

High level findings of the pilot implementation phase of the OECD Due Diligence Guidance

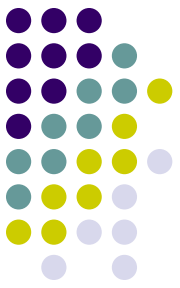
Cycle 1- November 2011.



Objectives & General Description



- Baseline report: current status of DD implementation by upstream companies
- Project duration: Aug 2011 - Aug 2012
- 2 further progress reports



Methodology

- Research by 2 IPIS consultants
- Phase I (May-July): methodological preparation ↑ Questionnaires
- Phase II (Aug): Qs to participants; 8 responses out of 51 participants
- Phase III (Sept): field mission DRC&Rwanda; meetings with 25 participants + 30 meetings with international organizations, CSO, DRC government agencies

High level findings

Production & trade 3Ts



- Trade disruption Kivus & Maniema: mining ban + CFS
- Kivus/Maniema: comptoir model
- Exports 10 % of pre-ban levels; Chinese owned comptoirs
- Economic impacts & perception of fraud
- Katanga: exporter/producer model, vertical integration
- Katanga: iTSCI; exports rising since 2010

High level findings

Production & trade 3Ts

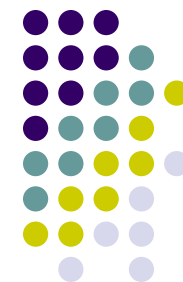
Export statistics of 3T minerals in North & South Kivu 2007-2009



Exports (in metric tons)	2007	2008	2009
<i>North Kivu</i>			
cassiterite	10172	13331	10543
coltan	74	87	281
wolframite	719	548	304
<i>South Kivu</i>			
cassiterite	4731	6004	4652
coltan	354	440	187
wolframite	455	168	81

High level findings

Production & trade 3Ts



Export statistics of 3T minerals North & South Kivu 2010-2011

Exports (in metric tons)	2010 (Jan.-10 Sept.)	2011 (10-31 March)	2011 (1 April-31 Aug.)
North Kivu			
coltan	236	53.9	27.6
cassiterite	6689	1148	357
wolframite	38.4	12.1	22

Exports (in metric tons)	2010 (Jan.-10 Sept.)	2011 (10-31 March)	2011 (1 April-15 Sept.)
South Kivu			
coltan	8.7	20.8	0
cassiterite	3.221	293	305
wolframite	6.7	0	0

High level findings

Production & trade 3Ts

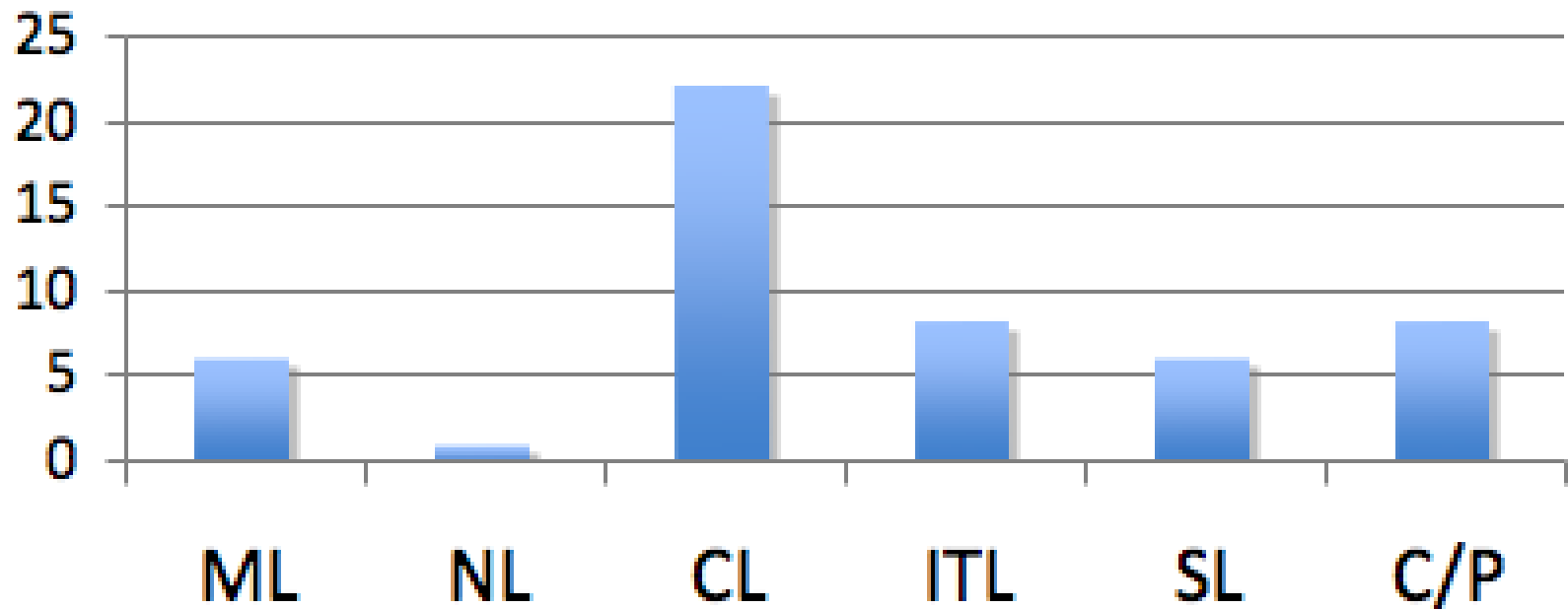
Export statistics of 3T minerals Katanga 2010-2011

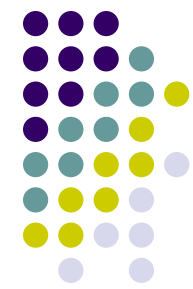


Exports (in metric tons)	2010	2011 (Jan.-Aug.)
<i>Katanga</i>		
coltan	152	147
cassiterite	3345	2309

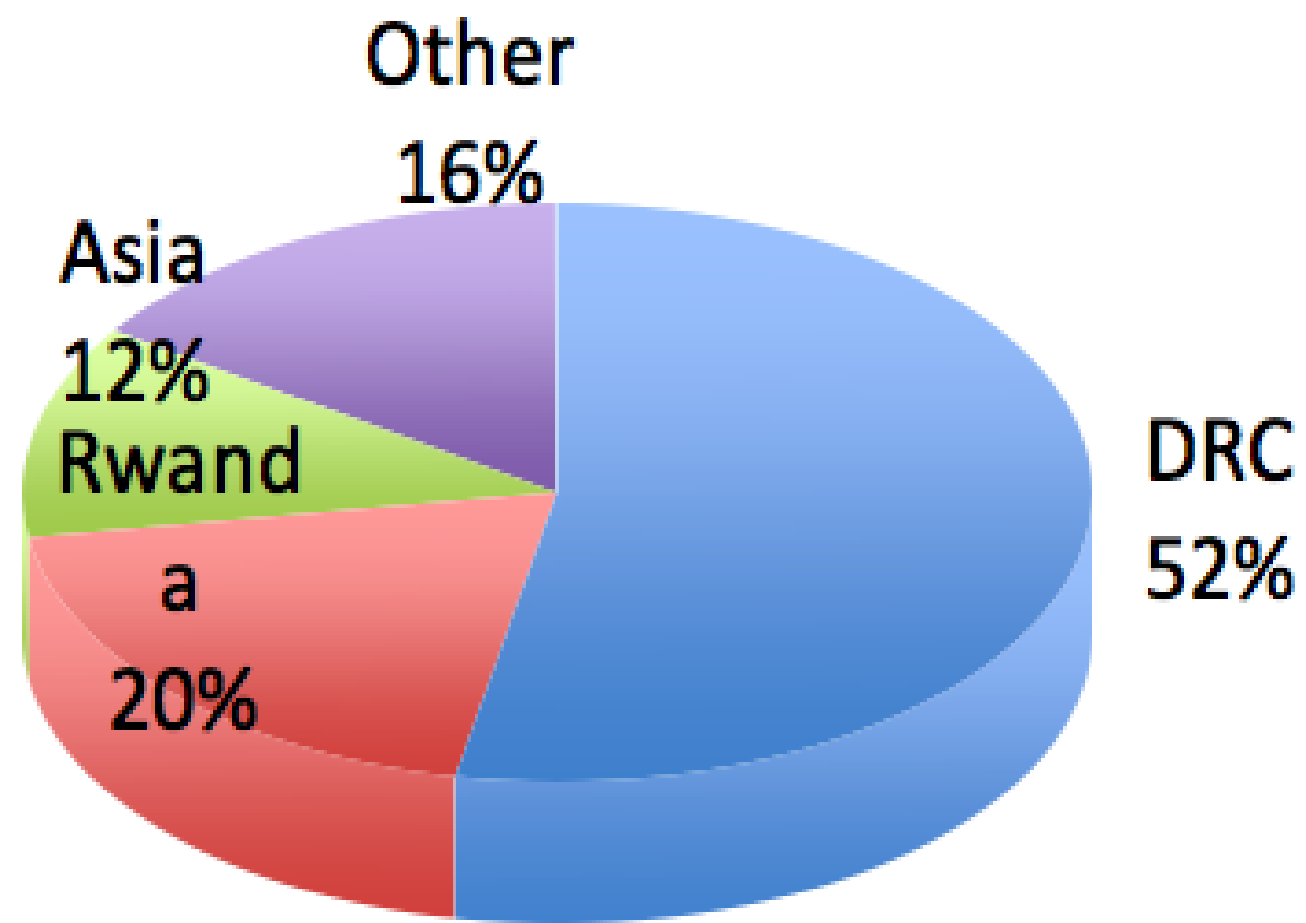


Participants of the upstream pilot implementation phase





Geographical division of the participants



High level findings

Implementation Guidance



- *Significant progress in the implementation of the Guidance has been made in Katanga and Rwanda. Extra capacity building, dissemination and promotion of international due diligence expectations in the Kivu provinces could speed up the progress in the Kivu's.*
- *Confusion regarding the notions of traceability, chain of custody and due diligence and armed groups persists.*
- *Industry initiatives have made significant efforts to implement the Guidance. Further progress could be made if participants increase individual efforts to complement the existing industry mechanisms.*