholders in support of sector transparency, good governance and responsible sourcing. In doing so, the pilot will examine the scalability and sustainability of the monitoring system.

This pilot has been broadly conceptualised as unfolding over three phases during the project life cycle:

1. Hub selection, preparatory assessments and methodological development;
2. Pilot initiation and capacity building; and
3. System implementation.

The present report outlines progress made and lessons learned over the first phase of this project. It outlines IPIS' process for designing its data collection and assimilation methodology and for selecting appropriate hubs for pilot implementation (desk-based research and consultation, and field work), as well as its findings in respect of the different hubs under consideration.

The culmination of Phase I's hub selection and methodological design saw IPIS alter its approach to the pilot by focusing implementation in only one hub (Mambasa) with closer supervision from an IPIS focal point to ensure appropriate methodological refinement. Nevertheless, IPIS intends to continue prospecting two other prospective hubs with a view to determining feasibility for extension. Summary narrative profiles for these hubs are enclosed in annexes I and II to this report.

# 1. Approach to Phase 1

Phase I of this project saw the project team undertake a number of, sometimes coinciding, efforts in order to determine appropriate localities at which to pilot the monitoring system, whilst refining the pilot's approach to data collection, capacity building and risk management. In doing so, IPIS took the following steps, the findings of which are explained in further detail below:

## *Preparatory research*

### **1. Identification and initial selection of potential gold sites through the IPIS mining site database.**

#### **2. Background research:**

- Literature review: IPIS focused its research on reports about artisanal gold mining, responsible mineral trade and extraction, and mineral certification schemes, written by organisations active in the gold sector, and particularly those focused on Eastern DRC. IPIS also searched for academic reports and articles on the gold trade and production for specific regions or areas within the DRC.
- Consultation with experts in the gold sector in eastern DRC, including academics, consultants and international organisations with experience of working on the sector, including through work on mineral traceability and responsible supply chains.

### **3. Rapid assessment visits to four potential localities by local IPIS consultants.**

#### *Field Missions*

4. **Field missions** to liaise with local actors were conducted by IPIS staff on two occasions in the context of the present project. On the second visit three shortlisted hubs were visited by two IPIS researchers to verify and analyse data collected by field teams and liaise with potential partners for implementation.

#### *Phase I outcomes*

The **selection of suitable hubs and refinement of IPIS' approach** to the monitoring pilot in light of findings from Phase I of this pilot.

## 1.1. Preparatory research

### IPIS database of mining sites in Eastern DRC

Since 2009, IPIS has visited over 2000 mine sites and trade hubs as part of its conflict mapping work in eastern DRC. In doing so, it has systematically collected mine site and trade hub level data on OECD-related data points such as armed actor presence and interference in mining, as well as operational data points such as site coordinates, worker numbers and pricing. This data collection has enabled IPIS to generate a sizable database of mine sites that draws both on site visits and data from third party sources, e.g. the Congolese mining cadastre, the German Federal Institute for Geosciences and Natural Resources (BGR). This database, together with IPIS's interactive map of Eastern DRC, was consulted to identify potential hubs for this pilot implementation. In doing so, the project team were careful to concentrate on hubs being serviced by sites for which the most recent data is available.

An initial analysis of sites and hubs in accordance with the above indicators returned no specific hubs that could match every aspect. As such, certain indicators were ranked in order of relative importance – a floating ranking that was repeatedly reviewed over the course of the site selection process. Using this ranking, certain localities of interest were identified for further follow-up. In particular, localities that matched all but one or two of the criteria were the focus of the literature review and were also consulted upon with experts with experience in working on Eastern DRC's gold sector. This work allowed for the identification and consideration of a number of possible localities,<sup>1</sup> and saw the initial development of site profiles to enable assessment of the provincial, territorial and local context. These localities were subsequently drawn down to a list of potential locations to which field teams could be dispatched for further scoping as part of a rapid assessment.

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<sup>1</sup> Namely, Mongbwalu and Mambasa (Ituri), Durba (Haut Uele), Bondo (Bas-Uele), Shanje, Nywaronga, Kamituga and Nyamarule area (South Kivu), Kitamuna, Kampene and Matete (Maniema).

### **Box: Identifying suitable hubs and servicing sites**

During Phase I of this project, and particularly in the earlier stages, special emphasis was placed on ensuring that hub selection was grounded on a robust situational awareness. This is because hub selection will prove determinative of project success.

Having got a clearer idea of the conditions in which the project would be piloted, the later stages of Phase I saw the project team focus overwhelmingly on refining its initial design of the monitoring, particularly its data collection and assimilation methodology and risk handling.

From the outset of the project, a number of indicators was identified for selecting both trading hubs that might form part of the pilot implementation and those sites servicing them. These included the following:

#### **Indicators for trade hub selection**

- 1. Security:** the security situation in and around the hub should be sufficiently stable to allow for the safe transit of persons from the hub to sites and the provincial capital.
- 2. Access:** hubs should be within one-day's travel (by motorbike or car) from the provincial capital, and should be accessible in the rainy season.
- 3. Volume of trade:** the flow of artisanal gold to and from the hub should be sizeable and constant. Accurate estimates on trade volumes can be extremely difficult to obtain and where no estimates for trade volumes were available, hubs known to be serviced by numerous sites (e.g. often cited as a next destination point) were also canvassed.
- 4. Supply from multiple gold sites:** to avoid single site dependence, the hub should be serviced by at least three sites for which production levels are estimated as reasonable (see below).
- 5. Presence of a civil society organisation (CSO):** as this pilot is premised on building the capacity of local actors, including civil society representatives, to fulfil certain monitoring functions, a reasonable civil society presence at the provincial level and, where possible, more local level, is fundamental.
- 6. Presence of SAESSCAM and Division des Mines:** as this pilot envisages partnership working, including capacity building, with state agents, a SAESSCAM and Division des Mines presence at the trade hub is highly preferential.
- 7. Presence of existing responsible sourcing mechanisms:** whilst not a determinant of hub selection, the presence of responsible sourcing mechanisms (iTSCi, BSP, PAC, CBRMT, CTC) in the vicinity of the hub was considered a positive factor for reasons of cross-learning and complementarity.

#### **Indicators for servicing sites**

- 1. Security:** the security situation on and around sites servicing the hub should be sufficient to allow for the safe transit of persons.
- 2. Access:** mine sites should generally be within a day's walking or half a day's motorbike distance from the pilot hub, and should be reachable in the rainy season.
- 3. Production:** sites should generally be productive more than exploratory. Sites said to have at least 50 workers will be considered indicative of reasonable production.
- 4. Compliance with OECD Guidance:** sites should generally be free from the following Annex II risks as per the OECD Due Diligence Guidance for Responsible Chains of Minerals from Conflict-Affected and High-Risk Areas: serious abuses (e.g. forms of torture, forced labour, widespread sexual violence), direct or indirect support to non-state armed groups, and, where possible, direct or indirect support to public or private security forces.

5. **Number of workers:** most sites should have at least 50 workers, including diggers, *laveurs*, *concasseurs* and any other person involved in gold production.
6. **Legal status:** the majority of sites servicing a hub should either not be located on an already designated concession or, if located on or next to a concession, the owner of that concession should be amenable to the presence of ASM, preferably with indications of a willingness to work with miners. Ideally, a number of servicing sites would be located within a *Zone d'Exploitation Artisanale* (ZEA).
7. **Presence of SAESSCAM and Division des Mines:** these two state agencies should generally have some attendance at and awareness of the servicing sites.

## **Literature review and interviews**

Consultation of the IPIS database was also heavily supplemented with desk-based research and consultative enquiries into potential locations. A literature review and consultation with experts served the primary purposes of refining site selection and informing IPIS' approach to methodological design to account for the specificities of the gold sector.

In its literature review, IPIS focused predominantly on documentation compiled by those operating in the DRC, as well as those with a specific specialism or focus on gold. This includes documentation produced by actors such as PAC, USAID/Tetrattech, BGR, PAX, OECD/Phuzumoya Consulting, Pact, members of the UN Group of Experts, the Institute of Development Policy and Management (IOB) of the University of Antwerp, Estelle Levin Ltd, and the Artisanal Gold Council (AGC). Reports canvassed included both technical reports on specific localities, short technical briefs and thematic reports.

The majority of report authors and other technical experts (e.g. the Better Sourcing Programme, MineralCare, Congolese field operatives) were also subsequently consulted to gather updated information, clarify certain issues and solicit recommendations on potential hubs. This facilitated a better understanding of the gold sector locally, a sharing of contacts and an appreciation of lessons learned in similar projects in the region. Consultations were conducted either remotely or in person. In particular, the project team took the opportunity of the 10th ICGLR-OECD-UN GoE Multi-stakeholder Forum in Paris in May 2016 to consult with and/identify numerous individuals with relevant information for site selection and project design. In doing so, the project generated notable interest and was broadly welcomed by those stakeholders.

Much of August and September 2016 were spent processing the data collated during IPIS' preparatory work and field missions, and then revisiting the pilot's project design. This saw further follow up outreach to technical experts for consultation on matters such as data collection and assimilation, including individuals from Tetrattech/CBRMT, the Artisanal Gold Council, US Geological Survey (USGS), Congolese field operatives and PAC. In light of certain pilot design alterations and seasonal restrictions on consultees' availability, this process took longer than anticipated. The result has been the compilation of draft methodologies for data collection and assimilation, as well as risk management planning, which the team expect to finalise in the coming weeks following further input from key consultees.

## **Rapid assessments**

Based on the initial desk-research, consultations, and meetings conducted in Paris and the DRC (see below), IPIS narrowed down the number of hubs for potential selection to four. These hubs met most, but not all of the selection criteria:

- Mambasa (Ituri)
- Durba/Watsa (Haut-Uélé)
- Kampene (Maniema)
- Nyawaronga (South Kivu)

In June 2016, three teams of local IPIS consultants were then deployed to these four hubs with a GPS, and digital and paper questionnaires to gather some initial first hand updates and information on indicators of appropriateness for hub selection. Here, basic information was gathered on worker number estimates, accessibility and costs, security, and local stakeholders. This rapid assessment then enabled more efficient and targeted visits by two IPIS researchers in July 2016, to undertake more in depth assessment of hub potential and liaise with local actors.

## 1.2. IPIS DRC Field Missions

### May field Mission

Between 1 and 16 May 2016, two IPIS researchers visited the DRC to introduce the current project to the Congolese authorities and stakeholders, and to seek their support for its implementation. The IPIS team also took the opportunity to solicit their advice and opinions about the location of the gold monitoring project implementation, travelling to Kinshasa, Goma, Bukavu and Bunia. Here, they met with the following organizations and individuals:

- **Kinshasa:** IPIS met with the *Coordinateur Général* of SAESSCAM and the Congolese Mining Cadastre, who both expressed their support for the project. A partnership with SAESSCAM was initially discussed. Other individuals/organisations consulted in Kinshasa included BGR and Pact.
- **Goma:** IPIS met with the Provincial Antenna of SAESSCAM, managers of Pact and managers of TetraTech implementing the CBRMT project in Maniema.
- **Bukavu:** IPIS met with the *Chef de Cabinet* of the Provincial Minister of Mines, SAESSCAM, a representative of BGR, and the International Organisation for Migration (IOM).
- **Bunia:** IPIS met with SAESSCAM, *Division des Mines* and local civil society organisations, including the *Cadre de Concertations sur les Ressources Naturelles* (CdC/RN) and the *Commission Episcopale pour les Ressources Naturelles* (CERN).

### July field mission

Between 8 and 27 July 2016, two local consultants who carried out field visits in June accompanied IPIS researchers to three of the four shortlisted hubs in eastern DRC. The aim of this mission was to identify local civil society and state authorities to determine capacities and political will in the three shortlisted hubs of Mambasa, Watsa/Durba and Kampene. Unfortunately, due to a last minute carrier dispute between third party actors the IPIS team was prevented from making its scheduled departure for Kampene. Attempts to organise alternative means of transport were rendered unsuccessful by time restrictions. The team therefore took the opportunity to deepen their enquiries in Bunia and verify data collected in respect of the formerly shortlisted Nywaronga hub.

In the provincial capitals Bunia and Bukavu IPIS researchers met with provincial SAESSCAM and *Division des Mines* officials, as well as the Minister of Mines for South Kivu.<sup>2</sup> In Bunia, IPIS also met with civil society organisations involved in natural resources, namely: Réseau Haki na Amani (RHA), CDJP and CDC/RN (*Cadre de Concertation de la Société Civile de l'Ituri pour les/ Ressources Naturelles*). During all consultations, the team made clear that IPIS was undertaking a situational assessment of a number of different gold sector localities to determine the extent to which certain preconditions for transparency were met. The team also canvassed interest in participation in a monitoring initiative with select relevant stakeholders.

In the gold trading hubs of Mambasa and Durba/Watsa, IPIS researchers met with local SAESSCAM, *Division des Mines*, the Territorial Administration, local mining cooperatives of diggers and/or *négociants*, CSOs and trader representatives. In Mambasa, PAC staff also kindly took the time to present their work on the "Just Gold" project and outline their "Maison d'Achat Modèle" in Somé. IPIS Researchers also visited some mine sites in order to ascertain degrees of compliance with the above servicing site indicators.

Since this mission, the project team has maintained contact with the various stakeholders encountered in Watsa and Mambasa, and have particularly communicated with prospective partners in Mambasa.

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<sup>2</sup> Ituri's governor has not yet formally assigned ministerial portfolios.

## 2. Findings and reflections from Phase I

### 2.1. Hub selection findings

#### Preparatory research findings

IPIS' work on hub selection benefited from earlier prospection by actors such as CBRMT, PAC, BGR and the OECD, undertaken principally for the purposes of establishing viable localities for responsible sourcing. However, the considerations entailed in IPIS' hub selection also differed from these other kinds of prospection to the extent that this project seeks not the establishment of a responsible supply chain per se, but rather improved production and trade monitoring in a given area. Thus, the team focused on identifying a relevant trade hub/locality servicing a variety of sites, not individual sites themselves. As such, matters like geographical scope, armed interference and title issues were given a different kind of emphasis in hub selection. For example, title issues were seen as relevant to political will, trust building and data accuracy, more than project legality. Likewise, an absence of armed interference was viewed more from the perspective of personnel security and data accuracy than being a pre-requisite for project implementation. Despite this, considerations in identifying appropriate sites for responsible sourcing remained closely tied to hub selection.

Hub selection entailed a number of balances and trade offs concerning optimal conditions for pilot implementation. One factor encountered early on in the hub selection was the impossibility of finding hubs being serviced by sites entirely free of armed interference, as well as a scarcity of sites where challenges inherent to title issues were deemed manageable.

Nevertheless, the team were initially directed to a number of localities in Maniema, South Kivu and what was formerly Province Orientale (now, Ituri, Haut Uele, Bas-Uele, Tshopo):

- The team consider **Maniema** particularly interesting for a project pilot due to notable gold production estimates from some areas, the fact that it is less conflict affected than other provinces, a high level of political will among state actors and a need for further civil society capacity building in the province. However, these factors must be tempered against the fact that accessibility challenges and the relative lack of diversity and strength of civil society in Maniema as compared to other provinces could foreseeably raise project costs. Of three localities initially canvassed for a project pilot (Kitamuna, Kampene and Matete), only Kampene was retained for further follow up. Matete in particular proved interesting in light of the presence of CBRMT's gold pilot and plans for the launch of ITOA, though on balance a combination of access, potential trade volumes and civil society presence militated against further prospection. Kitamuna was likewise not taken further on the basis largely of access concerns, despite showing initial indications of notable production.
- As one of the more conflict affected provinces, **South Kivu** has long been interesting for responsible sourcing efforts and has the benefit of greater accessibility, a strong civil society presence and proximity to IPIS' Bukavu focal point. These factors had to be weighed against issues of unpredictability of the security situation in some areas and political will among certain state actors potentially playing an instrumental role in the project.<sup>3</sup> Such issues being considered not insurmountable if given further consideration in project design, a number of localities were primarily canvassed in the province (Shanje, Nywaronga, Kamituga and Nyamurale). Shanje, though potentially promising in light of the number of sites in the vicinity, no apparent armed interference at many sites and the close proximity of iTSCi and BSP monitoring at validated sites around nearby Numbi, was excluded largely on the basis of accessibility. It was felt that in South Kivu accessibility had to be viewed in light of the dynamism and proximity of any ongoing conflict in the area and therefore, unless the local security situation indicated otherwise, hubs should generally be within a day's travel from Bukavu. This could not be guaranteed for Shanje. The major gold hub of Kamituga was also briefly

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<sup>3</sup> For example, in June 2016, the new provincial minister issued an order requesting all international and national NGOs to obtain ministerial approval before conducting visits to mine sites, a matter that has generated notable tension among civil society in South Kivu.

considered, though it was felt that a combination of title issues and social tensions would impede project implementation. Meanwhile, whilst there appears to be some need for capacity building and monitoring in the vicinity of Nyamurale, it was felt that this locality did not present a sufficient hub within itself to attract implementation. This left only Nywaronga to be shortlisted for further follow up enquiries. This locality was interesting due to its relative proximity to Bukavu and the gold market of Katasomwa; anecdotal testimony of notable production, including from sites located on ZEAs; and no apparent indications of armed interference at a number of sites during previous IPIS visits. Following the despatch of field teams to this locality in May 2016 however, it became apparent that the security situation around this area was not sufficiently stable for an initial pilot – a fact confirmed during IPIS visits to the area in July.<sup>4</sup>

- In **Ituri** province, the high prevalence of gold mining activity has seen the development of a reasonably knowledgeable civil society contingent in the capital, Bunia, where some capacity building around the gold sector has already been undertaken by PAX Netherlands. Indeed, despite the fact that a provincial minister for mines has yet to be formally designated, discussions with and feedback about relevant state authorities both in Bunia and around Mambasa indicated a good level of political will for constructive engagement with gold sector initiatives. Indeed, a number of local SAESSCAM and *Division des Mines* agents have already received initial training on ICGLR conformant site inspections from Partnership Africa Canada. Mongbwalu was naturally highlighted as a potential locality of interest in Ituri in light of high production levels. However, the potential for social conflict and title issues again rendered effective pilot implementation potentially untenable.<sup>5</sup> Mambasa, however, which is home to PAC's Just Gold project in Somé, featured strong indicators for potential pilot implementation and was therefore shortlisted for further follow up during IPIS' July mission to the DRC.
- Whilst a number of validated sites close to Bondo in **Bas-Uele** province in the far north of DRC were also suggested as offering a possible pilot locality for this project, accessibility and a dearth of civil society presence rendered the location untenable. IPIS' work on the Central African Republic (CAR) further indicates that any pilot in this region may encounter illicit gold flows to/from the CAR. Whilst interesting for the pilot, this could also raise security issues for local actors operating in this remote area.
- Finally, the trading towns of Durba/Watsa in Watsa territory of **Haut-Uele** likewise proved interesting in terms of pilot monitoring, and monitoring work in this area, if viable, is encouraged by the Congolese Minister of Mines. The recent establishment of a number of ZEA's around the area, interest expressed in responsible sourcing from the locality by commercial actors, and favourable reports concerning local civil society and state services by PAX Netherlands, who have undertaken some basic research in the area, all highlighted this hub as one for further follow up. Indeed, whilst Watsa is more remote than other locations, transport links were deemed sufficient to render this potentially surmountable. As such, Durba/Watsa was shortlisted for further follow up.

### **Final selection from shortlisted hubs**

Findings from IPIS' July mission to the field and consultations with stakeholders about data collection and risk management methodologies, highlighted that a phased approach to implementation on a hub-by-hub basis would offer greater guarantees for project success. This is because firstly such an approach would enable us to first refine data collection before piloting it elsewhere. In addition, it was clear from our investigations that implementation at two of the potential pilot hubs would require additional preparatory work. In light of this, the team felt that the present pilot should first focus predominantly on implementing more intensively in a single locality, whilst continuing to prospect the pilot's set up in (an)

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<sup>4</sup> Investigations uncovered reports of inter-ethnic and territorial disputes between the two cooperatives operating locally and an armed attack on a local FARDC contingent deployed to keep the peace by alleged FDLR fighters. Armed men again alleged to be FDLR were also said to have attacked a mine site close to Nywaronga in January 2016.

<sup>5</sup> See for example, "Mongbwalu Gold Mining faced with 20,000 diggers", Africa Mining Intelligence, N°372, 12/07/2016, available at: <https://www.africaintelligence.com/AMA/small-scale-mining/2016/07/12/mongbwalu-gold-mining-faced-with-20000-diggers,108174134-BRE>.

other pilot hub(s) at a later stage, including by doing some of the necessary groundwork for optimising monitoring conditions.

The pilot hub selected for initial implementation was Mambasa, and both Kampene and Watsa are to be further prospected for expansion. The team restructured the design of the current project to reflect this adjusted approach, and has now begun to engage stakeholders in Mambasa to prepare the ground for implementation. Adjustments in the design will now see:

- The establishment of a focal point in Bunia to oversee project implementation and lessons learned in closer proximity to the initial pilot.
- The clarification of coordinates for designated ZEAs in pilot sites.<sup>6</sup>
- More extensive coverage of site visits around Mambasa.
- The production of ad hoc small surveys, where necessary, to supplement data or to meet specific data demands.

### **Reasons for selecting Mambasa as a focal hub**

In selecting Mambasa as its focal hub, the team took into account the following considerations:

- **Political will:** whilst the Ituri's governor has not yet formally assigned ministerial portfolios, Province Orientale's former governor had previously taken steps towards bringing the gold sector in line with certain regional standards – a move that has trickled down to Ituri's current mining administration, which has a reasonable awareness of ICGLR and OECD requirements. Previous training delivered by Partnership Africa Canada to SAESSCAM and Division des Mines agents in Mambasa has likewise aided greater awareness of ICGLR standards locally, and political will at this level is likewise felt to be favourable.
- **Security:** FARDC secures strategic points of the Mambasa-Bunia axis rendering this road safe for travel (RN4). The RN4 west of Mambasa leads through the rebel-affected Okapi Wildlife Reserve, where Mai-Mai groups have been vying for control over gold sites.<sup>7</sup> More recently, there have been reports of successful FARDC offensives against the Mai-Mai Simba in the Okapi Reserve, including the retake of the significant gold production site of Muchacha.<sup>8</sup> On the Mambasa-Beni axis (RN 44), Mai-Mai Morgan armed groups still undertake incursions at the level of the Teturi locality on the southern bank of the Ituri river, 65 km away from Mambasa centre (1 hour and half by car). The Ituri bridge marks a *de facto* border of zones controlled by the rebels and the regular army. While the first 35 km on this road from Mambasa are considered safe, there are reports of banditry further south. In the light of the above security considerations, the pilot will restrict its physical reach to around 30km from Mambasa centre, excluding areas determined unsafe for travel.
- **Access:** access to Mambasa from the provincial capital, Bunia, takes three to four hours by car on a well-maintained road, which likewise aids access to sites further south and west for some distance beyond Mambasa.
- **Supply sites and trade volumes:** there are indications of notable production in Mambasa territory and around Mambasa city. These include IPIS visits to 70 productive sites to the south and west of Mambasa city in 2015, Division des Mines estimates of around 11,000 artisanal workers and 255 négociants in the territory, and the existence of two legal comptoirs in Bunia as of August 2016. It should be mentioned that a notable volume of trade in Mambasa is also believed to be derived from

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<sup>6</sup> During field visits to both Mambasa and Watsa, a clear need for the localisation of artisanal mining zones (ZEA's) was identified. This is because ZEA geographic coordinates registered by the Congolese mining Cadastre do not always match with field accounts.

<sup>7</sup> UN Group of Experts for Congo, S/2015/19, January 2015, § 201; Ituri: une coalition de groupes armés occupe le foyer minier de Muchacha, Radio Okapi, 15/07/2016, available at: <http://www.radiookapi.net/2016/07/15/actualite/secureite/ituri-une-coalition-de-groupes-armes-occupe-le-foyer-minier-de>; Ituri: deux milices se disputent l'exploitation de l'or à Muchacha, Radio Okapi, 29/06/2016, available at: <http://www.radiookapi.net/2016/07/15/actualite/secureite/ituri-une-coalition-de-groupes-armes-occupe-le-foyer-minier-de>.

<sup>8</sup> Les FARDC récupèrent le foyer de Muchacha, Radio Okapi, 4/09/2016, <http://www.radiookapi.net/2016/09/04/actualite/en-bref/ituri-les-fardc-recuperent-le-foyer-minier-de-muchacha>

dredges along the Ituri river. Dredging will not be the focus of IPIS' production monitoring work for the purposes of this pilot, though will be taken into account in data assimilation to the extent possible.

- **Civil society presence:** IPIS project staff met with a number of civil society organisations in Mambasa and Bunia. In Bunia, the *Cadre de Concertation de la Société Civile de l'Ituri pour les Ressources Naturelles (CDC/RN)* works as platform for all civil society organisations active in natural resources in Ituri. Their members include Haki na Amani, CERN (Commission Episcopale sur les Ressources Naturelles), CDJP (Commission Episcopale Justice et Paix) and others. Of these organisations, Réseau Haki na Amani has an antenna in Mambasa city composed of conflict resolution trained local inhabitants. This group has some experience of monitoring work through its partner organisation PAX.
- **State services:** SAESSCAM and *Division des Mines* both have an office in Mambasa centre and undertake regular site visits. Both services expressed strong support for the pilot to be implemented in their area of coverage and readily shared information and documentation with the team whilst acknowledging the limitations of their data. Both state agencies highlighted their need for further training and equipment.
- **Responsible sourcing:** in December 2015, a ministerial decree designated six ZEA's in Ituri,<sup>9</sup> though there appears to be some dispute about the total number and geolocalisation of ZEA's in the province.<sup>10</sup> Indeed, green validation of at least six sites in the vicinity of Mambasa has also seen the development of eastern DRC's most advanced responsible gold sourcing initiative, PAC's Just Gold project around Somé on the RN44 Mambasa-Beni axis – a project with which IPIS believes a number of complementarities might be achieved in the context of the current pilot. The favourable conditions around Mambasa has likewise attracted the interest of other actors concerned with responsible sourcing.

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9 Ministère des Mines, Arrêtés Ministériels n°0949/0950/0951/0952/0953/ 0954/ 0955, pour les ZEA-490/-489/ -484/ -481/ -480/ -479/ -478, Kinshasa, 11th December 2015

10 See, for example, SAESSCAM, Antenne Provinciale de l'Ituri, *Etat des Lieux de l'Exploitation Minière Artisanale et Semi-industrielle en Ituri, Bunia*, July 2016, p.9. Also, ZEA geographic coordinates registered by the Congolese mining Cadastre do not always match with field accounts.

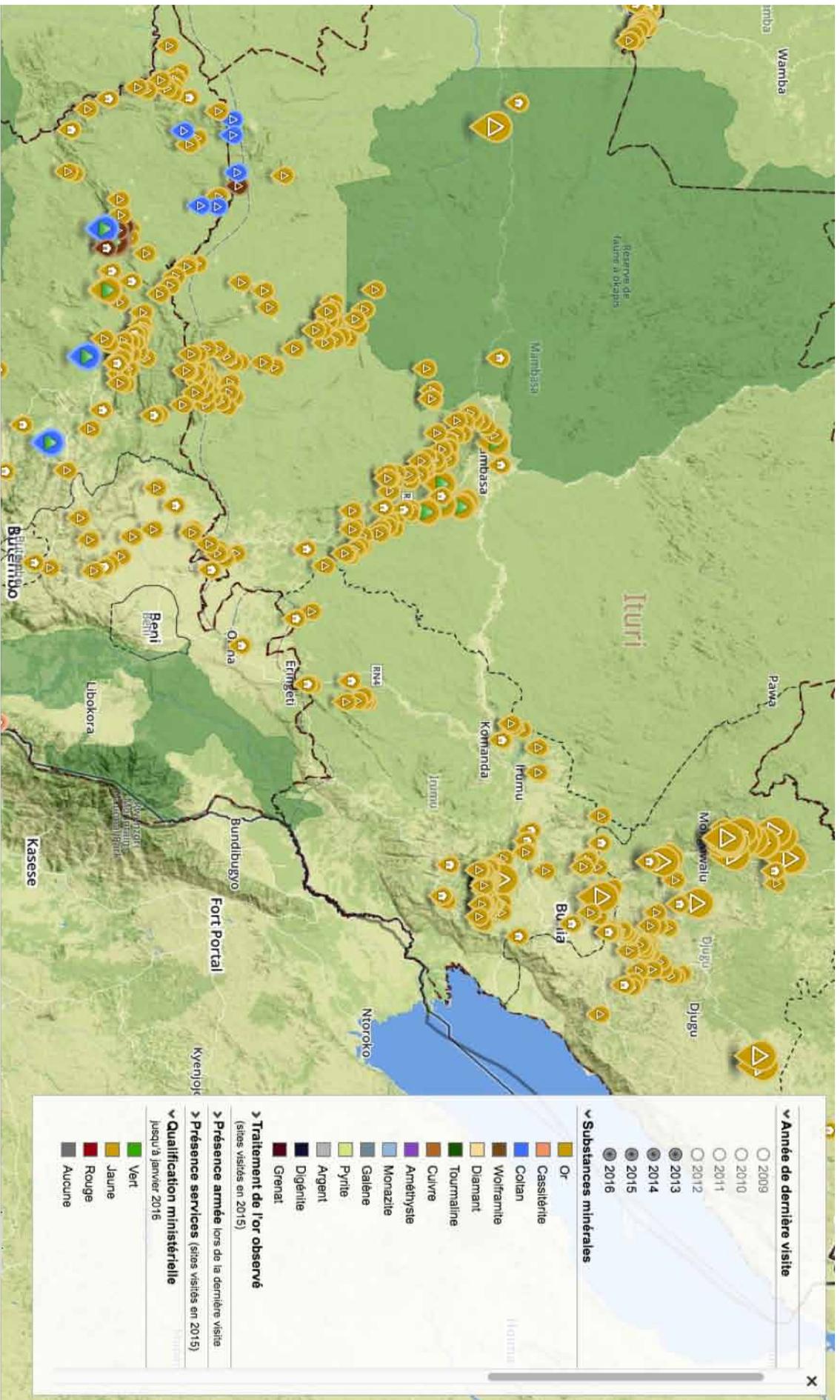


Figure 1: Area surrounding Mambasa village, including IPIS-visited sites, the Okapi Wildlife Reserve to the west of Mambasa and the provincial capital Bunia to the east (IPIS, 2016)

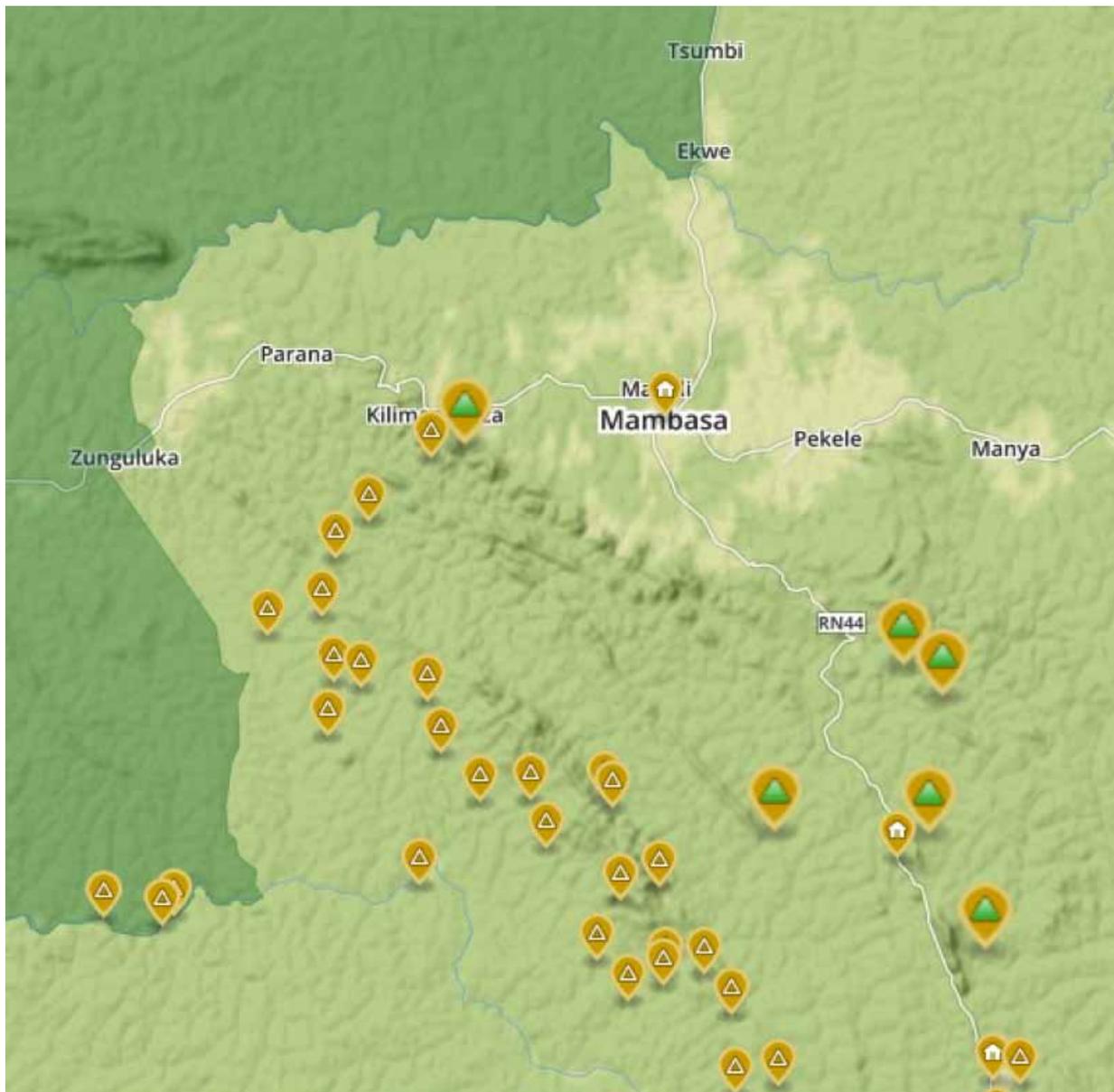


Figure 2: Map of Mambasa centre and immediate surrounds, including IPIS-visited sites, validations, and the Okapi Wildlife Reserve (west) (IPIS, 2016)

IPIS is currently in active communication with PAC, PAX, CDC/RN, Réseau Haki na Amani and state agencies to determine roles and scope concerning this pilot. It is also engaged in preliminary discussion on collaboration with USGS. All parties are being consulted on IPIS' draft data collection and assimilation methodology, and risk management planning for their finalisation.

### **Expansion prospection hubs**

In respect of the two other potential hubs shortlisted, IPIS will continue to canvass their feasibility for the pilot's extension. Narrative resumés of the profiles for these prospection hubs have been included in the annex. In parallel, IPIS will reach out to partners and stakeholders, to seek further financing for scaling the pilot to one or both of these hubs. IPIS' reasoning for continuing its prospection in these localities is as follows:

#### **Watsa**

In Watsa, IPIS found prima facie indications of a reasonably knowledgeable civil society and capable state agents, as well as rising interest in responsible sourcing from the area from foreign (commercial) actors. However, artisanal gold mining on ZEA's around the Durba hub remains mainly exploratory and

production appeared to be in most cases low. At the time of the field visits there were suggestions that production might accelerate in the not too distant future, though this remains contingent on the implementation of an agreement between local actors and industrial miner Kibali Gold. There remains a risk that artisanal miners illegally extract gold from Kibali Gold concessions surrounding the ZEA's, which would affect any data collected from the area – a factor that would need to be accounted for in subsequent set up in light of learning from a baseline pilot.

IPIS will follow up closely on the situation in Watsa and keep in touch with the CSOs, cooperatives and state services it has laid contact with, in order to determine whether further intervention is feasible. As soon as there are indications of improved prospects with regard to artisanal production on the ZEAs, IPIS project staff will revisit the area to update itself on the situation locally and also to address the issue of ZEA localisation in the territory.

### **Kampene**

IPIS received favourable initial reports concerning Kampene's potential as a pilot monitoring hub from its partners and field teams, but was unable to undertake a more in depth follow up visit due to logistical difficulties. At present, IPIS maintains an interest in working with Kampene as a pilot. This is because Kampene constitutes a notable gold hub, political will at the provincial level seems favourable, overall militarisation and insecurity in the locality is low, and civil society groups in Maniema have long been in need of further capacity enhancement. In addition, the targeting of this hub for a BGR traceability initiative generates notable potential for complementarities with an IPIS pilot, potentially enabling this pilot to maximise its contribution to the region. Despite this, issues of access may prove challenging, and, when combined with Maniema's relatively higher capacity building needs, could well have budgetary implications.

IPIS is currently consulting BGR further in respect of the work it is carrying out in Kampene. The project team intends to conduct a follow up visit to the area to gain further clarity on feasibility and costing following the launch of the monitoring pilot in Mambasa.

## **2.2. Pilot design findings**

### **Methodologies for data collection and assimilation, and risk management**

Sensitivities surrounding the trade in gold render considerations of security and data reliability paramount in the design of this project. In seeking to strike an appropriate balance between these two factors IPIS has developed its data collection and assimilation, and its risk management methodologies in tandem. Ensuring that such a balance has been adequately struck will see the project first pilot these methodologies in a single hub with the benefit of an IPIS focal point for closer supervision of the pilot.

Initiating the pilot with Mambasa as a thorough test-and-trial hub, and with a constant IPIS presence during both the capacity-building/set up and the monitoring phases will help with outreach to and trust building with local actors, as well as deepening the project's understanding of the dynamics of the artisanal gold sector, and verify the data reliability. It will also enable closer reflection on scalability, sustainability and cost. The need for proximity to the pilot area means IPIS will hire a local consultant in Bunia to act as a focal point, in close cooperation with both mining agents and local civil society partners.

The presence of PAC's Just Gold project in the Mambasa area offers considerable potential for synergy in respect of capacity building and monitoring, as well as a notable opportunity for IPIS to benefit from the Just Gold project's considerable experience in this sector. It also however means consideration must be given to any impact IPIS' pilot might have on local perceptions surrounding the Just Gold programme. Initial discussions with PAC suggest that the two pilots can indeed operate in a complimentary manner due to variations between them concerning coverage of sites and actors engaged. Further coordination between our organisations is currently underway to ensure the management of any unintended impacts during implementation.

Having completed draft methodologies for data collection and assimilation, and risk management,

IPIS is now consulting on these before finalising its method in October in preparation for its second field mission and initial capacity building. Simultaneously, IPIS is in dialogue with the office of the National Coordinator of SAESSCAM, who has offered its full support. It aims to sign a Memorandum of Understanding specifying the particularities of this cooperation as soon as possible.

### **Data dissemination methodology**

IPIS is currently engaged in an internal process of reflection and consolidation concerning how to ensure the maximum utility of its data to downstream users, particularly for the purposes of due diligence. This process is being informed by ongoing research currently being undertaken on other projects as well as consultations with third parties concerning additional data sources. This process will also see IPIS consult key downstream actors such as refiners and auditors directly.

The users of the data generated by this project are envisaged as encompassing many of the same users as IPIS' wider conflict mapping data. However, whilst the relative advancement of responsible sourcing in the 3Ts sector renders IPIS' maps of potential utility to downstream actors engaged in responsible sourcing, the main practical beneficiaries of data generated by the present project will be upstream actors. These include those interested in establishing initiatives or advancing techniques for responsible supply chains (e.g. PAC, CBRMT, BGR, USGS, MineralCare and BSP), as well as those interested in mining and security issues more generally, such as the Congolese mining authorities, Ituri's provincial administration, MONUSCO and the UN Group of Experts. Making appropriate data available to these actors can take place in a number of formats. Formats currently envisaged include the public provision of some data through IPIS' interactive webmap, as well as more limited circulation such as dissemination through the PPA and informal requests.

However, this project also requires that dissemination be appropriate to the needs of downstream data users. Preliminary consultation indicates that the current level of development in responsible gold sourcing from eastern DRC may render an interactive map focused solely on the Mambasa area of limited due diligence utility. However, such a map can nevertheless prove helpful in reassuring customers about the origin of their purchase in providing greater transparency, and therefore consumer control, where responsible sourcing comes on stream.

The need for further consultation concerning downstream focused data dissemination, implies that this methodology is still a work in progress. As such a finalised data dissemination strategy will be shared with the PPA prior to the launch of the monitoring system.

# Annex 1 - Hub prospection profile: Watsa

## 1. Provincial administration

Province	Haut-Uélé (since 2015 decentralisation, formerly Province Orientale)
Capital	Isiro
Governor	Jean-Pierre Lola Kisanga, in place since April 2016
Minister of Mines	Lucie Basoneya Isude – not yet formally inaugurated
SAESSCAM	Watsa-Faradje-Dungu Bureau in Watsa led by Dieudonné Mboliza
Division des Mines	Watsa-Faradje-Dungu Bureau in Watsa, led by Mr. Baraka.

**Assessment:** As the provincial Minister of Mines has not been formally installed, IPIS has not been able to reach out yet. The SAESSCAM bureau, Division des Mines as well as the Watsa Administrator showed great interest in the project and fully appreciated the importance of better monitoring the artisanal gold mining sector, though capacities and resources appear low.

## 2. Access and location

Durba is a rapidly expanding gold trading town in the north east of Watsa territory, Haut-Uélé province. It lies approximately 15 km (20 minutes by car) north of Watsa town and is 3.5 hours drive on a well-maintained road from the gold trading city of Aru on the border with Uganda. From there a further 6-7 hours drive on a poorly maintained road will bring you to Bunia, Ituri's capital. An airport in Arua, Aru's Ugandan neighbour city, is connected twice a week with Entebbe by a small private company. Durba can also be reached via Dungu to the north west, from where MONUSCO flies to Bunia once a week, returning the same day.

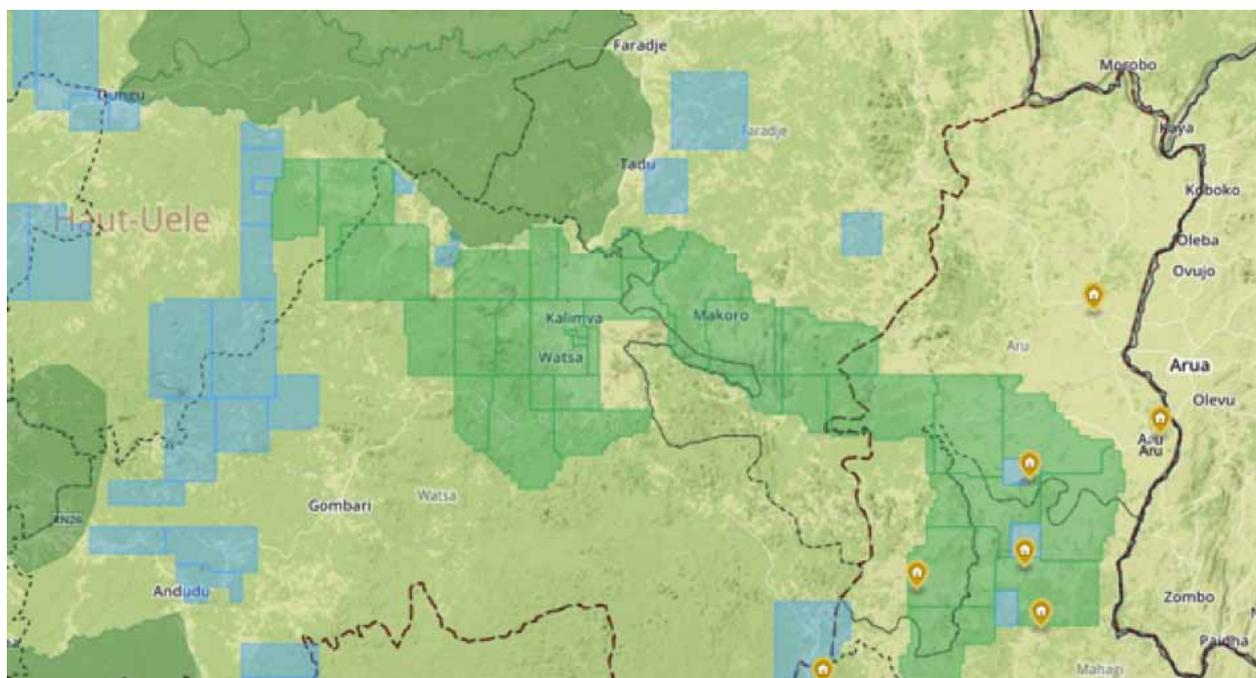


Figure 3: Area surrounding Durba (located between Watsa and Kalimva) with Aru to the east and Dungu to the west (IPIS, 2016)

The rains in Watsa generally take place between August and October. As the road from Aru to Durba is well maintained, this does not generally affect accessibility between Durba and Aru, though some extra hours in travel time are added to the journey between Aru and Bunia. In terms

of mine site access, rains can likewise render some sites accessible only by foot over this period.

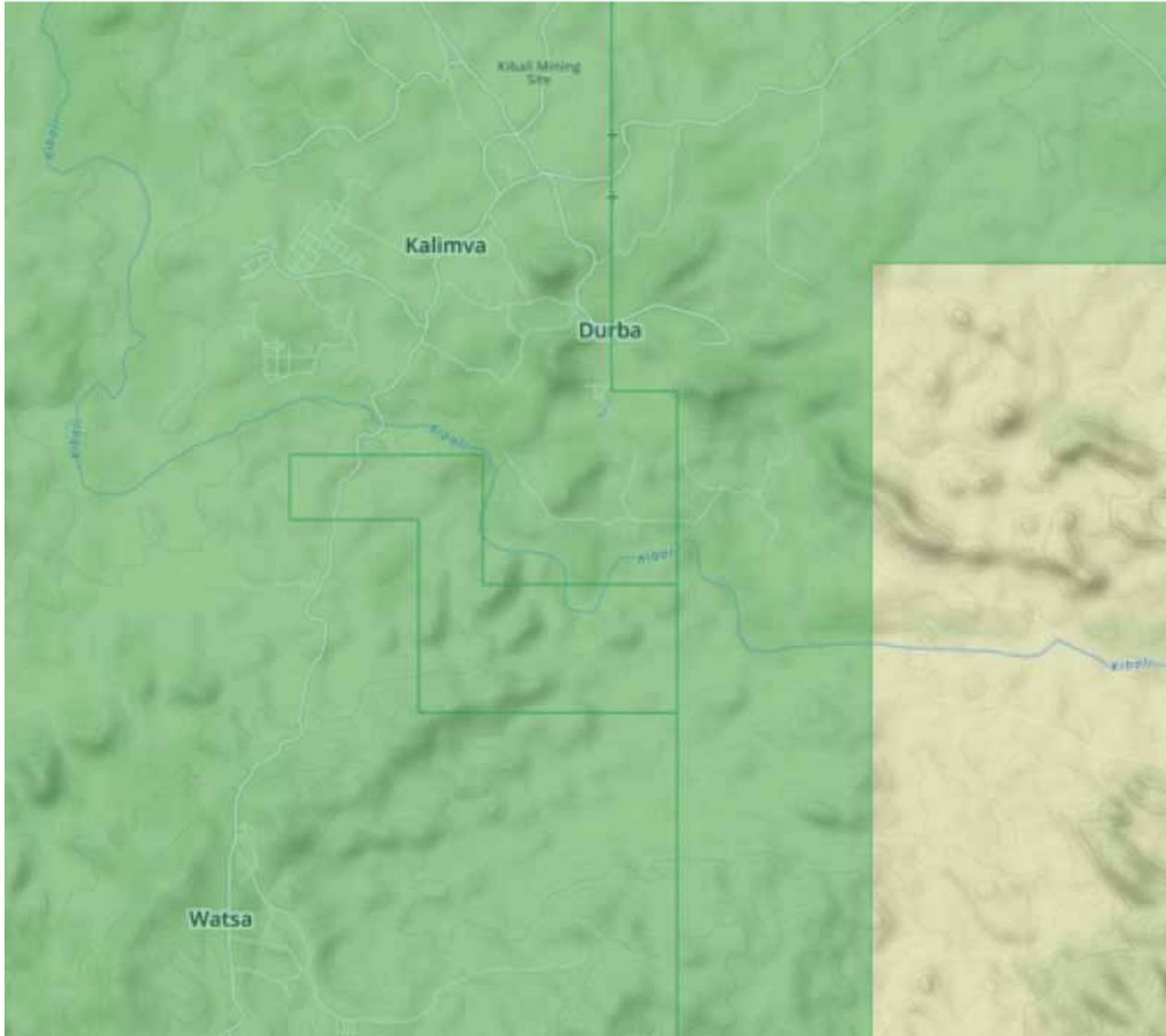


Figure 4: Map of Durba and immediate surrounds, including Kibali Mining site and concessions PE11447 (left) and PE11467 (right), as well as Kilo Moto concession PE13176 (centre).

### 3. Estimates on production and worker numbers

SAEESCAM's Watsa Bureau estimates that there are approximately 5,500 artisanal workers in Watsa territory.<sup>11</sup> A 2011 IPIS report refers to a similar SAEESCAM estimation of 5,000 workers, though adds that "a combination of interviews and field visits indicates that most artisanal mining, however goes on unnoticed by mining authorities (...). Several interviewees estimated that there at least of 20 000 of artisanal miners in the entire territory (of Watsa). Interviews in Watsa, Durba and Moku indicate that nearly 80% of local males – including children under 18 – are in some way engaged in artisanal mining".<sup>12</sup>

Haut-Uélé province has not been covered by IPIS' previous systematic conflict mapping work, but initial scoping visits by local IPIS consultants in June 2016 and IPIS's July mission found indications of frequent tensions between artisanal miners and industrial miner, Kibali Gold, since it initiated industrial extraction in September 2013. These disruptions appear to have stifled production in the area, though consultation with a number of international and local experts indicate that the worst of these tensions may now be

<sup>11</sup> Telephone interview with Chef de Bureau of SAEESCAM Watsa, 30 August 2016.

<sup>12</sup> K. Matthysen, F. Hilgert, P. Schouten & A. Mabolia; *A detailed analysis of Orientale Province's gold sector*, IPIS, Antwerp, December 2011, p. 34.

over and that the future of trade and production in the area might be expected to be positive. Indeed, in a bid to resolve this conflict, the area has recently seen the creation of a number of ZEAs on land believed to have shown good indications of significant ore grades.



**Images by local IPIS consultants and IPIS staff (June and July 2016): artisanal gold mining and trade activity in Watsa, Durba and Aru.**

**For the entire year 2015**, *Division des Mines* in Watsa recorded 12,400 grams of gold. The chief of the Division is well aware that this quantity represents a gross underestimate of real production, and highlights the need for capacity enhancement, including in the form of logistics and personnel, to address this inaccuracy. A 2011 IPIS study calculated that artisanal miners in Watsa territory could

potentially produce more than three tons of gold on a yearly basis, though such estimates are based solely on interviews and not scientific processes.<sup>13</sup>

According to the traders' association of Durba there are around 80 négociants active in the area. Division des Mines reports that most of them are licensed.

## 4. Security situation and OECD compliance

The security situation in Durba, and more broadly in Watsa territory is generally stable. The last armed group present in the region was the Lords Resistance Army (LRA), which has not attacked Watsa since July 2010.<sup>14</sup> This stability is maintained and strengthened by the presence of an FARDC base in Gatanga and a MONUSCO base in Dungu, two hours by motorbike north of Durba.

While there is no armed group instability in Watsa territory, some localised insecurity has arisen as a result of frequent tensions between the industrial gold miner KibaliGold, and artisanal miners and the local population.

By way of background, in 2013 KibaliGold started exploitation on its PE11447 and PE11467 concessions (formerly concession 38), which encompass the towns of Durba and Watsa and extend further east. This work saw the forced abandonment of over 20 artisanal gold mining sites, and the displacement of 19 villages and over 4,000 households. By way of compensation, Kibali built 4,200 new houses and committed to compensate artisanal miners with new employment opportunities. According to KibaliGold, diggers nevertheless continued invading its permits, leading it to fence off its exploitation zones. Diggers and locals, on the other hand claim that their lost livelihoods have been insufficiently compensated.

This situation has led to significant tensions between the local community and KibaliGold, including clashes earlier this year.<sup>15</sup> Since 2013 local demonstrations have regularly turned into violent confrontations with the police and ended with arrests and fatalities among demonstrators.<sup>16</sup> Artisanal miners have demanded the establishment of ZEAs and called upon KibaliGold to contribute to developing the local economy.<sup>17</sup>

A working visit by DRC's Mining and Defence Ministers expedited the delimitation of a number of ZEAs in the area in December 2015. This has aided to alleviate local tensions somewhat, with the ZEAs subsequently being allocated to local cooperatives. KibaliGold was asked to help these cooperatives with 'découverte' (removing the top layer from the mining sites) on these ZEA's and with the acquisition of materials to allow secure exploitation.<sup>18</sup> To date, there have been no steps taken to action this request on KibaliGold's part. Nor has the miner yet implemented any promised local development initiatives, such as scaling up local employment, rolling out a palm tree plantation project, or developing a local development policy.<sup>19</sup> KibaliGold is perceived locally as not being interested in cooperating or coming to any commercial arrangement with artisanal miners.

Observers of the situation around Watsa believe that the worst of the tensions in the area are now over as the new ZEAs allow for miners to recommence work. However, although the number of direct and violent clashes between the community and the miner appears to be reducing, for the above reasons an underlying discontent remains and only time will tell whether confrontations are reignited. Moreover,

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13 K. Matthysen, F. Hilgert, P. Schouten & A. Mabolia; *A detailed analysis of Orientale Province's gold sector*, IPIS, Antwerp, December 2011, p. 35.

14 Pax & CERN: *Géant minier Kibali, Oter les impuretés pour que l'or soit pur*, July 2015, p.19.

15 "Trouble between Kibali Gold and diggers", *Africa Mining Intelligence*, N°365, 29/03/2016, available at: <https://www.africaintelligence.com/AMA/small-scale-mining/2016/03/29/trouble-between-kibali-gold-and-diggers,108138683-BRE?LOG=1>; "Two shot dead in DR Congo clashes over gold mine access", *Agence France Presse*, 3/8/2016, available at: <http://reliefweb.int/report/democratic-republic-congo/two-shot-dead-drcongo-clashes-over-gold-mine-access>; "Haut-Uélé : Près de quatre cents orpailleurs réclament de nouveaux sites d'exploitation aurifère", *Radio Okapi*, 27/09/2015, available at: <http://www.radiookapi.net/2015/09/17/actualite/economie/haut-uele-pres-de-quatre-cents-orpailleurs-reclament-de-nouveaux-sites>.

16 Pax & CERN: *Géant minier Kibali*, July 2015, p.25.

17 IPIS interview with the Chef de territoire of Watsa, Durba, 11 July 2016

18 Letter of the Ministre des Mines to the Directeur résident of KibaliGold, N°CAB.MIN/MINES01/0337/2016, Kinshasa, 10th March 2016, p.2.

19 Ibid.

IPIS consultants making enquiries locally were told that some FARDC and Police agents are involved in the local gold mining trade in the territory through intermediaries, and that some rogue FARDC officers owned pits at ZEA sites around Durba.

## 5. Concession legal status

The delimitation and repartition of ZEAs has made notable progress since December 2015. Eleven ZEAs have been formalised in Haut-Uélé, of which seven are located in Watsa territory.<sup>20</sup> Each ZEA has been divided into “carrés miniers” and assigned to different registered cooperatives. However, confusion remains about the actual number of ZEAs now established in Watsa with state services, the territorial administration, cooperatives and civil society citing numbers that range from 5 to 27, and none of these actors being able to locate these precisely.

Given the size of KibaliGold’s concession, all these ZEAs are at least 15 km from the trading hubs of Watsa and Durba. The ZEAs in Watsa are still in an exploratory phase, with some reports of production on the sites Matiko and Jesu aza Bien (there is confusion and uncertainty about whether the latter is located on a ZEA or not). Despite this, the prospects on these sites are generally believed to be good, though it is expected to take several months before production starts. Indeed, whilst there is considerable gold production feeding into the Watsa and Durba hubs, the origin of this material is unclear and may therefore stem from illegal mining on the KibaliGold concession as well as from other non-ZEA sites.

## 6. Civil Society presence

Watsa has a fair civil society presence, yet with limited resources and capacities. A number of CSOs emerged in the light of the tensions with KibaliGold to protect the rights of artisanal miners and the local population of Watsa. IPIS met with two organisations in particular that have experience of working with international organisations.

The first is the Commission Diocésaine Justice et Paix (CDJP) of Watsa. It is active in mediation and surveys on community conflicts and tensions, and has worked already with PAX (Netherlands) and Caritas. The second is PAP (Populations Affectées par le Projet Kibali), which has represented 4216 families since 2010. PAP also has some limited experience of working with international organisations in conducting surveys.

## 7. Presence of cooperatives

SAESSCAM Watsa stated that it has formalised artisanal miners into 75 mining cooperatives, of which around 20 have been registered by the ministry.<sup>21</sup> The Fédération des Coopératives pour la Solidarité unites seven of the cooperatives that are assigned ZEAs around the Kibali concession and is headed by the President of one of the major cooperatives around Durba, Coopérative Minière de Kambembe (COMIKA). The Federation’s capacities and resources are low, but its members are trying to make the most of the ZEAs accorded to them and are currently investing a lot of time and energy in prospection.

## 8. State agent presence

SAESSCAM and Division des Mines share the same compound together with the Territory Administration office in Watsa. Division des Mines has 18 agents and state that they visit sites in the territories of Watsa, Faradje and Dungu on a monthly basis. SAESSCAM has 25 agents and report to visit around 100 sites in these territories once a month.<sup>22</sup>

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<sup>20</sup> Ministère des Mines de la RDC, *Les coopératives minières installées sur les zones d’exploitation artisanale dans la province de Haut-Uélé*, Kinshasa, 6 April 2016.

<sup>21</sup> IPIS interview with SAESSCAM Antenna of Watsa, Watsa, 11 July 2016.

<sup>22</sup> IPIS consultant survey, 4 July 2016.

State agents in this area, and the Territory Administrator, expressed a positive interest in the objectives of IPIS' project, stating that they were strongly in favour of initiatives targeting transparency around gold production and trade. SAESSCAM demonstrated some data collection capacity in collecting monthly production per territory, worker numbers, négociant numbers, and registering accidents on mine sites. However, they cited difficulties with data reliability and logistics.

# Annex 2 – Hub prospection profile: Kampene

## 1. Provincial administration

<b>Province</b>	Maniema
<b>Capital</b>	Kindu
<b>Governor</b>	Pascal Tutu, since June 2010.
<b>Minister of Mines</b>	Gedeon Mubuka Ebembe (since late 2013)
<b>SAESSCAM</b>	The provincial bureau in Kindu has 16 agents.
<b>Division des Mines</b>	The provincial office in Kindu has 80 agents.
<b>Assessment:</b> On a provincial level, the authorities have actively taken steps to sever Maniema’s mineral production from conflict-affected production further east.* Moreover, political will in the province is said by stakeholders to be relatively high, and authorities were reported to have responded positively and cooperatively to enquiries being made by IPIS teams in June. The stability of the province favours responsible sourcing projects, and as such has attracted the attention of initiatives by BGR in Kampene and CBRMT/ TetraTech in Matete.	
<small>*IPIS, Mineral Supply Chains and Conflict Links in Eastern Democratic of Congo: Five years of implementing supply chain due diligence, OECD Paris, 2015, p. 9.</small>	

## 2. Access and location

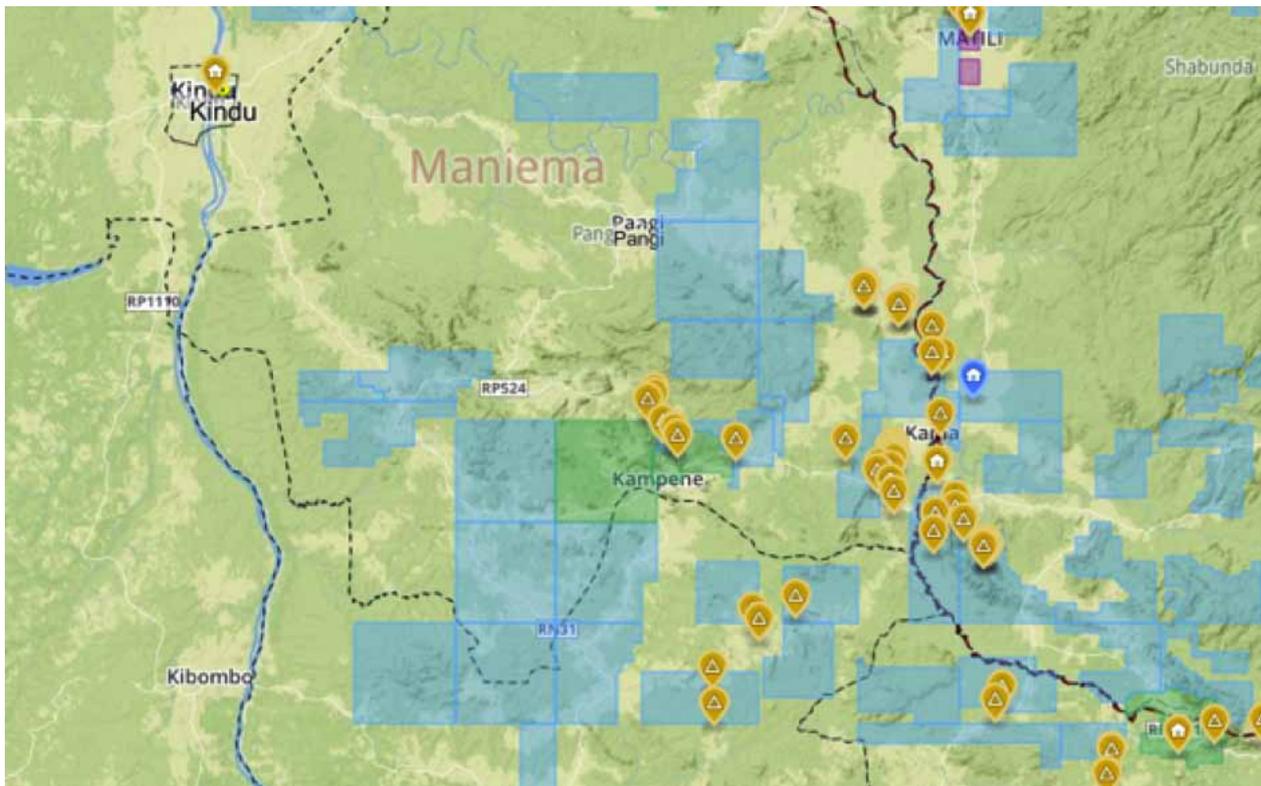


Figure 5: Area surrounding Kampene, with Kindu to the northeast.

Kampene is located in the territory of Pang'i, to the southeast of Maniema’s provincial capital Kindu. In the dry season, it takes 5-6 hours by car from Kindu to Kampene. In the rainy season, motorbike is the most viable mode of transport and the road can be difficult, especially the last 40 km between Kayuyu and Kampene.

Kindu hosts an airport with a limited number of flights per week. UNHAS flies only twice a week to Kindu from Goma. It is also possible to fly to Kampene from Bukavu with lightweight private carriers and commercial Congolese flights, though the latter are generally NGO blacklisted, and connections can be irregular and sometimes unpredictable.

Kampene itself has a landing strip that is used to transport gold to the *comptoirs* of Bukavu. This could provide a useful point to monitor trade flows from Kampene.

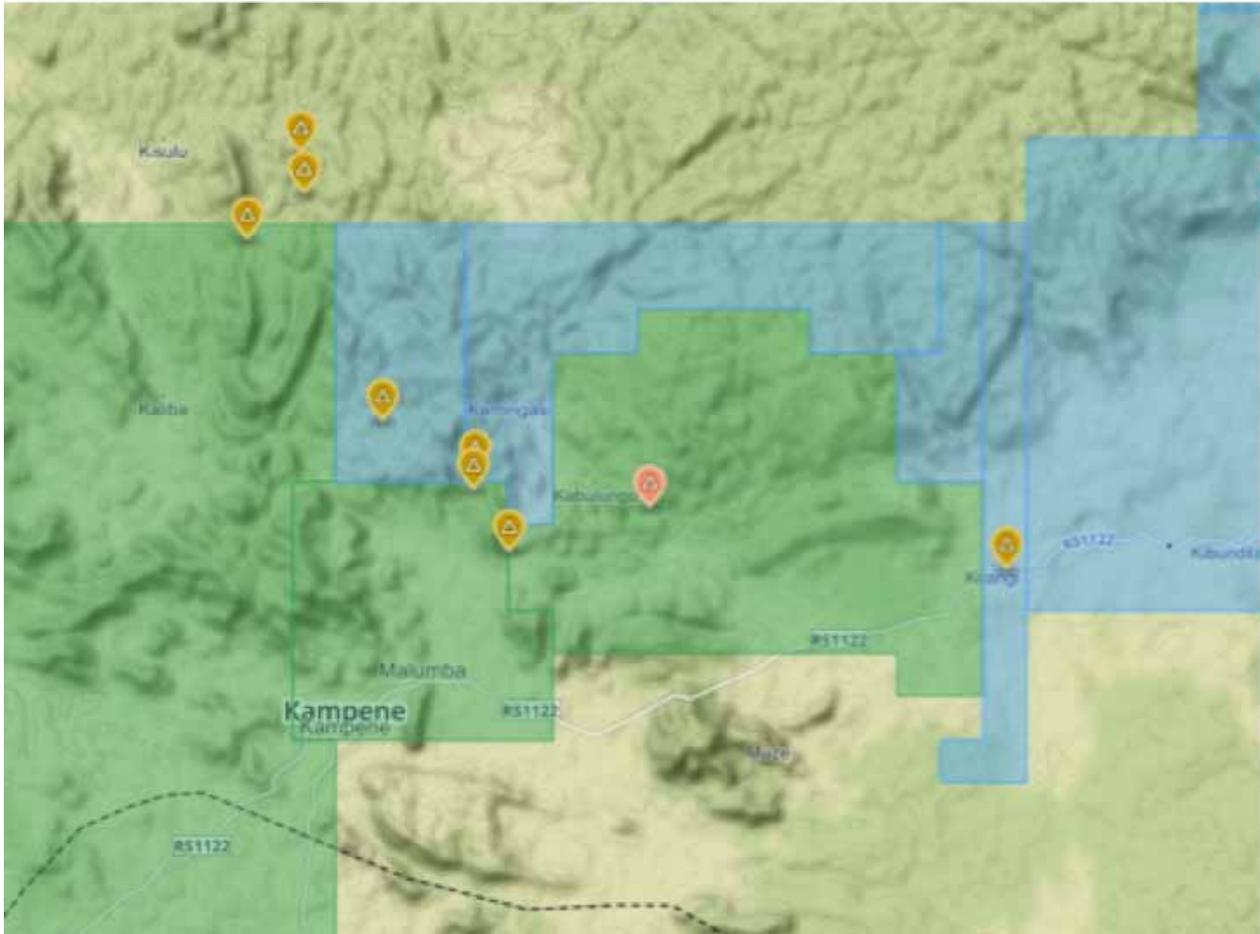


Figure 6: Map of Kampene and immediate surrounds, including IPIS-visited sites, and industrial concessions (blue for exploration, green for exploitation permit) (IPIS, 2016)

### 3. Estimates on production and worker numbers

Anecdotal evidence highlights Kampene as home to a sizeable gold market, rendering it one of the major gold hubs in eastern DRC.<sup>23</sup> Despite this, production and trade volumes in the area are currently impossible to estimate.

In June 2016, SAESSCAM had 27 sites registered in a 30 km perimeter of its antenna in Kampene. These are sites that SAESSCAM states to pay at least a monthly visit. For 2015, it registered a total gold production of 18.224 grams on those sites.<sup>24</sup> SAESSCAM highlighted a registration peak of 2.550 grams in June 2015 and a trough in December (786 grams). SAESSCAM agents are aware that a significant amount of production is not registered.

<sup>23</sup> BGR, *Analytical Tools to Constrain the Origin of Gold from Conflict-Affected and High-Risk Areas, Scoping Study, Part I: Method Screening*, Federal Institute for Geosciences and Natural Resources (BGR), August 2016, p.70.

<sup>24</sup> In Kampene, one gram = 11 tiges. though 12 tiges equate to one international gram.

Almost all miners in southern Maniema are currently digging for gold. Local IPIS consultants on a field assessment mission in June 2016 estimated worker numbers at five sites visited in the vicinity of Kampene<sup>25</sup> to be around 2500 in the rainy season and 7000 in the dry season. According to *Division des Mines* in Kampene 40% of the miners in this area own a license.

*Division des Mines* indicates that there are 11 licensed traders operating in and around Kampene, which according to them represent 30% of the total *négociant* community. The association of traders in Kampene notes that small traders operating in commission of bigger ('medium') buyers tend to have no license of their own. Via the airstrips of Kama or Kampene the gold bought by these traders is subsequently transported to Bukavu.



gold mining activity around Kampene.

Images by IPIS consultants (June 2016): artisanal

<sup>25</sup> These sites are Mavula, Bilando, Tule Sawasawa/Kasongo, Mbinguni, Kamulula.

## 4. Security situation and OECD compliance

Maniema is the province with the most stable security situation in Eastern DRC and the 3Ts sector has remained largely free from militarization.<sup>26</sup> Based on an assessment of the criteria for the ICGRL Regional Certification Mechanism, a 2014 BGR report identified Kampene as an area that “offers a body of good features that make it a preferred site to test for the first time the traceability of the gold supply chain in DRC.”<sup>27</sup>

However, illegal taxation, including by undisciplined FARDC elements stationed in the province, persists and must therefore be taken into account despite the prevailing stability. May 2016 saw civil society reports of state agent harassment, including acts of extortion, arbitrary arrests, torture, erecting barriers and ransoming.<sup>28</sup> These reports were confirmed by a number of interviewees spoken to by IPIS consultants in June, who reported the situation to be ongoing. At that time, some ANR, DGM, Police, FARDC and other state agents, were reported to be harassing miners for a share of production on routes or at sites known to be productive. Some officers were even said to own pits or move permanently close to sites to oversee activities and maximise profits.

Building upon the above-mentioned report, BGR is undertaking an audit of the area in the context of its Certified Trading Chains (CTC) concept and has plans to establish a gold traceability system in and around Kampene.

## 5. Concession legal status

The legal status of sites around Kampene is not entirely clear. SAESSCAM in Kampene claims that all sites surrounding Kampene, with the exception of Kamulula, are located on a ZEA. However, IPIS and CAMI maps locate these sites as distributed over concessions owned by Kampene Mining SARL and SAKIMA SARL.

Kampene Mining’s PE4926 concession (due to expire in 2041) encompasses Kampene and some surrounding sites, though the industrial miner is not currently active in Maniema. On the ground, local artisanal miners have organised themselves into cooperatives with state agencies’ support to work in these *carrés miniers*. Interviewees from the local population and SAESSCAM stated that there is a written agreement between the cooperatives, the state agencies and Kampene Mining SARL, which allows for the presence of artisanal miners on Kampene Mining SARL’s concessions. According to BGR, Kampene Mining intends to set up one or more buying branches to recover part of the artisanal production from their concession.<sup>29</sup> IPIS plans to follow-up this situation with Kampene Mining in the near future.

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<sup>26</sup> IPIS, *Mineral Supply Chains and Conflict Links in Eastern Democratic of Congo*, Paris, 2015, p. 8.

<sup>27</sup> Y. Bertran, *Project CTC-BGR, Audit Baseline Report, Mine of Kampene, English Summary*, October 2014, p.6.

<sup>28</sup> “Maniema : des ONG accusent les forces de sécurité de tracasseries”, *Radio Okapi*, 19/05/2016, available at: <http://www.radiookapi.net/2016/05/19/actualite/en-bref/maniema-des-ong-accusent-les-forces-de-securite-de-tracasseries>.

<sup>29</sup> Y. Bertran, *Audit Baseline Report, Mine of Kampene*, CTC-BGR, October 2014, p. 3.

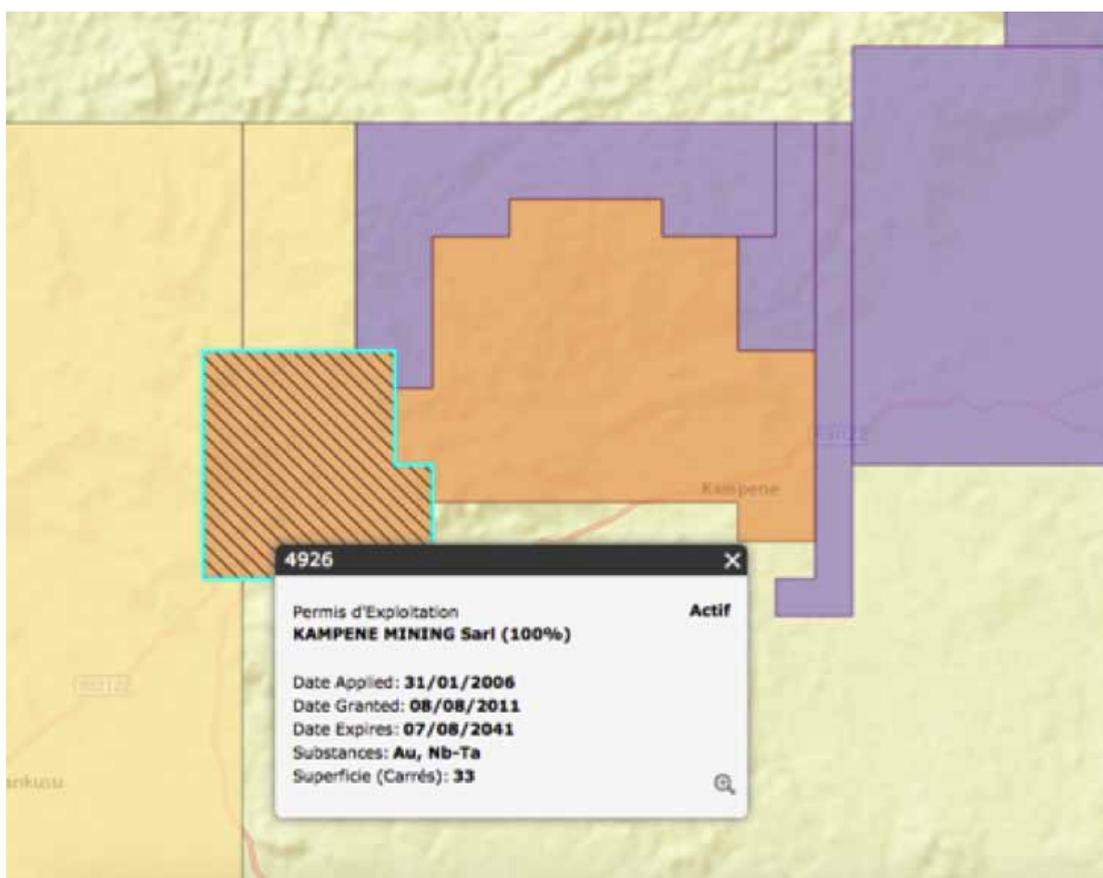


Figure 7: Kampene Mining SARL concession on DRC Mining Cadastre Portal (2016), available at: <http://portals.flexicadastre.com/drc/en/>.

Since September 2012, SAKIMA SARL has been a public-private partnership between the Congolese state and GECAMINES Sarl, SODIMICO Sarl, SNCC Sarl, SCIM Sprl, COMINIÈRE Sprl and CEEC. SAKIMA's PE86 concession is due to expire in December 2017 and encompassed approximately 70 sites on its issuance. SAKIMA is said only to engage in 3T exploitation in Kampene and its exploitation permit does not explicitly encompass gold. In the past, SAKIMA has had a policy of collaborating with the artisanal miners, as it does at two of its green validated sites, Lwizi and Ruzirantaka.<sup>30</sup>

## 6. Civil society presence

The assessment by IPIS consultants shows that CSO presence in Kampene itself is relatively weak. The focus of this civil society contingent is more generic on human rights and development, though in interviews with IPIS consultants civil society representatives demonstrated some knowledge of the mining sector.<sup>31</sup>

At the territorial level, the association of development NGOs got together to publically raise the issue of harassment and illegal taxation by state authorities, an issue that they fear will lead to the departure of civil society from Pangji.<sup>32</sup> Initial indications suggest that these CSOs have limited capacities. Their scope of work is locally limited and, with the exception of Maniema Liberté, have never worked with international NGOs or donors in the past. These findings correlate other interviewees' statements that civil society organisations in Maniema are not yet fully developed and are not well equipped to implement ambitious projects.

<sup>30</sup> Tetra Tech/ARD, *Capacity Building for a Responsible Minerals Trade (CBRMT), Working with producers to responsibly source artisanal gold from the Democratic Republic of the Congo*, USAID, May 2015. p 18.

<sup>31</sup> In June 2016, IPIS consultants met with the civil society representatives for the *chefferie* of Babene and for Nyamboko, as well as the organisation Haki za Binadamu (Kiswahili for human rights).

<sup>32</sup> "Maniema : des ONG accusent les forces de sécurité de tracasseries", *Radio Okapi*, 19/05/2016, available at: <http://www.radiookapi.net/2016/05/19/actualite/en-bref/maniema-des-ong-accusent-les-forces-de-securite-de-tracasseries>.

## 7. Presence of cooperatives

SAESSCAM in Kampene noted the presence of seven cooperatives in its coverage area, but adds that there may be more. Cooperatives in the area represent both artisanal miners and land owners but it is not clear at present how many are officially registered. A ministerial decree registering the cooperatives actives in Maniema only refers to one from Kampene, the Cooperative Minière Kasongo Baseme (COMIKABA).<sup>33</sup> Cooperatives reportedly record data on production and worker numbers that they share with SAESSCAM. Nevertheless, a BGR baseline study from October 2014 reported “a distrust feeling and the lack of interest from artisanal miners for the certified and official supply chain”.<sup>34</sup>

## 8. State agent presence

Both SAESSCAM and *Division des Mines* are present in Kampene. SAESSCAM has eight agents and *Division des Mines* eleven. Both agencies claim to have a good relationship with artisanal miners and have expressed an interest in the project. However, their human and technical resources for monitoring and assisting artisanal miners are limited. There are therefore significant needs for capacity enhancement to address by IPIS, preferably in cooperation with and complementary to other ongoing initiatives, such as BGR’s traceability project.

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<sup>33</sup> RDC Ministère des Mines, *Les coopératives minières installées sur les zones d’exploitation artisanale dans les nouvelles limites déterminées par le SAESSCAM, Province du Maniema*, Annexe. Kinshasa, 30 July 2014.

<sup>34</sup> Y. Bertran, *Audit Baseline Report, Mine of Kampene*, CTC-BGR, October 2014, p.6.