

BGR Bundesanstalt für Geowissenschafte und Rohstoffe

GEOZENTRUM HANNOVER

Rwanda Geology and Mines Authority

## Pilot Project on Mineral Certification in Rwanda

## Certified Trading Chains - CTC

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## Some facts about mining in Rwanda

- Mining started in the 1930s; Up to 1973 mining was done by a number of private companies and individuals; Cassiterite, wolframite, beryl, coltan and gold;
- In 1973 some of the mining companies and the government formed a joint venture monopoly company: SOMIRWA; (Government had minority shares; 49%);
- SOMIRWA ran semi industrial mines and also subcontracted artisanal miners. It became bankrupt in 1985, collapsing the whole industry;
- When mining re-started in Rwanda production was dominated by artisanal production even in former semi industrial mines;
- Currently with new investment drive, potential industrial/semi industrial operators have taken up concessions but part of our mining will always be artisanal/small scale.

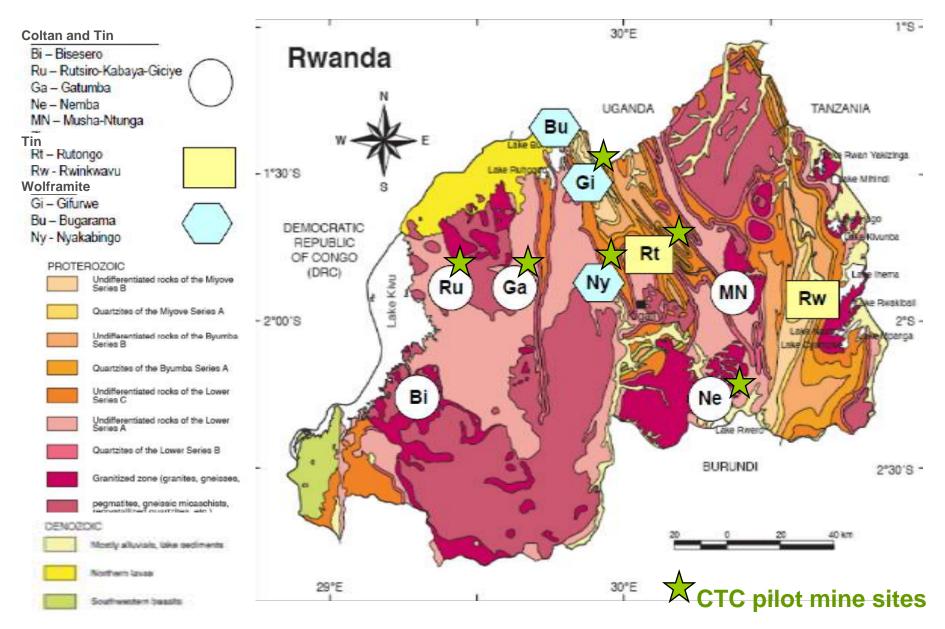
#### Some facts about mining in Rwanda

- At least 170 mining permits and about 35,000 people are estimated to be working in artisanal and small scale mining;
- All mining has been privatized and government's strategy is to divest itself from two companies where it has a stake;
- Government will concentrate on building support services, regulation, inspection and promotion of value addition.





## Mining in Rwanda



# Some targets for good practice in the new mining law (2008)

Without prejudice to other laws, the following shall be the possible offences (Article 102):

- prospecting, research, exploitation, purchasing and selling without a license;
- conducting research and exploitation in disregard of suitable techniques
- receiving or exporting mining and quarry substances without license;
- providing false information in research and exploitation reports and not submitting them on regular time;
- refusing access to any authority to the place of mining or quarry substances.

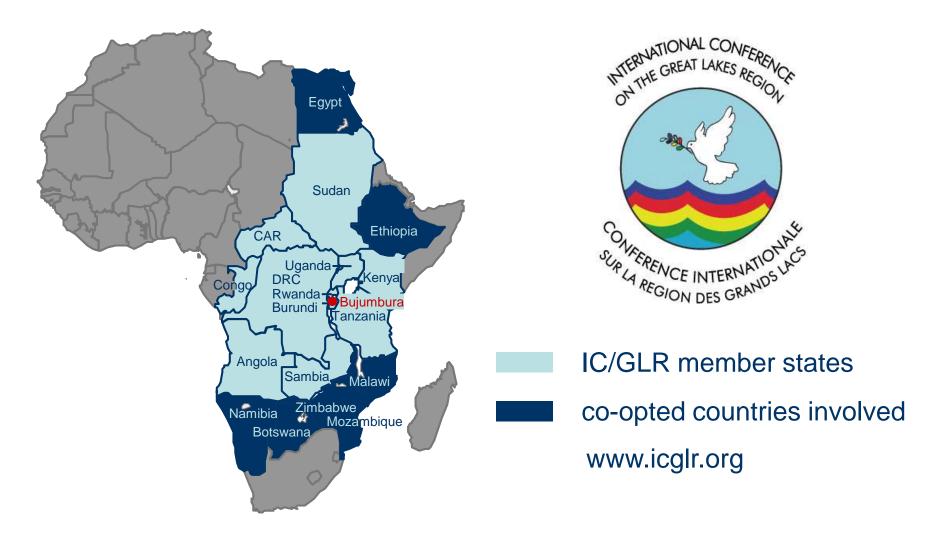
# Some targets for good practice in the new mining law (2008)

- An application for a research license should be submitted together with a state of environment rehabilitation...(Article 37)
- Certificate of environment study report shall accompany the application for licenses for research, exploitation, mineral dressing, and smelting of minerals and fossil substances in accordance with environmental laws (Article 99)

## Motivation for Rwanda to carry out CTC

- It is within the national policy to build good practice in the mining industry;
- Rwanda signed the IC/GLR protocol against the illegal exploitation of natural resources, 2006;
- Rwanda is now involved with international companies both at the investment level and at the market level and wants to build credibility for its mineral resources.

#### International Conference on the Great Lakes Region



IC/GLR - PROTOCOL AGAINST THE ILLEGAL EXPLOITATION OF NATURAL RESOURCES, 2006



11. member states undertake to establish a regional mechanism [...] to serve as a tool for combating the illegal exploitation of natural resources. this mechanism shall institute accredited standards as regards natural resource exploitation and shall include provisions on certification of origin [...].

#### Pilot Project on Mineral Certification in Rwanda

CTC serves as an instrument:

 to guarantee that process and production methods at the mine site adhere to minimum social, economic, technical, health and ecological standards.

 to strengthen the competitiveness of the Rwandan mineral sector by developing best practice and enhancing transparency

 Builds an industry fully conscious of its responsibilities to the community and building its own good name

## Pilot Project on Mineral Certification in Rwanda

**Objective:** The participating pilot mine sites in Rwanda are upgraded to the level of internationally accepted norms and standards by the instrument of CTC.

#### Indicators:

- A final audit verifies, that activities at the pilot mine sites are in compliance with the relevant standards.
- The production volume of minerals from the pilot mine site as well as the trading chain of the minerals are traceable.

## CTC in Rwanda

- Rwanda Geology and Mines Authority (OGMR) partnering with BGR (technical and financial support) and RBS
- Gatumba SnO<sub>2</sub>, Ta<sub>2</sub>O<sub>5</sub>
- Adaptation of CTC standards to local context;
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  in accordance with the key mineral policy strategy of Rwanda
- Reception of willing companies operating in Rwanda;
- technical assistance to support best practice and compliance with the standards;

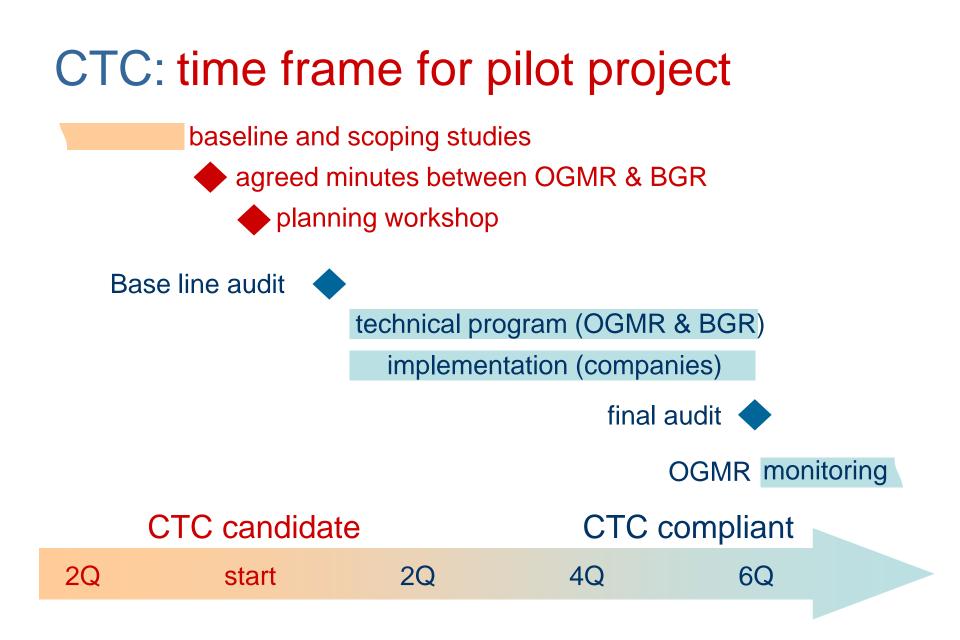


## **CTC: Standards**

principles	traceability, transparency	labour & working conditions	security	community development	environment
21 standards 5	origin, volume	salary level	capacity	structured dialogue	EIA
	fiscal obligations	child labour	risk assessment	local business	waste disposal
	revenue transparency	workers organization		integrated support	provision for rehabilitation
	oppose corruption	protective & production means		free, prior informed consent	
	health & safety training			gender	
			migration		

## Steps of implementation

- Elaboration of a set of standards and adaptation
- Assessing the level of compliance of individual operators (base line audit) and recommendations;
- Expert monitoring and technical advice to the participants in implementation;
- Consultation with relevant national authorities and stakeholder groups;
- Final third party auditing and documentation of results;
- Dissemination.



## **Company Participation**

#### **Companies in base line assessment (Aug/Sep 2009)**

- Natural Resources Development Ltd.
- Gatumba Mining Concession
- Eurotrade International

additional (Oct/Nov 2009, planned)

- Wolfram Mining and Processing
- Pyramides



 $\rightarrow$  together they cover a great part of Rwandan production

#### First Findings: Traceability and Transparency

- Documentation of production, sealing and transport, export
- Analysis of characteristics of material
- "Inflow" of material not common, rather"outflow" by (illegal) trading





#### First Findings: Labour and Working conditions

- Small scale miners organized in "gangs" working on concessions, haphazard mining
- mostly registered, but fluctuating depending on season, health insurance covering employees and contracted workers
- child labor not common



#### First Findings: Labour and Working conditions

- different levels of training and awareness of workers, potential for exchange between companies
- payment for subcontracted workers varies depending on world market price, level to minimize "outflow" of material



#### First Findings: Environmental Management

- because of exploration status of many companies only limited requirements for EIA and EMP
- gaps in government framework on environmental guidelines for mining
- companies have "inherited" liabilities from former producers





#### Outlook

- define indicators that are precise, but also flexible
- develop support on best practices between companies
- establish mechanism with national institutions
- engage national civil society and local stakeholders in the process
- develope lessons learned
  / input for the regional process



thank you!



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for more information:

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