KUMI

OECD Alignment Assessment of ITSCI

May 2023

Contents

Glossary and Abbreviations

Alignment Assessment Tool	The spreadsheet-based tool that provides the detailed criteria of an Alignment Assessment and is made available alongside this document.
Alignment Assessment	The process by which an evaluator assesses a programme's alignment with the OECD Guidance using the methodology described in this document.
Alignment	The extent to which a programme specifies and oversees implementation of measures that require companies to put into practice the recommendations contained within the OECD Guidance.
Annex II	The Annex II of the OECD Guidance containing a Model Supply Chain Policy for a Responsible Global Supply Chain of Minerals from Conflict-Affected and High-Risk Areas including risk of conflict, direct or indirect support to non-state armed groups, public or private security forces, severe human rights abuses, money laundering and mineral fraud.
ASM	Artisanal and small-scale mining
Audit Checklist	ITSCI Audit checklist V.3.1 containing requirements for ITSCI members companies
Auditor	The firm or individual appointed to audit a company against the requirements of the programme
CAHRA	Conflict-affected and high risk area
CLS	Community-level stakeholder committees in DRC
CPP	Provincial-level stakeholder committees in DRC
DRC	The Democratic Republic of Congo
Evaluator	An independent organisation that evaluates, or individual commissioned to evaluate on behalf of an initiating organisation, a programme's alignment to the OECD Guidance in accordance with the accompanying methodology
FARDC	The Armed Forces of the Democratic Republic of Congo

Industry programme	An initiative that has been established to support responsible mineral sourcing, requiring companies operating within or sourcing from mineral supply chains to meet certain standards, including (but not necessarily exclusively) the due diligence standards set out in the OECD Guidance. The term 'programme' includes supply chain due diligence schemes or initiatives established by industry bodies, independent or multi-stakeholder certification mechanisms, government schemes or any other organisations established to support the responsible production and sourcing of minerals
ITA	The International Tin Association
ITSCI	The International Tin Supply Chain Initiative
Kumi	Kumi Consulting Ltd
KYC	Know Your Counterparty
LME	The London Metals Exchange
Membership Agreement	The ITSCI Membership Programme Agreement, V3, 22 November 2016
OECD Guidance	The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas, inclusive of its Annexes and Supplements
OECD	The Organisation for Economic Co-operation and Development
PMO	Programme Management Office
RMAP	RMI's Responsible Minerals Assurance Program
RMB	The Rwanda Mining Board
RMI	The Responsible Minerals Initiative
T.I.C.	The Tantalum-Niobium International Study Center

Executive summary

This OECD Alignment Assessment conducted by Kumi Consulting Ltd (Kumi), an independent advisory firm specialised in responsible supply chains, concludes that the design and implementation of the ITSCI programme is **Fully Aligned** with the OECD Guidance.

An OECD Alignment Assessment is an independent evaluation of the extent to which the design and implementation of an industry programme is aligned with the due diligence recommendations that are set out in the OECD Due Diligence Guidance for Supply Chains of Minerals from Conflict-Affected or High-Risk Areas (OECD Guidance). The programme is rated 'Fully Aligned, 'Partially Aligned' or 'Not Aligned' according to the extent to which the due diligence recommendations of the OECD Guidance are embedded and implemented by the programme. The rating methodology and assessment approach is defined by the OECD Alignment Assessment Methodology[1]; the specific activities undertaken for the assessment of ITSCI are described in the Methodology section of this report.

The scope of the industry programme being assessed is an important factor in an Alignment Assessment. The scope of the ITSCI programme is in supporting companies to carry out due diligence on mineral supply chains in high risk areas by:
- Establishing monitored supply chains of minerals from conflict-affected and high risk areas
- Providing information on risks to programme participants and key stakeholders
- Monitoring risk mitigation actions
- Undertaking certain due diligence activities on programme participants' behalf

ITSCI does not provide assurance or certification. In this respect ITSCI differs from many other industry programmes that focus on responsible mineral supply chains by monitoring and overseeing company due diligence practices.

The rating of Fully Aligned is not an indicator that the most serious risks, as defined by Annex II of the OECD Guidance, are not occurring in the jurisdictions where ITSCI operates. ITSCI operates in conflict-affected or high risk areas (CAHRAs) where there is active conflict, interference by armed groups in mineral supply chains, and weak governance, amongst other issues. Annex II risks are regularly identified and reported by the ITSCI programme.

Additionally, the rating is not an indicator that all companies and mines within the ITSCI programme are meeting the programme's requirements. Individual companies retain responsibility for due diligence; industry programmes such as ITSCI can support, facilitate and enable companies to fulfil their due diligence responsibilities. Likewise, a score of 100% in the summary dashboard or figures in the report does not imply perfection – it simply means all the criteria for that section of the OECD Guidance have been met.

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[1] Further details of OECD Alignment Assessments, including guidance on the use of the OECD's methodologies and tools by third parties for independent assessments (such as this assessment of ITSCI), are available at: https://www.oecd.org/corporate/industry-initiatives-alignment-assessment.htm

During the time in which this assessment was being undertaken, some international stakeholders made serious allegations about failures within the ITSCI programme, particularly in one region of the Democratic Republic of Congo. Based on the nature of the allegations, significant adjustments to the assessment methodology were made to assess the substance of the allegations and the impact, if any, on the assessment conclusions. This included engagement with the international stakeholders raising the allegations and analysis of their evidence, together with analysis of countervailing data and evidence internal to the ITSCI programme.

The assessment report includes full details of the assessment findings and conclusions against the Alignment Assessment criteria, based on an objective review of the available evidence. The report includes recommendations in areas where Kumi believes the ITSCI programme can be strengthened. Some of those recommendations, particularly those relating to communications and stakeholder engagement, are pertinent to the concerns that some stakeholders have expressed to Kumi in connection with the allegations that have been made. A summary of key strengths and areas where improvement is recommended is provided below:

Key strengths of the programme

- Programme activities and operational requirements are explicitly designed to implement the recommendations of the OECD Guidance.
- Risk assessment and risk mitigation measures are co-delivered in partnership with government agencies and with the participation of civil society and community stakeholders.
- Field staff are present across all operational regions which facilitates due diligence in remote, difficult-to-reach locations.
- The programme has a strong focus on capacity building of local stakeholders to support risk identification and mitigation.
- There is detailed incident reporting to members on a monthly basis, with immediate reporting of the most significant risks.

Improvement opportunities

- Provide practical guidance for companies on the development and implementation of management systems that meet ITSCI's requirements.
- Formalise and strengthen the training given to users of ITSCI information (member companies and auditors of smelter members) to drive more effective engagement by companies.
- Build on the recent progress in electronic data rollout to include traceability data collation, analysis and reporting to ensure information provision is not significantly delayed.
- Strengthen the approach to communications to build relations with external stakeholders and facilitate a better understanding of programme activities and impacts, including the nature and extent of the risks that are identified by the programme and the mitigation actions taken.
- Ensure transparency of, and independent challenge to, internal governance processes and decisions, which multiple stakeholders both internal and external to the programme have highlighted as a priority concern.

About Kumi

Kumi Consulting Ltd (Kumi) is a UK-headquartered independent advisory firm with a specialist focus on responsible sourcing and supply chain due diligence. Kumi was the firm appointed by the OECD in 2016 to work with the OECD in the creation and pilot testing of the OECD Alignment Assessment Methodology (ITSCI was one of the initiatives participating in this OECD-funded project). Kumi supported the OECD to develop and apply the Alignment Assessment Methodology to the OECD's work in the garment and footwear and agricultural sectors. In 2019 Kumi was appointed by the European Commission to be the evaluator supporting the Commission on assessments of supply chain due diligence schemes under the EU Conflict Minerals Regulation[2]; the methodology for these evaluations being the OECD Alignment Assessment Methodology. In 2021 Kumi was appointed by the OECD to support the OECD and London Metals Exchange (LME) with the delivery of OECD Alignment Assessments on industry initiatives seeking recognition under the LME's Responsible Sourcing requirements.

Summary of ratings across the Alignment Assessment criteria categories

The table below compares the ITSCI assessment results against the requirements for a scheme to meet Full Alignment and achieve the recognition of equivalence as set out under the OECD Methodology.

SECTION	REQUIREMENT FOR FULL ALIGNMENT	ITSCI ASSESSMENT RESULTS	
A – Overarching due diligence principles	100% of criteria 'Fully Aligned'	*Total # of applicable criteria*	14
		# of 'Fully Aligned' criteria	14
		# of 'Partially Aligned' criteria	0
		# of 'Not Aligned' criteria	0
		% score	**100%**
B and C – Overall alignment with the five-step framework	80% or more + no 'Not Aligned' criteria	*Total # of applicable criteria*	52
		# of 'Fully Aligned' criteria	46
		# of 'Partially Aligned' criteria	6
		# of 'Not Aligned' criteria	0
		% score	**88%**
Programme governance	Not applicable	*Total # of applicable criteria*	36
		# of 'Fully Meets' criteria	22
		# of 'Partially Meets' criteria	14
		# of 'Does Not Meet' criteria	0
		% score	**61%**

Note: In the OECD Alignment Assessment methodology, a 'partially aligned' criterion is awarded half the score of a 'Fully Aligned' criterion. An explanation of the assessment methodology and fieldwork approach is provided on page 9.

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[2] Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas

OECD Alignment Assessment of ITSCI

Methodology

The ITSCI programme was evaluated using the OECD's Methodology for the Alignment Assessment of Industry Programmes. As required under the OECD Methodology, the programme was assessed against two aspects:

- **Policies and standards** that set out the requirements specified by ITSCI for its member companies and for those aspects where ITSCI undertakes certain activities on behalf of its members
- **Implementation** of these policies and standards by the programme, primarily (but not exclusively) achieved through the delivery of the various due diligence activities ITSCI performs and the information or resources provided to members

The methodology requires programmes to be assessed against three criteria groups, known as A, B and C criteria. Criterion A relates to whether key overarching due diligence principles have been incorporated into the design and implementation of the programme. Criteria B and C relate to whether the programme's requirements for companies and the activities it undertakes itself are aligned to the specific recommendations of the OECD five-step due diligence framework and implemented in practice. Each applicable criterion is rated as "fully aligned", "partially aligned" or "not aligned" and the overall conclusion of the Alignment Assessment is calculated and reported as follows:

- Fully Aligned: (Section A = 100% of criteria 'Fully Aligned) + (Sections B and C = 80% or more) + (no 'Not Aligned' criteria)
- Partially Aligned: All other combinations between 'Fully Aligned' and 'Not Aligned' criteria
- Not Aligned: (Section A = <50% of criteria 'Fully Aligned') OR (Sections B and C = 20% or more of criteria are 'Not Aligned')

In addition, the OECD Alignment Assessment methodology includes a Programme Governance Review section. The criteria in this section of the evaluation have no bearing on the alignment rating of the assessed programme with the OECD Guidance, as the assessment criteria in this section are not drawn from the text of the OECD Guidance. Nonetheless, this section is an important informative means of evaluating the extent to which the intentions, spirit and principles of the OECD Guidance – beyond the formal recommendations – have been incorporated into the ways in which industry programmes have been established and are managed. Criteria in this section are rated as "Fully Addressed", "Improvement Opportunity" or "Not Addressed". Scores from this section of the evaluation do not impact the overall OECD Alignment Rating.

Kumi was contracted for this evaluation in November 2022. The assessment activities for this project were undertaken from November 2022 to March 2023. To deliver the evaluation, Kumi's assessment team undertook an extensive desk-based review of documentation relating to the ITSCI programme. This included reviews of, amongst others: mine baseline assessments, incident reports, communications to members, reports to government authorities, whistleblowing reports, internal

programme management reports, internal management procedures, tools and guides for companies, audit procedures, audit reports, company reports, communications to members and communications to external stakeholders. Further details of documentation reviewed are provided in Appendix 1.

A week-long visit to ITSCI's operations in Rwanda was undertaken in December 2022. The Kumi team had planned to visit ITSCI's operations in the Democratic Republic of Congo (DRC), but due to a deterioration of the security situation in North Kivu this was not possible. In Rwanda the team shadowed the audits of two exporters, visited a mining cooperative and interviewed ITSCI field teams, government agencies, member companies, the independent auditor and civil society. From January to March 2023 further interviews were held remotely, or in-person at International Tin Association (ITA) headquarters, with ITSCI field teams in DRC and Burundi, ITSCI data management and reporting team, ITSCI and T.I.C. management, smelter members and international civil society. The Kumi team also undertook 'data walkthroughs' with ITSCI staff to understand the data collation, analysis and reporting processes. Further details of interviewees are provided in Appendix 2. Details of the in-depth analysis undertaken to evaluate certain specific aspects the ITSCI programme are described in Box 1 (page 21) and Box 2 (page 28).

This Alignment Assessment has been conducted independently of the OECD. Kumi consulted with the OECD during the initial scoping of the assessment and prior to finalisation to support the consistency and interpretation of Kumi's conclusions as the evaluator for this assessment. However, the OECD did not carry out a comprehensive review of the report or assessment tool.

INDEPENDENCE AND COMPETENCE OF THE EVALUATOR

Kumi Consulting Ltd (Kumi) is a UK-headquartered independent advisory firm with a specialist focus on responsible sourcing and supply chain due diligence. Kumi was the firm appointed by the OECD in 2016 to work with the OECD in the creation and pilot testing of the OECD Alignment Assessment Methodology (ITSCI was one of the initiatives participating in this OECD-funded project). Kumi subsequently supported the OECD to develop and apply the Alignment Assessment Methodology to the OECD's work in the garment and footwear and agricultural sectors. In 2019 Kumi was appointed by the European Commission to be the evaluator supporting the Commission on assessments of supply chain due diligence schemes under the EU Conflict Minerals Regulation[3]; the methodology for these evaluations being the OECD Alignment Assessment Methodology. In 2021 Kumi was appointed by the OECD to support the OECD and London Metals Exchange (LME) with the delivery of OECD Alignment Assessments on industry initiatives seeking recognition under the LME's Responsible Sourcing requirements.

In 2020 Kumi was commissioned by the ITA and the RMI to undertake a 'policies and standards' OECD Alignment Assessment of the ITA-RMI Assessment Criteria for Tin Smelting Companies, the results of which were published in 2021 and are available on the ITA website. Other than this, and the ITSCI Alignment Assessment that is the subject of this report, Kumi has had no other contractual or financial engagements with the ITA or the T.I.C. Kumi does not undertake audits for any industry programme

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[3] Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas

operating in the tin, tantalum or tungsten industries, and has no commercial interests in any other supply chain due diligence programme for these industries. Per the requirements of the OECD Alignment Assessment Methodology, Kumi is therefore fully independent as an evaluator of ITSCI.
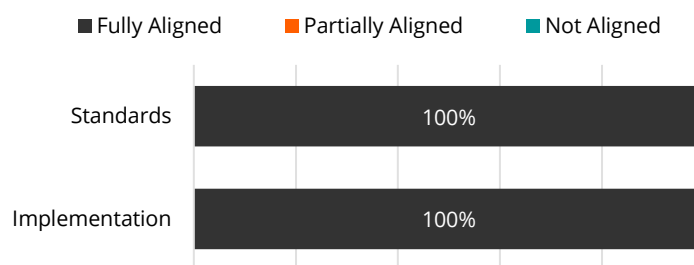
Overarching due diligence principles

This section of the Alignment Assessment considers the extent to which overarching due diligence principles[4], that form the core of the OECD Guidance, have been incorporated into the design and implementation of a programme.

The ITSCI programme is a joint industry initiative of the International Tin Association (ITA) and the Tantalum-Niobium International Study Center (T.I.C.). The ITSCI programme operates with the direct participation and involvement of host government and civil society organisations to deliver the day-to-day activities of the programme in the countries in which it operates. As such, the programme is structurally quite different to many other responsible minerals schemes that operate fully independently of state agents and/or are focused on delivering assurance via the provision of an audit or certification process.

ITSCI's intended role, therefore, is not to provide verification that due diligence has been undertaken by individual companies. Nor is it to verify that individual mine sites, actors within the minerals supply chain, or consignments of material have been produced in accordance with a certain standard. Rather it is to be the facilitator and enabler of due diligence. The programme performs various activities and delivers various outputs (for example, incident reports and traceability information) that are intended to support companies in discharging their due diligence responsibilities under the OECD Guidance. This is consistent with the role for joint industry initiatives described in the OECD Guidance[5].

ITSCI has been specifically designed to support and enable actions that implement the recommendations of the OECD Guidance in the supply chains of minerals from conflict-affected or high-risk areas. The scope of the programme is upstream of smelters and refiners (though smelters are also members of the programme). As shown by Figure 1, the evaluation found that ITSCI is 'Fully Aligned' with all the assessment criteria in this section (Section A) of the Alignment Assessment.

Figure 1: Score under 'Overarching due diligence principles'

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[4] The assessment criteria are set out in Section A of the Alignment Assessment Tool

[5] For example, page 41 of the OECD Guidance states that *"Upstream companies may cooperate to carry out the recommendations in this section through joint initiatives. However, companies retain individual responsibility for their due diligence, and should ensure all joint work duly takes into consideration circumstances specific to the individual company."*

There are five main themes in this section of the Alignment Assessment:

Due diligence is an on-going, proactive and reactive process
The on-going, proactive and reactive nature of due diligence is reflected clearly in the construct of the ITSCI programme, in particular the roles and the various activities of the field implementation teams in the countries in which ITSCI operates. ITSCI is very clear that the responsibilities for undertaking due diligence and reacting to risks or changes of circumstances rests with companies and, indeed, the due diligence responsibilities of companies are clearly specified within the membership agreement.

ITSCI provides several mechanisms to companies to support them in delivering on-going due diligence; these are discussed in more detail under Step 2 (relating to risk assessment) below. The engagement of ITSCI field officers with exporter members, and programme audits of ITSCI members provide additional scrutiny and challenge over member companies' ongoing due diligence.

Whilst the requirements for 'full alignment' with the two assessment criteria were met, it is noted that there is scope for ITSCI to improve its communication and engagement, particularly with traders and smelters that utilise ITSCI information, in order to strengthen and support companies' due diligence. This is discussed further throughout this report.

Due diligence is dynamic and improves over time
As noted above, ITSCI does not make any determinations about the status of companies or material[6]. Due diligence is therefore not presented as relating to a point-in-time assessment but rather an ongoing process. The programme is also clear about the challenges involved in sourcing minerals from artisanal and small-scale miners (ASM) in the Africa Great Lakes region. For example, in the monthly reports that all full ITSCI members receive there is detailed commentary on programme activities and updates on production, security and political developments or other issues relevant to the ASM supply chains under the scope of the programme. These reports also include discussion of incidents relevant to the geographic region covered by the monthly report (provincial-level for DRC and country-level elsewhere).

Programme engagement (both formalised communications, such as incident alerts, and in-person meetings) to member companies and local stakeholders in the locations where ITSCI operates is clear about the expectations for continual improvement. The thresholds for mitigation actions when incidents and risks are identified are drawn directly from the OECD Guidance.

Whilst it does not impact the assessment scoring in this section of the evaluation, a key challenge noted by the evaluator relates to how ITSCI engages with smelters and downstream companies on the practicalities of utilising ITSCI data and mechanisms for driving dynamic and proactive due diligence. This is discussed further under Step 2.

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[6] Other programmes in the minerals and metals sector do this, for example by enabling an individual company to be certified as having achieved a standard, or for consignments of material to be labelled with a 'chain of custody' certification.

Due diligence is risk-based

The expectation for companies to make their own risk determinations is communicated to members formally in writing and through in-person engagement. In practice most members utilise ITSCI's risk categorisation and prioritisation processes, which have been developed to closely follow the recommendations of the OECD Guidance.

The evaluation criteria for the overarching principles of risk-based due diligence are fully met in this section of the evaluation. However, there are some challenges in the detailed implementation, which are identified under the assessment criteria for Step 2.

Due diligence is undertaken in good faith

'Good faith' and 'reasonableness' are explicitly written into the membership agreement section referencing expectations for ITSCI members' due diligence approach. This approach is also evident in the activities undertaken by the programme. For example, the engagement of ITSCI field staff with mine sites varies according to risk, with evidence being presented to the evaluator to show that the intensity of field engagement prioritises higher risk sites and also seeks to be responsive to events (incidents).

Nonetheless, the evaluator considers that there are opportunities to strengthen the oversight of the mine site assessment programme. This is discussed further under Step 2.

Companies are responsible for ensuring that appropriate due diligence is undertaken

As noted above, ITSCI is very clear that the responsibility for due diligence rests with companies, and this is repeatedly emphasised through multiple channels ranging from the membership agreement through to communications and training. As such, and because the Alignment Assessment evaluation is of programmes not individual companies, the programme is 'Fully Aligned' with the criteria in this aspect of the assessment.

However, there are some significant challenges with the consistency to which individual companies understand and deliver their due diligence responsibilities. Whilst ITSCI is not responsible for the actions (or inactions) of companies who are members of the programme, it has a role to play in engaging, educating and building the capacity of companies to utilise the data and resources that ITSCI makes available in a meaningful and effective way. This is discussed further under Step 1.

Alignment with the five-step framework

This section of the Alignment Assessment considers the extent to which the specific recommendations[7] within the five-step due diligence framework set out by the OECD Guidance have been incorporated into the design and implementation of a programme.

Step 1 – Establish strong management systems

The assessment criteria for Step 1 focus on the specific requirements that ITSCI sets for its member companies, who are primarily (but not exclusively) exporters based in the countries in which ITSCI operates. Figure 2 shows that the evaluation found that ITSCI is 'Fully Aligned' with all the assessment criteria in this section of the Alignment Assessment.
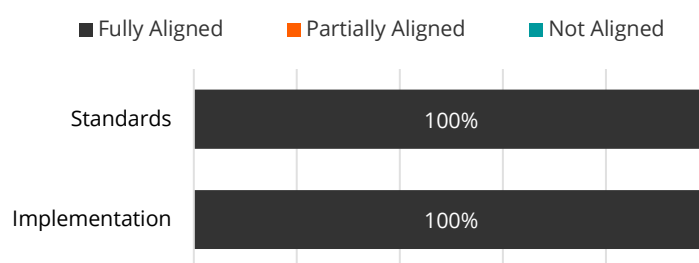
Figure 2: Score under 'Step 1 – Establish strong management systems'

The ITSCI membership agreement required companies to agree to implement the OECD Guidance. All member companies must undergo a Preliminary Company Audit as part of the application process to join the programme. These Preliminary Company Audits are delivered by the ITSCI independent auditor. Whilst this audit has a significant focus on delivering 'Know Your Counterparty' (KYC) due diligence on behalf of the ITSCI Secretariat and ITSCI members (for example, background checks on the beneficial owners), elements of a company's existing management system (if in place), such as policies, are also reviewed and, in some cases, potential risks related to the prospective member's sourcing plans may be identified. Recommendations for further follow-up and engagement by the ITSCI field teams are made if appropriate to address any gaps identified from this initial desk-based review.

The ITSCI Audit Checklist is the main document used in the management of the ITSCI programme that describes the detailed requirements for company management systems that ITSCI sets for member companies. The wording of the ITSCI Audit Checklist requirements closely follows the OECD Guidance recommendations for company management systems, along with additional requirements specific to the ITSCI programme.

The most systematic way by which ITSCI seeks to ensure that companies are implementing its management system requirements is through audits undertaken by the ITSCI independent auditor. At

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[7] The assessment criteria are set out in Section B of the Alignment Assessment Tool

the audits that were observed by the evaluator in Rwanda and from the desk-based review of additional ITSCI audits it was observed that the ITSCI Audit Checklist had been consistently followed, with descriptive analysis from the auditor on observations and findings from each audit.

However, companies do not see the Audit Checklist until they are selected for audit. ITSCI management assert that the OECD Guidance defines the management system requirements for ITSCI members. Whilst ITSCI may be able to technically align with the Alignment Assessment criteria in this section, the evaluator considers that simply referring to the OECD Guidance is not an effective means of defining and communicating expectations to companies. The OECD Guidance is not written as a management system manual for companies. Moreover, based on the evaluator's experience beyond this project, the details of the OECD Guidance are not widely understood by individuals working in the minerals and metals sector. Most industry programmes explicitly define their management system requirements for companies; the evaluator recommends ITSCI does the same. The fact that management systems need to be appropriate to the circumstances of the company is no barrier to the provision of clear and actionable guidance to member companies.

Furthermore, whilst ITSCI's on-site audits appear effective, they are limited in number and frequency. This limits the scope of this mechanism to be a control over company performance in relation to ITSCI's requirements for members' management systems. As a result of the Covid-19 pandemic, no audits were undertaken in 2020 and 2021. In 2022, there were five desk-based audits and the two field-based audits in Rwanda that were observed by the evaluator. In total, over the past five years there have been 29 audits. Thus, when compared against a membership of 120 companies at the time of writing the ITSCI audit programme covers a relatively small proportion of the membership (approximately 75% of current members have never been audited). There can be long time periods between auditors assessing members' compliance with ITSCI requirements in different regions. For example, prior to the audits that were observed in December 2022, the last audits undertaken in Rwanda were in 2017. One audit in DRC was undertaken in 2019; prior to that the last audits were in 2017. No audits have yet been undertaken of member companies in Burundi.

ITSCI management reported that audits are planned in consultation with the independent auditor, taking into account risk and also the available budget. The desk-based audits of international ITSCI members that have been trialled during 2022 are part of efforts to seek to maximise the scope of what the programme can achieve within the available budget. The evaluator considers that ITSCI could be more transparent about the scope and purpose of the ITSCI audit programme with external stakeholders and better explain, for example on the ITSCI website, the role of the ITSCI audit within the overall structure of the programme's management and oversight processes.

Notwithstanding the alignment of ITSCI's management system requirements with the OECD Guidance, the evaluator does not agree with ITSCI management's assertion that it is sufficient to rely on companies reading and understanding the OECD Guidance as the primary means by which companies are informed about the structure and design of the management systems that they must establish for their own organisations (e.g. policies, internal accountabilities, operational procedures, etc). This is further substantiated by the ITSCI independent auditor, who confirmed to the evaluator that as part of

their audits they often have to explain to auditees how to effectively implement ITSCI's requirements for management systems and processes (and that their provision of this advice is valued by auditees).

An important aspect of implementation support is the engagement undertaken by ITSCI field teams with member companies. This was an area where ITSCI was 'Partially Aligned' for implementation in the 2018 OECD pilot project; the evaluator noted that the engagement of field teams with member companies has strengthened since this time. ITSCI member companies visited by the evaluator in Rwanda stated that they were visited by ITSCI field staff on a weekly basis, and ITSCI staff interviewed in the DRC reported regular engagement with ITSCI member companies. Whilst a significant focus for ITSCI staff engagement with companies is on the traceability system, ad hoc support is also provided to companies in the regions where ITSCI operates on broader management system aspects.

One aspect of this support is training. For example, in the DRC, training is being rolled out to raise awareness amongst exporters of the Voluntary Principles for Security and Human Rights and provide guidance on how to implement ITSCI's requirements into contractual agreements with public or private security providers. A training manual has been developed and rolled out for exporters in the DRC, and work is underway to provide the same for other countries.

The evaluator is aware that other training and engagement efforts have been delivered; the monthly reports that are shared with members provide descriptions of the training provided in the relevant region during the month covered by the report, which is often delivered in response to incidents (for example, training to SAEMAPE agents on tagging procedures).

Nonetheless, an overall observation is that while the programme can demonstrate full alignment with the assessment criteria for this section, the formalised training for member companies – particularly exporters, international traders and smelters – on use of the ITSCI system for due diligence has been limited. The evaluator's view is that training and capacity building for member companies is an area where continual improvement is needed by ITSCI.

There is also significant scope to leverage partnerships, such as with the Responsible Minerals Initiative (RMI) to support training for smelters – and RMI auditors – on the use of the ITSCI programme. The purpose of this training should be to enable ITSCI member smelters and RMI auditors (who will usually be the ones auditing the smelters) to fully understand how ITSCI works and what due diligence activities smelters should be doing with ITSCI information. ITSCI should ensure that training materials are developed in such a way that it does not make assumptions about the base level of knowledge of attendees about the operations of mineral supply chains on the ground. Use of media such as video as part of this training may be very useful in enabling training recipients (who may never travel to the countries where ITSCI operates) to understand the context in which the ITSCI programme operates. ITSCI could provide relevant training materials that can be delivered to ITSCI member smelters and RMI auditors via the RMI's e-Learning Training Academy, as well as via ITSCI's own activities. The same recommendations would apply to other tin smelter audit programmes, as and when such programmes operate at scale.

At a programme level ITSCI supports companies to meet the OECD Guidance recommendation to establish a grievance mechanism through the provision of a whistleblowing procedure. This includes a central email address which is monitored by the ITSCI Programme Manager supported by a telephone 'hotline' in the DRC that is promoted at a local community level. The latter provides an important – and actively used – mechanism for local community stakeholders to report risks as it is managed by two local civil society organisations and promoted on community radio networks.

Risks reported through the DRC whistleblowing 'hotline' and identified as relevant for ITSCI are recorded by ITSCI reporting officers and communicated to ITSCI field teams for investigation (not all the 'incidents' reported will be relevant to ITSCI). For example, in Q1 2022 from a total of 139 calls there were 12 ITSCI incidents. Nevertheless, Level 1 incidents (the most serious designation, see below under Step 2) are reported from time to time; during 2022 a total of eight Level 1 incidents were reported in this way. Quarterly reports are produced for ITSCI management on the engagement with this mechanism by stakeholders in the different DRC provinces where ITSCI operates.

A telephone 'hotline' is not operational in other countries where ITSCI operates, though the companies in Rwanda whose audits were observed by the evaluator had established their own grievance mechanisms. Companies' provision of a grievance mechanism is also checked as part of the pre-audit undertaken on all prospective new member companies. ITSCI management should consider how access to a local phone number may be provided for potential whistleblowers in other countries where ITSCI operates.

Step 2 – Identify and assess risks in the supply chain

The evaluation of the assessment criteria for Step 2 focuses on how ITSCI, as a programme, supports and enables member companies to fulfil the recommendations set out in the OECD Guidance for the identification and assessment of risks in mineral supply chains. Figure 3 shows that the evaluation found that ITSCI is 'Fully Aligned' for most of the assessment criteria, but there are some criteria that are not Fully Aligned for Implementation.

Legend: ■ Fully Aligned   ■ Partially Aligned   ■ Not Aligned

Standards	100%
Implementation	71% / 29%
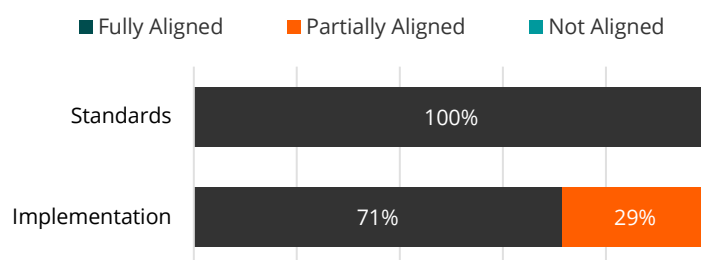
Figure 3: Score under 'Step 2 – Identify and assess risks in the supply chain'

The identification and assessment of supply chain risks are delivered by ITSCI through two primary means:

- Processes and mechanisms that have been developed and deployed to identify and alert member companies to risks, thereby supporting and facilitating companies' due diligence efforts.
- The traceability system that enables companies to determine their relationship to risks.

RISK IDENTIFICATION AND ASSESSMENT PROCESSES

There are three main themes to the assessment criteria under Step 2 of the Alignment Assessment methodology:

The scope of risk assessment

Alignment with the criteria under this theme means that the types of risks that are addressed by risk assessment efforts must be the same risks that are described in Annex II of the OECD Guidance. Programmes may consider additional risks not referenced in the OECD Guidance, but this would have no bearing on their OECD Alignment status.

A clearly stated objective for ITSCI is to implement the recommendations of the OECD Guidance and focus on the identification and mitigation of Annex II risks in the supply chains which it supports. ITSCI records incidents against five categories:

- Chain of custody (this refers to the traceability mechanism, and is the category against which incidents relating to the misuse of tags or logbooks or production discrepancies will be recorded)
- Corruption (incidents of bribery and corruption, for example illegal taxation levies by government officials, will be recorded against this category)
- Due diligence (incidents relating to the failure by companies to take certain due diligence actions that may be expected following an incident or required as a condition of programme membership)

- Human rights (incidents relating to serious human rights abuses, such as child labour at mine sites, but also including serious health and safety incidents)
- Security (incidents relating to state security forces or non-state armed groups will be recorded against this category).

For each of the five categories, incidents will be ranked for severity on a scale of 1 (most severe) to 3 (least severe). Level 1 incidents will generally be those that are considered to directly relate to an OECD Annex II risk.

ITSCI has a risk matrix to guide staff on risk categorisation, which provides descriptions of the types of risks that may occur within different categories. However, this is not shared with ITSCI members or explained on the incident summaries or monthly reports that are distributed to members. Level 1 incidents are communicated to members via instant alerts, so members will be clear that Level 1 incidents relate to the most significant risks. However, members are not regularly reminded in ITSCI communications of the differences between Levels 2 and 3 or what these designations mean for their due diligence.

Mapping the factual circumstances of the supply chain
All of the mine sites in the ITSCI programme must undergo a Baseline Assessment before being accepted into the system (i.e. initiation of monitoring and tagging of minerals). The Baseline Assessments are undertaken by ITSCI field staff, many (but not all) of whom have a background in geology or mining engineering.

The Baseline Assessments cover a range of topics, including a descriptive overview of the site and location; descriptions of the mining co-operatives, buyers (négociants), state services, security forces and local communities; descriptions of the numbers of workers and estimates of the site's monthly production; details of processing (washing) activities and transportation routes; descriptions of taxes levied and paid by miners; and other information relevant to understanding risks. Baseline Assessments may be undertaken in conjunction with staff from relevant government agencies, or ITSCI field staff will undertake these by themselves. Guidance is in place for ITSCI field officers describing the methodology to use when calculating mine site production for a Baseline Assessment.

Data from the mine baseline assessments determines the tag allocation for each mine. As such, the baseline assessments and their updates (plausibility assessments) are a key control mechanism in determining the risk that minerals tagged in the ITSCI system may have originated from a different mine other than the approved one and therefore could be associated with Annex II risks.

In Rwanda, tag allocation is conducted jointly with ITSCI and the Rwanda Mining Board (RMB). Baseline assessments and updates are often undertaken jointly by ITSCI and RMB and the ITSCI process is linked to the government licensing process for mine sites. If a mine site operator is seeking access to additional tags beyond those allocated, due to an increase in production, then a process has been established requiring the mine operator to submit a request to the RMB which will then assess validity in conjunction with ITSCI. RMB interviewees reported that this process is conducted quickly, usually

within one week. Multiple interviewees in Rwanda commented that the co-operation between ITSCI and RMB has strengthened considerably in recent years and is now operating more effectively than has been the case in past years.

Similarly, in the DRC tag allocation is conducted jointly between a ITSCI project agent and governmental officials on the basis of previously conducted baseline studies. Government officials will inform ITSCI about new sites or mining permits upon which ITSCI will collect additional information and undertake a baseline study. Baseline studies are sometimes done through joint assessments with government officials but ultimate responsibility for the baseline report data remains with ITSCI.

ITSCI maintains data from its Baseline Assessments on internal 'master' mine site databases, one for each region. Data from these 'master lists' are reconciled with production data from the tags allocated to each mine and used to maintain oversight on mine activity and changes to production.

ITSCI field staff are responsible for rotating visits to mine sites in their jurisdiction to ensure an appropriate level of oversight and, where necessary, provide updates to the baseline assessments so that tag allocations can be adjusted accordingly. In theory all mine sites in an area will be visited in a scheduled fashion (including inactive sites that do not have tags allocated to them in order to check that the sites remain inactive), but in reality the field team's visits are prioritised according the circumstances on the ground (e.g. potential risks requiring investigation). Risks triggering a field team visit may include changes to production against the baseline identified from data on the numbers of tags being used at a site, or incidents that have been reported by stakeholders.

There can also be instances, particularly in the DRC, when ITSCI field staff are physically unable to visit certain mine sites, either due to weather (e.g. routes to remote sites becoming impassable in the monsoon) or due to security concerns, such as in certain parts of North Kivu where at the time of writing there is active armed conflict. At present sites which have previously been accepted into ITSCI and have tags allocated to them are not automatically suspended if field staff are unable to access these sites. This was a topic of internal debate at ITSCI at the time of this evaluation.

In interviews with the evaluator ITSCI senior management conjectured that the risk that mine sites' could be "missed" from being visited for an extended period of time, and therefore that such mines' productivity (production volumes) or production status (active or inactive) might vary significantly from the data held by ITSCI on the relevant 'master list' (e.g. production re-starting on a mine where operations had previously ceased), was negligible as a risk factor. The evaluator did not find this argument convincing. Field staff responsible for undertaking the baseline and plausibility assessments within their regions described a reactionary 'modus operandi', with much of their mine site assessment work being driven by events rather than by following a plan (plans exist, but are seldom followed, because events take over). No centralised database exists that enables ITSCI management to have an overview of when each mine site in the programme was last visited, as this information is managed separately by each region. It should be noted that the evaluator did not see evidence that production data in the 'master lists' is incorrect due to an absence of oversight (field visits) by ITSCI; rather that at a

programme level this risk is present due to the decentralised oversight of the mine visit schedules. Programme-level oversight of mine visit schedules could be improved.

Box 1: Plausibility of production levels

Various international stakeholders have raised concerns and allegations regarding the accuracy of production levels reported by ITSCI, including specific, serious allegations that were made during the time assessment fieldwork for this report was being undertaken. The evaluator has taken these concerns seriously and, as part of this Alignment Assessment, conducted in-depth analysis to evaluate ITSCI's methods to estimate and monitor mine production data. ITSCI's estimates of production plausibility are an important control for the programme, particularly in relation to the potential misuse of ITSCI's traceability system by actors who wish to "fraudulently" misrepresent the origin of minerals.

During this Alignment Assessment the evaluator was provided with unprecedented access to ITSCI's database and conducted numerous interviews with key ITSCI field staff.[8] For the sample period selected by the evaluator (July 2021 – November 2022) ITSCI provided full access to all its mine lists and incidents reports. The evaluator had access to information such as GPS coordinates of all mines, dates of mine validation, dates of conducted baseline estimates, numbers of workers (miners, washers, transporters) per site, the dates of conducted baseline assessments, baseline estimates as well as production data per month for cassiterite, tantalite and wolframite, tag reports, incident summaries and photographs taken by ITSCI field teams. Any other information (e.g., reports regarding other dates) was made available by ITSCI upon request. Much of the information reviewed was internal to the ITSCI programme.

Due to a significant deterioration in the security situation in eastern DRC at the time of this assessment, the evaluator was not able to conduct field work on the ground of ITSCI's operations in the DRC as had been originally planned at the start of the project and instead had to limit physical fieldwork to Rwanda. To compensate the absence of field work in DRC, the evaluator conducted additional review and research to explore the plausibility of production data as well as the effectiveness of ITSCI's methods to identify and respond to risks - especially Annex II risks. A particular focus was given to challenging ITSCI's production plausibility data for a specific region within the DRC where some international stakeholders claimed there was evidence of a significant failure of ITSCI's production plausibility controls.

The evaluator was provided with the full findings of an investigation by a multilateral organisation that was one of the international stakeholders expressing their concerns in relation to potential misuse of the ITSCI system in a specific region of eastern DRC. This investigation had involved a significant analysis of remote sensing (satellite and aerial photography) data, combined with analysis of production data and some additional field investigations. This information was shared with the evaluator in advance of it being shared with ITSCI. The evaluator conducted its own desk-based

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[8] The evaluator also interviewed numerous external stakeholders. For the full list of interviewees please see Annex I.

analysis and compared samples of ITSCI data with Google Earth satellite imagery in order to validate the findings of the multilateral organisation.

Allegations from third party reports about the specific region in question were discussed, at length, with ITSCI management. ITSCI provided substantive evidence (photos from field visits, maps of mine locations, number of site visits, reports of incidents, minutes of stakeholder meetings, updated procedure manuals including joint procedures with DRC governmental agents, detailed background information about relevant sub-sectors) to demonstrate the actions it had taken to monitor production plausibility and to respond to the risks and incidents that had occurred in this region. Data provided showed frequent updates to production baseline estimates on a regular basis (for some sites, up to four or five changes in a year).

Based on this analysis, the evaluator considers that it is understandable why external stakeholders reached the conclusions that they had, based on the information available to them: most of the ITSCI information reviewed by the evaluator is not available outside of the programme. However, the evaluator also considers that remote sensing is inherently limited for understanding mine production in eastern DRC considering the topography, geology and climatic conditions of the region, as well as the importance of operational factors impacting individual groups of miners (such as access to equipment such as generators for water pumps). On the basis of the evidence reviewed, the evaluator considers that whilst production estimates will always be indicative, and some discrepancy between estimates of a mine's production and effective production levels does exist, ITSCI can largely substantiate its reported production data and can also evidence mitigation actions taken in response to incidents of system misuse (e.g., ITSCI has provided minutes of meetings with governmental officials and other stakeholders to improve tagging processes, conduct joint visits, photos from site visits and regular updates of baseline studies for critical mine sites).

For a more in-depth overview of conducted interviews (total of 46 conducted interviews with key stakeholders) and the extent of reviewed data and information (review of 800-900 documents) revert to Annex I and II.

Investigation of red-flagged locations and circumstances
The ITSCI incident reporting system identifies risks and communicates these to member companies. Incidents can be reported by any stakeholder (including via whistleblowing, as previously discussed) though, in practice, most incidents are identified and reported by the ITSCI field teams. As noted above, each incident is categorised and given a severity rating, according to the ITSCI risk matrix. Member companies received instant alerts via email for Level 1 incidents; all other incidents are communicated to members in the monthly reports.

Field teams provide on-the-ground assessments (it is often these that identify the incidents) and report findings of investigations and any planned next steps or recommendations for ITSCI members. Each incident is documented in a standard two-page template that records details of the incident including time and place, its rating according to the ITSCI risk matrix, who was involved, a description of the

incident, where applicable details of the tags or logbook numbers affected, and planned next steps. These documents remain internal to ITSCI, however, incident summaries are maintained on Excel databases for each region and it is on these databases that close-out or follow-up actions are monitored. The information maintained on the Incident Summaries is quite detailed, sometimes to the same degree as the full incident report.

ITSCI has provided training to government agents in DRC, Rwanda and Burundi on how to assess due diligence risks at the companies they visit. ITSCI has also provided tools and guidance for exporters to support them with due diligence, including a template for site visits to assess supply chain risks and training on how to use the site visit template. This has been rolled out in DRC, Rwanda and Burundi.

In Rwanda ITSCI operates a process called the due diligence list. This is a register that is maintained by ITSCI and shared monthly with ITSCI members. The purpose of the due diligence list is to highlight 'red flags' related to mining companies where there are repeated or significant concerns related to the production recorded at the site, or serious violations of traceability procedures. The inclusion of a mine site on the due diligence list does not mean that member companies cannot source from that mine, but that due diligence by companies is strongly advised due to the issues that caused the mine to be placed onto the list in the first place. Exporters sourcing from any sites that have been placed on the due diligence list are required to disclose this in the ITSCI transaction documentation provided to the receiving smelter. Exporters' compliance with this requirement is part of the scope of the ITSCI auditor.

In December 2022 ITSCI updated the due diligence list process to mean that government field officers, who are the ones responsible for tagging minerals at the mine, could be placed on the due diligence list. Interviewees reported that this change was introduced because fraudulent mineral tagging often requires government agent complicity, as they are the ones responsible for tagging minerals. The names of individuals will not be included on the list; rather the district office where the relevant officer will be based will be disclosed, then it is for companies to perform additional checks on any minerals they have received that have been tagged by that district office. ITSCI will maintain a confidential list of named individuals and share this directly with the government, so that appropriate follow-up actions can be taken.

At the time of writing there is no due diligence list for the DRC or Burundi. ITSCI management reported to the evaluator that the introduction of this process for the DRC was planned and discussions were in progress with the relevant government authorities, but there were challenges in obtaining agreement from the authorities that this list would also record fraudulent actions by government agents. The evaluator considers that the due diligence list is a useful tool for facilitating due diligence on the issue of fraudulent production reporting and that ITSCI management should proceed with rolling it out with mine site information only in the first instance. The inclusion of government agencies can be added at a later date as and when agreement from the DRC government is given. The same applies to Burundi and Uganda.

In addition to the incident reports, monthly reports and (for Rwanda at least) the due diligence list, smelters can request the ITSCI mine baseline reports from the mines from which they are sourcing.

Smelters usually receive these reports when they receive their ITSCI Shipment Report, but ITSCI is able to provide these reports upon request to those members that request them (though for traders and exporters a 'non-circumvention agreement' must be in place first due to the potential for information in the baseline reports to be considered commercially sensitive). A complaint that multiple members raised is that these reports are often so heavily redacted that they provide little actionable information to support risk assessment. This has been recognised by ITSCI management who explained to the evaluator that work is in progress to reform the baseline reporting structure and process, with precise guidance to field staff on what information is confidential. It was explained that the excessive redaction is a result of individuals applying overly cautious interpretations to what information within the baseline reports is genuinely confidential.

Underpinning the risk assessment processes and mechanisms described above is the traceability system that the ITSCI programme provides.

TRACEABILITY PROCESSES

Traceability data provided by ITSCI to its members is an important part of the ITSCI programme. It is a key enabler for due diligence by companies and other stakeholders, so an important contributor to the Alignment Assessment ratings of several evaluation criteria. It is also arguably, for external stakeholders, the most well-known service that ITSCI provides to its members.

The processes for collecting and processing traceability data are heavily manual, with ITSCI staff manually entering logbook data for every single transaction (e.g. the tagging of a sack of ore at a mine site). The exception to this is Burundi, where electronic data collection has now been rolled out (discussed further below). On average around 740,000 mine tags are used each year and data is manually processed for every tag. Manual data collation, review and reporting continues through the supply chain through to the shipment of minerals to smelters. ITSCI staff reported that they process data for around 900-1,000 shipments (exports of ore from an in-country exporter to a receiving smelter) per year; each shipment may contain the ore from hundreds of tagged sacks of mined material. The scale of traceability data processed by ITSCI staff is therefore considerable.

The key challenge related to this manual processing is the timeliness of information; in particular the traceability information available to smelters. As ITSCI does not have sight of the commercial transactions between exporters and international traders and smelters, the traceability from mine site to smelter can only be established at a programme level when a smelter issues a 'tag request' to ITSCI, confirming which minerals have been purchased. This 'tag request' provides ITSCI with the information on which shipments a smelter has received from an exporter, and from this information ITSCI can then work backwards from receipt of minerals at the smelter through the records kept at each stage of transport and processing to identify which mines produced the minerals in that shipment. This traceability information is recorded on an ITSCI Shipment Report which is provided to the smelter.

Smelters can use logbook information to determine traceability to the mine site, but this is dependent on whether or not the exporters have collated and reported all of this information in the logbooks. It is not necessary for mine details (e.g. name, location) to be recorded in all documents as the tag data

provides the traceability; however, only ITSCI has access to the traceability data system. Hence, the Shipment Reports are an important traceability control for the programme and its smelter members.

ITSCI's target is to provide a Shipment Report within 120 days of receiving a tag request. ITSCI staff reported that the actual average response time was 98 days. Interviewees also reported that most smelters only issue tag requests in preparation for their annual audit: all of the smelters that are ITSCI members are subject to regular (usually annual) audits under the Responsible Minerals Initiative (RMI)'s Responsible Minerals Assurance Program (RMAP). Once the time for minerals to be physically shipped from the in-country exporter to the smelter (usually in Asia or the Americas) is taken into account – which can be several months – there can be a very extended timeframe from the time when minerals were produced at a mine to the time a smelter knows precisely which mine its minerals came from. Potentially up to 18 months, or even more, could have elapsed (an additional factor for possible information delays is that shipment reports will be withheld if there are outstanding financial obligations to ITSCI from the smelter or other relevant actors in its supply chain). Such information delays will inevitably be a constraint on how the ITSCI traceability data can be used to support due diligence by smelters.

Notwithstanding the Shipment Report process, smelters do not need to wait until they have the full traceability information to conduct their due diligence. There is nothing that prevents a smelter engaging with its counterparties to establish whether incidents reported by ITSCI relate to that smelter's supply chain. ITSCI's incident alerts provide appropriate information such as locations and, where applicable, relevant tag identifiers, to enable companies to conduct their own investigations.

Nevertheless, smelter interviewees reported that the manual reconciliation of tag data and log book information is very labour-intensive and time consuming. One smelter reported how they received on average around seven or eight shipments per month, with each shipment being accompanied with around 800 tags. They would then have to manually record and analyse the tags against their own manual records of ITSCI incident reports in order to understand which mines the material came from and whether there were any relevant risks of concern. Such manual processing creates significant costs for members. Moreover, this smelter was only able to do this analysis at all because it insisted in its contractual requirements that exporters provide full mine site information on the logbook records. Not all smelters using ITSCI have such transparency terms in their contracts, or are as willing/able to perform the manual data analysis of every shipment they receive; hence the importance of ITSCI Shipment Reports.

ITSCI staff reported that smelters are supposed to issue tag requests on a monthly basis, and if all smelters did this then the process for producing shipment reports would be much quicker as the volumes of data to be processed for each shipment report would be far smaller. However, staff reported that no smelters do this at present, which means the ITSCI data team is constantly having to react to the most urgent priority of the day. This then creates backlogs and further delays in the system.

ITSCI is in the process of digitising its data collection and analysis processes. In particular, this includes the use of the software provider, ChainPoint, to digitise the traceability process from mine onwards. However, rollout of the system is slow. The evaluator was first introduced to ITSCI's plans to implement ChainPoint during the OECD Alignment Assessment pilot project in 2016. Seven years later the system is still not fully operational and is yet to have a meaningful impact on reducing the manual data processing workload.

Interviewees reported that configuration of the ChainPoint system was working well, and that implementation and extension of the system across more areas of data collection and management by field teams and ITSCI staff was in progress. Field trials using tablet computers instead of logbooks had been completed in Burundi and had proved generally successful, enabling electronic data collection to be adopted in Burundi. Nonetheless, interviewees expressed uncertainty about how effectively such techniques might be deployed in the more challenging context of the DRC. It was noted by multiple interviewees that the simplicity of the paper-based logbook system has some significant advantages in the remote, rural locations where many ITSCI mine sites are located and where the data collection is being undertaken by government agents.

The evaluator's view is that the digitisation of the ITSCI system (even if some aspects of data collection at remote mine sites remains manual) could be – and could have been – rolled out at considerable pace if it was managed as a dedicated change management project and adequately resourced, including with professional advice. The challenges involved in digitising the ITSCI system are not unique, and technology solutions available to organisations have also evolved considerably in recent years. This would, of course, require dedicated financial resources, albeit resources that should have a reasonable payback period rather than being a sunk cost due to the efficiencies that can be realised (e.g. a reduction in staff numbers required for data entry and processing). However, a focused effort to raise finances for a formalised change management programme has not been undertaken. There is little evidence that digitisation or modernisation of the traceability programme is or has been seen as a priority by ITSCI senior management.

Step 3 – Design and implement a strategy to respond to identified risks

Similar to Step 2, the evaluation of the assessment criteria for Step 3 focuses on how ITSCI, as a programme, supports and enables member companies to fulfil the recommendations set out in the OECD Guidance for responding to identified risks in mineral supply chains. Whilst companies always retain responsibility for their own due diligence, the nature of the risks that can be present in mineral supply chains in the geographies where ITSCI operates means that company collaboration with joint industry initiatives can play an important role in the management of risks.

Figure 4 shows that the evaluation found that ITSCI is 'Fully Aligned' for most of the assessment criteria, but there are some criteria that are not Fully Aligned for Implementation.
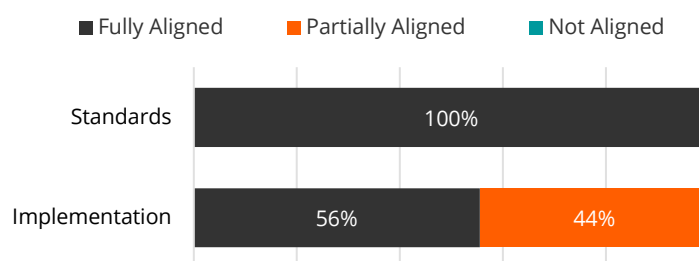
Figure 4: Score under 'Step 3 – Design and implement a strategy to respond to identified risks'

The two primary means by which ITSCI seeks to address the OECD Guidance recommendations for risk management are through the information that is provided to companies and other stakeholders, and through the convening of direct support to stakeholders to develop solutions to identified risks.

Information to inform risk management
ITSCI used to undertake and publish 'Governance Assessments' to assist with understanding the context of risks in a region to support and inform risk management efforts. Governance Assessments remain available on the ITSCI website; however, many of these are almost a decade old and therefore of very little value to due diligence. ITSCI management reported that the use of Governance Assessments has now been phased out as the monthly reports provide detailed, contextual information which, by its very nature, is kept up-to-date with any relevant developments in the past month. This information is only available to members, and the website has not been updated to enable external stakeholders to understand what types of information ITSCI members receive from the programme.

As discussed under Step 2, ITSCI operates an incident alert and management system as a core part of the programme. Level 1 incidents are communicated to members via instant email alerts when a Level 1 incident is raised, otherwise all incidents are communicated via the incident summaries that accompany the monthly reports.

Level 1 incident alerts provide a description of the incident and what actions ITSCI field teams are undertaking in response. Each email alert concludes with a standard line of text "encouraging" member companies to evaluate risks and to follow up with suppliers on the incident or take other appropriate actions. The evaluator's view is that this standard line of text could be more explicit about the responsibilities of companies to undertake due diligence and apply leverage to support risk mitigation, rather than simply relying on ITSCI's field teams to resolve all incidents.

Box 2: Incidents relating to fraudulent misrepresentation of mineral origin

The fraudulent misrepresentation of mineral origin is an "Annex II" risk under the OECD Guidance. The misuse of ITSCI tags in order to fraudulently misrepresent mineral origin has been a concern reported by various external stakeholders for several years. During this assessment, a number of external stakeholders expressed to the evaluator their view that "fraudulent" misuse of tags was "systemic" across the ITSCI programme. As previously noted in this report, specific allegations concerning the operation of the ITSCI programme in the DRC created an additional 'red flag' for the evaluation team. In its assessment of this particular issue, the evaluation team sought to understand three key aspects:

1. Does the ITSCI programme identify relevant risks and incidents relating to this issue?
2. How widespread are occurrences of fraudulent misrepresentation of mineral origin?
3. Is there evidence that the ITSCI programme is taking reasonable measures for risk mitigation, in line with OECD Guidance recommendations?

Evidence was gathered through interviews with ITSCI management, field officers and data officers; walkthroughs of data management systems; and extensive analysis of incident data and reports. With regards to incidents, ITSCI provided the evaluator with access to all incident summaries for the selected sample period (July 2021 – November 2022). Those summaries include information on the incident category (due diligence, human rights, chain of custody, security), location, responsible company, responsible government agency and involved actors, incident summary, actions taken or to be taken, risk level, date of occurrence, outcome and status of incident. ITSCI further provided an analysis of all ITSCI incidents for the period November 2021 to October 2022.

Based on the evidence received, the evaluator made the following observations against the three questions referenced above:

1. Risks relating to the traceability system are the most commonly reported incidents in the programme. In the period from November 2021 to October 2022, a total of 1,613 incidents (of all categories) were reported across the ITSCI programme, which equates to between four to five incidents each day, on average. 61% of these incidents related to chain of custody. Of these chain of custody incidents, 56% were classed as 'Level 3' – the lowest level of risk. Examples of Level 3 chain of custody incidents included issues such as clerical errors in logbook entries, tags being lost in transit, field officers identifying the need to adjust a mine's production baseline due to changes in activity levels at a site, and such like. The frequency with which lower levels of incidents are identified, reported and mitigation actions

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assigned indicates that incidents with a higher risk or impact level will be more likely to be identified and reported.

2. Incidents of where there is a risk of, or has been, fraudulent misrepresentation of mineral origin do occur. In the period from November 2021 to October 2022 there were 47 such incidents classed as 'Level 1' across the ITSCI programme, which is almost one per week. Nevertheless, these only represent 3% of all reported incidents.

3. In all individually examined cases ITSCI management was able to demonstrate to the evaluator that ITSCI was not only aware of the relevant incident but had undertaken actions to address the issue (e.g., involved companies were contacted and asked for explanations; companies were added to the due diligence list; incident was raised to leadership of government agencies; internal assessment of possibility that ITSCI agent was colluding with companies; addressing incidents in stakeholder meetings; joint assessment visits to sites with state agencies, etc). The evaluator and ITSCI management discussed, at length, the difficulties of addressing tagging fraud and corruption allegations that implicate government officials. ITSCI is ultimately not a law enforcement vehicle and risk prevention and mitigation always depend on collaboration with other stakeholders, including respective local governments and police forces. Whereas ITSCI can (and does) report and inform members and government officials about incidents of material fraud and mitigate such risks through various channels (stakeholder engagement meetings, due diligence list, new procedures, additional checks), ITSCI does not have the mandate for certain types of investigations (e.g. criminal wrongdoing).

The evaluator was comfortable that the evidence received provides a sufficient basis for the conclusions made against the Alignment Assessment criteria.

Notwithstanding this, the evaluator also recognises external stakeholders have not had access to the information and evidence made available to the evaluator in the course of this assessment. The evaluator considers that ITSCI could strengthen its communications about the risks, impacts and practical challenges associated with managing the chain of custody of mineral supply chains in the locations where the programme operates, as recommended in this report (see recommendations regarding external communications on p.41).

Company interviewees reported that they would appreciate more practical guidance and explanation from ITSCI on how they should respond to incidents. The incident summaries (for all categories and levels of incident) provide considerable details about each incident, including narrative summaries of the incident, and of the actions that have been or will be taken by whom. This text is taken from the incident report, and in some instances may be adapted or summarised.

Company interviewees reported that whilst the incident reports provide a lot of information, they are often unclear on what they should do with that information and are left to "work it out for themselves". The evaluator reviewed incident report summaries issued during 2022 and concurred with this view that it is not particularly clear what companies might reasonably action from these summaries. Under the 'Actions' section of these summaries the narrative overwhelmingly describes the actions that ITSCI

has taken or will take in response to the incident. This is undoubtedly important information and, in many cases, ITSCI staff are best-placed to lead on the actions that are needed to address the incident as they are the ones with the knowledge of the situation, the relationships with local stakeholders and the physical presence on the ground where the incident occurred. Nonetheless, from the perspective of the companies receiving the incident summaries, the impression that the reader has is that ITSCI is or has taken responsibility for the mitigation measures that the incident requires.

Therefore, it is perhaps unsurprising that companies place reliance on ITSCI to resolve identified incidents without necessarily understanding what their responsibilities may be. This gap in the communication of information to companies is the key reason why the evaluator deemed that four of the criteria in this section of the evaluation are 'Partially Aligned' for implementation. The evaluator recommends that ITSCI considers how recommended actions for member companies could be better signposted in the incident reporting process.

Notwithstanding the above, when a company in Rwanda is placed onto the due diligence list a letter is issued to the company from ITSCI explaining the reasons for its placement onto the due diligence list and what actions are required from the company. As noted under Step 2, the evaluator recommends that the due diligence list process – including this mechanism of writing to affected companies – is extended into DRC and Burundi (again, a contributor to the above referenced 'Partially Aligned' rating for four criteria in this section).

Stakeholder engagement for risk mitigation
The convening of stakeholders to develop and implement measures to mitigate identified risks is arguably one of the most important features of the ITSCI programme. The day-to-day operations of ITSCI are delivered in partnership with government agencies and there are a range of mechanisms to ensure the engagement of affected communities and civil society in the development of risk mitigation plans. These mechanisms for risk mitigation form part of the formalised agreements ITSCI has established with host governments in the countries in which it operates.

In the DRC, the two primary stakeholder engagement routes are the CLS (community-level stakeholder committees) and CPP (provincial-level stakeholder committees) meetings. CLS and CPP committees operate in all regions where ITSCI is active; during 2022 ITSCI held a total 395 CLS meetings and 16 CPP meetings. The participation of government stakeholders in these meetings is particularly important to the development of risk management measures for incidents such as security, illegal taxation or traceability. Specific risk mitigation actions involving these stakeholders are documented in the incident summaries provided to ITSCI members. An overview of ITSCI's work with these committees is also provided in the public annual reports.

Training has been provided by ITSCI to CLS and CPP committees across the DRC since 2020 to help participants better understand their roles and responsibilities in relation to risk assessment and risk mitigation. Training is also provided to other key stakeholders, such as 'train the trainer' capacity

building for SAEMAPE and Divimines agents in two provinces, and training on due diligence for members of FARDC (the DRC army) in two locations.

ITSCI staff reported that a significant challenge in the DRC, in particular, relates to the high turnover of government appointees within provincial authorities. This means each time there is a change the ITSCI team has to spend time building relations and the capacity of the new appointee to engage with the CPP mechanism. Interviewees reported that the current security and political context of eastern DRC means turnover and changes within government agencies is particularly high, which creates significant challenges for the ITSCI field teams.

As noted under Step 2, in Rwanda, the evaluator noted that the relationship between ITSCI and the Rwandan authorities, in particular the Rwanda Mining Board (RMB), appeared considerably strengthened compared to when fieldwork was undertake for the 2018 OECD pilot Alignment Assessment project. Joint visits to mine sites and member companies are undertaken by ITSCI staff with RMB agents, supporting the capacity building of both mining cooperatives, companies and government agents. These visits are often in response to incidents or to assess the plausibility of changes to mine production. According to ITSCI records, approximately 130 of these joint visits were conducted in Rwanda in 2022.

For example, a wide range of measures have been jointly undertaken in Rwanda since 2018 to tackle the issue of cross-border smuggling of minerals from the DRC into Rwanda. This has included enhanced monitoring of mine sites in areas where smuggling is a greater risk, working with the Rwanda Mining Board (RMB) to support the training and deployment of RMB field officers, and engaging at a national level to encourage and support government oversight mechanisms. More recently, a significant development was securing the agreement in 2022 of the Rwandan government to allow RMB field agents to be placed on the ITSCI Due Diligence List if there is evidence they may be colluding to facilitate smuggling or illegal mining activities.

An important development for the ITSCI programme in Rwanda was the establishment in 2019 of District Mining Taskforces that, by 2021, included the participation of a civil society organisation. This was a notable development given the historically limited participation generally of civil society organisations in Rwanda. Civil society interviewees reported their active participation in risk management and local stakeholder capacity building. Other participants in the District Mining Taskforces are ITSCI, RMB, local authorities and police. Representatives from District Mining Taskforces may get involved in risk mitigation, through joint visits with ITSCI, RMB, local authorities and police. Such joint visits are particularly important in addressing incidents of informal mining; the evaluator reviewed evidence for multiple such visits during 2022. ITSCI has not yet established comparable mechanisms to the Rwanda District Mining Taskforce or the DRC CPP and CLS structures in Burundi. However, it initiated meetings that established a national steering committee in 2019, but these efforts were paused due to changes within the government and also an ongoing revision of the country's mining code. ITSCI management reported that once the new mining code has been finalised, ITSCI will resume its efforts to set up a national steering committee with the participation of the relevant government stakeholders.

Step 4 – Carry out an independent audit

The focus of Step 4 of the OECD Guidance is on audits of smelters and refiners, which are the identified 'control point' in the supply chains for tin, tantalum and tungsten, the minerals that are applicable to ITSCI. Therefore, the majority of the Alignment Assessment criteria in this section of the assessment are not applicable to ITSCI.

However, there is one criterion in this section that relates to the requirements that a programme sets for companies that are subject to audit to facilitate auditor access to company sites, documentation, records and, as appropriate, suppliers and on the ground assessment teams. This criterion is applicable to ITSCI as some ITSCI member companies are smelters that are subject to audit under a different industry programme.
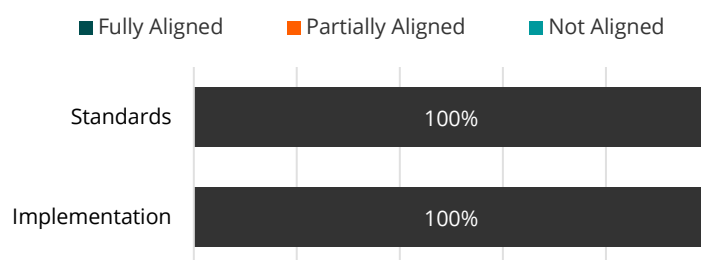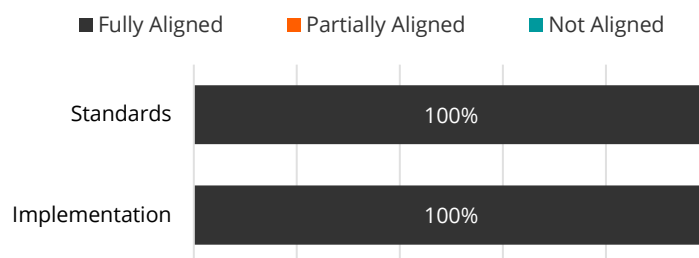

Figure 5: Score under 'Step 4 – Report on supply chain due diligence'

As Figure 5 illustrates, ITSCI was 'Fully Aligned' for this criterion. Smelter members of ITSCI are required by the ITSCI membership agreement to facilitate auditor access and provide auditors with access to relevant information from the ITSCI programme. More broadly, ITSCI facilitates access to relevant programme information, such as the shipment reports which enable smelters to demonstrate the chain of custody of the minerals they source from supply chains covered by the ITSCI programme and link this to other relevant data and reports, such as incident reports and member companies' Step 5 due diligence reports.

Step 5 – Report on supply chain due diligence

The OECD Guidance recommends that all companies should publish a report describing the company's management systems for due diligence, the results of its risk assessment activities and the steps taken to manage identified risks. Reports should be made publicly available. There are three assessment criteria in this section of the Alignment Assessment that are applicable to ITSCI, and Figure 6 shows that the evaluation found that ITSCI is 'Fully Aligned' for all of these.

■ Fully Aligned   ■ Partially Aligned   ■ Not Aligned

Standards	100%
Implementation	100%

**Figure 6: Score under 'Step 5 – Report on supply chain due diligence'**

ITSCI's requirements for company reporting are set out in the Audit Checklist and also referenced in the membership agreement. Member companies are required to produce an annual due diligence report after one year of membership and active training. ITSCI publishes member companies' reports on its website. Failure to produce an annual report can result in an incident being raised against a company.

Member companies' reports were assessed by the ITSCI auditor, and in both cases for the audits that the evaluator observed the auditor raised non-conformances due to deficiencies in the companies' reports. The evaluator reviewed a further sample of member company reports and identified that several of these had similar deficiencies to those identified by the auditor at the observed audits. This indicates that while the independent audit may highlight deficiencies in member company reporting, there are few other controls on the quality of company reporting. The evaluator considers that this would be a relatively straightforward control for ITSCI to introduce by formalising a review of company reports before they are accepted and uploaded onto the ITSCI website.

Specific responsibilities of programmes

The OECD Guidance makes a number of recommendations about the specific responsibilities of industry programmes to support due diligence in minerals supply chains. The Alignment Assessment criteria in this section that are applicable to ITSCI relate to the programme's activities supporting companies' management systems and risk assessments, and the management of the audit programme. As Figure 7 illustrates, the evaluation found ITSCI to be 'Fully Aligned' for all of the criteria in this section.

Legend: ■ Fully Aligned   ■ Partially Aligned   ■ Not Aligned

Standards	100%
Implementation	100%
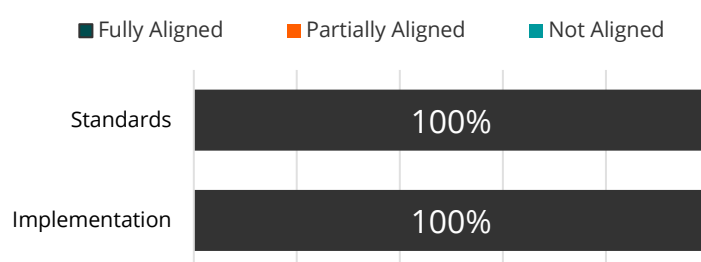
Figure 7: Score under 'Specific responsibilities of programmes'

Much of the substance of the assessment criteria in this section has already been discussed in previous sections of the report (training and capacity building that ITSCI provides to companies; the provision of access to a whistleblowing mechanism; support to on-the-ground assessments; and management of audits).

An important additional area is the due diligence that ITSCI itself performs on member companies. This is a service that for many members is an important benefit of the programme. For example, smelters or traders can utilise in their own due diligence processes the knowledge that if a prospective exporter supplier is already an ITSCI member then key checks, for example on beneficial ownership, will have been completed to ITSCI's satisfaction. This is valuable as, particularly for international companies, undertaking anti-bribery and corruption due diligence on exporters in the countries where ITSCI operates can be challenging. In relation to the requirements of the Alignment Assessment criterion for this point, ITSCI is 'Fully Aligned'.

However, industry stakeholders also reported that the time it takes for a company to become accepted as an ITSCI member is also a significant challenge. In Rwanda, government interviewees reported to the evaluator that the process can take up to two or three years, causing some tensions in the country's minerals sector. The causes of such delays are disputed; based on stakeholder interviews ITSCI's internal administration processes could likely be improved, but these are unlikely to be the only factor, with delays caused by applicants not providing the required documentation or not engaging in the audit process equally relevant.

Programme governance review

The OECD Alignment Assessment methodology includes a review of the governance and management of the programme being assessed. The criteria in this section of the evaluation have no bearing on the alignment of the assessed programme with the OECD Guidance, as the assessment criteria in this section are not drawn from the text of the OECD Guidance.

Nonetheless, this section is an important informative means of evaluating the extent to which the intentions, spirit and principles of the OECD Guidance – beyond the formal recommendations – have been incorporated into the ways in which industry programmes have been established and are managed. Figure 8 illustrates the rating achieved by ITSCI in this section of the evaluation.
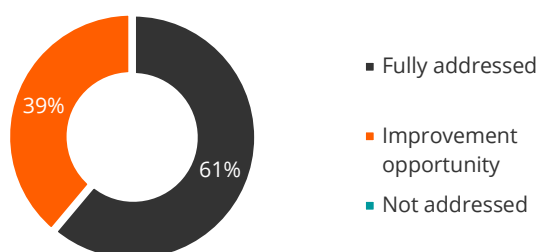
Figure 8: Score under 'Programme governance review'

The evaluation criteria in this section can be broadly categorised under four themes:

Stakeholder engagement and responsiveness
As previously discussed in this report, ITSCI has multiple mechanisms for involving external stakeholders (e.g. government authorities, civil society) in the identification and mitigation of risks on the ground.

Beyond this, programme staff actively engage in relevant public forums through both media and participation in events. Examples include regular newsletters, engagement on social media, press releases on the website, annual reports for the programme as a whole, the publication of incident and company-specific reports, and the participation in conferences and events such as Rwanda Mining Week or the OECD Minerals Forum. There is a significant volume of information publicly available on the ITSCI website, in some case dating as far back as far as the start of the programme.

During 2022 ITSCI established a formal Stakeholder Group as a mechanism for interested external stakeholders to engage with ITSCI in detail on a regular basis. The objectives for the Stakeholder Group are to further external stakeholders' understanding about the ITSCI programme and promote constructive dialogue. The Stakeholder Group is focused on dialogue and information exchange; it has no role in the governance or oversight of ITSCI activities.

There is a tension between the expectations that some external stakeholders have about the type and timeliness of information that ITSCI publicises about the programme, specifically about risk identification and mitigation efforts, and ITSCI's need to ensure financial viability of the programme by differentiating the information made available to fee-paying members to that made publicly available.

The evaluator has heard numerous complaints from external stakeholders (including from the evaluator's general experience beyond the fieldwork for this project) about a lack of transparency from ITSCI on the operation of the programme. Interviewees for this evaluation (including current ITSCI member companies) also commented that responses by ITSCI to criticism or demands for more transparency tended to be defensive in tone and perhaps overly protective of what ITSCI considers its "intellectual property" to be. On the other hand, ITSCI management counter that extensive information is made available, but external stakeholders do not take the time to read and understand it before criticising the programme, or that some industry participants (particularly downstream companies) want to benefit from the programme's work but not contribute to its operations.

Whilst frustration from ITSCI that external stakeholders do not always read the information that is made available is understandable, the evaluator also considers that information about the programme and its operations could be presented in more accessible ways, and certain types of information offered more proactively. As discussed in this report, this includes providing more information to companies and other external stakeholders on how the programme works, the tools and resources that ITSCI provides to companies and how this information can be used to support due diligence, and information that enables external stakeholders to better understand the nature and extent of relevant risks and challenges in the areas where ITSCI operates.

Requirements for members

As previously discussed in this report under Step 1, a condition of membership is that companies agree to the ITSCI Membership Agreement and to implement the OECD Guidance. However, other than the Audit Checklist, which is only shared with companies when they have been selected for audit, ITSCI has not described or provided guidance on the practical implementation of its management system requirements for member companies. Engagement with the ITSCI audit process is compulsory for companies, albeit only a small proportion of member companies are subject to audit each year.

A key principle that manifests throughout different aspects of ITSCI's activities and engagement with companies is that due diligence is appropriate to the circumstances of each company and their position in the supply chain. It was clearly demonstrated to the evaluator that ITSCI staff and the independent auditor recognise the competencies that companies operating in mineral supply chains in countries such as the DRC or Rwanda may (or may not) have and that programme expectations and types of support offered are adjusted accordingly.

Audit standards and audit governance

Unlike industry programmes at a smelter or refiner level of the mineral supply chain, the audit is a relatively minor component of the ITSCI programme. It is an important control mechanism for ITSCI, but is just one of several mechanisms used by the programme and not fundamental to the

programme's objectives of identifying and mitigating supply chain risks. The scores achieved by ITSCI for the assessment criteria relating to this topic should be understood with this in mind: the delivery of the ITSCI audits was observed to be effective, but the numbers of audits delivered is low (the low number of audits does not impact any assessment criteria in this section of the evaluation).

The audit programme, in common with a number of other aspects of the ITSCI programme, has a significant reliance on the institutional knowledge of the persons involved, in this case the Lead Auditor. Whilst this does not impact the current delivery of ITSCI audits, it is nonetheless a continuity risk that ITSCI management should consider.

Programme governance and transparency
ITSCI is a joint industry programme run by the ITA and the T.I.C. The most senior body is the ITSCI Governance Committee, which is comprised of one representative each from ITA and T.I.C. (with each organisation having a nominated stand-in committee member). Below the Governance Committee, there is a Programme Manager and staff team who are employed by ITA or, in the case of the field delivery, by the international development organisation, Pact. Apart from the Governance Committee, none of the ITSCI staff are employed by the T.I.C. Field team staff account for around 130 of the approximately 150 personnel employed in the delivery of ITSCI.

According to the Membership Agreement the Governance Committee may include an external 'competent person' but no such person is part of the Governance Committee at present.
Some external stakeholders have been critical of the fact that the organisations that manage ITSCI represent industry interests, though of course the same is true of almost every other responsible mineral supply chain programme. Nonetheless, the ITSCI management stated that they are cognisant of the shortcomings in the current governance structure of the programme. There is no formal oversight, such as a board or supervisory committee, that might normally be expected to scrutinise and challenge decisions and performance on a programme of ITSCI's scale and influence. Information currently publicly available about ITSCI's governance and management structure is limited.

Management reported that it would be interested and open to reforming the governance structure of ITSCI (for example, making ITSCI an independent stand-alone organisation) but that with constraints on resources this is not a priority. The evaluator noted that ITSCI management said the same thing during fieldwork in 2016 for the OECD pilot Alignment Assessment. The evaluator considers that the governance of ITSCI could be considerably strengthened by transitioning ITSCI into a stand-alone organisation, such as a limited company operated as a social enterprise. Recognising that this would entail considerable resources, ITSCI could seek external funding for a specific programme of work that has been ringfenced for this organisational change.

ITSCI has had a long-standing relationship with the RMI which, at the time this evaluation was starting, was subject to a high degree of public scrutiny following the RMI's decision to stop formal 'cross-recognition' of ITSCI within the RMI system. Whilst fieldwork for this evaluation was ongoing, agreement was reached between RMI and ITSCI on the mechanics of their cooperation, details of which both parties disclosed publicly.

Recommendations

This evaluation has found that, as a programme, ITSCI is Fully Aligned with the recommendations of the OECD Guidance. Nevertheless, in the course of delivering this Alignment Assessment several areas for improvement have been identified:

Company management systems

- Develop guidance for companies on establishing management systems in line with ITSCI's requirements. Ensure guidance is practical, and also relatable for companies at different stages of the supply chain and at different levels of sophistication. Communicate the guidance to all member companies.

Mine baseline assessments

- Develop formalised controls that can provide ongoing oversight at a programme management level of the frequency with which all mines in the ITSCI programme are visited by field staff. This will provide additional confidence in the plausibility of production estimates.

Incident reporting

- Clearly communicate the updated risk matrix that is used to categorise incidents to members, through both induction training and as an attachment to the monthly incident summary reports.
- Provide a public-facing guide to the ITSCI incident reporting and risk categorisation processes to support external stakeholders in their engagement (e.g. due diligence) with ITSCI member companies.
- Within incident reports and incident report summaries, where appropriate (depending on the nature of the incident) provide narrative to help companies understand what practical due diligence actions they might consider in response or to mitigate the identified risk.
- Use more direct and action-orientated language in the ITSCI Level 1 incident alert emails to emphasise the message to companies that they have a responsibility to evaluate potential risks in their supply chain and take actions such as applying leverage as appropriate if the risk is relevant to their supply chain.

Whistleblowing mechanism

- Establish additional whistleblowing hotline phone options outside of the DRC.

Due diligence list

- Extend the due diligence list process into the DRC, Burundi and Uganda. Focus initially on the inclusion of companies, with the additional extension to government agents as and when approval for this is received from the relevant government authorities.

Company reporting

- Develop a process for ITSCI staff to undertake a quality review of all Step 5 reports produced by members to ensure that members report in line with the requirements specified in the Audit Checklist. Link this quality review process to the existing incident reporting process for Step 5

reports (i.e. a member is only deemed to have reported when the report content is in accordance with ITSCI requirements).

Smelter reports (traceability data)

- Consider what additional steps could be taken to encourage ITSCI member smelters to provide their tag requests on a monthly basis for the respective month. Communicate the benefits to smelters of doing so, and the consequences when they do not.

Training and capacity building

- Provide more structured and formalised training to ITSCI member companies on management systems and the use of the ITSCI system for due diligence. A particular focus for this training should be exporters, international traders and smelters. Provide refresher training on a regular (e.g. annual) basis.
- Work with the RMI to apply leverage to ensure that ITSCI member smelters attend formalised training on the use of the ITSCI system for due diligence. Ensure that the content of the training is suitably broad to educate attendees on the practical realities of due diligence in the countries where ITSCI operates (i.e. do not make assumptions about the base level of knowledge of attendees). Consider opportunities to make the training content both informative and engaging. Leverage the RMI Training Academy processes for the roll-out to smelters and monitoring of training attendance by smelter personnel.
- Work with the RMI to develop training resources that can be made available on the RMI Training Academy for RMI auditors. The purpose of the training is to enable RMI auditors to fully understand how ITSCI works and what due diligence activities smelters should be doing with ITSCI information so that RMI auditors are able to robustly challenge smelters on the appropriate use of ITSCI tools and information. Ensure that training materials are developed in such a way that it does not make assumptions about the base level of knowledge of auditor attendees about the operations of mineral supply chains on the ground.
- ITSCI should make efforts to ensure that training content for ITSCI member smelters and RMI auditors is both informative and engaging (e.g. use of video so trainees can visualise ITSCI operations on the ground and the due diligence administration becomes less theoretical).
- Make relevant aspects of the smelter and auditor training publicly available outside of the RMI Training Academy (e.g. on the ITSCI website) to support external stakeholders (such as downstream companies) in understanding how ITSCI members can utilise the programme to support their due diligence. The aim of this is to enable these stakeholders to also apply leverage to smelters and international traders to encourage effective engagement with ITSCI's due diligence information.

Digitisation of the traceability system

- Undertake a review of the current technology plans for field data collection (tablet computers and the existing ChainPoint data collection app) to determine if they remain the most appropriate solution. It should consider whether tablet computers remain the most effective means of digital data collection in the field or if alternative technologies might be more appropriate. This review should also consider the linkage between digital record keeping and physical tags used (i.e. not assume that the current tag system is the only available option but also consider whether there are options available now that were not feasible when the current tagging system was conceived over a

decade ago). Communicate the results of the review to members and other key stakeholders as appropriate to demonstrate that ITSCI management has considered the alternatives and is confident that it is deploying the most appropriate technology solution to digitise the ITSCI traceability system.

- Following completion of the review, develop and communicate to members and in-country stakeholders a plan to implement any improvement opportunities identified from the review.
- Establish a dedicated Programme Management Office (PMO) to drive the roll-out of the digitisation process.

New member applications

- Review the time taken to accept new member companies, identify what the reasons are for delays and implement appropriate measures to improve the new member acceptance process. Document the findings of this analysis and share with relevant stakeholders (e.g. government officials) to ensure stakeholders understand the process and can also assist where appropriate (e.g. communicating to prospective members what information they need to prepare for their application).

Financing programme improvements

- Seek external funding for key improvements to the ITSCI programme by setting out specific and targeted campaigns, with measurable and time-bound outcomes, that donors (such as corporate foundations or initiatives such as the European Partnership for Responsible Minerals) may be able to support. Examples could include financing to strengthen the digitisation of the traceability system, or financing to provide the resources for a transition away from the ITA and T.I.C. to a fully independent, standalone organisation (e.g. a limited company operated as a social enterprise).

External communications

- Strengthen the ITSCI website by providing clear explanations of how the ITSCI programme works, explaining the different types of information about the programme that are available on the website and explaining what additional information and resources are provided to members. This should include providing more clarity on the role of the ITSCI auditor.
- Enhance the level of detail and narrative explanation in disclosures of identified risks and risk mitigation actions undertaken by the programme. This should enable external stakeholders to better understand the different types of risks that are identified and how they are categorised by ITSCI, as well as the types of mitigation actions that are undertaken in response. This reporting should be regularly updated, at least annually, and communicated as part of ITSCI's external communications activities.

Appendix I: Data and documentation

As mentioned in the Methodology section, the assessment team undertook an extensive desk-based review of documentation relating to the ITSCI programme.

The list below summarises the extent of reviewed data and information. The documentation often contains confidential information and is not publicly available. To maintain confidentiality the types and names of certain documents are abbreviated and/or paraphrased.

DOCUMENTS AND DATA	
Annual reports	**Audit**
- Financial summary 2018	*Company Audit Reports*
- Financial summary 2019	- Exporter Report 2017, Rwanda
- Financial summary 2020	- Exporter Report 2017, Rwanda
- ITSCI annual report 2019	- Miner and Exporter Report 2017, Rwanda
- ITSCI annual report 2020	- Exporter Report 2017, Rwanda
- ITSCI annual report Burundi 2019	- Exporter Report 2017, Rwanda
- ITSCI annual report DRC 2019	- Exporter Report 2017, Rwanda
- ITSCI annual report Uganda 2019	- International Trader Report 2018
- ITSCI annual report Rwanda 2019	- International Concentrate Trader Report 2018
- ITSCI annual report Burundi 2020	- Miner and Exporter Report 2019, DRC
- ITSCI annual report DRC 2020	*Auditor - ITSCI*
- ITSCI annual report Uganda 2020	- Audit questions on incidents, October 2020
- ITSCI annual report Rwanda 2020	- Audit questions on incidents, February 2021
- ITSCI annual report Burundi 2021	
- ITSCI annual report DRC 2021	
- ITSCI annual report Rwanda 2021	
Monthly reports	**Quarterly Overviews and Data summaries**
The assessment team had access to all monthly reports for the period July 2021 – November 2022 for Burundi, Katanga, Maniema, North Kivu, Rwanda, South Kivu and Uganda. Each monthly report contained the following documents:	*Quarterly ITSCI reports*
	- Q1-Q4 2019 (4x)
	- Q1-Q4 2020 (4x)
	- Q1-Q4 2021 (4x)
	- Q1 2022 Tonnage Data
- ITSCI Monthly Activity Report	*Members data summaries*
- Master mine list (including information such as location, licence information, status, date of latest baseline assessment, names of cooperatives and companies, number of workers, baseline estimation, production data for cassiterite, tantalite, wolframite and mixed material	- ITSCI Burundi Data Summary Q1 2017 – Q1 2022
	- ITSCI DRC Data Summary Q1 2018 – Q1 2022
	- ITSCI Data Summary Q1 2014 to Q4 2021
	- ITSCI Rwanda Data Summary Q1 2017 – Q1 2022

- Tag Report
- Incident Summary list
- Stakeholder meeting summary list
- For Rwanda: Due diligence list
- For Rwanda: List of joint ITSCI RMB visits

- Members Quarterly Confidential Data Summaries

Stakeholder meetings
- Overview field training and coaching sessions Jan-June 2021
- Overview field training and coaching sessions July-December 2021
- Overview field training and coaching sessions Jan-June 2022
- Overview local Stakeholder meetings Jan-June 2020
- Overview local Stakeholder meetings Jan-June 2021
- Overview local Stakeholder meetings July-December 2021
- Overview local Stakeholder meetings Jan-June 2022
- District Mining Task Force Minutes July 2022
- District Mining Task Force accident report September 2022
- Overview of various stakeholder engagement with government officials, local district authorities, local mining associations and civil society organisations.

Baseline reports
- ITSCI Mine Baseline Study : A*** mine, Pangi territory, Maniema province, 28.06.2021
- ITSCI Mine Baseline Study: B***, Kitindi, Shabunda, 14.04.2022
- ITSCI Mine Baseline update: Gakenke_S***, 11.12.2020
- ITSCI Mine Baseline Study: K***, Shabunda, 12.10.2021
- ITSCI Mine Baseline Study : Manono Tanganika, site de m***, secteur de k***, sous-secteur de k***, 11.11.2022
- ITSCI Update Baseline Study: M***, Masisi, North Kivu, 21.04.2022
- ITSCI Mine Baseline Study update: M***, Ngozi province, 31.05.2022
- ITSCI Mine Update Baseline Study: N***, Masisi, North Kivu, 16.07.2022
- ITSCI Mine Baseline, N***, Nyarugenge, 14.06.2022
- ITSCI Mine Baseline: S***, Manono, 20.01.2022

Training documents
- Procedural guide for storage and use of tags at companies
- Guide on incidents, actions and recommendations
- Production estimates calculation guide
- Guide: How to calculate production estimates when conducting a new or update baseline study?
- ITSCI training manual
- ITSCI knowledge quiz
- ITSCI field visit checklist

Nyagisenyi, Masisi, North Kivu
- Baseline report for Nyagisenyi mine March 2019
- Baseline report for Nyagisenyi mine June 2019
- Baseline report for Nyagisenyi mine November 2019
- Baseline report for Nyagisenyi mine April 2020
- Baseline report for Nyagisenyi mine April 2021

- Potential ITSCI site protocol
- Template field visit and risk assessment for exporters
- Rwanda: field visit checklist
- Rwanda: tagging and data collection manual
- Rwanda: site validation and baseline study guide
- Rwanda: incident reporting info sheet
- Rwanda: due diligence for processors and exporter info sheet
- Rwanda: joint visit and baseline presentation
- Rwanda: training of mining professionals presentation
- Rwanda: workshop for mining technicians presentation

- Baseline report for Nyagisenyi mine August 2021
- Baseline report for Nyagisenyi mine December 2021
- Baseline report for Nyagisenyi mine July 2022
- Baseline report for Nyagisenyi mine March 2022
- ITSCI response to Global Witness section on Nyagisenyi

Incidents and Alerts

Incident reports (samples)

- Incident report Haut-Katanga 20222-0021
- Incident report Haut-Lomami 2021-0020
- Incident report Maniema 2021-0033
- Incident report Rwanda 2022-0009
- Incident report Tanganyika 2022-0091
- Incident report Uganda. 2022-0001

Level 1 Incident Alerts (samples)

- Haut-Katanga 2022-0009
- Haut-Lomami -2022-0001
- Lubudi territory, Lualaba province, -2022-0005
- Maniema -2022-0016
- North Kivu-2022-0017
- Rwanda-2022-0178
- South Kivu-2021-0208
- TG-2022-0020

Whistleblowing

- Whistleblowing Procedure
- Q4 2021 Whistleblowing report
- Q1 2022 Whistleblowing report

Procedures

- ITSCI Incident Classification Matrix
- Standard Operating Procedure Incident Classification Matrix

Member communication

Recommendations for members

- ITSCI preliminary audit recommendations S*** Cooperation
- ITSCI preliminary audit recommendations Y*** Mining

- Incident L1: Standard Operating Procedure Authoring, Approving and Publishing Alerts
- Alert Filing Procedure
- Alert Flow Chart
- Sending out Alerts Procedure
- Different Info Logbooks Process Mapping
- Error Log Process map
- Invalid Tag Checking Process Mapping
- Process Map Batch Checks Checking for Entry Errors
- Process map for creating tag in weight discrepancy incidents
- Flowcharts:
  - One or more shipment
  - Outstanding Tags Incident
  - ITSCI Scheme Flowchart
- Membership Agreement
- Process Map, Collating Baseline Request
- Procedures to include MFO in DD List
- Audit Procedure
- ITSCI Theory of Change
- ITSCI data release policy
- Guideline Plausibility Check
- Template ITSCI Mine Baseline Study

- Official Authorised Declaration of Accession D*** Minerals
- Official Authorised Declaration of Accession E***
- Due Diligence List Mine Visit Recommendations

Smelter information pack
- Checklist of Baseline file (before redacting)
- ITSCI Shipment Report Information Pack
- ITSCI Shipment Report Guide
- Samples of Shipment delivery reports (including baselines, mine data, neg. tag data etc.)
  - Smelter B***, March 2022
  - Smelter T***, July 2021

Member guidance
- ITSCI DD training manual for DRC exporters
- Welcome call processors/exporters
- Welcome call smelters
- Welcome call traders

DRC – joint management with government
- Evaluation regarding the new procedure guide for the implementation of the improved mineral traceability scheme for a specific region in North Kivu, May 2020
- ITSCI Biannual Programme Activity Report for DRC Government, H1 2020
- ITSCI Biannual Programme Activity Report for DRC Government, H1 2021
- ITSCI Biannual Programme Activity Report for DRC Government, H2 2021
- ITSCI Report to the ministry of mines, May 2019
- Joint management of ITSCI mine tags, statement 2019

Rwanda – joint management with government
- Informal site assessment guide
- ITSCI-RMB joint procedure: Distribution of ITSCI tags at the provincial level
- Joint ITSCI-RMB visits in Rwanda objectives & procedures
- Overview Joint ITSCI-RMB visits

- Presentation regarding joint management of ITSCI tags in North Kivu, 2017
- Procedure guide for storage, distribution and use of ITSCI material in Kibabi
- Procedure guide for the implementation of the improved mineral traceability scheme for a specific region in North Kivu, March 2019
- Report of the joint service mission carried out in the mining area in the Masisi territory, January 2022
- Summary of the training workshop on the application of the improved traceability system for mining products from the Masisi territory, April 2019

Other
- ITSCI factsheet
- ITSCI organigram
- ITSCI organisation chart
- ITSCI Secretariat and Governance Committee organisation chart
- List of armed groups and armed forces
- Online Membership list
- Stories from the field
- Multilateral organisation's presentation including data and aerial imagery of certain mine sites in North Kivu
- ITSCI presentation including maps, satellite imagery, production, baseline and active pit data, track record and examples of local stakeholder committee meetings, imagery of field visits, sub-sector descriptions (type of mining, investments, general developments) and information on risk mitigation for certain mine sites and areas in North Kivu

Appendix II: Interviewees

As discussed in the Methodology section, a week-long visit to ITSCI's operations in Rwanda was conducted during which interviews were held with ITSCI field teams, government agencies, member companies, the independent auditor and members of civil society. Further interviews were conducted remotely or in-person at ITA headquarters with ITSCI field teams in DRC and Burundi, ITSCI data management and reporting team, ITSCI management, smelter members and international civil society. The list below summarises the conducted interviews. To maintain anonymity only job titles and functions are mentioned.

	CATEGORY	JOB TITLE / FUNCTION	COUNTRY
	Remote interviews or in-person interviews at ITA headquarters		
1.	Civil Society Organisation	Representative in multistakeholder committees	DRC
2.	Civil Society Organisation	Representative of DRC based NGO responsible for independent whistleblowing process/hotline	DRC
3.	Civil Society Organisation	Campaigner at Global Witness	N.a.
4.	Government Official	SAEMAPE Provincial Director and Representative in CPP (Provincial stakeholder committees)	DRC
5.	International Organisation	Advisor working at MONUSCO	DRC
6.	ITSCI – Governance Committee	ITA Representative	N.a.
7.	ITSCI – Governance Committee	T.I.C. Representative	N.a.
8.	ITSCI – ITA Headquarter	Implementation Manager	N.a.
9.	ITSCI – ITA Headquarter	Traceability Analyst, Data quality and plausibility	N.a.
10.	ITSCI – ITA Headquarter	Traceability Analyst, Smelter shipment report and tag requests	N.a.
11.	ITSCI – ITA Headquarter	Senior Data Analyst	N.a.
12.	ITSCI – ITA Headquarter	Communication and Policy Officer	N.a.

13.	ITSCI – ITA Headquarter	Programme Manager	N.a.
14.	ITSCI Field staff	Programme Manager	DRC
15.	ITSCI Field staff	Sub-Regional Programme Manager	DRC
16.	ITSCI Field staff	Sub-Regional Programme Manager	DRC
17.	ITSCI Field staff	Programme Manager	Burundi
18.	ITSCI Field staff	Regional Field officer	DRC
19.	ITSCI Field staff	Regional Field officer	DRC
20.	ITSCI Member company	Smelter Representative	N.a.
21.	ITSCI Member company	Smelter Representative	N.a.
22.	ITSCI Remote staff	Reporting Officer	DRC
23.	ITSCI Remote staff	Reporting Officer	DRC
	Interviews during Rwanda site visit		
24.	Auditor	Lead Auditor	N.a.
25.	Auditor	Assisting Auditor	N.a.
26.	Civil Society Organisation	Rwandan based NGO focusing on human rights, Representative in multistakeholder committees (DMTF)	Rwanda
27.	Civil Society Organisation	A Rwandan based NGO focusing on human rights, Representative in multistakeholder committees (DMTF)	Rwanda
28.	Government Official	Rwanda Mining Board – Traceability Officer	Rwanda - Kigali
29.	Government Official	COO - Rwanda Mining Board	Rwanda
30.	Government Official	Rwanda Mining Board –Traceability Officer	Rwanda
31.	Government Official	Rwanda Mining Board – Traceability Officer	Rwanda
32.	Government Official	Rwanda Mining Board – Representative of Inspection Department	Rwanda
33.	Government Official	Rwanda Mining Board – Representative of Certification Department	Rwanda

34.	ITSCI Field staff	Regional Field Officer	Rwanda - Kigali
35.	ITSCI Field staff	Programme Manager	Rwanda
36.	ITSCI Field staff	Depute Programme Manager	Rwanda
37.	ITSCI Field staff	Regional Field Officer	Rwanda
38.	ITSCI Member company	Exporter – Managing Director	Rwanda - Kigali
39.	ITSCI Member company	Exporter – Head of Due Diligence	Rwanda - Kigali
40.	ITSCI Member company	Exporter – Chief Accountant	Rwanda - Kigali
41.	ITSCI Member company	Exporter – Administration staff	Rwanda - Kigali
42.	ITSCI Member company	Mine site – General Secretary of Mine	Rwanda
43.	ITSCI Member company	Mine site – Administration Worker	Rwanda
44.	ITSCI Member company	Mine site – General Worker	Rwanda
45.	Mining Association	Representative of Rwanda Mining Association	Rwanda
46.	Mining Association	Representative of the Federation of Mining Cooperatives	Rwanda

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