



PARTNERSHIP AFRICA CANADA  
PARTENARIAT AFRIQUE CANADA

## Briefing Note on the ICGLR Regional Certification Mechanism

### 1. The ICGLR's commitment to addressing the illegal exploitation of natural resources in the Great Lakes Region

The International Conference on the Great Lakes Region (ICGLR) is an inter-governmental organization of the countries in the African Great Lakes Region, namely Angola, Burundi, Central African Republic, Republic of Congo, Democratic Republic of Congo, Kenya, Uganda, Rwanda, Sudan, Tanzania and Zambia. The ICGLR Secretariat is based in Bujumbura, Burundi.

In November 2006, the countries of the Great Lakes region signed a Protocol against the Illegal Exploitation of Natural Resources as part of a Pact on Security, Stability and Development. By adopting and ratifying the Protocol, the countries formally recognized the linkages between the illegal exploitation of natural resources in the Great Lakes region and protracted armed conflict.

In 2008, the ICGLR launched the Regional Initiative against the Illegal Exploitation of Natural Resources (RINR) as a means of implementing the Protocol. A special summit of the Great Lakes countries was held in December 2010 in Lusaka, Zambia, where the six tools of the Regional Initiative were approved. The summit also affirmed the ICGLR's endorsement of the *OECD Due Diligence Guidance on Responsible Supply Chains of Minerals from conflict-affected and high-risk areas*.

### 2. The Regional Initiative against the Illegal Exploitation of Natural Resources (RINR)

The six tools of the Regional Initiative against the Illegal Exploitation of Natural Resources are:

1. A regional mineral tracking and certification scheme for conflict minerals.
2. The harmonisation of mining legislation in the 11 member states.
3. The creation of a database to track the trade in minerals in the region.
4. The formalization of artisanal and small-scale mining.
5. The establishment of a whistleblowing mechanism.
6. The promotion of the Extractive Industry Transparency Initiative within the region.

The ICGLR action plan focuses on four mineral products that have been selected for their conflict sensitivity: **cassiterite** (tin), **coltan** (colombo-tantalite), **wolframite** (tungsten) and **gold**. These are the same four minerals designated as 'Conflict Minerals' under the US Dodd-Frank act, and the same four minerals that are currently the target of the OECD Due Diligence Guidance.

### 3. The ICGLR Regional Mineral Tracking and Certification Scheme

The International Conference on the Great Lakes Region was recently recognized by the G8 as a key body and instrument for tackling the illegal exploitation of, and trade in, natural resources in Africa.<sup>1</sup> In July 2011, the US State Department publically acknowledged and encouraged the efforts of the ICGLR and its eleven member states to develop a comprehensive regional certification mechanism and other tools concerning the supply chain in the four ‘conflict minerals.’<sup>2</sup> The ICGLR sets the standards for traceability and certification of conflict-prone minerals in the Great Lakes region. These are fully compliant with the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*. As the overall, regional umbrella, the ICGLR’s standards and procedures are harmonized with the Certified Trading Chains scheme (Federal Institute for Geosciences and Natural Resources, BGR), the DRC Certification Manual and have accommodated traceability schemes such as ITRI’s Tin Supply Chain Initiative (iTSCi).

Central to the ICGLR’s Scheme is a verification and monitoring process, consisting of both third-party audits and an overarching Mineral Chain Auditor. Together, these provide rigorous and independent oversight of the system and enable industry to meet its requirements under the Dodd-Frank legislation.

The ICGLR Mineral Tracking and Certification Scheme has four main pillars:

- Mineral Tracking from Mine Site to Export
  - Mine Site Inspection and Certification
  - Chain of Custody Tracking
  - Certification of Mineral Exports
- Regional Mineral Tracking via an ICGLR Database
- Independent Third Party Audits
- ICGLR Independent Mineral Chain Auditor

The four elements provide overlapping layers of protection. Together, these four pillars serve as a guarantee that minerals exported with an ICGLR Certificate are ‘conflict free’ from source through to export. Member States, industry actors and civil society stakeholders all have important roles to play in making the ICGLR Scheme function.

A basic description of each of these pillars is provided here below. Please refer to the ICGLR Certification Manual or the Guide to the Manual for greater detail about the workings of the four pillars and the roles of various stakeholders.

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<sup>1</sup> G8/Africa Joint Declaration: Shared Values, Shared Responsibilities (May 27, 2011) “19. ...We encourage full implementation of international and regional initiatives to tackle illegal exploitation of and trade in natural resources in Africa, such as the International Conference of the Great Lakes Region Action Plan adopted in Lusaka in December 2010. A comprehensive and global approach is needed to address the illegal exploitation of and trade in mineral resources and promote sound natural resources management, including the protection of forests.”

<sup>2</sup> <http://www.state.gov/e/eeb/diamonds/docs/168632.htm>

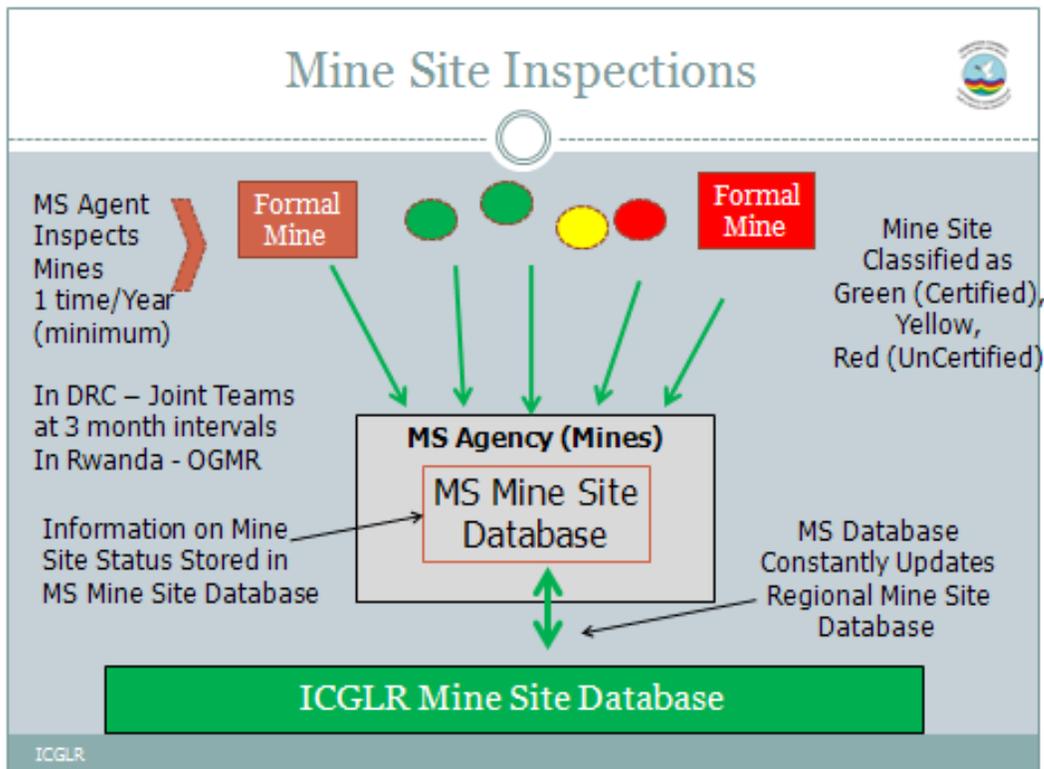
### 3.1 Mineral Tracking from Mine Site to Export

#### *Mine site inspection and certification*

Mine sites are inspected annually by a government mines inspector and cross-checked by annual Independent Third Party Audits carried out by an ICGLR accredited auditor. Mine sites are checked for conflict<sup>3</sup> and child labour and declared Green Flagged (Certified), Yellow Flagged or Red Flagged (Un-certified):

- Certified (**Green Flagged**) – mine meets all standards (i.e. no conflict, no child labour) and the mine can produce minerals for certified export.
- **Yellow Flagged** – lesser infractions of one or more non-critical criteria: mine operator has 6 months to resolve situation, but meanwhile mine can produce minerals for certified export.
- Un-certified (**Red Flagged**) – grave infractions of one or more critical criteria. The mine is prohibited from producing minerals for a minimum of six months. The mine remains Red Flagged until a further inspection shows the infractions to have been resolved.

Mine status is stored in the Member State’s database, which links to the ICGLR database and is regularly updated. This database is also used by Member State government personnel during the certification process to check on the status of mine sites from which designated material has been mined.



<sup>3</sup> The ICGLR Scheme does not permit either non-state armed groups or public or private security forces engaged in illegal activity and/or serious human rights abuse to profit from exploitation, trade or transport of conflict minerals in the ICGLR region.

### Chain of custody tracking

The ICGLR Chain of Custody Tracking Standards are designed to ensure that designated minerals are fully traceable and conflict-free from the mine site to the point of export. Member State governments are responsible for implementing and supervising the chain of custody tracking system within their own borders. The integrity of Member States' chain of custody systems is verified annually via ICGLR Third Party Audits and by the Independent Mineral Chain Auditor during the first year of operation in order to ensure that the system meets ICGLR standards. Member States can opt to delegate the design or operation of their chain of custody tracking system(s) to a non-state actor such as ITRI or Met Trak, provided the chain of custody system conforms to ICGLR standards.

Mineral flows are tracked, analysed and reconciled via the ICGLR Regional Database, using data on individual shipments collected by Member States and transmitted to the ICGLR. To ensure the integrity, credibility and public acceptance of the ICGLR scheme, these mineral flow data are open to public scrutiny (pricing information is not collected at any point).

### Certification of mineral exports

The ICGLR Regional Certificate serves as the assurance to purchasers that a mineral shipment is conflict free and meets all ICGLR standards. It functions much the same manner as the Kimberley Process Certificates for diamond exports. Though there is a phase-in period for the ICGLR Scheme, many of the principal mineral producers in the region plan to begin issuing ICGLR Certificates by mid-2011. Certification becomes obligatory for all exports of designated minerals after December 15, 2012.

Example of draft ICGLR certificate template (for DRC):

**ICGLR Certificate**

DRC 00001

DEMOCRATIC REPUBLIC OF CONGO

Ministry of Mines

Centre of Evaluation, Expertise and Certification of Precious and Semi-Precious Minerals (CEEC)

**ICGLR REGIONAL CERTIFICATE**

Product: \_\_\_\_\_

This is to certify that Consignment No. \_\_\_\_\_ originating from \_\_\_\_\_ in \_\_\_\_\_ Province in the Democratic Republic of Congo has been mined, traded and handled in accordance with the requirements of the ICGLR standards.

Name and address of the exporter: \_\_\_\_\_  
Name and address of the importer: \_\_\_\_\_

Exporter Lot Number: \_\_\_\_\_  
Date of shipment: \_\_\_\_\_  
Date of expiry of certificate: \_\_\_\_\_  
Shipped by: \_\_\_\_\_  
Transporting through: \_\_\_\_\_

Designated Mineral	One type	Weight	Purity	Value
Total				

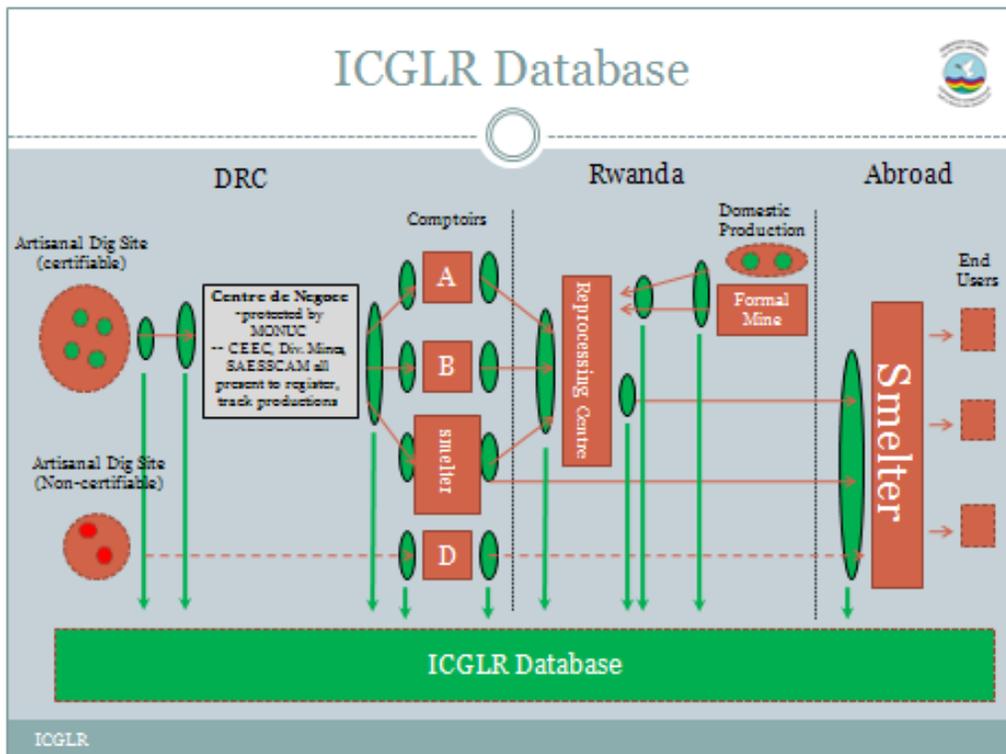
Name of issuing Officer: \_\_\_\_\_ ID #: \_\_\_\_\_  
Position: \_\_\_\_\_ Date: \_\_\_\_\_  
Signature of regulatory authority: \_\_\_\_\_ Date: \_\_\_\_\_

To be returned to:  
Ministry of Mines  
Centre of Evaluation,  
Expertise and Certification of  
Precious and Semi-Precious  
Minerals (CEEC)  
1116 Place, ICGLR Tower  
Boulevard de la Paix  
Kinshasa, DRC

ICGLR

### 3.2 Regional Mineral Tracking via an ICGLR Database

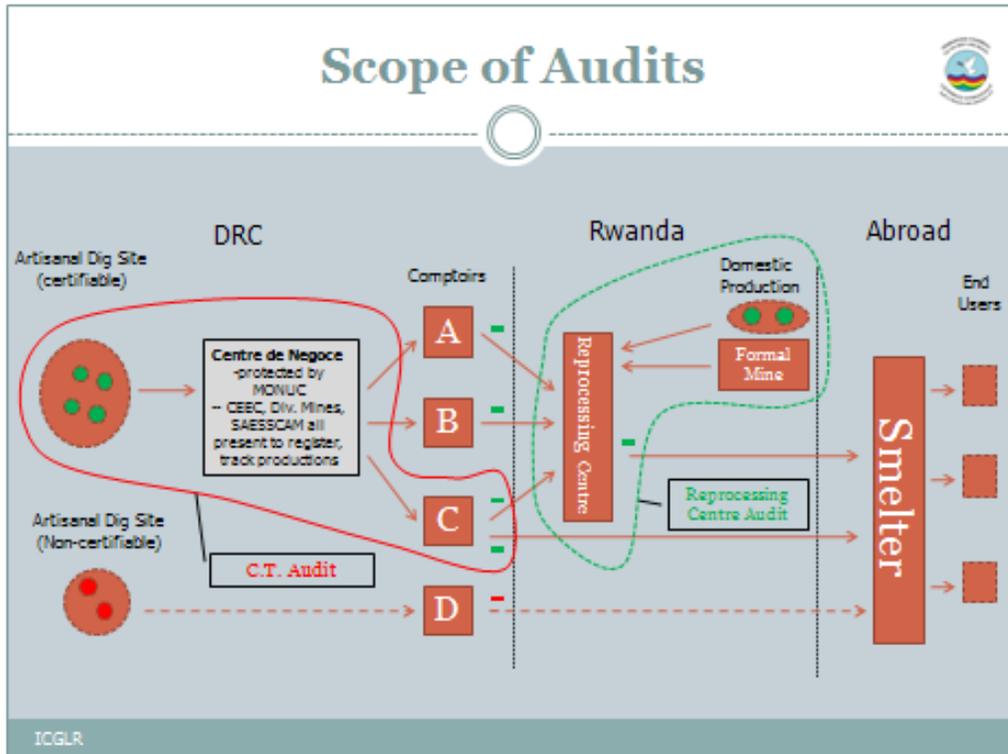
Tracking and reconciling mineral flows within and between Member States assures all stakeholders of the integrity of certified mineral flows from the region. The Database consists of three parts: a Regional Mine Site Database; a Regional Database of Exporters; and a Regional Mineral Tracking Database. Together, these allow the ICGLR to track and balance the production, purchases and exports of Exporters, mines, mining regions and Member States. The ICGLR Database will be publicly accessible, as a way of establishing and maintaining the credibility of the ICGLR Mineral Tracking and Certification Scheme. Only pricing information will not be collected and remain confidential.



### 3.3 Independent Third Party Audits

The scope of the ICGLR audit runs from the Exporter all the way back up the mineral chain to the mine site. Auditors also perform a risk-assessment role, investigating, evaluating and reporting on the 'conflict environment' – the risk and factual circumstances of conflict and conflict-financing associated with exporters, traders and artisanal and industrial miners.

Non-compliance by any of the upstream traders or suppliers automatically results in a corresponding level on non-compliance being assessed on the Exporter; that is, if the auditor finds that a trader supplying to an exporter is in major non-compliance (Red Flagged) then the Exporter itself is also found to be non-compliant (Red-Flagged).



The ICGLR Third Party Audit system is managed by a tri-partite Audit Committee (operating in accordance with the requirements of ISO 17011:2004), which is independent from the ICGLR and has representation from government, local and international industry, and local and international civil society. Local industry and Civil Society representatives on the Audit Committee are democratically elected from among stakeholders in each eligible Member State. The Audit Committee accredits auditors, and sets the standards and terms of reference for Third Party Audits. It receives, reads, comments and published the results of the audit reports on the website, and takes action as required.

### 3.4 ICGLR Independent Mineral Chain Auditor

The ICGLR Independent Mineral Chain Auditor is structured to provide independence and freedom of action. The function serves as an important guarantee of compliance and risk assessment. As someone of high calibre and with proven integrity, the Independent Mineral Chain Auditor:

- Monitors the full mineral chain for discrepancies and anomalies arising from data collected in the system.
- Initiates independent investigations into aberrations in the regional certification scheme.
- Provides on-going risk assessments of the conflict situation in mining areas where armed groups are potentially active.

The Independent Mineral Chain Auditor is mandated to react to unforeseen situations, to close loopholes that were not foreseen when the system, and to investigate contraband, armed group financing, etc.

It is expected that the Independent Mineral Chain Auditor will contract or otherwise engage additional personnel with expertise in conflict and conflict financing, risk assessment, or other areas on a needs basis

#### **4. Current implementation of the ICGLR Regional Tracking and Certification Scheme**

##### ***ICGLR Coordination and Harmonization with other initiatives***

The ICGLR Regional Tracking and Certification Scheme is recognized by the OECD as compliant with, and the regional implementation mechanism for, the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*).

ITRI's Tin Supply Chain Initiative (iTSCi) and the BGR Certified Trading Chains scheme currently present viable forms of executing chain of custody tracking systems within Member States. Met Trak also presents a viable tracking technology. As stated in the ICGLR Certification Manual (4.0 *Chain of Custody Tracking within Member States*), Member States can opt to delegate the design or operation of their chain of custody tracking system(s) to a non-state actor (such as BGR, Met Trak and ITRI). In such cases, the chain of custody system must conform to ICGLR standards.

Building on previous exchanges and meetings held in 2010, there was a formal coordination meeting held in Kigali in March 2010, where the ICGLR, OECD, BGR, ITRI, GiZ, PAC and PACT met to identify how to harmonize the different initiatives. Harmonization continues to be a priority for partners, and meetings are regularly held to improve the coordination of their efforts.

##### ***ICGLR Regional Database, Credible Data and the Tracking of Data Flow***

The ICGLR Regional Database, which will track mineral production and mineral flows, is expected to be operational in 2012. Existing data for Eastern DRC (including for the Kivus), Rwanda, Uganda and Burundi is currently being reviewed and incorporated into the database. Two new staff positions will be created in 2012. They will be trained and work closely with a PAC database expert with extensive experience with the Kimberley Process database and data collection system.

##### ***Regulated and Certified Supply Chain***

Both the Democratic Republic of Congo and Rwanda are expected to issue their first certificates by October 2012. Burundi and Tanzania are scheduled to do so in 2013. Other countries are equally likely to do so in 2013 or 2014.

## 5. Contact information

**ICGLR** [www.icglr.org](http://www.icglr.org)

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