

## Status Report iTSCi Rwanda January – June 2012

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### 1. Summary

April 2012 marked the milestone of one year of iTSCi project implementation with Pact as the implementing partner. Many of the issues faced during the early phase of the project have been worked through and good progress has been made, particularly on recovering missing data sheets, improving the data collection system and introducing site-specific codes to ensure greater accuracy in the data. The Rwandan Federation of Mining Cooperatives (FECOMIRWA) has given positive feedback about the project. According to the FECOMIRWA President, since iTSCi began he has seen production in the country almost double and a significant decrease in fraud.

However, challenges still lie ahead. Improvements need to be made notably in the rate of resolution of incidents and in making the Steering Committee functional and capable of playing an active role in the incident management process.

For the period January to June 2012, one of the key challenges for iTSCi has been related to the activities of agents from Rwanda's Geology and Mines Department (GMD). A range of problems is regularly encountered including: overstretch of the GMD field agents leading to absenteeism; poor practices which allow companies and cooperatives to have inappropriate levels of control of the tagging process; failure to respect agreed processes in the SOPs; and direct fraud by some agents. In the second quarter, GMD and iTSCi expended significant efforts to resolve some of these issues, and GMD took disciplinary action against both companies and its staff, thus lowering the number of incidents reported involving GMD agents. However problems continue to arise.

Another key challenge has been the collection of missing data sheets which have not been received by iTSCI from GMD. A new system was put in place in the second quarter which has allowed for many data sheets to be recovered, but there are still some outstanding.

59 incidents were reported January-June 2012. All but one of these focussed on issues to do with tagging, most at level 3 but some at level 2. In the most high profile case, African Primary Tungsten (APT), was suspended from iTSCI membership and was suspended from mining and trading activities by GMD pending the results of the Criminal Investigation Department's enquiries. 34 incidents (58%) remain open.

Procedures on the management of tailings and the collection of samples were drafted and went through a consultation process with iTSCI Governance Committee and member processors. The procedure on tailings is now ready to be trialled on the ground, with finishing touches added as necessary with the evolution of implementation. New tailings tags have arrived and tailings logbooks are to be printed. The collection of samples from every site throughout Rwanda will also start next quarter once agreement from GMD is forthcoming.

The first Steering Committee meeting for local stakeholders relevant to iTSCI Rwanda took place on 28 February 2012, at the Rwanda Natural Resources Authority (RNRA) office. Unfortunately, meetings planned for March, April and May were all postponed. A second one is planned for July.

During the period, 37 baseline studies were carried out and these new sites have been integrated into the system.

## **2. Baseline studies on mines and transport routes**

### **2.1 Baseline studies completed**

During this period, 37 baseline studies were carried out for new sites which are joining the iTSCI system. This is less than the number planned as field teams often encountered constraints on their site visits. Many mines owners did not respect the timetable for the visit of their mines as agreed, and as many of these sites are new, it was not possible to get there without a company member's guidance. Furthermore, some companies do not give credible information about their production on site. They might report a high level of production when this is clearly not the case, or they attempt to discourage the field technician from seeing the actual situation by saying that the production site is very far away.

Furthermore, iTSCI project staff sometimes have difficulty obtaining the information they need on site visits, as the GMD agents deployed there are so often absent. This is partly due to the insufficient number of GMD agents for the number of sites (currently more than a one to four ratio) which means they cannot properly fulfil their role.

After the baseline studies are completed, the results are handed to GMD to decide which company is likely to be issued tags, then the list is updated by GMD and sent to iTSCI Rwanda. From there the list is sent to the iTSCI Governance Committee for approval and update of the mine site data base.



*Above: A miner washing minerals at Rwinkwavu mines, Rwanda*

Early on in the year, some companies were given tags by GMD before baseline studies had been carried out and before production activities had started on the ground, despite direct instructions to the contrary. However, after lengthy discussions with GMD this issue has been resolved. The head of GMD has recognized that the baseline study should come before tag distribution, and has ordered that all new companies should go through his office to be interviewed by himself before receiving tags. It

was agreed with GMD that iTSCI should be in charge of tag and log book storage and distribution, and GMD should be in charge of

taking the tags and log books to the specific sites.

Data collected through the baseline study process continues to be cross-checked by regular site visits to validate information. Where anomalies have been noted between estimated production in the baseline and that recorded in the logbooks, incident reports have been opened.

## 2.2 Follow up

Work is on-going to address any discrepancies in the production figures observed and those recorded by the iTSCI field technicians in the baseline studies. More than 30 companies and cooperatives have been visited as part of the process of following up anomalies. Site visits are being made to all areas where there were inconsistencies noted. In many cases, incident reports have been opened. During these visits, recommendations on how to avoid and correct errors found in logbooks are made. These particularly refer to: mine site, exact location, transport route, transport method, transporter, and commodity being mined.

## 3. Data collection and transfer

Because of a very rapid project start-up in Rwanda, some of the necessary data collection and control measures were not in place at the beginning of the project, meaning that data retrieval was poor in the early months. This has been improved in 2012, and that much of the early missing information has been retrieved.

In order to improve the data collection process, a new Standard Operating Procedure for tag distribution has been developed and implemented. The process is as follows:

- iTSCI Rwanda will maintain and update the distribution list, in liaison with the UK data team, which GMD will have access to at any time.
- GMD will be responsible for determining when new tags and/or books need to be allocated to a site/company, and should obtain these from the iTSCI staff directly, who will also inform the data team where they are required for, and the numbers needed, etc.
- iTSCI Rwanda will ensure that these distributions are on the list of sites and companies participating in the Programme before giving out the tags or logbooks.
- GMD can distribute the tags and books on site as per the normal process.
- If it is a new site or company, iTSCI Rwanda will take down the necessary details so that it can be added to the master mine site/company list, and make sure the preliminary checks have been made before the tags/books can be released to any new participant/mine site.

During the period January – June, significant efforts were made to address the problems of missing data from 2011. More than 5,000 data sheets (80%) of the 6,000 reported missing sheets have been retrieved and scanned to the data team in UK. In order to locate more of the missing sheets, iTSCI Rwanda began trialling a new system in May. iTSCI agents organized to go from one site to another to collect all the pink or yellow processors/exporters sheets, as the white sheets collected by GMD agents were not reaching the iTSCI office on time. During this data sheet collection campaign, it was remarked that some of the processors/exporters that were no longer operational were keeping log books and tags unnecessarily. Those books and tags were taken back to iTSCI office for accountability.

An additional 2,241 mine logbook sheets, 2,367 Processor sheets and 207 Exporter sheets were scanned and sent to the UK data team during the period.

Due to the huge volume of data recorded at one large exporter, and a number of apparent issues with correct completion of logbooks, a permanent member of iTSCI staff was posted there early in the year to assist and advise on record-keeping. Various records also needed correction in order to understand the traceability connecting to the mines. Several challenges have been noticed during this process, including mine sheets arriving with mistakes, weight increases between the mine weight and the weight entering at the exporter, and the reprocessing of tailings which is impossible to keep track of in the logbooks.

During the period, the process of harmonizing the mine lists held by iTSCI and GMD was finalised. This process took 6 months to complete and was started in the second half of last year. The discrepancies in mine site names and company names between the iTSCI and GMD mine lists led to confusion and caused problems for accurate data collection. Duplicate names of mine sites were also a challenge. Therefore it was decided to give each mine a specific unique code and to harmonise and centralize information in a Master file which is updated monthly.

## 4. Incident reports

### 4.1 Incident Reporting Process

Early in the year it became clear that the incident reporting, management, monitoring and closure process was not working as effectively as it should. A review and restructuring was undertaken in April and a new Incident Reporting Protocol rolled out in June. The recruitment of a Regional Incident Reporting Manager in May will also help to ensure more effective and timely follow-up and closure of incidents from the iTSCi side, although more support from GMD and/or Rwandan authorities is also necessary. Furthermore, with a view to improving the rate of resolution of issues, the iTSCi Governance Committee introduced a change of policy regarding the reporting protocol of open incidents. From August, all incidents will be circulated to members whether or not resolved within 2 months. The iTSCi Rwanda Project Manager has organised a meeting with all exporters/processors in July to prepare them for this, explaining their role in the incident reporting process and how to respond to incidents involving their company.

### 4.2 Incident Report Summary

59 incidents were reported up until the end of June. All but one of these were related to violations of tagging procedure. 11 incidents (19%) were at level two, while the rest (48) were level three. No level one (security or human rights) incidents were recorded in Rwanda during this period.

Many of the level two incidents concerned stolen or missing tags. iTSCi, exporters, GMD and companies are combining efforts to identify where those tags can be found. Other tagging incidents at level 2 involved:

- Two separate lots (one of six bags and one of one bag) of untagged minerals arrived at the APT depot in Kigali, observed by iTSCi agent. The company explained that the minerals had been taken offsite for crushing. GMD accepted this explanation and requested the matter to be closed however iTSCi has instructed the incident to remain open in case of relevance to the pending investigation of an earlier incident for which APT is currently suspended. Results from the Criminal Investigation Department's enquiries are expected in the next quarter.
- Another incident involving off-site tagging by GMD agents (at Kigali) was discovered. Big discrepancies were found in weights recorded in the company's logbooks compared to the low levels of activity observed on site. Corrective measures were taken. The company and GMD were instructed that tags and log books should be kept properly near the site. The GMD agent is to correctly fill in log books and tag minerals only at site where their origin is clear. The site was subsequently revisited and found that everything has been corrected good future collaboration with iTSCi has been agreed. This matter is closed.
- An incident was opened to reflect the repeated errors found in GMD record keeping despite repeated efforts to correct problems and improve standards. Poor management of tags and logbooks were leading to significant problems of data recovery. To try to correct this, the new

log book and tag management protocol has been put in place. iTSCI has taken over the distribution of tags /logbooks and updating the distribution list.

Of the level three tagging incidents, the most common were:

- Absence of GMD agents from site and therefore minerals not being tagged;
- Poor management and storage of tags;
- Companies receiving tags and logbooks from GMD agents without any mining activity on site;
- Difference in weight between 'tag weight in' and 'declared export weight';
- Untagged minerals found in stock;
- Errors in record-keeping in logbooks.

One human rights incident was reported during the period and related to the presence of children working on the site of Gatumba Mining. The children were not involved in heavy labor rather they were hand picking and washing minerals left by the miners. This was reported to Gatumba and GMD and measures were taken to resolve the matter.

Over the period, various seizures of untagged minerals were made by the police. iTSCI project staff are working with the Rwandan authorities to try to identify if any actors inside the iTSCI system were involved.

In response to these incidents, the companies involved were invited to the iTSCI office for discussions in order to confirm or refute the issues raised. In most cases they promised to improve the management their companies in order to minimize incidents. Furthermore, many of the incidents that arose were also brought to the attention of GMD, and some company representatives were invited to the GMD office to discuss open incident reports that allegedly involve their companies. Also, in May, 37 incident reports were handed to the head of GMD for his perusal and action to assist in closing 13 of them. 25 incidents have now been satisfactorily resolved and closed, leaving 34 (58%) still open.

During the first quarter, GMD agents figured strongly in the incident reports. In two-thirds of all cases (20 cases or 66%), GMD agents were reported to be involved in the infraction. Efforts were made on the part of and the GMD hierarchy and iTSCI project staff to take corrective measures. Some improvement was shown in the second quarter, with 11 out of 30 incidents (one third) involving errors/malpractice by GMD agents.

Meetings were held with all actors to follow up on open incidents from 2011. All but two of these have been resolved and closed.





*Above: A Rwanda mine tag; right: GMD agents tagging minerals*

## 6. Steering Committee

The first Steering Committee meeting for iTSCI Rwanda took place on 28 February 2012, at the Rwanda Natural Resources Authority (RNRA) office. The importance of the committee was explained in detail. The participants in the meeting were pleased to participate and expressed their appreciation for the Committee's role in the system.

Despite this enthusiasm, little activity has occurred since. Meetings scheduled for March, April and May did not take place. The iTSCI team in Rwanda has made every possible effort to encourage the Government to convene these meetings. In May, a meeting was held with the current president of the Rwandan Mining Association to discuss ways to make the second steering committee meeting happen. Part of the problem seems to be that the highest level Committee leaders claim to not have time to give to the meetings, perhaps not appreciating the importance of these for the effective functioning of the traceability system. Another meeting is planned for July.