ASM formalization in eastern DR Congo

Maputo, September 2022

IPIS

ASM in DR Congo

- Estimates go up to 2 million artisanal miners ('diggers') in DR Congo
- Supporting an estimated 8 million livelihoods in DR Congo
- Tin, Tantalum, Tungsten, Gold, Cobalt, Diamonds and Tourmaline.

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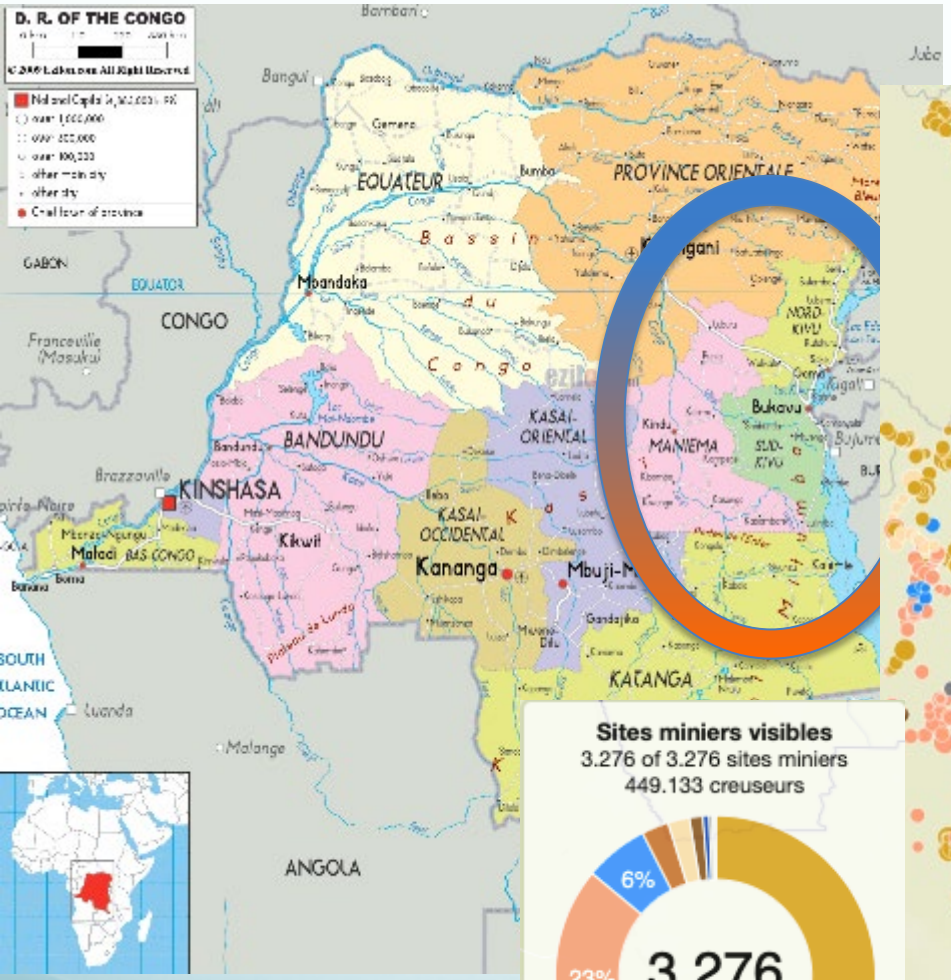

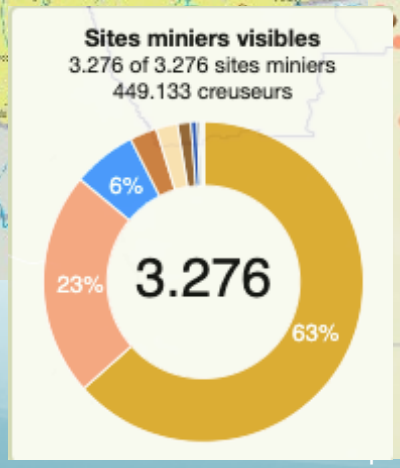

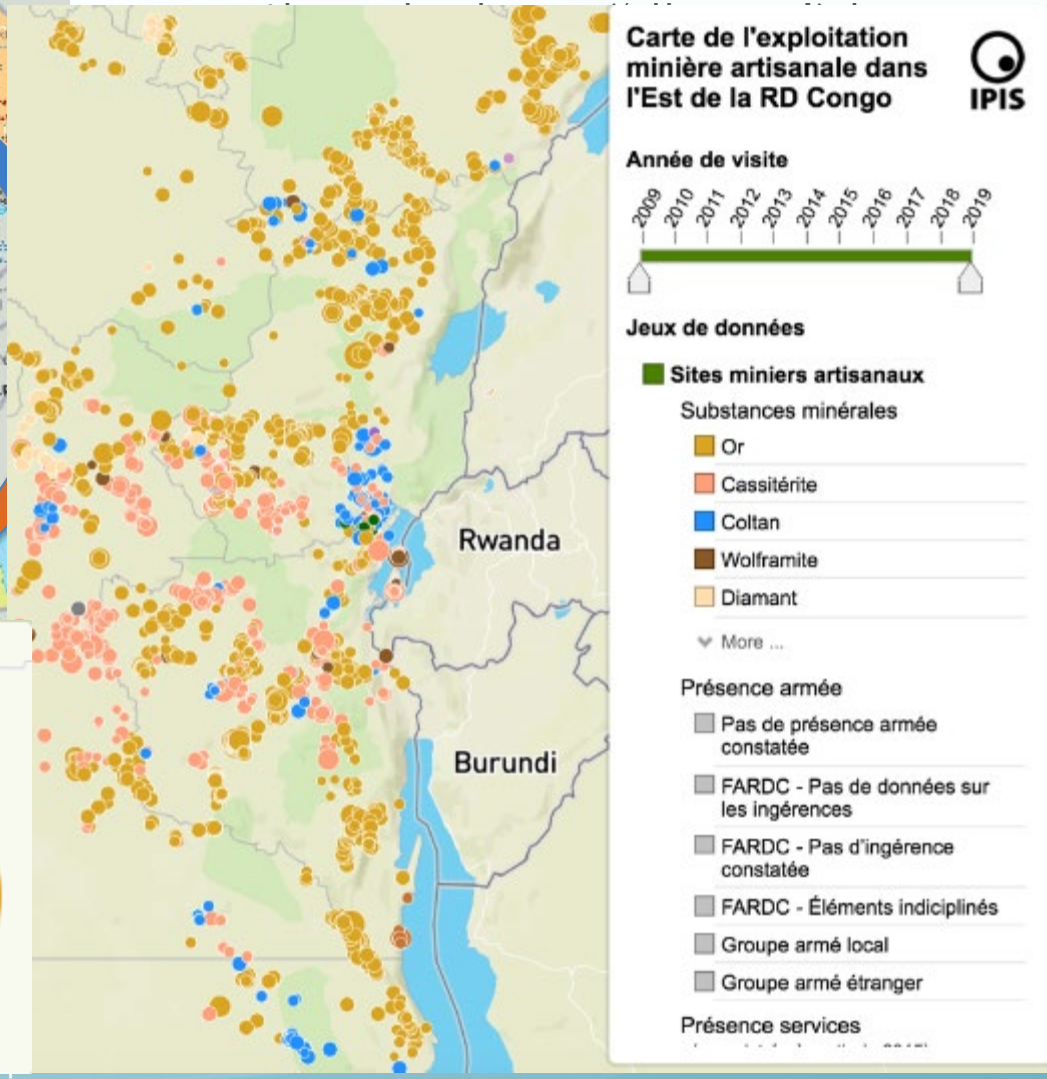

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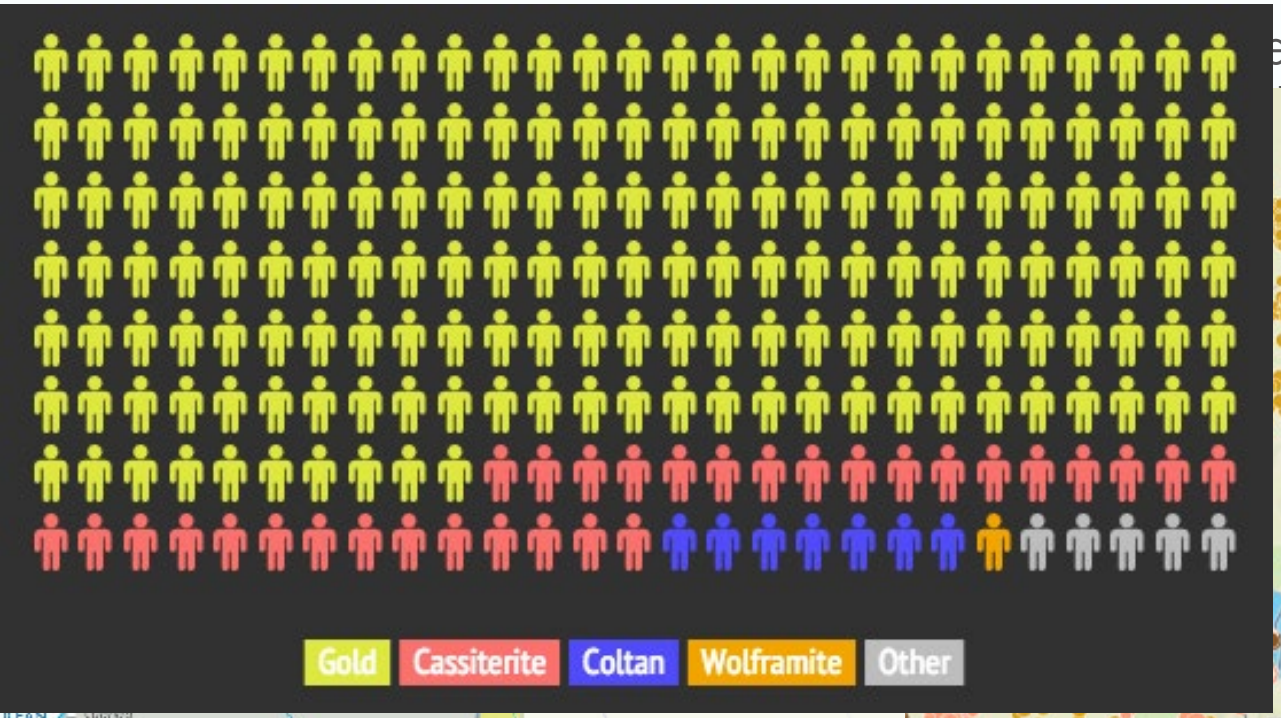

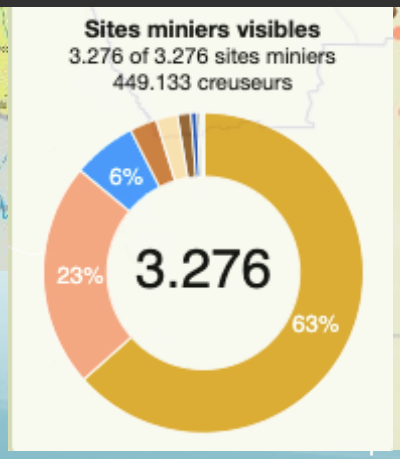

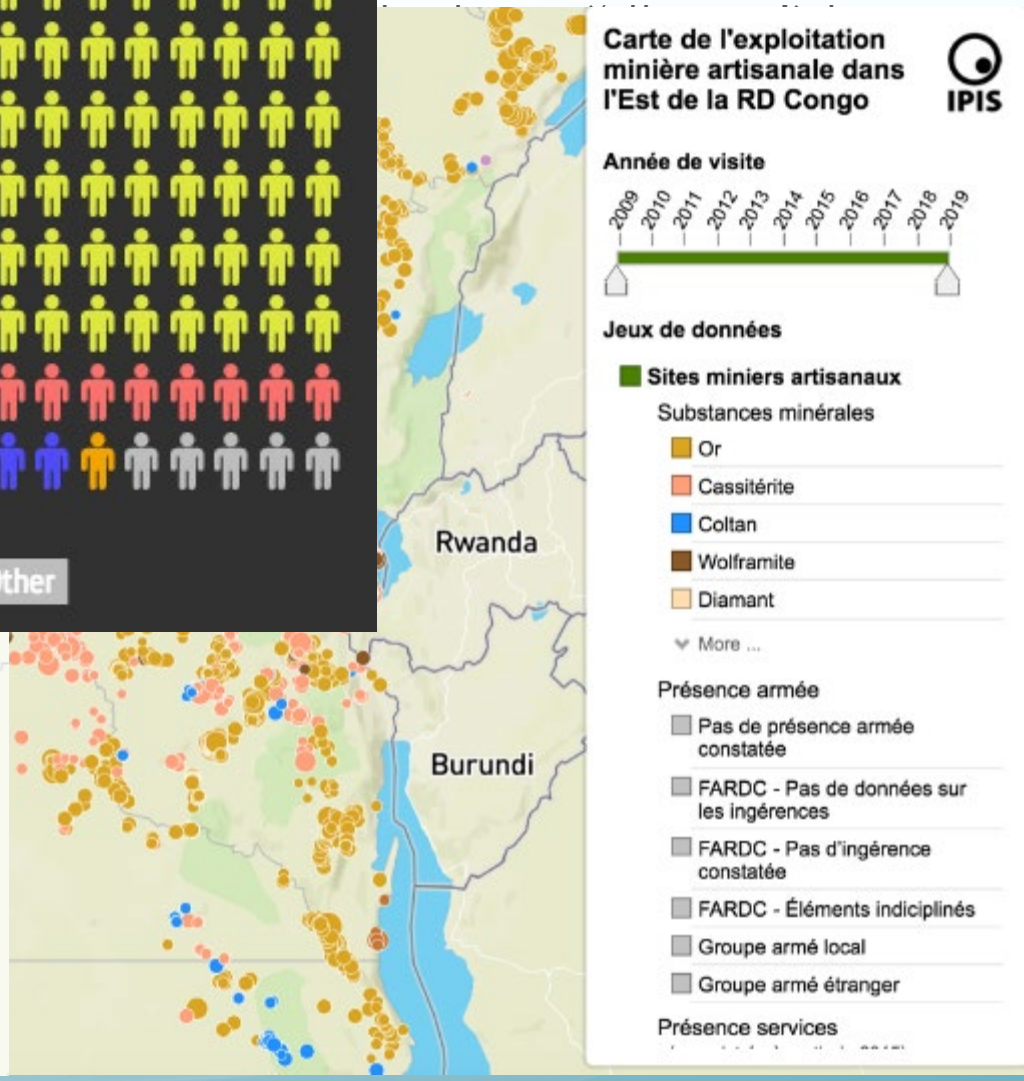

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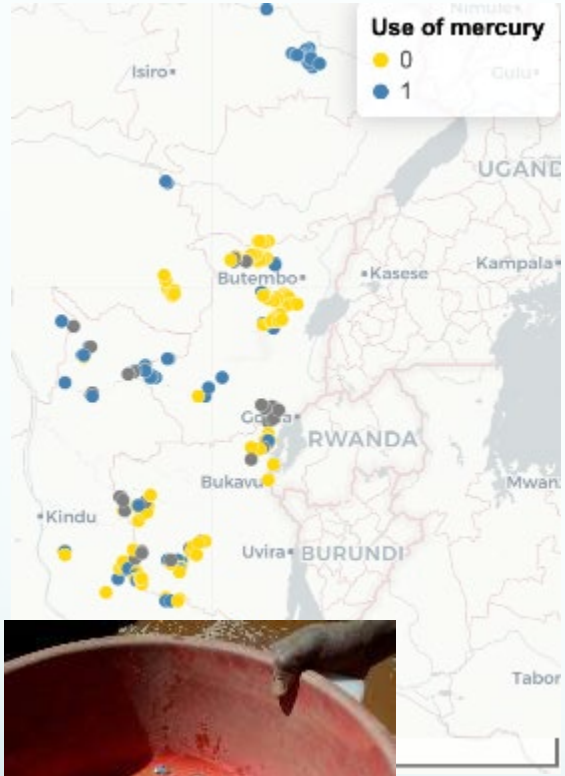
ASM drivers …

- Historical evolution: liberalization ASM in 1980s
- “Push” vs. “Pull” factors
- Local development potential

& ASM challenges

Use of **mercury**:

- 59% of gold miners



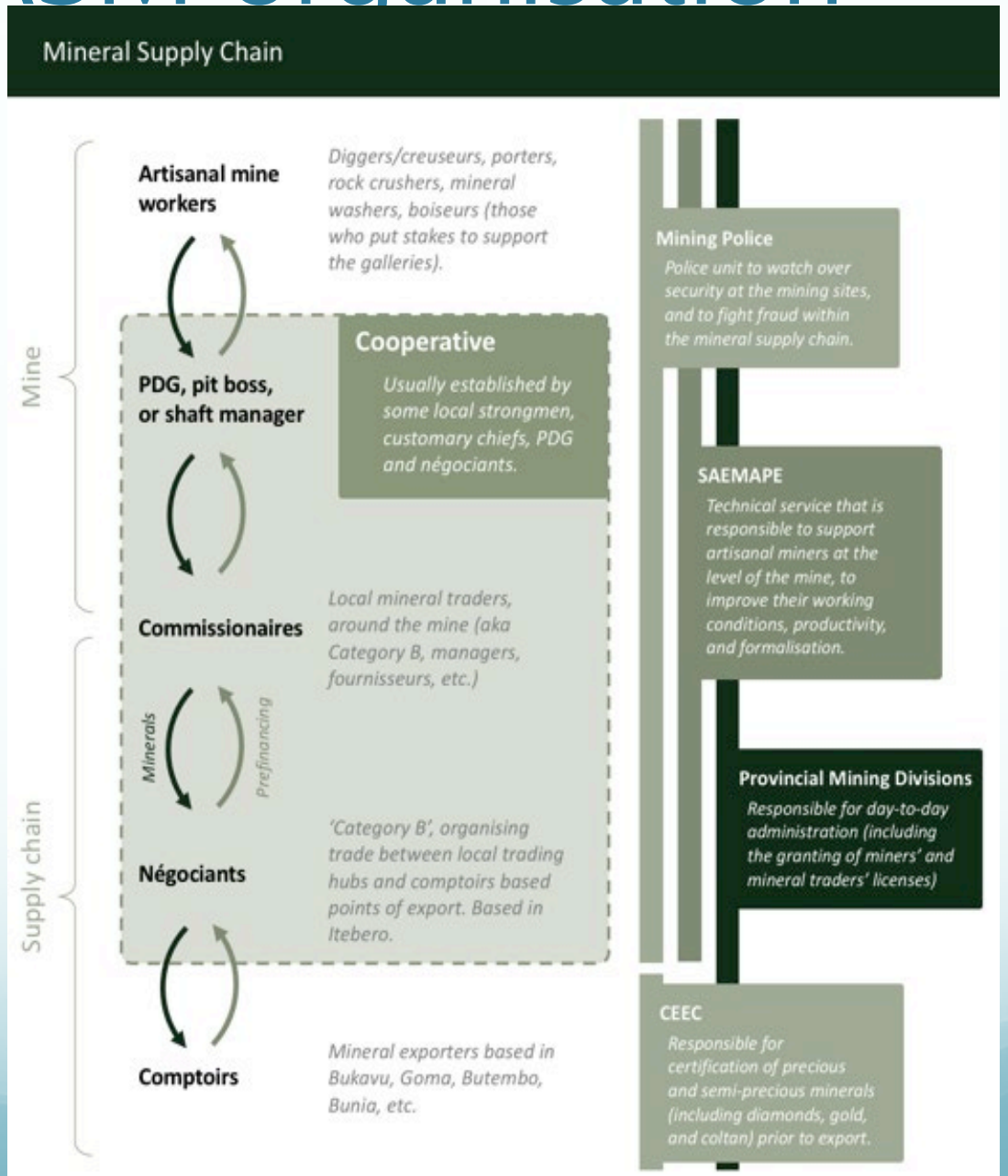
Child labour:

- 3% of work force

Environmental impact

Insecurity

ASM organisation



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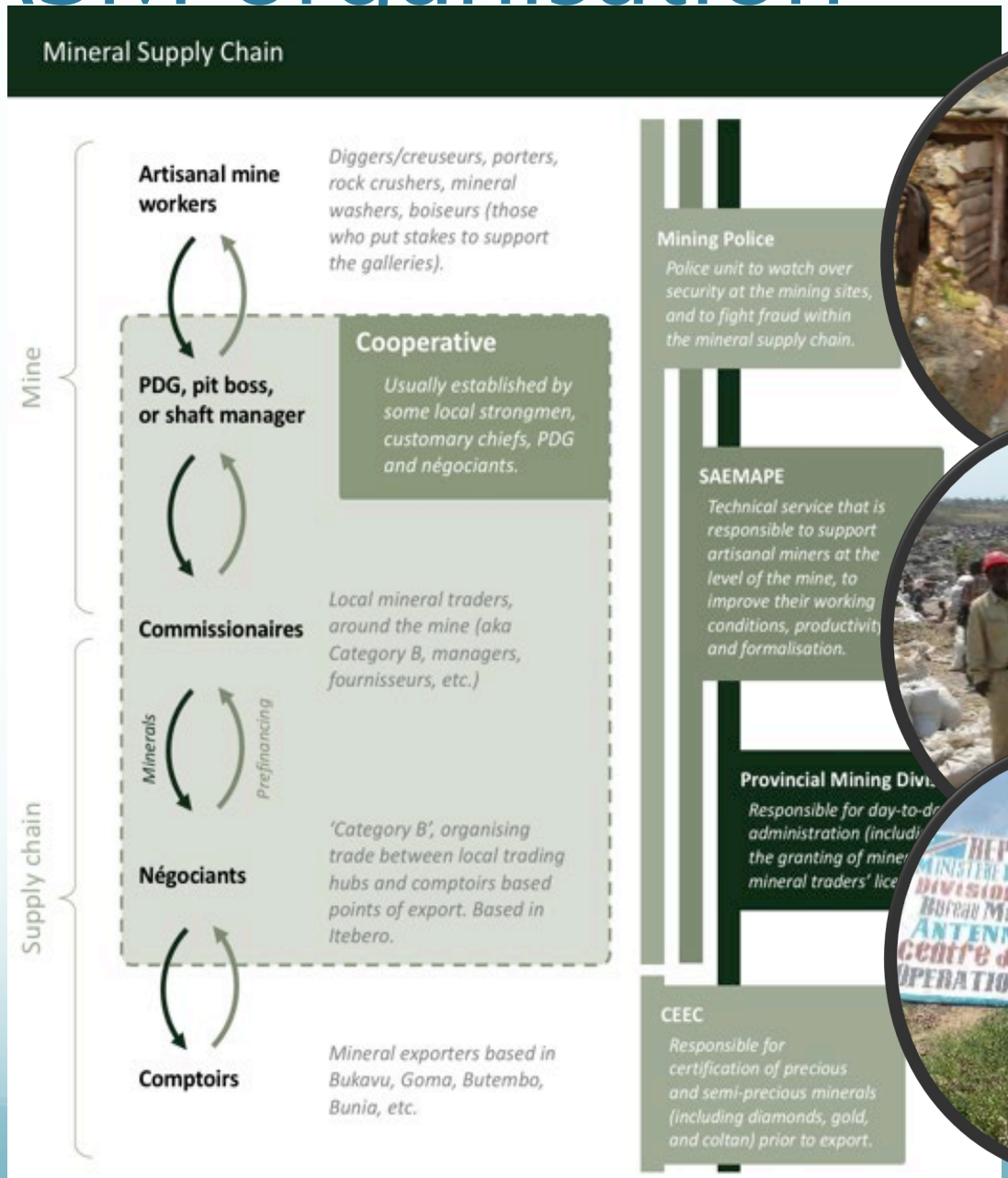

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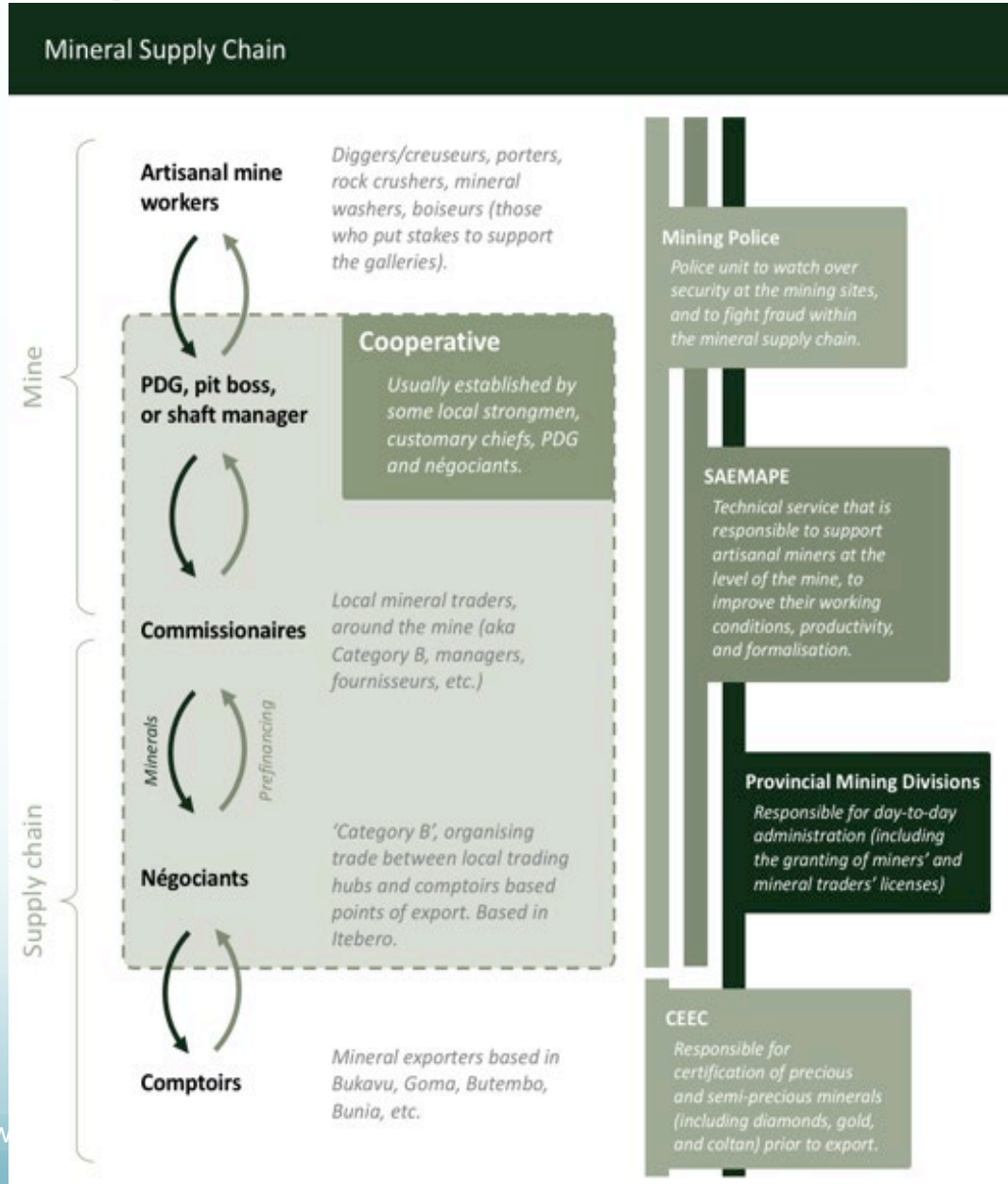
ASM Regulation

- Mining Code (2002) and Mining Regulation (2003)
  - Revision (2018)
  - Additional laws and decrees since 2010 (Driven by 'conflict minerals'-discourse)
    - Implementation of the law
- Mining Register
  - Concessions and **ZEA**s (ASM zones)
    - ZEAs without proper knowledge or support



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ASM: Largely informal

- ASM largely informal:
  - 98% gold exports illegal
  - Most ASM stakeholders not registered
  - Majority of ASM sites are outside a ZEA

ASM formalization challenges

- **Legal provisions** never been fully implemented
- **State agents** tolerate/facilitate informal
  - Recognize challenges & personal gain
- **Registration** ASM stakeholders failing
  - Taxation
  - Lack of incentives
- **ZEAs**
  - Security of tenure and location
- **Cooperatives**
  - Elite capture; no participation; taxation
- **Legal pluralism**
  - State, customary authorities, economic actors, responsible sourcing initiatives
- (Illegal) **taxation**
  - Legal taxation high
  - Various illegal taxes
- **Gold** sector challenges
  - Insecurity
  - Smuggling (regional + local drivers)
  - Barter trade

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"Les services veulent récolter là où ils n'ont pas semé"

People complain about taxes at 'Amanyambele amont'.

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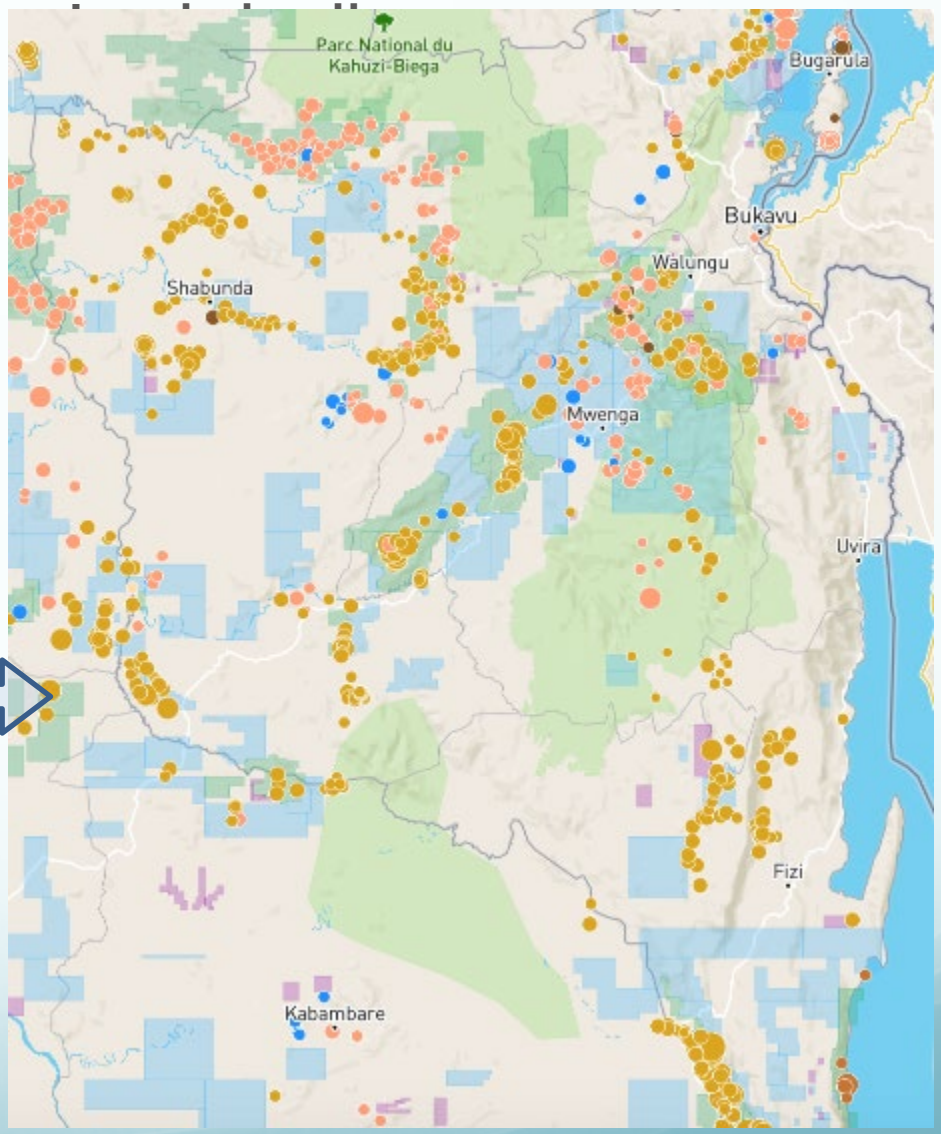

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Responsible sourcing efforts

- **Certification**
  - E.g. ICGLR Regional Certification Mechanism
- **Due Diligence** efforts and (Inter)national law
  - OECD guidelines
  - American Dodd-Frank Act (Sect. 1502)
  - EU regulation on Conflict Minerals
- **Traceability**
  - iTSCi & others

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Responsible sourcing efforts

- **Challenges**
  - Regional differences in implementation
  - Regional competition over mineral supply chains
  - Responsible sourcing vs. responsible mining
  - Lack of local ownership
  - Incentives (Access to credit, access to tools, protection ...)
  - Smuggling and corruption
  - Elite capture
  - Due diligence costs
  - Scalability

Thanks for your attention!

Q & A