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CAPACITY BUILDING FOR A RESPONSIBLE MINERALS TRADE (CBRMT)

QUARTERLY REPORT: APRIL–JUNE 2018

July 2018

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COVER PHOTO: Artisanal gold miner working at Nyamurhale, South Kivu (DRC). Photo Credit: StoryUp (used with permission).

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ACRONYMS AND ABBREVIATIONS

3Ts	Tin, Tantalum, and Tungsten
ABM	AlphaMin Bisie Mining
ASM	Artisanal and Small-Scale Mining
BGR	German Federal Institute for Geosciences and Natural Resources
BSP	Better Sourcing Program
CBRMT	Capacity Building for Responsible Minerals Trade
CEEC	<i>Centre d'Expertise, d'Evaluation et de Certification</i> (Evaluation, Expertise and Certification Center)
COCABI	<i>Coopérative Minière des Creuseurs Artisansaux de Mpama Bisie</i>
COMIMA	<i>Coopérative Minière et Maendeleo</i>
COMINAGRI	<i>Coopérative Minière et Agricole</i>
COOMIANGWE	<i>Coopérative Minière et Agricole de Ngweshe</i>
COP	Chief of Party
CPS	<i>Comité Provincial de Suivi</i>
DCOP	Deputy Chief of Party
DRC	Democratic Republic of the Congo
FARDC	Armed Forces of the Democratic Republic of the Congo (<i>Forces Armées de la République Démocratique du Congo</i>)
GDRC	Government of the Democratic Republic of the Congo
GIZ	German Society for International Cooperation
ICGLR	International Conference for the Great Lakes Region
IMCA	Independent Mineral Chain Auditor
IOM	International Organization for Migration
IPIS	International Peace Information Service
ITOA	<i>Initiative de Traçabilité de l'Or d'Exploitation Artisanale</i>
iTSCi	International Tin Research Institute Tin Supply Chain Initiative
LBMA	London Bullion Market Association
M&E	Monitoring and Evaluation
MoM	Ministry of Mines, GDRC
MOU	Memorandum of Understanding

OECD	Organization for Economic Co-operation and Development
PTF	<i>Partenaires Techniques et Financiers</i> (Technical and Donor Working Group on Mines and Hydrocarbons)
RAGS	Responsible Artisanal Gold Solutions
RCM	Regional Certification Mechanism
RMI	Responsible Minerals Initiative (formerly Conflict-Free Sourcing Initiative, or CFSI)
SGBV	Sexual and Gender-Based Violence
STARR	Strengthening Tenure and Resource Rights
USAID	United States Agency for International Development
VR	Virtual Reality
ZEA	<i>Zone d'Exploitation Artisanale</i>

EXECUTIVE SUMMARY

Tetra Tech is implementing the Capacity Building for Responsible Minerals Trade (CBRMT) project, under Contract Number AID-OAA-I-12-00032/AID-660-TO-14-00002 for the Strengthening Tenure and Resource Rights (STARR) Indefinite Quantity Contract under the auspices of the United States Agency for International Development (USAID) Land Tenure and Property Rights Division. The goal of the project is to strengthen the capacity of the Democratic Republic of the Congo (DRC) and regional institutions to regulate transparently and control a critical mass of the trade in strategic minerals—tin, tantalum, and tungsten (the 3Ts) and gold—in eastern DRC to demonstrate the potential to transform the region’s mineral wealth into economic growth and development.

The main body of this report presents a detailed summary of activities from April to June 2018, including in the areas of collaboration, staffing, security, and deliverables. Highlights for the quarter by component are as follows:

Component 1: Legal and Policy Framework Improved and International Conference for the Great Lakes Region (ICGLR) Supported

The DRC signed into law and published a revised Mining Code this quarter containing several CBRMT recommendations to strengthen the tenurial rights of mining cooperatives, clarify inconsistencies, and bolster cooperatives’ rights within dedicated artisanal mining zones. CBRMT will summarize the results of these changes in a comprehensive report and share it with USAID in the next quarter. In addition, the project contributed technical inputs to the revision of the Regional Certification Mechanism Manual. Finally, this was the last quarter that CBRMT will be supporting USAID as the Chair of the Technical and Donor Working Group on Mines and Hydrocarbons.

Component 2: Capacity of Key Actors Strengthened

CBRMT trained a total of 119 (108 men and 11 women) people, including members of the *Coopérative Minière et Agricole*, civil society representatives, and Ministry of Mines officials in South Kivu, on the principles of due diligence, property rights, and conflict resolution. The training was critical to enabling local mining communities to resolve local conflicts. This brings the total number of people trained to date through the life of the project to 2,353.

Component 3: Due Diligence and/or Traceability System for 3Ts and Gold Scaled Up

Key achievements this quarter include the first sale of fully traced, conflict-free gold from the Nyamurhale pilot site in South Kivu to the exporter Fair Congo (see the Snapshot in Annex C); a signed contract between the exporter, refinery, and trader to support inventory financing and offtake of conflict-free gold; and the launch of due diligence monitoring at a third 3T supply chain in Walikale (North Kivu). CBRMT also encountered significant challenges this quarter, including pressure from the International Tin Research Institute Tin Supply Chain Initiative system (which forced the departure of a commercial partner and the Better Sourcing Program from two 3T sites in South Kivu) and continued difficulties in securing pre-financing and production from the Nyamurhale gold site.

Component 4: Outreach and Communication

In collaboration with Google and the Responsible Artisanal Gold Solutions Forum, CBRMT premiered a six-minute virtual reality film entitled “Journey of Gold” at the Organization for Economic Co-operation and Development Forum in April. CBRMT finalized a competitive proposal process this quarter and selected the company What Took You So Long to shoot and produce a “capstone” film about USAID’s responsible minerals trade portfolio. The film will tell the story of USAID’s portfolio between 2014 and

2018 and highlight the International Organization for Migration's work on mine site qualification, positive impacts in the 3T and gold sectors, the impact of capacity building, and the role of the private sector.

I.0 LEGAL AND POLICY FRAMEWORK IMPROVED AND ICGLR SUPPORTED

The Capacity Building for Responsible Minerals Trade (CBRMT) Project coordinates with a range of donors as well as public and private sector actors in the Great Lakes Region and within the Democratic Republic of the Congo (DRC) to strengthen the legal framework, policies, and mechanisms that affect artisanal mining and responsible minerals trade. Key activities include recommendations to reform the DRC Mining Code in support of legal artisanal supply chains and revision of the Regional Certification Mechanism (RCM) manual.

I.1 INPUT TO THE REFORM OF THE MINING CODE

The president of the DRC signed the revised Mining Code into law on March 9, 2018, and the *Journal Officiel* published it on April 21, 2018. CBRMT conducted an analysis of the revised code to determine which of the recommendations the project had made to the Ministry of Mine's (MoM) Technical Committee were accepted, and to assess the impact of the revised code on the artisanal mining sector. CBRMT confirmed that the committee did accept the recommendation to recognize artisanal mining cooperatives explicitly in the definition of artisanal mining. Additionally, per CBRMT's recommendation, the revised code accords more rights to artisanal mining cooperatives, including a clause that strengthens cooperative tenure rights within artisanal mining zones (ZEAs) as long they are actively operating on the site.

CBRMT shared recommendations from donors and civil society with the Technical Committee charged with developing rules to promulgate the revised Mining Code. These recommendations focused on transparency and good governance of mining funds for future generations, the organization and management of cooperatives, ZEAs, health and safety, and secure transportation and trade of minerals from artisanal mining areas. The committee has shared its proposed regulations with the Prime Minister and the final regulations are expected to be signed into law next quarter. CBRMT will assess the extent to which our recommendations were taken into consideration and share those findings with USAID.

CBRMT collaborated with German Federal Institute for Geosciences and Natural Resources (BGR) this quarter in their efforts to develop a national strategy for formalizing the DRC's artisanal gold sector. BGR and CBRMT agreed to host a joint meeting in early September to advance a strategy for providing practical recommendations to the MoM regarding what each of its divisions (*Centre d'Expertise, d'Evaluation, et de Certification [CEEC]; Service d'Assistance et d'Encadrement de l'Exploitation Minière Artisanale et à Petite Echelle; Division des Mines; and Police des Mines*) can do to support, formalize, and expand a responsible gold sector. This workshop will meet the requirements for a CBRMT Artisanal and Small-Scale Mining (ASM) Workshop on Mining Code Reform project deliverable.

I.2 PROVIDE TECHNICAL ASSISTANCE TO REFORM THE RCM MANUAL

CBRMT convened several discussions this quarter with the German Society for International Cooperation (GIZ), International Conference for the Great Lakes Region (ICGLR), and commissioned consultants in charge of the RCM manual's revision. The participants agreed that CBRMT and GIZ would cost share a regional conference that will enable actors from the region's Member States (government, exporters, civil society, partners, and end users) to provide input to the manual's revision. The concerned parties agreed on the following timeline for completing the revisions:

- *Mid-May*: Complete first version of revised RCM manual.

- *Mid-May through mid-July:* Conduct full stakeholder mapping process and ongoing consultation.
- *Mid-July through end of August:* Make revisions based on stakeholder feedback and share them with the ICGLR Steering Committee for additional feedback.
- *September:* Incorporate Steering Committee feedback
- *October:* Obtain final approval from Regional Committee.

CBRMT also pushed for a regional conference to allow Member State actors to provide input on the manual's revision. Hearing directly from actors on the ground about the benefits and challenges of implementing the RCM in their respective sectors and countries is critical. The conference is currently scheduled for September 26–27 in Khartoum, Sudan.

On April 16 the consultants commissioned with revising the RCM manual presented their scope of work and initial ideas at the Public Private Alliance for Responsible Minerals (PPA) alignment meeting. CBRMT provided extensive technical feedback during the session including the need to ensure the independence and financial sustainability of the Independent Mineral Chain Auditor's (IMCA) office; the need to avoid duplicative in-region, third-party audits of exporters; and suggestions on how to streamline mine site inspections and mineral export procedures. CBRMT noted that many of the recommendations under consideration stem from the project's RCM Assessment report (2016). In late June CBRMT also shared and discussed with the consultants the revised terms of reference that CBRMT had developed for the IMCA.

As part of the revision of the RCM manual, the ICGLR undertook development of an artisanal gold strategy. At a workshop held in Arusha March 27–28, 2018, the group collected inputs from partners and traceability implementers to enrich the regional gold strategy. CBRMT's Deputy Chief of Party (DCOP) Technical Josee Ongotto presented on the project's experience in Nyamurhale and shared details about achievements and challenges since the launch of the pilot.

2.0 CAPACITY OF KEY ACTORS STRENGTHENED

A primary goal of CBRMT is to strengthen the knowledge and capacity of local stakeholders working in artisanal supply chains for tin, tantalum, and tungsten (3Ts) and gold. By increasing awareness and capacity, CBRMT empowers local stakeholders to manage more responsible, efficient, effective, and transparent monitoring and certification systems for these minerals. CBRMT's capacity building approach utilizes targeted technical assistance, formal curriculum-based trainings, and mentoring and coaching.

2.1 TECHNICAL ASSISTANCE

CBRMT tailors the project's technical assistance to the specific needs of stakeholders. Examples include sharing sustainable technologies to increase the recovery of gold, improving the capacity of cooperatives to manage supply chains responsibly, resolving conflicts, and strengthening the capacity of government agents to conduct their work. Ongoing coaching and mentoring serve to consolidate skills gained from technical assistance and training, and help cooperative members and partners to address issues effectively as they arise.

2.1.1 PROVIDE TECHNICAL ASSISTANCE TO MINING COOPERATIVES, CIVIL SOCIETY, AND EXPORTERS/TRADERS ACTIVE AT CBRMT SUPPLY CHAINS

CBRMT provided extensive technical assistance to the *Coopérative Minière et Agricole de Ngweshe* (COOMIANGWE) regarding administrative and financial management of the mining equipment rental pool established in late April 2018. The provision of basic mining equipment at Nyamurhale is a key strategy to increase production and incentivize miners to participate in a legal and responsible gold supply chain (see Section 3.2.6).

CBRMT worked with the cooperative to ensure the democratic election of three members to manage and maintain the equipment. From March 29 to April 5, 2018, CBRMT provided technical assistance in equipment inventory and management, financial management, and planning for maintenance. The project delivered assistance using hands-on coaching and practical exercises in the field (see Photo 1). In addition, CBRMT organized a general meeting with the miners to explain the objective and functioning of the equipment rental pool.



Photo 1. Hands-on equipment management skill-building.

2.2 TRAINING

CBRMT has trained 2,353 people in total (including mining cooperative leaders and members, civil society actors, technical agents from the MoM, and provincial authorities) to date. This quarter the project trained 119 individuals (108 men and 11 women) in South Kivu, made up of the *Coopérative Minière et Agricole* (COMINAGRI) cooperative members, civil society representatives, and MoM officials, on the principles of due diligence, property rights, and conflict resolution.

2.2.1 TRAIN A MINIMUM OF 350 STAKEHOLDERS AT CBRMT SUPPLY CHAINS (TRAININGS WILL ALSO INTEGRATE SEXUAL AND GENDER-BASED VIOLENCE ISSUES INCLUDING BY UPDATING MODULES, WHERE APPROPRIATE)

Training

With the collaboration of the titleholder (Olive Group) and the South Kivu MoM, CBRMT trained 58 COMINAGRI cooperative members on the following topics:

- **Principles of Due Diligence:** Between April 17 and 19, CBRMT provided training to 58 COMINAGRI cooperative members (53 men and 5 women) on the principles of due diligence, including how to identify and mitigate risks associated with artisanal mineral exploitation. Feedback from trainees was very positive as they had not previously received any training on the concept of due diligence and their role in ensuring risks are prevented or mitigated on the mine site.
- **Conflict Resolution & Property Rights:** On April 20–21 in Kachuba and May 21–22 in Lemera, the project trained a total of 58 COMINAGRI members (52 men and 6 women) on property rights related to land and mining in the DRC and how to identify, analyze, and resolve the causes of conflicts at mine sites (many of which are directly related to tenure conflicts). The training incorporated practical examples of conflict observed at the mine sites and used stakeholder analysis and role-playing to identify the root sources of conflict and model negotiation and mediation skills.

CBRMT also met with the North Kivu *Division des Mines* and AlphaMin Bisie Mining (AMB) this quarter to plan trainings for *Cooperative Minière et Maendeleo* (COMIMA) and *Coopérative Minière des Creuseurs Artisansaux de Mpama Bisie* (COCABI), two Walikale cooperatives, on governance, planning, financial management, accountability, and transparency.

SPOTLIGHT: STRENGTHENING CONFLICT RESOLUTION SKILLS

Olive Group holds the legal title to both the Kachuba and Lemera sites. However, leaders and members of the mining cooperative were under the assumption that their customary rights superseded Olive's title. The titleholder negotiated directly with the customary authorities—and not the miners—for access. As a result, tensions emerged when the site was chosen for responsible sourcing and investments started coming in. CBRMT's training first clarified property rights in the context of ASM and the DRC and then worked directly with the miners and Olive to analyze the roots of these disputes and propose solutions.

Sexual and Gender-Based Violence Prevention and Mitigation

The project updated five training modules to integrate sexual and gender-based violence (SGBV) considerations. These include the modules on health safety and security, gender, due diligence, cooperative management, and labor. CBRMT Project Manager Jennifer Graham also designed and led a training of trainers session for five CBRMT staff and four BSP staff to increase awareness of SGBV and to agree on an approach for integrating its prevention and mitigation into activities. Key outcomes of the training were:

- Agreement to produce a list of referrals so CBRMT staff and BSP monitors can effectively refer victims, cooperatives members, and community members to the appropriate services; and

- Agreement on techniques for assuring SGBV is addressed in CBRMT training and activities where appropriate.

2.2.2 PROVIDE TARGETED TRAINING TO A MINIMUM OF 150 PERSONS IN ASM COMMUNITIES FOR ALTERNATIVE LIVELIHOOD INTERVENTIONS

CBRMT took key steps this quarter to prepare for the launch of livelihoods trainings. The project recruited a local livelihood consultant to design and co-lead trainings adapted to the specific needs and capacities of two mining cooperatives and a foundation in Walikale. CBRMT also developed a three-pronged strategy with ABM to support alternative livelihood projects adjacent to the ABM concession in Walikale as described below:

1. CBRMT will assess select alternative livelihoods activities currently underway by COMIMA and COCABI in cooperation with the tin exporters and ABM. These include: a) a motorized ferry to transport people and minerals across the Oso River; b) a water pump to wash minerals and increase efficiency on-site; and c) a toll road to collect revenue to maintain the road that provides access to the Kalay Boeing mine site (ensuring that local exporters invest in upgrading so that miners could get their materials to market more easily). Without maintenance, the road will fall apart and the investment would be wasted.
2. CBRMT will train local mining communities engaged in implementing livelihood projects funded by the Lova Alliance, a foundation established by AMB. Trainings will strengthen their existing livelihood activities, which include palm oil production, rice milling, carpentry, and support for small businesses.
3. CBRMT will strengthen the capacity of a management committee that will oversee the projects. The management committee is comprised of representatives from the North Kivu MoM, AMB, the cooperatives, civil society, and the local community.

These trainings will support AMB and the DRC MoM in their efforts to “optimize” the Kalay Boeing mine site that hosts a number of miners voluntarily relocated from the ABM concession in late 2017. CBRMT’s Training Coordinator and Livelihood Consultant will lead the trainings.

3.0 DUE DILIGENCE AND/OR TRACEABILITY SYSTEM FOR 3TS AND GOLD SCALED UP

A primary goal of CBRMT is to establish due diligence and traceability systems for gold and 3T mineral supply chains to increase the scale, credibility, and sustainability of conflict-free mineral supply chains to facilitate and attract responsible private sector investment to the region.

3.1 3TS

3.1.1 KACHUBA

The opening of a Level I¹ incident report by the International Tin Research Institute Tin Supply Chain Initiative (iTSCi) last quarter (regarding the presence of two Armed Forces of the DRC [FARDC] soldiers on-site) created enormous challenges for the supply chain this quarter. No associated materials can be exported while a Level I incident report is active. More than 23 metric tons of minerals tagged by BSP from Kachuba could not be exported from Bukavu as iTSCi refused to close the incident report. BSP convened several meetings with DRC mining authorities (including the *Comité Provincial de Suivi*, or CPS) to resolve and close the Level I incident report, to no avail.

BOX 1. DUE DILIGENCE MONITORING RESULTS: KACHUBA AND LEMERA, NOVEMBER 2017–JUNE 2018

- 545 miners interviewed
- 11 mine site reviews conducted
- Average monthly production: 19.6 tons
- Percentage of miners between 18 and 25 year of age: 31%
- Percentage of local households dependent upon artisanal mining for primary income: 83%

To ensure that operations at Kachuba were meeting Organization for Economic Co-operation and Development (OECD) due diligence requirements, BSP continued to provide due diligence monitoring in April and May (see Box 1). However, a series of subsequent events ultimately forced BSP to depart the site:

- *February 19*: iTSCi opens a Level I incident regarding the presence of two on-site FARDC soldiers in February 2018.
- *March 26*: Financial pressures on the trader (CJX) who was subsequently unable to export materials result in the company's temporary suspension of activities at Kachuba.
- *May 7*: FARDC soldiers withdraw from the area.
- *May 19*: COMINAGRI requests that BSP depart from the mine site to enable the cooperative to start traceability procedures under the iTSCi system.
- *May 25*: Raia Mutomboki, a Mai-Mai rebel group, attacks the Kachuba mine site. The attackers are turned back by the mining police and no deaths are reported.

¹ A Level I Incident is the highest level of incident and is based on Annex II of the OECD Due Diligence Guidance. These include presence of armed groups at a mine site or transportation route. Any open Level I incident prevents the export the associated materials until the incident is closed (see <https://www.oecd.org/corporate/mne/GuidanceEdition2.pdf>).

- *May 31*: The BSP monitor departs from Kachuba
- *June 6*: CJX indicates that it had little choice but to work with the cooperative under the iTSCi system in order to recoup losses, thus ending their collaboration with BSP at Kachuba.

CBRMT, in consultation with USAID, decided to remove the BSP monitor from the Kachuba site on May 31 given these events and the deteriorating security situation at the mine site. As described in Section 3.1.3, the 3T supply chain efforts were redirected.

3.1.2 LEMERA

Lemera is a tin mine site located in Uvira territory (South Kivu) comprised of three separate sites: Mugerero, Kigunga, and Musholo. In early 2018, approximately 200 miners were producing between 490 and 750 kilograms of tin per week from Lemera. COMINAGRI, the same cooperative operating at Kachuba, manages these sites. BSP initiated due diligence monitoring at Lemera on February 5, 2018. BSP continued to conduct due diligence monitoring this quarter at Lemera but was never able to initiate traceability owing to iTSCi's incident alert at Kachuba. Further, there was a massive exodus of miners from the site to a nearby and more productive site. The frequency of Mai-Mai incursions in the area also raised serious security concerns and potentially OECD Annex II risks to the supply chain. Finally, given that Lemera shared the same cooperative and trader (COMANAGRI and CJX), the team decided to suspend BSP's activities at Lemera at the same time as those in Kachuba.

3.1.3 WALIKALE-ABM

As previously noted, this quarter was marked by increased engagement in Walikale in North Kivu. Beyond the coordination of livelihoods and capacity-building activities with ABM, CBRMT is now monitoring the Kalay Boeing 3T supply chain. The site was proposed for the initial launch of BSP in the area given its significant production volumes, security, and relative accessibility.

In May and June, CBRMT organized several meetings with AMB, the North Kivu MoM, the Chamber of Commerce, and several exporters operating at Kalay Boeing to discuss the further deployment of BSP. The meetings focused on the cost-competitiveness of the BSP system, greater transparency, and real-time access to monitoring data. The group also discussed the ability to tailor the due diligence system to support exporter compliance with the U.S. Dodd-Frank Act and European Union conflict minerals regulations.

On June 14, BSP trained and deployed a full-time monitor to Kalay Boeing. CBRMT will display data collected via the project's online dashboard and make the information available to various partners to monitor the site. Due to internet connection issues and the remote location of the site, it was agreed that the monitor will upload data once a week from the AlphaMin office in Logu, where he can connect to the internet.

On June 28, the monitor uploaded the first dataset including census data based on 52 interviews with miners and 4 incident reports. These were uploaded to the updated Walikale online dashboard. Next steps include a baseline supply chain evaluation, conducting ongoing due diligence and monitoring, signing commercial agreements with local exporters and a smelter, and initiating traceability. In addition to engaging with

BOX 2. 3T MILESTONES AT WALIKALE

- *November 2017*: CBRMT conducts initial monitoring at Walikale.
- *February 2018*: VIP downstream delegation (e.g., RMI and Google) visits Walikale.
- *March 2018*: Joint mission qualifies 15 sites.
- *April–May 2018*: Presentations and meetings with key stakeholders outline advantages of BSP.
- *June 2018*: A full-time BSP monitor is deployed at Kalay Boeing.

AlphaMin, BSP on June 22 submitted a proposal to another potential donor via Responsible Trade LLC for further financial support to BSP's Walikale project.

It should be noted that Kalay Boeing is currently covered by the iTSCi traceability system. However, several local exporters are willing to switch systems if BSP can provide a more cost-efficient and transparent system. Support from exporters and the North Kivu MoM will be essential to the success of BSP at this site.

Rubaya-Masisi / SMB

BSP engaged with the CEO of SMB, at the OECD Forum in Paris on possible collaboration at Rubaya. SMB is the largest coltan exporter in DRC with annual exports averaging 900-1,000 tons per year. It was related to BSP that SMB had concerns with regards to the illegal smuggling of materials out of the Rubaya site, enabled by the paper-based nature of the iTSCi system. Furthermore, SMB is facing serious challenges in its relationship with the main cooperative at Rubaya – COOPERAMA – which led to SMB's suspension of activities at Rubaya in early May 2018 in response to violent incidents and civil unrest occurring at the site.

BSP has made several presentations to SMB management about the advantages of its digital traceability and monitoring tools, and completed a baseline assessment site visit in Rubaya from June 11-13. SMB is currently discussing internally how to proceed and negotiate a transition from iTSCi to BSP.

3.2 GOLD

Key milestones in support of gold this quarter include:

- The first sale of fully traced, conflict-free gold from the Nyamurhale pilot site in South Kivu to the exporter Fair Congo (see Snapshot);
- A successful qualification mission for the neighboring gold site Kamisisi;
- A signed contract between Fair Congo and downstream partners to provide inventory financing;
- Submission of ZEA designation for Nyamurhale and Kamisisi sites; and
- Planning for an official evaluation of the *Initiative de Traçabilité de l'Or d'Exploitation Artisanale* (ITOA) traceability system.

An Artisanal Gold Supply Chain Specialist is consulting with CBRMT (in close cooperation with the Eastern Congo Coordinator and BSP) to strengthen the due diligence and traceability systems for Nyamurhale. The team made improvements to the dashboard and reviewed, cleaned up, and structured traceability data. The Gold Supply Chain Specialist is now helping to design a strategy for the gold and site management at Nyamurhale and advising on a Kamisisi strategy. Finally, she assisted with the negotiations for the first gold sale.

3.2.1 TRACEABILITY SYSTEMS

CBRMT continues to deploy two traceability systems at Nyamurhale: (1) the GeoTraceability system that provides real-time recording and transmission of data using a smartphone and tamper-proof bag; and (2) ITOA, the DRC's traceability system that is paper based and uses a tamper-proof bag. With the first sale of gold this quarter (274.25 grams), a total of 145 traceability transactions were recorded, demonstrating it is possible to trace conflict-free gold in South Kivu from the mine site to the point of export. Nyamurhale is the first pilot site for ITOA, and the functioning of the two systems in parallel has produced encouraging results and lessons learned. The pairing of ITOA with another system has

revealed valuable technical lessons about data collection, transmission, and aggregating processes, while also demonstrating that the system is flexible enough to work effectively with others. Two examples include:

- **Improved efficiency.** The number of bags used is largely a function of the small quantities of gold sold to the cooperatives by individuals. Because each system has its own bags, the 280 metric grams of gold recently sold to Fair Congo required 136 separate tamper-proof bags. To reduce this number, CBRMT modified the procedure to capture the cooperative’s daily production by pit rather than by individual. The result is a reduction of four bags per transaction while still preserving the credibility of the gold’s origin and chain of custody.
- **Improved coordination.** A key challenge remains the unwillingness of the cooperative and Government of the DRC to pay staff regularly to have them on-site every day. This has serious consequences for traceability and the regular purchase of gold. The project reached an agreement with agents to be available daily between 2PM to 4PM (allowing agents to use their remaining time for other duties). It is hoped the agreement reached regarding their consistent presence on-site for those two-hour blocks will help to address this issue.

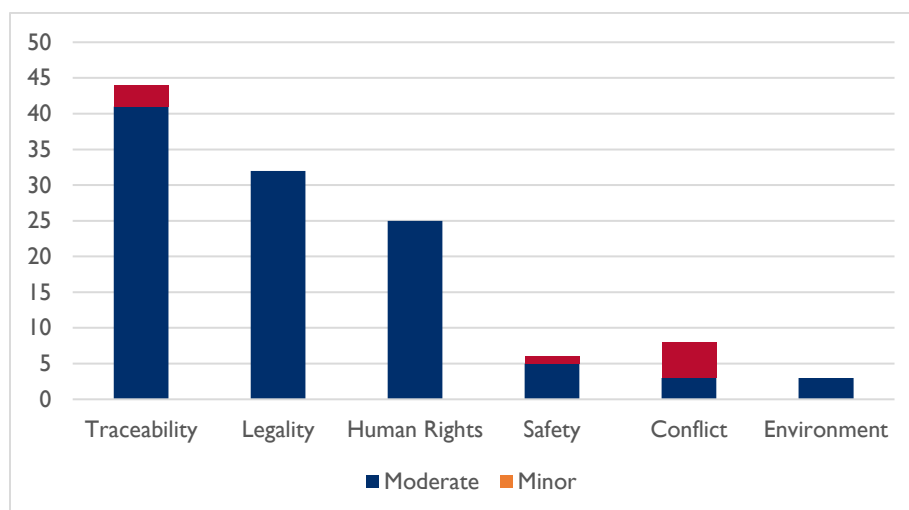
While these signs of progress are encouraging, a number of challenges remain. These include applying procedures correctly, transmitting paper-based data to Bukavu on a timely basis, and achieving efficiencies. The CEEC intends to undertake an evaluation of its ITOA system next quarter. CBRMT has prepared joint terms of reference, schedule, and budget for this evaluation and has coordinated with the South Kivu CPS to ensure their involvement.

3.2.2 DUE DILIGENCE MONITORING

CBRMT continues to conduct regular due diligence at Nyamurhale, including providing a full-time monitor to record, register, and mitigate incidents in real time and upload the data collected to an online dashboard (http://bit.ly/Better_Gold; password available upon request).

The project has recorded a total of 118 incidents since January 2017, none of which have been classified as major (see Figure 1 below).

FIGURE 1: INCIDENT SUMMARY – NYAMHURALE, JANUARY 2017–JUNE 2018



The most frequent type of incident recorded (37%) are those associated with traceability. These primarily involve the lack of an on-site traceability agent from the cooperative to tag errors and data discrepancies. Legality is the second most frequently recorded incident category. This includes mineral theft by one miner from another and illegal or irregular taxation by traditional and/or state authorities.

This quarter also saw an uptick in the number of incidents related to children under 16 present at the mine site (recorded as human rights incidents). This may in part be due to school holidays during which it is common for children to come to the mine site in search of money. Children were most frequently observed at the washing station where they voluntarily came in the afternoon to earn additional money

BOX 3. PROFILE OF A GOLD MINER AT NYAMURHALE

- Male, between 26 and 40 years old
- Earns \$67/month
- Works 5.8 days a week
- Lives in a family of 4–6 people
- Completed only primary school
- Is the primary income earner for the family

either for school fees or cash for their families. No children were observed working on the mine pits or transporting minerals. CBRMT met with the *Division de Mines* and the principal of the local primary school to address the matter, who then convened an awareness-raising session to reinforce a zero-tolerance policy of children on the mine site.

Due diligence also includes the collection of development indicators to monitor the related socio-economic and demographic impacts and changes at the mine site. Box 3 provides a snapshot of some of this data. Fair Congo has indicated that this type of data helps tell a story about the miners,

an important element for responsible sourcing programs. From a livelihoods perspective, it should be noted that other sources of income earned by miners and/or their families include agriculture (55.2%) and small business (27%). Twenty-three percent of miners subsist on mining alone, and no miners or their families have recorded any savings. This socio-economic data can also serve to monitor possible changes to livelihoods over time.

3.2.3 FIRST SALE

This quarter marked the first purchase of conflict-free gold from Nyamurhale by Fair Congo. The company purchased a total of 274.25 grams for \$9,800 (see Photo 2). CBRMT and its partners were able to confirm the origin and date of production for each gram of gold contained in this transaction, proving the functionality of the traceability system from the pit to the point of export. Due diligence data was also transmitted by BSP to the exporter, providing downstream buyers with not only information on the gold’s provenance but also on any incidents recorded on-site and the mitigation measures taken. This purchase marks a major milestone for the Nyamurhale pilot, and represents the first sale of traced conflict-free gold from South Kivu Province.



Photo 2. First purchase of 274 grams of gold at the Fair Congo office in Bukavu, DRC.

Notwithstanding the importance of this event, the transaction required two weeks of negotiation and mediation by both CBRMT and the CEEC provincial director

to reach agreement on the principles underlying the calculation of the price. In brief, the cooperative overpaid given the purity of the gold purchased on-site and then later refused to accept anything less than the international spot price for 100 percent purity. (The average purity of Nyamurhale's gold is 81 percent.) In addition, the cooperative insisted that they be reimbursed for expenses incurred in assigning staff to oversee the supply chain, including per diems and transport for more than 15 persons. Likewise, Fair Congo had to wait five months to receive downstream funding (due to concerns about risks on the part of Richline and Asahi), resulting in significant delays in inventory financing to the cooperative.

While the cooperative and Fair Congo finally reached an agreement on this sale, no memorandum of understanding (MOU) has been signed for future purchases, nor is there an agreement on how the exporter will provide future inventory financing (e.g., small amounts of cash to the cooperative that are repaid in gold). As a result, informal buyers continue to take advantage of the situation on-site by offering a higher price for gold than the cooperative (see Section 3.2.4), resulting in a significant loss of conflict-free gold for the supply chain. In view of this, CBRMT is preparing a set of purchase and sale scenarios that consider pre-financing, purchase price, purity of gold, and incorporation of managers in the supply chain. The project will present these scenarios to both parties with the aim of signing an MOU for future purchases.

3.2.4 PRODUCTION

Nyamurhale is estimated to be capable of producing up to 200 metric grams of gold per week, with an average purity of between 75 and 80 percent. At present, however, CBRMT estimates the cooperative and Fair Congo are only capturing a maximum of 10 percent of the gold produced on-site. There are several reasons for this loss. First, informal actors (known as managers) purchase directly from the miners for above the international market price. The gold is then re-sold at an informal market five kilometers away for \$2 more per gram than what the cooperative is offering. Informal actors can afford to pay these high prices because they use traditional methods of weighing gold, which disadvantages the miners by roughly two to five percent on weight, none of the gold is legally declared or taxed, and the metal is mixed with other sources with a higher purity.

Second, the cooperative currently charges a 30 percent tax on any sale of more than one gram. Miners see little benefit from this tax and thus choose to sell their gold to informal actors on-site. CBRMT has worked for months to convince the cooperative to: a) reduce their 30 percent tax and/or demonstrate the value of the tax to miners; and b) formalize several of the managers on-site as buyers for the cooperative. The cooperative's coordinator has categorically refused both suggestions.

Third, questions and concerns from downstream risk management and legal teams resulted in extensive delays in providing inventory financing to Fair Congo. This in turn prevented Fair Congo from purchasing gold on-site, and the cooperative's cash reserves were subsequently depleted. As a result, the cooperative was forced to sell some traced gold to another Bukavu-based gold trader.

It is far more preferable to have "clean" gold enter the informal supply chain than the inverse; however, the current situation is not commercially viable for a responsible exporter such as Fair Congo. To remain economically viable, the supply chain must pay at least ten percent over the London Bullion Market Association (LBMA) spot price to compete with the informal market *and* provide regular pre-financing to the cooperative to fund the daily purchase of gold on-site. As referenced in Section 3.2.3, CBRMT will create a set of purchase and sale scenarios that take these considerations into account.

3.2.5 FORMALIZATION

CBRMT made progress toward formalizing a set of alluvial mining sites known as Kamisisi that are adjacent to Nyamurhale. After organizing an informal visit to the area for International Organization for

Migration (IOM) staff in April, the project organized a full qualification mission to Kamisisi on May 24 under the leadership of IOM and the CPS. The qualification report was sent by IOM to Kinshasa for validation by the DRC Minister of Mines in June and awaits his signature. In addition, the formal application to designate Nyamurhale as a ZEA was launched this quarter by the cooperative COOMIANGWE, and is waiting the signature of the national Minister of Mines. The ZEA designation includes both Nyamurhale and Kamisisi and will provide greater land tenure security for cooperatives and miners.

CBRMT also conducted a baseline study of Kamisisi this quarter that revealed the site currently produces a minimum of 10 grams per week of 97-percent-pure gold with more areas being opened. The gold is sold to managers who then resell the material at a nearby informal market for above the LBMA spot price. The majority of the on-site diggers are members of COOMIANGWE and are supportive of producing and selling responsible gold.

3.2.6 EQUIPMENT RENTAL POOL

CBRMT continued to provide training and technical support to the equipment rental pool at Nyamurhale this quarter. The cooperative collected a total of \$150.06 from rentals during this time period, 60 percent of which was used for maintenance and 40 percent to pay the rental pool staff. Miners were willing to pay right away for mechanized equipment such as motor pumps and air compressors. However, miners tended to rent smaller equipment such as shovels and hammers on credit and for a short period of time. If the rental pool is to be sustainable, income will need to be derived from larger mechanized equipment, currently being rented for far less than the market rate. CBRMT also observed a much lower than expected use of the rental pool, which the field team attributes to the short duration of the rental (one day or one week), the misperception that equipment would be given for free, and the misunderstanding that the equipment belongs to the cooperative and not the miners themselves. After consulting with miners and pit chiefs, the group agreed that a one-month rental period is needed to enable miners to pay back the rental fees and other debts incurred. Another proposed solution is to offer a monthly membership fee rather than daily rentals.

A key lesson learned highlighted by this issue is the need to build greater trust between the miners and the mining cooperative, COOMIANGWE. Most miners view the cooperative as a structure imposed by the law, managed by the local traditional authorities (*chefferies*), and providing little benefit to them personally. As a result, there is little trust or confidence in the cooperative, and many suspect the rental pool is a means to enrich the cooperative. Until miners feel the cooperative—and the equipment rental pool by extension—represents their interests, technical interventions such as the rental pool will continue to struggle.

3.2.7 EXPLORE ADDITIONAL SITES FOR SCALING-UP

There is a critical need to identify artisanal mine sites where future responsible gold supply chains can be established post-CBRMT. This quarter, CBRMT completed a competitive proposal process to identify a company to conduct this research. The project selected the Belgian-based organization International Peace Information Service (IPIS) in part owing to their extensive experience conducting research on artisanal mining in the DRC and their mapping skills and resources. IPIS will conduct research starting in South Kivu to identify and rank at least ten possible mining areas where future responsible gold

BOX 4. SITE SELECTION CRITERIA

- Security
- Accessibility
- Mine site status
- Scope of mine production
- State oversight and interference
- Cooperatives
- Civil society organizations
- Health and safety

supply chains can be established. Research may be expanded to Maniema Province should there not be a sufficient number of sites in South Kivu.

In June, IPIS developed a methodology and site selection criteria for the study (see Box 4) and trained two field researchers who will deploy in early July. The research will begin in Shabunda at Matili, Katchungu, and Mapimo. A second field mission will take place in Nyawaronga (Kalehe Territory), Kaziba (Walungu), and Mukera (Fizi). CBRMT will share the final report with USAID and partners, including IMPACT, Fair Congo, BGR, and the DRC MoM.

4.0 OUTREACH AND COMMUNICATIONS

CBRMT's outreach and communication activities aim to leverage partnerships with key actors to increase investment and awareness of responsible sourcing opportunities in the DRC, sharing information and lessons learned across stakeholders, and harmonizing donor efforts in the mineral sector.

4.1 SUPPORT THE TECHNICAL AND FINANCIAL PARTNERS FOR THE MINING SECTOR

The *Partenaires Techniques et Financiers* (Technical and Donor Working Group on Mines and Hydrocarbons, or PTF) convened a meeting on April 26 to review and finalize a matrix of donor activities that CBRMT developed per the request of the Minister of Mines. The matrix aims to harmonize donor activities and align them with the DRC's mining objectives for 2018. At a second meeting on May 15, the Minister of Mines requested that PTF submit a technical and financial report of respective donor activities in the mining sector every six months. It was agreed that a joint task force (PTF/CBRMT/MoM) will design a reporting template to be used by PTF in the future for this purpose.

USAID also announced this quarter that it will be handing over its role as Secretariat of the PTF to another donor. CBRMT will ensure a smooth transition to the new Secretariat by sharing the membership contact list, previous meeting minutes, and technical documents, including the donor activity matrix mentioned above.

4.2 PRODUCE A VIRTUAL REALITY FILM

In collaboration with Google and the Responsible Artisanal Gold Solutions (RAGS) Forum, CBRMT premiered a six-minute virtual reality film entitled "Journey of Gold" at the OECD Forum in April. A total of 54 people screened the film at OECD, including several senior officials from the United Nations, the OECD, and DRC MoM and numerous private sector representatives. The project also showed the film in Washington, DC, to over 40 USAID staff, including the Agency's Administrator and the Deputy Administrator and Strategic Communications Officer from the USAID/Africa Bureau.

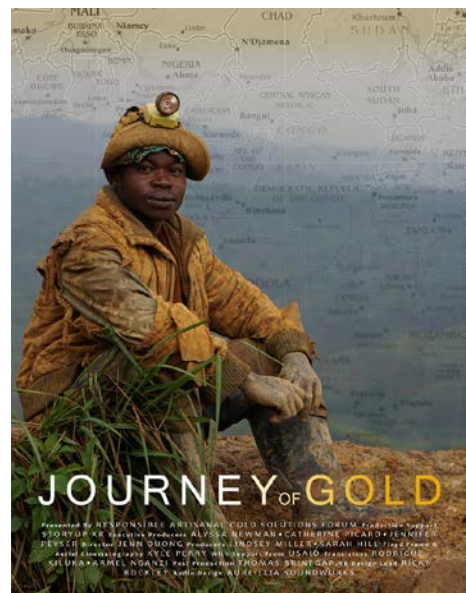


Photo 3. Official "Journey of Gold" poster.

Through the medium of virtual reality, the film takes viewers directly into the Nyamurhale gold mine site to witness how gold is produced and to hear directly from stakeholders about their experiences and hopes for the mine site. The film demonstrates that it is possible to source gold responsibly from the DRC. An online social action kit accompanied the film to provide additional resources for companies and consumers interested in responsible sourcing.² After the premiere at the OECD Forum, the film toured several film festivals in May and June including the Mountain Film Festival in Telluride, Colorado, and the Swedish VR Sci-Fest, where it was awarded a laurel.

² <http://www.journeyofgold.org/>

The film was also translated into French this quarter, and will be made available for private screenings in the DRC next quarter. Finally, the film is under review by the Discovery Channel for distribution on their virtual reality channel.

4.3 PRODUCE A SHORT FILM HIGHLIGHTING THE OBJECTIVES, ACHIEVEMENTS, AND CHALLENGES OF THE RESPONSIBLE MINERALS TRADE PORTFOLIO

Finalizing a competitive proposal process this quarter, CMBRT selected the company What Took You So Long (<https://www.whattookyousoalong.org/>) to shoot and produce a “capstone” film about USAID’s RMT portfolio. The film will tell the story and accomplishments of USAID’s RMT portfolio from 2014 through 2018, and will highlight the IOM’s work on mine site qualification, positive impacts in the 3T and gold sectors, the impact of capacity building, and the role of the private sector.

The current proposal is to divide the film into three different chapters, each following a main character, and utilizing well-paced, engaging filming style to ensure continuity and audience retention. This structure will provide USAID with a complete 8-10 minute film, as well as the ability to export individual vignettes for social media or other purposes. CBRMT will gather footage for the film in late July/August 2018, likely to include a combination of interviews with key stakeholders and images from mine sites in eastern DRC.

4.4 MAINTAIN REGULAR COMMUNICATIONS AND COORDINATION TO PROMOTE A RESPONSIBLE MINERALS TRADE IN THE REGION

4.4.1 FORUMS

Informal Working Group on ASM Gold. CBRMT convened a second working group meeting for ASM gold on May 22 to share updates and lessons learned among organizations working on responsible artisanal gold supply chains in the DRC. Participants included BGR, BSP, IPIS, IMPACT, and IOM. The meeting focused especially on the challenges faced by the exporter Fair Congo including taxation, transport, security, and access to sufficient volumes of traced, conflict-free gold.

Responsible Artisanal Gold Solutions Forum. The RAGS Forum convened an open meeting on April 20 following the OECD Forum. Thirty-three participants attended the meeting that focused on a presentation of a Year 2 Lessons Learned white paper, drafted by Resolve and CBRMT.³ Participants included representatives from Apple, Fair Congo, Google, Enough, LBMA, Richline, Signet Jewelry, USAID, and the U.S. State Department. The meeting presented key lessons from Year 2 (2017–2018) including building the business case for cooperatives, cultivating responsible exporters and viable financial models, balancing the risk equation for downstream companies, and building momentum and bridging gaps to bring supply chains to scale.

Resolve also convened two conference calls of the Virtual Reality Sub-Committee this quarter (in April and May). These focused on finalizing the online action kit, upcoming screenings, and distribution plans for the film.

At CBRMT’s request, Resolve made several updates to the RAGS website, including: a) adding a “Resources” page that includes the overview document, lessons learned from Years 1 and 2, and the action kit; b) updating the Nyamurhale pilot page with the fact sheet and action kit; and; c) updating membership list and photos.

³ <http://solutions-network.org/site-ragsforum/files/2018/04/RAGS-Forum-Year-2-Lessons-Learned-12-April-Discussion-Draft1.pdf>

4.4.2 PARTNERS

In addition to these forums for collaboration, CBRMT maintained regular communication and coordination with the following partners in the DRC and internationally this quarter to promote a responsible minerals trade in the region:

AlphaMin Bisie (ABM). ABM is a joint venture of American, South African, and DRC investors building the largest industrial tin mine in Africa in Walikale, North Kivu. CBRMT held numerous meetings with AMB this quarter to discuss training and capacity-building opportunities (see Section 2.2.2) as well the launch of BSP due diligence and traceability systems at Kalay Boeing (see Section 3.1.3).

Congo Power. Congo Power is a consortium of Peace Ventures, Off Grid Box, and Google focused on providing affordable electricity and clean drinking water for mining communities using renewable energy. This quarter CBRMT joined Congo Power in conducting a baseline assessment on the feasibility and economic viability of setting up an OffGridBox™ system to provide drinking water, electricity, and Wi-Fi access to the local population surrounding the Nyamurhale mine site. The team interviewed a total of 33 persons in addition to several focus groups in the villages of Ninji, Karambama, and Nyamurhale. In addition, the group took six water samples from the water points used by the communities surrounding the Nyamurhale site to determine the quality of the water. Results indicate there is a demand and willingness to pay for electricity to charge cell phones and other small appliances, but not necessarily for potable drinking water. The team concluded that Congo Power should collect additional information from Nyamurhale before launching a pilot, including meeting the local water committee and other authorities.

Fair Congo. CBRMT continues to collaborate closely with Fair Congo to export legal gold from Nyamurhale. CBRMT hosts weekly meetings with Fair Congo to share information and resolve issues, and convenes regular meetings between Fair Congo and the COOMIANGWE mining cooperative.

Google. CBRMT worked closely with Google this quarter on the French translation of the virtual reality film and the communication and distribution strategy for it (see Section 4.2). CBRMT also provided technical feedback to Google on several funding proposals the company was considering in support of responsible sourcing in the DRC.

International Organization on Migration (IOM). CBRMT and IOM continue to collaborate regularly to support mine site qualification missions (including confirming mine site titles and generating maps) and share information related to fraud, smuggling, and the presence of armed groups at mine sites. Activities this quarter included the qualification mission to Kamisisi (see Section 3.2.5) and information-sharing related to the iTSCi alerts at Kachuba (see Section 3.1.1).

Responsible Minerals Initiative (RMI). On June 4 CBRMT presented the Nyamurhale pilot project to more than 40 members of RMI. The presentation focused on the objectives, accomplishments, and lessons learned from Nyamurhale and was very well received. The project shared a copy of the PowerPoint presentation with RMI members. In addition, CBRMT spoke directly with RMI to discuss what can be done to advance the resolution of open iTSCi incidents. Proposed solutions included inquiring directly about the latest status of the incidents directly from iTSCi and Pact, the implementation of agreed-upon framework for alignment and notices on incidents, and the use of the iTSCi ombudsman. RMI is planning to send a letter to iTSCi and relevant stakeholders that will address issues observed during their last visit and ask for clarifying information.

It should be noted that the PTF meetings formerly convened by USAID through CBRMT will shift to the leadership of another donor. USAID is in the process of identifying a donor to assume this role beginning in July 2018.

5.0 MANAGEMENT AND OPERATIONS

5.1 STAFFING AND OFFICES

CBRMT has a total of 12 full-time staff: one staff member in Kinshasa, eight staff members in Goma, one staff member in Bukavu, and two staff members in Walungu. (This does not include support from the home office in Burlington, VT, and Washington, DC.)

Home Office (Washington, DC, and Burlington, VT)

Project Manager Jennifer Graham is based in Washington, DC, and Deputy Project Manager Laura Gallup is based in Burlington, Vermont.

Kinshasa Office

DCOP Technical Josee Ongotto continues to work from Kinshasa where she meets regularly with officials from the MoM, USAID, and other partners to ensure the smooth implementation of CBRMT activities. She also facilitated regular meetings of the PTF and served as CBRMT's ICGLR Focal Point.

Goma Office

Chief of Party (COP) Catherine Picard is based in Goma along with Louis Pascal Sambou (DCOP Administration and Finance), Linca Tuyisenge (Accountant), Armel Nganzi (Eastern Congo Coordinator), Accel Kashinzi Nguma (Logistician and Procurement Officer), Polycarpe Kumasamba (Training Coordinator), Roselyne Ndoole (Bookkeeper), and Jonathan Itegwa (Monitoring and Evaluation [M&E] Specialist).

Bukavu and Walungu

Three CBRMT staff members based in Bukavu and Walungu undertake field-based activities in the gold mine sites. These staff members are Rodrigue Kiluka (Gold Project Coordinator), Olivier Naburacha Anganze (Finance and Administration Manager), and Bernard Bisimwa Kajangu (Field Agent).

Table I contains all home office and in-country project staff names and contact information.

TABLE I: CBRMT STAFFING

Name	Position (Location)	Phone	Business Email
Catherine Picard	Chief of Party (Goma)		
The Jennifer Graham	Project Manager (Washington, DC)		
Laura Gallup	Deputy Project Manager (Burlington, VT)		
Louis Pascale Sambou	DCOP Administration and Finance (Goma)		
Josee Ongotto	DCOP Technical (Kinshasa)		
Linca Tuyisenge	Accountant (Goma)		
Armel Nganzi	Eastern Congo Coordinator (Goma)		
Accel Kashinzi Nguma	Logistician and Procurement Officer (Goma)		
Polycarpe Kumasamba	Training Coordinator (Goma)		

Name	Position (Location)	Phone	Business Email
Roselyne Ndoole	Bookkeeper (Goma)		
Jonathan Itegwa	M&E Specialist (Goma)		
Rodrigue Kiluka	Gold Project Coordinator (Bukavu)		
Bernard Bisimwa Kajangu	Field Agent (Walungu)		
Olivier Naburacha Aganze	Finance and Administration Officer (Walungu)		

5.2 SUBCONTRACTOR MANAGEMENT AND OPERATIONAL UPDATES

OPTEL Group purchased GeoTraceability in early 2018. CBRMT has held several discussions with the group and BSP to ensure continuity of service delivery through the life of the project.

5.3 SECURITY

CBRMT is designed to maintain flexibility in the project office, staffing arrangements, and activity planning to account for changing security conditions while ensuring program operations in the safest and most cost-efficient manner possible. The project's security plan includes evacuation services and renewal of multiple entry visas to ensure all expatriate and third-country-national staff can leave (and return to) the DRC as necessary. At all times, Tetra Tech has kept lines of communication with USAID open to share security information and coordinate adjustments to activity planning as needed.

Tetra Tech recently established an Ebola Task Force to monitor and evaluate the Ebola situation in the DRC. Members of the task force include Project Manager Jennifer Graham, COP Catherine Picard, and several other Tetra Tech home office staff members.

5.4 ACCOUNTING

The project submitted the FY18 Q3 Accruals Report to USAID on June 11, 2018. CBRMT's cumulative costs incurred as of June 4, 2018, were \$12,205,837, which amounts to 83 percent spent of the obligated amount of \$14,757,811.00.

5.5 MONITORING AND EVALUATION

M&E Specialist Jonathan Itegwa is designing an internal assessment of CBRMT. He is drafting questionnaires to document lessons learned for each of the project's component. The team will share lessons learned during the CBRMT closing workshop and in the final report. Preparations were also made to conduct an internal data quality assessment starting in July 2018.

Annex A contains progress made toward achieving CBRMT's contractual deliverables. Annex B provides updated performance milestone indicators.

ANNEX A: DELIVERABLES

CONTRACT DELIVERABLES	STATUS
IRI.1 Legal & Policy Framework	
Workshop on Advancing Responsible Artisanal Gold (organized in collaboration with donors and civil society)	Rescheduled for September 2018
Synthesis Report from Advancing Responsible Artisanal Gold, including recommendations to improve the formalization, management, and transparency of the artisanal mining sector (in English and French)	Completed
IRI.2 Capacity of Key Actors in Conflict-Free Minerals Supply Chain Developed	
Provide technical assistance on as-needed basis to exporters, mining cooperatives, and civil society active at CBRMT supply chains regarding: 1) organizational structures of a cooperative; 2) basic administrative, financial, and management skills; 3) technical and operational skills; 4) environment, health, and safety concerns; and 5) labor rights, benefit sharing, financing, and decision-making.	Completed; progress updates included in quarterly reports.
Provide targeted training (using existing 20 training modules) to a minimum of 350 stakeholders in CBRMT-supported 3T and gold supply chains. Trainings will also integrate sexual and gender-based violence issues including by updating modules, where appropriate.	Completed; progress updates included in quarterly reports.
Identify and provide targeted training to a minimum of 150 persons in ASM communities to prepare beneficiaries for the implementation of planned alternative livelihood interventions, including women's organizations (25% of beneficiaries must be women).	Progress updates included in quarterly reports.
IR 1.3 Continue to Scale-up Traceability and/or Due Diligence Systems for 3Ts and Gold	
Establish a responsible, conflict-free artisanal gold supply chain(s) from DRC, including by implementing due diligence and/or traceability on-site. Additional supply chains can be supported as time and resources allow.	Completed; progress updates included in quarterly reports.
Implementation plan for responsible, conflict-free artisanal gold supply chain(s)	Completed
Support the Better Sourcing Program (BSP) to establish due diligence and/or traceability at three (3) supply chains, at least one of which should be gold.	Completed; progress updates included in quarterly reports.
IR 1.4 Outreach and Communications	
Produce a short film highlighting the objectives, achievements, and challenges of the responsible minerals trade portfolio.	September 2018
Maintain regular communications and coordination to promote a responsible minerals trade in the region including with the GDRC, OECD, international civil society, private sector actors, and other implementing partners.	Progress updates included in quarterly reports.
PTF Meeting Minutes (due one week after each PTF meeting)	Submitted to date
Project and Annual Work Plan, Quarterly Reports, and Financial Reports	
Project Work Plan	Completed
Quarterly Technical Reports (*per STARR IDIQ, the July–September Quarterly Report will serve as the Annual Progress Report, so it shall be no longer than 20 pages, excluding annexes)	Completed to date
Quarterly Financial Reports	Completed to date
Revised Work Plan for Year 2	Completed

ANNEX B: QUARTERLY PERFORMANCE (APRIL–JUNE 2018)

PROJECT INDICATORS	APR–JUN 2018	LIFE OF PROJECT TARGET	LIFE OF PROJECT ACTUAL	NOTES
Indicator 1.1 Legal and regulatory reforms proposed or implemented: The number of specific pieces of legislation or implementing regulations affecting resource rights of the urban and rural poor adopted by the country attributable to USAID support	2	5	7	1. The revised mining code was published on March 28, 2018, via a special edition of the <i>Journal Officiel</i> . 2. CBRMT sent new inputs to the Mining Code revision commission for the upcoming artisanal mining regulation.
Indicator 1.2 Number of IMCA investigations completed and report provided	0	1	0	CBRMT is still waiting for the IMCA investigation report completed in April 2017. The project sent the ICGLR three follow-up emails this quarter, to no avail.
Indicator 2.1 Stakeholders trained: The number of public officials, traditional authorities, project beneficiaries, and representatives of the private sector receiving formal on-the-job land training or technical assistance regarding registration, surveying, conflict resolution, land allocation, land use planning, land legislation, land management, or new technologies (<i>disaggregated by CBRMT component, sex, location, age [cohort], community/traditional leaders, and position with the mining supply chain</i>)	119	2,150	2,353	<i>Due Diligence Training:</i> 25 people (21 men, 4 women) on April 17, 2018, in Kachuba, and 33 people (32 men, 1 woman) on April 18, 2018, in Lemera. <i>Conflict Resolution and Property Rights Training:</i> 28 people (23 men, 5 women) on April 20, 2018, in Kachuba, and 30 people (29 men, 1 woman) on May 21, 2018, in Lemera. <i>Equipment Rental Pool Training:</i> In Nyamurhale, March 30–April 5, 2018 (3 persons)
Indicator 2.2 Number of people attending USG-assisted facilitated events geared toward strengthening understanding and awareness of resource rights and resource governance-related issues	10	697	813	1 meeting to discuss resource management at Kalay Boeing in Walikale.

PROJECT INDICATORS	APR–JUN 2018	LIFE OF PROJECT TARGET	LIFE OF PROJECT ACTUAL	NOTES
Indicator 3.1 Number of gold supply chains implementing due diligence and/or traceability	1	1	1	Nyamurhale supply chain
Indicator 3.2 Number of miners participating in CBRMT gold scaling-up and piloting process (<i>location AND sex of miners</i>)	263	388	263	
Indicator 3.3 Number of 3T supply chains implementing due diligence and/or traceability	2	2	5	Lemera and Kachuba
Indicator 3.4 Number of miners participating in CBRMT 3Ts scaling-up and piloting process (<i>location AND sex of miners</i>)	0	5,700	5,059	
Indicator 4.1 Number of activities (meetings and workshops) geared toward strengthening coordination and communication on resource rights and resource governance-related issues organized with support of the CBRMT project ⁴	4	27	34	1 PTF Meeting, May 15, 2018 1 RAGS Forum, April 20, 2018 1 Informal Working Group on ASM Gold, May 22, 2018 1 meeting to discuss resource management at Kalay Boeing in Walikale

⁴ Language of indicator was previously “Number of meetings/workshops convened or supported by CBRMT to facilitate information sharing, coordination, sharing best practices in support of establishing a responsible minerals trade.”

ANNEX C. SNAPSHOT



USAID
FROM THE AMERICAN PEOPLE

DEMOCRATIC REPUBLIC OF THE CONGO

SNAPSHOT

A WOMEN-LED COOPERATIVE SELLS RESPONSIBLE GOLD TO FAIR CONGO



PHOTO CREDIT: CHAMBERS

Fair Congo and the COOMIANGWE Cooperative process the first gold sale.

“Fair Congo shows that women can lead the way in this great market change.”

—Fair Congo founder and impact investor, Matthew Chambers

COOMIANGWE, a women-led gold mining cooperative in South Kivu, Democratic Republic of the Congo (DRC), completed its first sale of fully traced artisanal gold in June 2018 to Fair Congo, an initiative funded by the U.S. impact investment firm the Chambers Federation. This is the first sale of responsible gold within the DRC under the country’s national traceability program, the *Initiative de Traçabilité de l’Or d’Exploitation Artisanale* (ITOA), and the Better Sourcing Program (BSP).

The Government of the DRC designed and implements the ITOA gold traceability system, and this represents a major milestone in the country’s efforts to formalize the artisanal gold sector. Under ITOA, artisanal miners working at validated and inspected mine sites secure their gold into tamper-evident bags that include bar codes for tracking and sales data to ensure chain of custody and documentation that the gold is conflict-free. Fully compliant and traced gold not only has the potential to provide the government with millions of previously unrealized tax dollars but also ensures fair and transparent prices to artisanal miners, which in turn increases the strength of the local mining community’s economy. The system is fully compliant with international guidelines including the Organization for Economic Co-operation and Development and the International Conference for the Great Lakes Region.

Fair Congo has been collaborating with the USAID-funded Capacity Building for Responsible Minerals Trade Project and its partner BSP since 2017 to create a sustainable, fully traced supply chain of artisanal gold from the DRC. With the completion of this first sale between Fair Congo and a local, women-led cooperative, refineries and jewelers in North America and Europe are now on the path to be able to source artisanal gold from DRC responsibly, in compliance with international standards and guidance.

Fair Congo currently provides the only commercially available product of its type, namely artisanal, single origin, fair trade, “green.” fully traced gold from conflict-affected and high-risk areas.

Telling Our Story

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