



PARTNERSHIP AFRICA CANADA

PARTENARIAT AFRIQUE CANADA

ICGLR: Mineral Tracking & Certification Scheme



ICGLR is Overall Regional Umbrella



- **ICGLR Sets Regional Standards**
- **Implementation can vary- MUST MEET STANDARD**
- **Mine Site Inspection**
 - MS runs – can do with BGR, Monusco, by itself
 - Must meet regional standards
- **Chain of Custody Tracking**
 - Can be MS, or non-state actor
 - Can be ITSCi, BGR, MS, or other – MUST MEET STANDARD
- **Audits**
 - Sole ICGLR Audit process meets requirements of BGR/OECD

Elements of the System



1. Chain of custody tracking from mine site to export
2. Regional Tracking of mineral flows via ICGLR database
3. Independent 3rd party audits
4. Independent Mineral Chain Auditor

ICGLR Certification Manual



- **Draft Certification Manual + Appendices**
 - All regional standards, all regional procedures
 - Mine site standards,
 - Third Party Audit standards
 - Mineral Chain Auditor

- **Accepting Comment for next month**
 - Send comments to icglr2@gmail.com



Harmonisation ICLGR/OECD/CTC

- **GOAL – ONE REGIONAL STANDARD/SYSTEM**
- **Have harmonized with CTC Scheme (BGR)**
 - Have Common Mine Site Standards (Red, Yellow, Green flags)
 - Conflict, Child Labour are only Red Flags
- **Accommodated existing Traceability schemes (ie ITRI)**
- **Have harmonized Audits with OECD & BGR**
 - Common Standards
 - One Audit Process (ICGLR audits serve for CTC, OECD)
 - ✦ ICGLR Audits will be only audit process, and will serve needs of both ICGLR and CTC standards, and OECD (Dodd-Frank) requirements

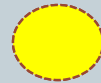
Mine Site Inspections



MS Agent
Inspects
Mines
1 time/Year
(minimum)



Formal
Mine



Formal
Mine

Mine Site
Classified as
Green (Certified),
Yellow,
Red (UnCertified)

In DRC – Joint Teams
at 3 month intervals
In Rwanda - OGMR



Information on Mine
Site Status Stored in
MS Mine Site Database

MS Database
Constantly Updates
Regional Mine Site
Database

ICGLR Mine Site Database

Mine Site Inspections

Manual Section 3 & Appendix 3



1. Requirements for Mine Site Inspections
 1. Once per year → Minimum
 2. MS Government Inspector (or Designate)
 3. Must visit mine site
 1. Check for Conflict, Child Labour
 1. Full set of standards Appendix 3
 2. Declare Mine Site Certified, un-Certified, Yellow-Flagged (yellow flag has 3 months to fix, re-inspect)
 4. Mine Status stored in MS Database
 1. Must be linked to ICGLR Database on mine sites
 2. Regular updates keep MS ↔ ICGLR harmonize



Mine Site Database (Appendix 3a)

- Mine Site ID and Status
 - Unique Identification Number
 - Status (Certified, un-Certified, Yellow Flagged)
- Location of the mine site
- Licensing information
- Owner Identification
- Inspection History of the Mine Site
 - Dates when mine site certified, un-certified
- “Database” need not be complicated
 - An Excel Spreadsheet will work fine

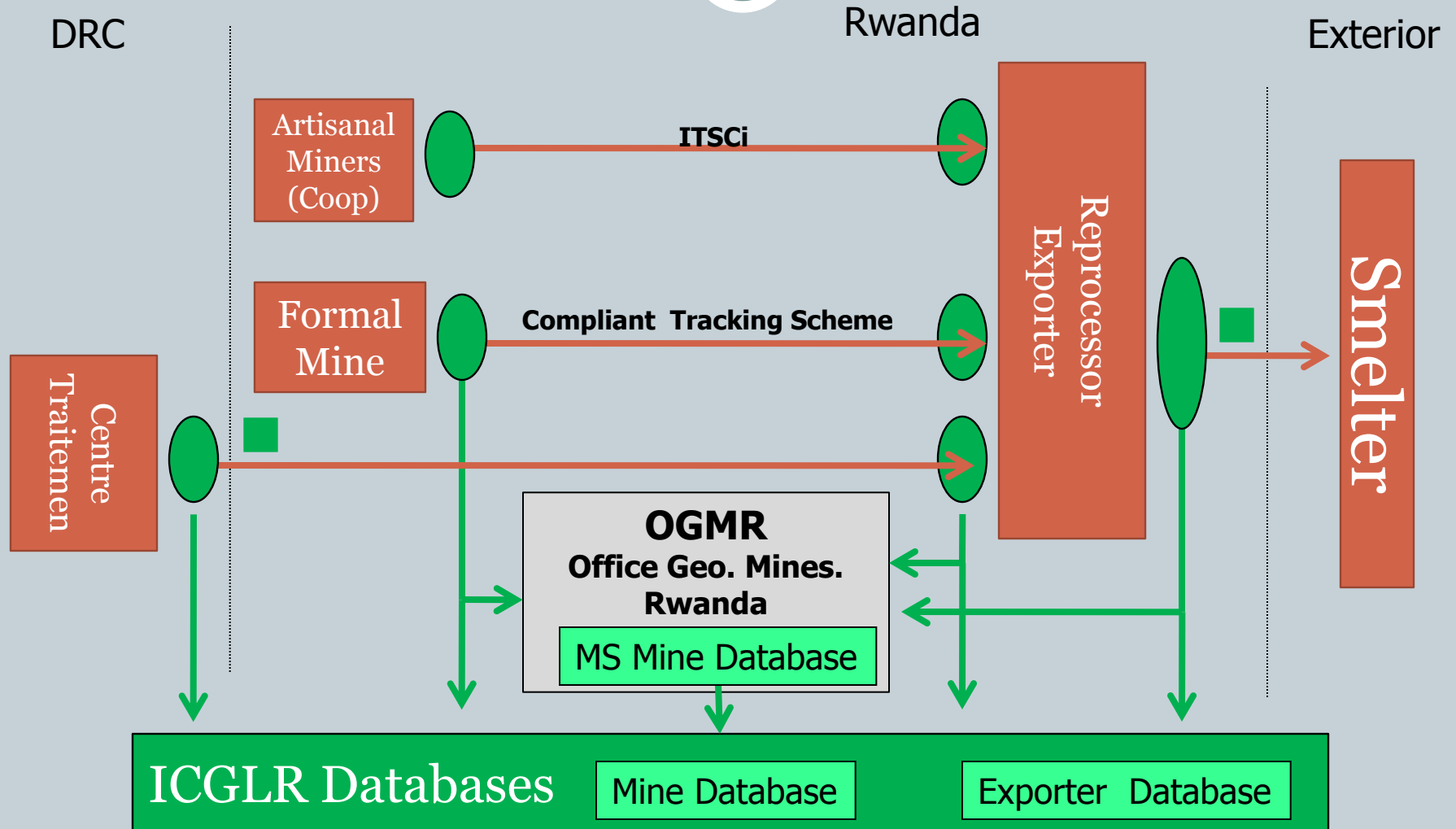
Mineral Tracking

Section 4 and Appendix 4



- Detailed Standards in Section 4, Appendix 4
- Designated Minerals
 - Member States responsible for implementing chain of custody tracking system within their own borders
 - ✦ Can be delegated to non-state actor (example ITRI)
 - ✦ Non-state actor **must** meet ICGLR standards
 - Minerals fully traceable and conflict-free from the mine site to export
 - Verified annually via ICGLR Third Party Audits.
 - Mineral flows are analyzed via an ICGLR Regional Database, using the data on individual shipments collected and transmitted to the ICGLR by each Member States

Mineral Tracking



Certification



CERTIFICATION
LEGAL ASPECTS
DATABASES
WORKFORCE REQUIREMENTS
INTERNAL PROCESS MANUAL

Application by an exporter (Contents of an application/Form [Annexure 3.doc](#))
Supporting Documents ([Annexure 4.doc](#))

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graph TD; A["Application by an exporter (Contents of an application/Form Annexure 3.doc) Supporting Documents (Annexure 4.doc)"] --> B["Verification by Designated Authority in the member state Annexure 5.doc"]; B --> C["After completing an export process, collate the information noted in APPLICATION and Transmit the collated information, and a copy of the Certificate, to the ICGLR Secretariat on a monthly basis, or as required by the ICGLR Secretariat"]; style A stroke-dasharray: 5 5; style B stroke-dasharray: 5 5; style C stroke-dasharray: 5 5;
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Verification by Designated Authority in the member state
[Annexure 5.doc](#)

After completing an export process, collate the information noted in APPLICATION and Transmit the collated information, and a copy of the Certificate, to the ICGLR Secretariat on a monthly basis, or as required by the ICGLR Secretariat

ICGLR Certificate

DRC 00001

NOT TO BE OPENED FOR INSPECTION EXCEPT BY IMPORTING AUTHORITY OF DESTINATION
(Unauthorised opening constitutes a violation of this certificate)

DRC 00001



DEMOCRATIC REPUBLIC OF CONGO

Ministry of Mines

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



DRC 00001



DEMOCRATIC
REPUBLIC OF
CONGO

IMPORT CONFIRMATION CERTIFICATE

This is to certify that
the certified product
was imported into

and that the import
has been checked and
verified in compliance
with all rules and
regulations concerning
the certificate of origin

Stamp of importing
authority:

To be returned to:
Ministry of Mines
Centre of Evaluation,
Expertise and Certification of
Precious and Semi-Precious
Minerals (CEEC)
17th Floor, BCDC Tower
Boulevard du 30 juin
Kinshasa, DRC

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: _____

Transiting through: _____

Designated Mineral	Ore type	Weight	Purity	Value
Total				

Security measure
foil, hologram or ink mark
(We have to discuss)

Name of Issuing Officer: _____

Signature of regulatory authority: _____

Position: _____ ID #: _____

Date: _____

Date: _____

Element 2: Regional Tracking of Mineral Flows using an ICGLR database



**“DATA FLOWS OPEN AND PUBLIC FOR
TRANSPARENCY AND LEGITIMACY”**

**SUPPORTED BY UN RESOLUTION 1896
(NOVEMBER 2009) ARTICLE 17:**

***“RECOMMENDS FURTHER THAT MEMBER
STATES, PARTICULARLY THOSE IN THE GREAT
LAKES REGION, REGULARLY PUBLISH FULL
IMPORT AND EXPORT STATISTICS FOR GOLD,
CASSITERITE, COLTAN AND WOLFRAMITE”***

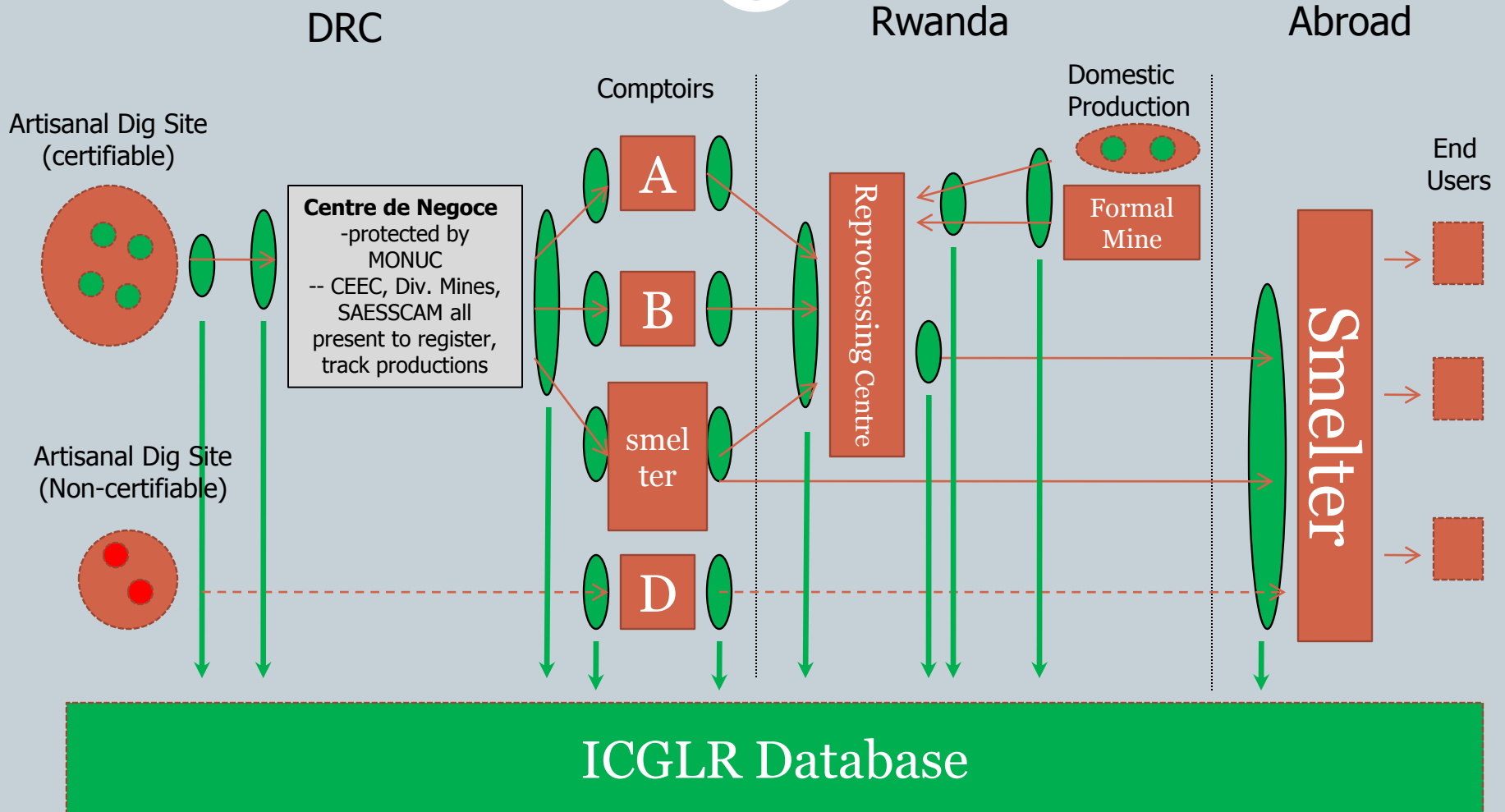
2. Regional Tracking via ICGLR Database



2. Regional Tracking of mineral flows via ICGLR database

- Data on regional mineral flows transmitted to ICGLR on a monthly basis
- For each participant, data will be analysed to determine if exports equal legal imports
- In case of imbalance, participant given a chance to explain and correct. If this is not done, participant will be declared non-compliant
- All data and analyses will be stored on publicly accessible database
 - ✦ Price data not collected or stored or analyzed

2. ICGLR Database



ICGLR Database



- **ICGLR is hiring 2 database experts**
 - Positions currently being advertised on website
- **Database currently being developed**
 - PAC has Kimberley Process Database designer on project
- **Database expected to be running by 3rd QTR 2011**

Independent 3rd Party Audits



**“INDEPENDENT AUDITS – ESSENTIAL FOR
PUBLIC CONFIDENCE AND LEGITIMACY”**

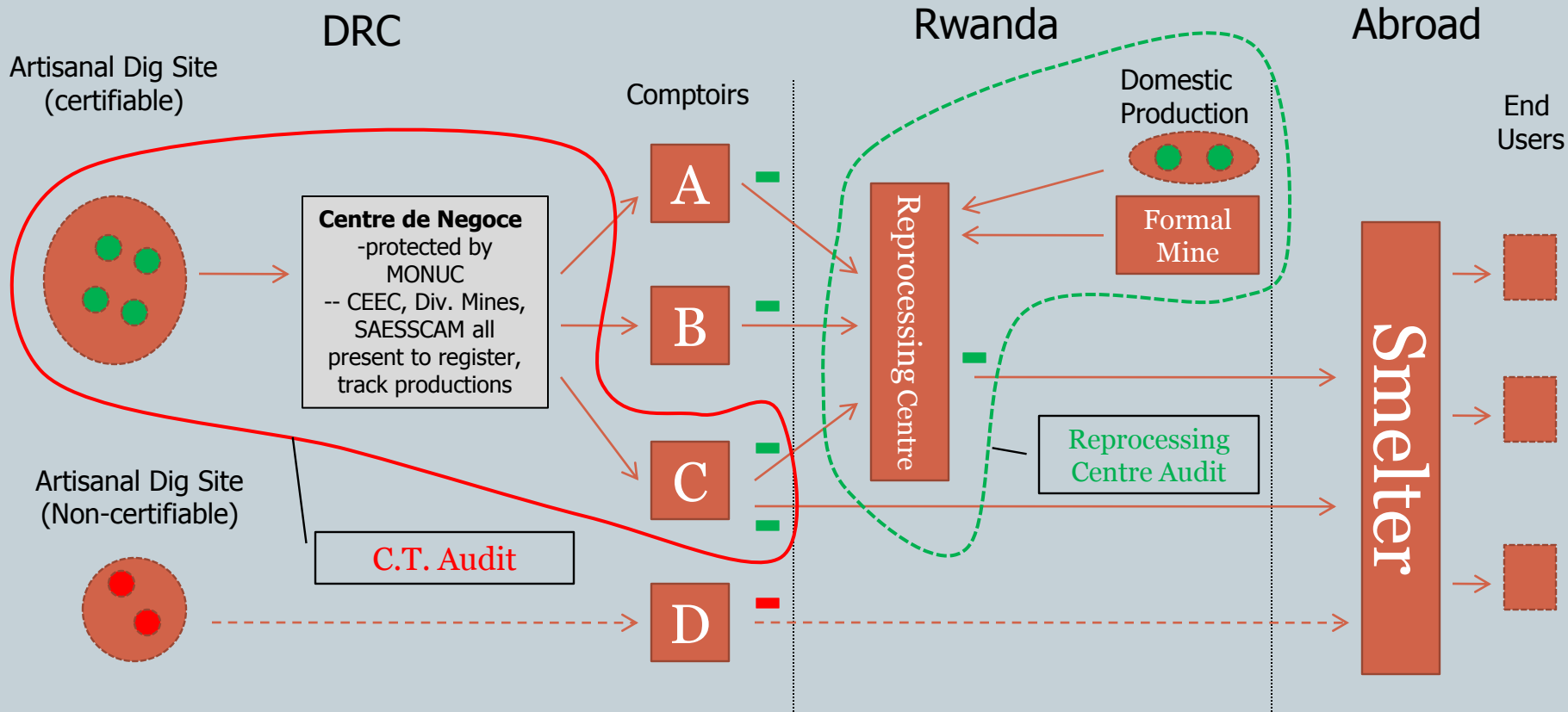


Independent Third Party Audits



- Audits carried out by professional auditors
 - Accredited by ICGLR Audit Committee
 - Paid for by Exporters themselves
- Scope of Audit runs from Exporter back to mine site
- Standards for Audits → Appendix 8c
- ICGLR Audit Committee oversees audit system
 - Created by Steering Committee
 - Tripartite Membership (Government, Industry, Civil Society)
 - Industry, Civil Society Members Elected from MS

Scope of Audits



Audits Focus on Exporters



- Audits focus on exporters.
 - Must be audited 1 time per year
- the audit examines the exporter, and actors upstream in the mineral chain who handle, produce, process or supply minerals to the exporter
- exporter is responsible for his own compliance, and for that of his suppliers .
- Non-compliance by any of the upstream actors (not including mine site) is considered a non-compliance by the exporter.



Penalties for Non-compliance



- **Green Flag (Certified)**

- No serious problems
- Exporter can export with Certificates for next 12 months

- **Yellow Flag**

- Serious but not critical problems
- Exporter 6 month grace period to fix problems
 - ✦ Can export with Certificates during grace period
 - ✦ Exporter can commission follow up audit during grace period

- **Red Flag (Un-Certified)**

- Critical problems
- Exporter loses right to export with Certificates for 6 months
 - ✦ At end of 6 months, can commission follow up audit

Audit Committee – Composition



- Audit Committee works in ICGLR, but is **independent**
 - ✦ establishes credibility of independent audits
- Composed of government, industry and civil society
 - ✦ Initially 4 government, 3 industry, 3 civil society
 - ✦ Industry
 - National – FEC, Rwanda Chamber of Mines
 - International – EICC – GeSi
 - ✦ Civil Society
 - International NGOs
 - National NGOs
- Audit Committee created by Steering Committee
 - ✦ Audit Committee will be formed at Next Meeting - Aug/Sept
 - ✦ Pilot Audits commence Sept/Oct

Audit Committee – Powers



- Accredits auditors
 - ✦ Determines which auditors have the competence and independence to perform credible audits
 - ✦ Appendix 8b – Standards for Accrediting Third Party Auditors
- Sets audit terms of reference for audits
 - ✦ Check list of where to look, what to look for
 - ✦ Appendix 8c – Standards and Procedures for Third Party Audits
- Committee receives finished results
 - ✦ Reads, comments, publishes on website
 - ✦ Takes action as required
- However, note that penalties automatic
 - ✦ If auditor finds Red Flag, Exporter is automatically Red Flagged

An Independent Mineral Chain Monitor (Auditor General)



DRIVEN BY CONSUMER DEMAND

**ONGOING RISK ASSESSMENT
(OECD, DODD-FRANK REQUIREMENT)
VERIFICATION OF MS SYSTEM CONFORMITY
TO INVESTIGATE UNFORESEEN SITUATIONS
THAT WE KNOW WILL ARISE**

SECTION 9 OF MANUAL

Mineral Chain Auditor

- The Mineral Chain Auditor monitors the full mineral chain for discrepancies and anomalies arising from data collected in system
- The MC Auditor provides on-going monitoring and risk assessment
- The Mineral Chain Monitor's appointment is structured to provide independence and freedom of action.
- The Mineral Chain Monitor is the last line of defence
 - ✦ Can react to unforeseen situations
 - ✦ close loopholes that were not foreseen when system created
 - ✦ Investigate contraband, armed group financing, etc



- **Appointed by Executive Secretary**
 - Steering Committee is developing short list of candidates
 - Appointments run for 3 years
- **Which type of person?**
 - A person from the region
 - Person of High Repute, known for Integrity
 - Experience leading investigations
 - Jurist? Investigator?
 - Would contract additional personnel on a needs basis
 - ✦ Skills in conflict financing, monetary flows, mineral industry expertise, risk assessment, etc...

Why a Mineral Chain Auditor?



- **Consumer Demand**
- **On going Risk Assessment Requirement**
 - Requirement of OECD Due Diligence Guidance
 - ✦ Supply Chain Due Diligence and Upstream Company Risk Assessment sections of the Supplement on Tin, Tantalum and Tungsten
 - Requirement of Dodd-Frank Conflict Minerals bill
 - ✦ Certification system must have ability to provide regular assessment of risk from areas where minerals sourced
 - Audits/Mine Inspections once per year
 - ✦ Need more regular evaluation of conflict risk of areas where minerals sourced

Elements of the System



1. Chain of custody tracking from mine site to export
2. Regional Tracking of mineral flows via ICGLR database
3. Regular independent 3rd party audits
4. Independent Mineral Chain Auditor (Auditor General)
 - One Regional System; one set of standards
 - One Audit Process

Time Lines for Implementation



- ICLGR Standards Ready Now
- Database under development
 - Personnel being hired, trained
- Mineral Chain Auditor candidates being submitted
- Audit Committee forming Sept 2011
 - Pilot Audits Sept-Oct
- DRC – First Certificates, July 1, 2011
- Rwanda – First Certificates, Aug 1, 2011
- 4 other countries certifying by end of 2011
- 3 more countries during 2012



www.pacweb.org

ICGLR: Mineral Tracking & Certification Scheme



Thank You!