



# The ITSCI programme 2019 Annual Report

## Foreword

Throughout 2019 the ITSCI programme continued on an upward trajectory, building on the alignment assessment received from the OECD in 2018 as the only programme with standards 100% aligned with the OECD Due Diligence Guidance. Our programme grew in scope despite the many challenges of operating in high-risk areas.

At year-end, ITSCI covered more than 2,250 mine sites in central Africa. ITSCI works with more than 80,000 individual miners whose activities contribute on average to supporting 5 others in their household. We hold a unique position in 3T responsible sourcing and have built the programme over many years of collaboration with governments, civil society and communities in Central Africa. The cornerstone to our success is the commitment, work ethic and dedication of our incredible team of experts in the UK and Central Africa and our long-standing relationships with stakeholders.

ITSCI members continued to benefit from our credible information and ongoing monitoring of the supply chain. As a result of further improvement in reporting, this year, ITSCI recorded 1,492 incidents compared to 1,389 incidents in 2018. To facilitate incidents resolution, ITSCI supported local multi-stakeholder meetings for 45 committees and conducted 267 training sessions for government agents, miners, and exporters.

To provide assistance to companies in their due diligence, we remain committed to working in alignment with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRA). In 2019, we trained more than 5,500 people including miners, government agent and supply chain actors. In 2020, we plan to continue training and support for members and stakeholders in order to build their capacity and awareness of how to best capitalise on the ITSCI programme and address risks in their supply chains.

We will continue to focus on the three core principles that drive our success in the tin, tantalum and tungsten supply chains: providing credible information to businesses, government authorities, and civil society; reducing business risk; and encouraging accountability of all stakeholders.

Our continued success would not be possible without the support of our members, stakeholders and partners working with the ITSCI programme in Burundi, the Democratic Republic of Congo (DRC), Rwanda, and Uganda. We are grateful to them for their continued support and for the trust that they place in the ITSCI programme.

It has been a very interesting and exciting year. Together with the ITSCI team, we very much look forward to the challenges and opportunities that lie ahead.



Kay Nimmo,  
International Tin Association,  
ITSCI Governance Committee



Roland Chavasse,  
Tantalum-Niobium International Study  
Center (T.I.C)  
ITSCI Governance Committee





## Objectives, values and mission

Our priority is to support responsible mineral trade, allowing users of tin, tantalum and tungsten to source responsibly from high risk areas.

Our dedicated, multi-lingual team of experts work both on the ground in high risks areas, and with the international supply chain, to help companies carry out effective due diligence on minerals.

We have strong governance systems in place and clear due diligence standards aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Our values provide a framework for how we operate and how we work with our members and stakeholders.

# BURUNDI



The mining sector contributes more to Burundi's economy than traditional exports such as coffee and tea. ITSCI covers 155 sites in 21 communes in Burundi and directly employs more than 7,712 Burundians, including more than 6,565 miners, washers, transporters and others.

This year production increased by 19% with 930,375 kg of 3T minerals produced compared to 779,533 kg in 2018. Operational ITSCI sub-sectors in Burundi grew by 29% to 158 throughout 2019 with 46 additional sites becoming productive and the number of pits increasing from 114 in 2018 to 172 in 2019.

Miners working through local cooperatives are benefiting from ITSCI participation and investing their revenues in community development projects to expand business opportunities.

ITSCI continues its strong collaboration with the Office Burundais des Mines et Carrières (OBM) with regular meetings between the OBM's Director General and ITSCI's Project Manager for Burundi. The number of incidents related to the chain of custody dropped by 18% compared to 2018, suggesting the regular meetings are an effective improvement tool. Fifty-three incidents in which 75% were in the chain of custody category and were the result of data transcription errors by OBM agents were recorded this year. ITSCI carried out mine sites visits on weekends in addition to weekday visits to identify and assess risk at mine level. This enabled better monitoring of mineral washing practices that usually take place during the weekends.

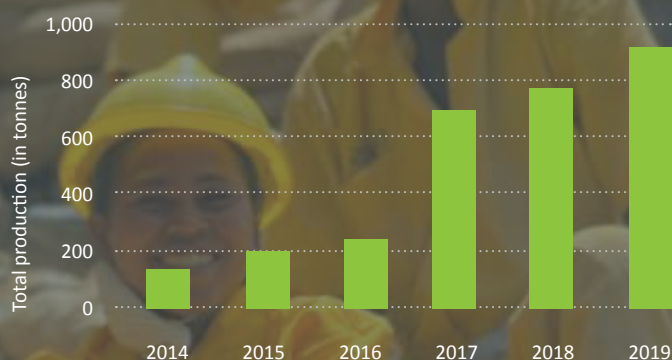
To mitigate risks related to data incidents, ITSCI retrained 32 agents from OBM to ensure consistent



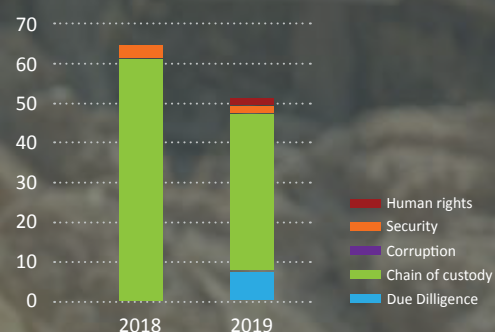
# BURUNDI



ITSCI - Total mineral production in Burundi



ITSCI incidents in Burundi  
By category 2018-2019



tagging and data collection procedures. In addition, we conducted awareness-raising sessions for exporters coaching them on how to conduct mine site visits and assess potential human rights, security and responsible business conduct risks in their supply chains.

ITSCI welcomed the establishment of the new national committee to support the 3T mining sector and engage relevant stakeholders in Burundi. The committee visited two ITSCI processors/exporters in Bujumbura, where they learned about due diligence and traceability.

Looking ahead, ITSCI aims to increase the number of joint site visits with OBM agents in Burundi to troubleshoot potential issues at mine sites. We will provide companies more formalised models for conducting mine site visits and offer feedback on appropriate steps for evaluating risks.



# DEMOCRATIC REPUBLIC OF CONGO



The ITSCI programme continues its expansion in the Democratic Republic of the Congo. This year, ITSCI reached new sites in each of the seven DRC provinces (North and South Kivu, Maniema, Tanganyika, Haut-Lomami, Lualaba, and Haut-Katanga).

The volume of 3T minerals produced at all ITSCI sites dropped with 14,878,345 kg produced in 2019 compared to 16,683,256 in 2018.

ITSCI continues to have a strong relationship with government stakeholders in the DRC at the national, provincial, and local levels.

Throughout 2019, ITSCI conducted 4,128 visits to mine sites and 2,551 visits to processors and exporters to monitor security conditions, resolve incidents, support

implementing partners, and reinforce local awareness of due diligence principles.

The number of incidents recorded in the DRC increased in all provinces compared to 2018. The reinforcement of ITSCI whistle-blowing system in the DRC continued to add value and depth to ITSCI's field presence. To raise awareness about the whistle-blowing mechanism, we partnered with 21 local radio broadcasting over 500 informational spots in Swahili and French in the provinces of Maniema, North Kivu, South Kivu, Tanganyika, Haut-Katanga and Haut-Lomami. Throughout the year, 26 incidents were opened as a result of information corroborated from the hotline.

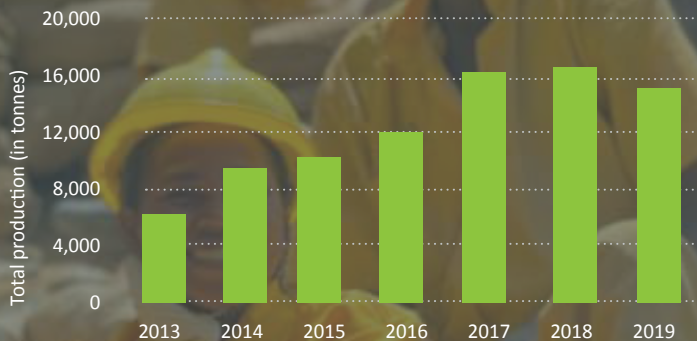
In South Kivu, Katanga, and Maniema, ITSCI trained members of the new CLS committees and sub-CLS. These provincial and local multi-stakeholder committees play a key role in resolving incidents and engaging local stakeholders to improve due diligence practices. Two hundred sixty-seven multi-stakeholder committee



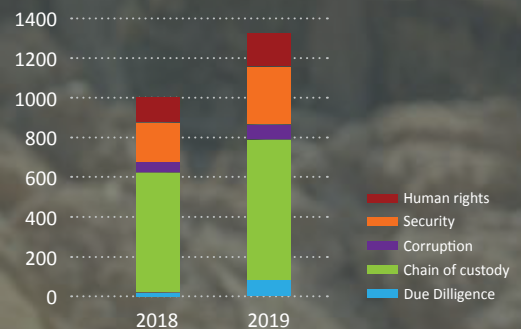
# DEMOCRATIC REPUBLIC OF CONGO



ITSCI - Total mineral production in DRC



ITSCI incidents in DRC  
By category 2018-2019



meetings at local and provincial levels were facilitated by ITSCI this year, empowering security, governmental, industry, and civil partners to agree upon and enforce risk mitigation measures. We convened several training and coaching sessions, reaching a total of 4,832 participants, including state agents, miners, traders, cooperatives, exporters, state security forces, and local authorities. Participants learned about ITSCI tagging

procedures and the OECD guidelines for responsible mineral trade.

With initiatives such as a “25-minute chat” initiated by the Bitale CLS, weekly mine site visits were held to discuss with miners on issues ranging from health and safety precautions to taxes. The Luntukulu CLS negotiated with leaders from the non-state armed group Raia Mutomboki to end the group’s illegal seizure of flour from the local community. In Maniema and North Kivu the committees in Lubutu and Walikale influenced the lifting of illegal taxation and barriers imposed by the FARDC. ITSCI played a central role in lobbying for unitary leadership of FARDC troops, meaning that incidents can be more rapidly addressed.

Looking ahead, ITSCI aims to continue providing due diligence trainings to exporters and multi-stakeholder committees throughout the DRC. Our team will also continue to raise awareness on the importance of local multi-stakeholder committees meetings and their role in the framework of the DRC law and OECD due diligence guidance that underpin ITSCI.

# R W A N D A



ITSCI continues to positively impact the mining sector in Rwanda by supporting member companies in their due diligence efforts, working in partnership with local communities and government.

ITSCI team, member company, community representatives and security forces planting trees in Rwanda.

This year, 3T mineral production within the ITSCI programme in Rwanda decreased by 15%, with a total of 6,320,499 kg of minerals produced compared to 7,620,963 kg in 2018. This decrease can be explained by the closure of companies due to a lack of compliance with the requirements established by Rwanda's new mining and quarry law introduced in 2019.

ITSCI reinforced its collaboration with the Rwandan government in 2019. Several joint actions such as training sessions and workshops took place throughout the year. ITSCI and the Rwanda Mines, Petroleum and Gas Board (RMB) conducted 442 joint visits to different sites to improve traceability procedures as well as agree on actions to reduce plausibility risks. These joint visits

enabled efficient responses to incidents, involved local authorities, and provided more transparency to the process.

ITSCI initiated several actions and procedures to combat the informal trade of minerals. For example, we advocated for the creation of District Mining Task Forces (DMTF) where RMB, ITSCI, local authorities, and the police can address topics related to informal activities.

We also continued to share our due diligence list, which indicates mines that need enhanced due diligence to guide purchasing from those companies and mines in their risk assessment, recommending, for instance, additional mine site visits.

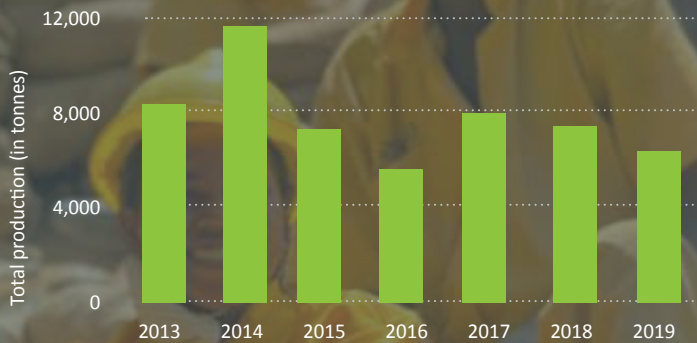
Throughout 2019, ITSCI opened 364 incidents, of which 321 incidents were related to the chain of custody, 14 to due diligence, 10 to security, and 19 to human rights. This represents an increase of 3% compared to 2018 when 355 incidents were recorded which is due to better monitoring.



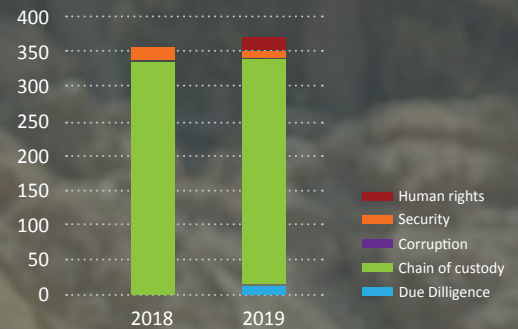
# R W A N D A



ITSCI - Total mineral production in Rwanda



ITSCI incidents in Rwanda  
By category 2018-2019



ITSCI implemented several measures to follow up on incidents recorded. This included awareness-raising sessions for companies, miners, and state agents. ITSCI also supported the Rwanda Mines, Petroleum

and Gas Board (RMB) and the police in their follow up, investigations and resolution.

Assistance was also given to companies on how to improve their security on incidents where burglary was involved.

This year, ITSCI provided regular training for RMB Mineral Field Officers (MFO) in charge of traceability at mine sites. In June 2019, a five-day training in mining laws, OECD Due Diligence Guidance, and ITSCI procedures was organised for 97 RMB Mineral Field Officers. In addition, 12 workshops were held by ITSCI throughout the country with 881 attendees including miners, exporters, state agents and members of civil society.

In 2020, ITSCI will continue advocating for the constitution of the District Task Mining Forces throughout the country and will provide training to its members. We will provide more guidance to companies through workshops and training sessions in order to help them improve their internal procedures and due diligence performance. To accomplish this, ITSCI will work closely with different miners associations in the country.

# UGANDA



ITSCI worked with two companies in Uganda in 2019. We continue to support mineral trade in the region by providing due diligence guidance to member companies and raising awareness on potential risks in the 3T supply chain.

ITSCI trained 1,460 people including miners, focusing on mining standards and procedures, health and safety measures, traceability, and due diligence. Awareness-raising sessions for miners and ongoing training for security forces helped mitigate risks at mine sites and processing facilities. In April and June 2019, training sessions on the Voluntary Principles on Security and Human Rights (VPSHR) was held to support the mineral police and a private security company that carry out joint patrols at the mine sites to prevent illegal trade of minerals. Thirteen incidents related to the chain of custody were recorded throughout 2019.







## Engagement and expertise

Our decade of experience working in high risk areas enabled us to build strong relationships with national and local government, state services, civil society, companies and miners to support responsible mineral trade. Our on-the-ground teams are highly skilled and include geologists, development specialists, and civil engineers. They work tirelessly to implement the programme, including in remote and hard to reach areas. Our field officers constantly monitor the supply chain with around 600 visits per month in mining areas and processing facilities, reaching around 2,250 mine sites in Central Africa. We have a range of capacity building training for miners, exporters, traders as well as for local stakeholders in our operating countries which provide them with the tools to meet the challenges of the ever-evolving mining sector.



## Development and innovation

ITSCI works with upstream and downstream companies in global supply chains across 46 countries in Africa, Europe, Asia, the Middle East and the Americas. We have built our success on the strength of our system and the expertise of our teams.

We continue to innovate by making technological improvements in our due diligence and traceability system. In November 2019, ITSCI trained 30 agents of the Burundian Office of Mines (Office Burundais des Mines, OBM) on electronic data collection and officially handed over devices and printers to the OBM General Director. ITSCI is planning to expand electronic data collection across mine sites and processing facilities in central Africa over the course of 2021. This includes a mobile app which will enable data capture in the field on mineral production, exports, incidents, and mine baselines and support near-real time availability of data. Electronic data collection will not only facilitate data entry management and information sharing across the supply chain but will also reduce data incidents.





## Our impact

ITSCI continues to deliver its work in enabling responsible mineral trade from Central Africa. We have extensive experience supporting companies, governments, and civil society to identify and mitigate risks associated with minerals supply chains. Our standards are independently confirmed to be fully aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

In 2019, we transparently reported around 1,450 Annex II risks through on-the-ground monitoring and facilitated regular meetings of local stakeholder groups to promote their mitigation and resolution. We continued our cooperation with local authorities in Central Africa to ensure the traceability of minerals, and provided training and support to government agents, miners, and member companies in good due diligence practice, reaching more than 5,500 people.

Working with around 70,000 individual miners, supporting millions of people with their activities, ITSCI facilitates trading with a 3T metal value of around US\$380 million a year (on average 3 year prices). Our programme directly contributes around US\$900k to local taxes and spends approximately 80% of funds in-region in a typical year. Minerals exports from ITSCI monitored sites are some of the most important foreign exchange earnings for Burundi and Rwanda. By working with ASM communities, supply chain actors, and international stakeholders to ensure responsible business meeting international standards, ITSCI tracks 1.3 million business transactions a year.



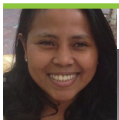


## ITSCI people



**Mickaël Daudin, Pact Programme Manager – 5 years at ITSCI**

“Seeing how ITSCI positively impacts the lives of mining communities and how our teams work tirelessly to make this program a success, is not only rewarding but also motivates to continue growing and achieve more positive changes in the future.”



**Fabiola Kjeldgaard, Reporting Officer, DRC – 2 ½ years at ITSCI**

“ITSCI impacts are beyond supply chain traceability. Through the incident monitoring system, ITSCI reinstates miner’s dignity and raises awareness about gender-based violence and other human rights abuses.”



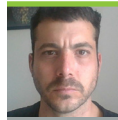
**Maria Robold, Reporting Officer, DRC – 3 years at ITSCI**

“Working on the ground enabled me to better understand the challenges and how a close collaboration with local stakeholders such as the traditional chief, miners and cooperative members is crucial to assess and mitigate risks in the 3T supply chain.”



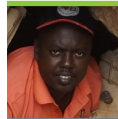
**Ildephonse Niyonsaba, Pact Programme Manager, Rwanda – 8 years at ITSCI**

“ITSCI works closely with the Revenue Protection Unit (RPU) and RMB mineral field officers to eradicate informal trade of minerals and develop a mineral supply chain free of human rights and conflict. Our team support government agents, mining cooperatives and member companies in all provinces of Rwanda through training and workshops for better due diligence practice.”



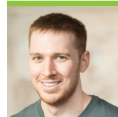
**Vicente Segure Del Pozo, Reporting Officer Rwanda and Burundi – 2 years at ITSCI**

“Informal mining poses serious safety risks for miners and a black market for the supply of minerals. ITSCI sensitises local communities regarding the risks of informal mining and coordinate with authorities to stop illegal smuggling.”



**Jean Baptiste Sabukwigura, Burundi team leader– 6 years at ITSCI**

“ITSCI has a positive impact in mining communities in Burundi. Mining cooperatives contributed to the construction of schools and many diggers managed to set up small income-generating projects to meet the different family needs. This tangible positive impact in local communities is beginning to attract women to mine sites, something that was not common in Burundi.”



**Daniel Elliot, Data Analyst – 9 years at ITSCI**

“As a result of better reporting, ongoing monitoring, increased in transparency in the supply chain, and continued improvements of ITSCI procedures, we saw a rise in the number of incidents in 2019. During my trip to Burundi this year, I got feedback on our training for innovative electronic data collection that will be launched soon.”



**Jeannette Greven, Reporting Officer DRC – 1 year at ITSCI**

“To me, a unique aspect of the ITSCI system is seeing how the project at once engage with companies while centering mining communities in decision-making. Seeing how ITSCI brings diverse actors together to make a positive impact on the ground despite all the challenges is very rewarding.”

“The DRC Government, the mining companies and the technical partners including ITSCI, have worked for many years in successfully breaking the links between illegal mining and conflicts. The ITSCI Programme has greatly contributed to OECD alignment in our 3T mining sector. It is essential that everything must be done to maintain this alignment for the DRC mining sector.”

Mr. Willy Kitobo Samsoni, Minister of Mines, DRC



## Financial summary for year 2019



Upstream mineral levy

Upstream direct payments

Donation/other

Donor, field implementation

Downstream member fees

Upstream member fees

Funding	US\$	%
Downstream member fees	52,500	0.6%
Upstream member fees	520,917	6.1%
Upstream mineral levy	7,733,262	90.4%
Upstream direct payments	25,800	0.3%
Donation/other	223,300	2.6%
Donor, field implementation	0	0.0%
<b>TOTAL</b>	<b>8,555,779</b>	<b>100.0%</b>
<b>Sub-total via ITA</b>	<b>8,555,779</b>	<b>100.0%</b>

### NOTES:

In years when Pact are directly funded for field work by donors figures are included in 'Total' but not 'Sub-total'. ITSCI has operated at large scale with no donor funds since January 2017.

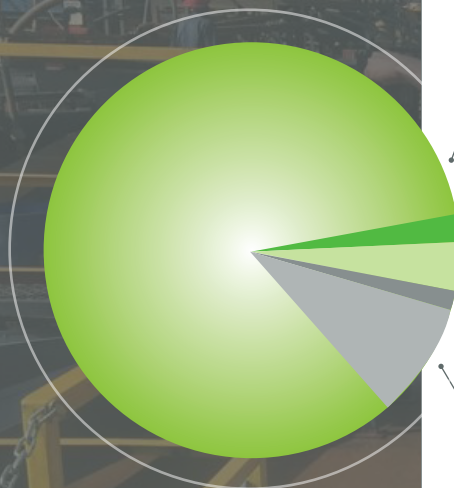
Upstream funding from levies and fees represented 96.8% of total funding. ITSCI halved the coltan levy rate for some locations from May to harmonise across source areas.

'Donation/other' includes a contribution from a downstream company to support incident and whistleblowing activities.

A small annual loss occurred but the overall balance is stable at around 3 months reserve.

### Funding

ITSCI has operated at large scale with no donor funds since January 2017. The programme is operated at cost by not-for-profit associations and all revenues are held in trust for sole use for ITSCI activities. Since our establishment in 2010, we have improved due diligence, and supported companies, government and civil society to understand and mitigate risks aligned with the OECD due diligence guidance. In 2019, ITSCI expenses were US\$8.6m (US\$720k per month) of which levies contributed 90% at US\$7.7m (US\$642k pm). We continue to engage downstream companies and encourage their financial support to the Programme.



Field implementation

Field implementation, donor

Independent evaluation

Secretariat

Governance Committee

W/blowing & Ombudsman

Traceability and data

Expenses	US\$	%
Traceability and data	788,760	9.2%
Field implementation	7,213,215	83.7%
Field implementation, donor	0	0.0%
Independent evaluation	180,580	2.1%
Secretariat	283,616	3.3%
Governance Committee	31,428	0.4%
W/blowing & Ombudsman	121,453	1.4%
<b>TOTAL</b>	<b>8,619,050</b>	<b>100.0%</b>
<b>Sub-total via ITA</b>	<b>8,619,050</b>	<b>100.0%</b>

2019 bad debts written off US\$ 50,200  
2019 annual loss (US\$63,271)

**On-going programme balance US\$2,215,471**  
Equivalent to 3 months operating reserve

# Auditors statement for year 2019

AFI183/574945/GD/HT

31 March 2020

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## TO WHOM IT MAY CONCERN

### ITSCI PROGRAMME ACCOUNTING – INTERNATIONAL TIN ASSOCIATION LIMITED

Rayner Essex LLP are the statutory auditors of International Tin Association Limited, the company which is the Secretariat of the ITSCI Programme. We confirm that income, expenditure and the reserve fund related to the ITSCI Programme is recorded separately within the International Tin Association Limited accounting systems and included within our audit of the financial statements of International Tin Association Limited for the year to 31 December 2019. We also confirm that separate bank accounts are held exclusively for the ITSCI Programme and in September 2016 a formal declaration of trust was established over the funds to confirm use only for purposes stated in the ITSCI Membership Agreement. Our audit was conducted in accordance with International Standards on Auditing (UK and Ireland).

In accordance with our invariable practice this information is given strictly without responsibility on the part of the writer or the firm and we cannot be held responsible for any financial liability under any circumstances.

Yours faithfully



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Rayner Essex is a business name of Rayner Essex LLP, which is a limited liability partnership in England under number OC38376. Its registered office is at Tavistock House South, Tavistock Square, London WC1H 9LG. Rayner Essex Chartered Accountants are registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales.



“ By working closely with the Rwandan Mines, Petroleum and Gas Board (RMB) and the Revenue Protection Unit (RPU), ITSCI has facilitated compliance with the OECD guidance and helped Rwandan exporters and miners improve their due diligence practices to promote responsible business and address human rights and security risks.

”

Mr. Francis Gatare, CEO, Rwanda Mines, Petroleum and Gas Board

