

# Tracking, Certifying and Exporting Artisanal Gold from Eastern DRC

## Background

The Great Lakes Region of Africa is abundant in natural resources, including four high-valued minerals: tin, tantalum, tungsten and gold. In the Democratic Republic of Congo (DRC), these minerals represent a primary source of income for over one million artisanal and small-scale miners. This artisanal mining sector, largely informal, is prone to corruption and criminality and, for years, minerals have been used by armed groups in the DRC and neighbouring countries as a source of financing. Furthermore, control over these lucrative natural resources has become a source of conflict.

Of the four conflict minerals, gold is by several measures the most significant, both in terms of conflict financing and in terms of the revenue lost by African governments as a result of contraband exports. However, because of a lack of market forces, gold has to date received the least constructive attention: there are no tracking systems in place for artisanal gold in the Great Lakes region, no chain of custody technologies being proposed for this gold production, no on-the-ground engagement by large overseas buyers of gold.



Located in the northeast corner of the DRC, Orientale is one of the most significant gold producing areas in the Congo. In addition to the relative stability of the region, the artisanal gold sector in Orientale is more than well-organized: every artisanal gold site in Orientale is controlled by a PDG (*Président Directeur Général*), a single person with the authority to determine who can or cannot mine on their 4 ha parcel, as well as authority to determine what exploitation methods can be used. This supervision comes together with a control, however rudimentary, exercised by provincial Government authorities who maintain a comprehensive list of the artisanal gold claims in operation in Orientale.

Provincial mining authorities are fully aware of the need to bring control and formalization to their artisanal gold sector. However, their pretensions are hampered by an admitted lack of resources and by the lack of legal gold **comptoirs** in Orientale. As a result, most gold is bought by illegal back alley comptoirs, and then transported clandestinely to Uganda.

In the context of the DRC, a **comptoir** is a company that purchases mineral ore, most often but not exclusively from artisanal producers and exports mineral ore to customers outside of the country.

## Project Objectives and Workplan

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This project aims to create a traceable conflict-free mineral chain for artisanal gold from the eastern DRC, thus demonstrating the feasibility of creating artisanal gold chains with full traceability from mine site to refiner. This project will be implemented in close cooperation with the NGO, Diamond Development Initiative (DDI), the DRC Government, industry and civil society.

PHASE	DESCRIPTION	RESULTS
Preliminary phase: Research, outreach and sensitization	Existing partner relations will be solidified, and exact working areas will be established via consultation with DRC government officials, analysis of existing claim records and consultation with partners.	Reinforcement of the cooperation and support offered by the stakeholders during the entire project
Phase 1 : Miner registration	The artisanal gold producers, trader and buyers in one of Orientale's main producing territories will be formally registered and issued with government ID cards ( <i>carte de creuseur</i> or <i>carte de négociant</i> ).	<p><u>For the diggers and dealers</u> :</p> <p>Assurance that they are part of a legal and approved profession, sanctioned and recognized by government authorities.</p> <p><u>For the authorities</u> :</p> <p>Up to date information as to how many miners are working producing gold, and where the most important gold digs are located.</p>
Phase 2 : Miner formalisation through technical extension and assistance	The mine managers (PDG) at one or more artisanal mine sites will be offered technical assistance to improve gold recovery rates and yields, in return for undertaking to track and sell gold through legal sales channels. Technical assistance will take the form of an appropriate semi-mechanized technology.	<p>Increased mining yields;</p> <p>Concentration of gold recovery at a single centralized location;</p> <p>Facilitation of the oversight and traceability of gold chains of custody.</p>
Phase 3 : Tracking and sale of conflict-free gold	A traceability technology will be introduced to track the gold produced at these semi-mechanized sites from the point of production to the point of export.	<p>The tracked and certified gold produced at these semi-mechanized sites will be sold through a close pipe channel to a reputable international buyer or refiner;</p> <p>Simplification of the supply chain and reinforcement of transparency;</p> <p>Potentially better prices for tracked and formalized gold.</p>

**IN SUMMARY:** This project aims to formalise and register artisanal gold producers in Orientale province, where the bulk of the DRC's gold is produced. By linking artisanal producers with buyers in a closed pipe chain, the project will create a fully transparent chain with taxes and royalties paid to DRC government. Shortening the chain of custody may also make it possible to offer better prices to artisanal producers. It is expected that the project will lead to the region's first **ICGLR**-certified exports of clean, conflict-free DRC gold.



**The International Conference on the Great Lakes Region (ICGLR)** is a regional intergovernmental organization which is composed of 11 countries of the African Great Lakes Region. In 2006, it signed the *Protocol on the Fight against the Illegal Exploitation of Natural Resources* as part of the *Pact on Security, Stability and Development in the Great Lakes Region*.

On the basis of its experience of the Kimberly Process and of its extensive field research in the region, PAC proposed a model for 'conflict-free' certification of tin, tungsten, tantalum and gold. The ICGLR Heads of State approved the proposed Regional Certification Mechanism (RCM) in December 2012 in Lusaka, Zambia as part of a broader initiative to improve natural resource governance in the region.

Since and with the financial support of Canada's Department of Foreign Affairs and International Trade, PAC has been providing technical support to the ICGLR to implement the RCM.

## Our partners

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Partnership Africa Canada is grateful for project support provided by the Public-Private Alliance for Responsible Minerals Trade (PPA). <http://www.resolv.org/site-ppa/>

Implementing partners include:

Diamond Development Initiative (DDI), <http://www.ddiglobal.org/>

Ministère des Mines de la RDC, <http://mines-rdc.cd/fr/>

Centre National d'Appui au Développement et à la Participation Populaire CENADEP  
<http://www.cenadep.net/>

Organisation Concertée des Écologistes et Amis de la Nature OCEAN  
<http://www.oceanrdc.org/pages/accueil.htm>

## For more information

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