

**REPUBLIC OF RWANDA**



**MINISTRY OF NATURAL RESOURCES**

**6<sup>TH</sup> ICGLR-OECD-UN GeE JOINT MEETING  
ON DUE DILIGENCE IN THE TIN, TANTALUM, TUNGSTEN AND GOLD SUPPLY  
CHAINS (13<sup>TH</sup>-15<sup>TH</sup> November, 2013)  
KIGALI, SERENA HOTEL**

**OPENING REMARKS**

**Honourable Ministers,  
Industry Leaders,  
Government Representatives,  
Representatives of National and International organisations,  
Distinguished Ladies and Gentlemen**

I am immensely delighted to welcome you all, on behalf of the Government of Rwanda to this 6<sup>th</sup> ICGLR-OECD-UN GoE JOINT MEETING ON DUE DILIGENCE IN THE TIN, TANTALUM, TUNGSTEN AND GOLD SUPPLY CHAINS, assembling here in Kigali, for the first time ever outside its customary convention premises. Let me hope you are all enjoying your stay.

It is a momentous gratification for Rwanda to host this important forum whereby, we believe, participants will engage in vivid and fruitful discussions, with opportunities to interact with first hand actors in the process of implementation of the OECD Due Diligence Guidance and the Regional Mineral Certification Mechanism (RCM) for tin, tantalum, tungsten and gold in the Great Lakes Region; and to grasp successes achieved despite the strenuous challenges involved, charting the adequate way forward.

During the life of this forum, participants will indeed be able to visit some mining sites out of Kigali, where they will see for themselves the strides made in our national mining sector, including in production and carrying out the due diligence processes.

It is heartening to see that the whole agenda is based on working together as stakeholders to come up with well thought out and mutually beneficial solutions, enabling us to take to greater heights those processes.

**Distinguished Ladies and Gentlemen,**

Mining is a very vital sector to our national economy. It is currently being the second highest foreign revenue source next to tourism.

The Rwanda 80 years old mining industry has been a major player in tin and beryl global supply since the 1940s. By 1969 the mining industry was contributing 42.5% of the export revenues. As said earlier, it is currently the second highest foreign revenue source next to tourism and it is planned to grow three times in the next five years. Tin, Tantalum, Tungsten and Gold mining is now taking place at more than 5 hundred mine sites, many of them being worked by artisans whose capacity is being upgraded through formalization and building partnerships, as those who will be on field visits will be able to witness.

The mining potential is significant in many places in Rwanda. About 90% of the country's surface area is underlain by the so- called **Kibaran System rocks**, which are known to be mineralized everywhere they occur such as in Uganda, Tanzania, Burundi, DRC, Zambia and Angola.

The sector directly employs between 20,000 and 35,000 people and it has been growing at a rate of 10% per year since 1999, in volumes and in revenue.

Since the revival of the industry, a few years ago through a privatization process, the Government of Rwanda resolutely engaged in establishing relevant policies, and in setting strategies and the legal framework. Emphasis was put on facilitating investment for national and international operators, promoting best practices including safe and secure mining, compliance with environment and labor regulations, and transparency in the trade of minerals, both within the country and across borders.

Those are currently under review to improve on how best mining can sustain the macro and micro economic environment of the Country relative to our development ambitions.

## Ladies and Gentlemen

Mineral certification is also very key in this drive, as illustrated by the undertaking, in 2009, well before the advent of the Dodd Frank Legislation on “conflict minerals” , to implement the Certified Mineral Trading Chains (CTC), as a collaborative initiative by the Government of Rwanda through the then **Office de Géologie et Mines du Rwanda**, working with the Germany Institute of Geosciences and Natural Resources (BGR). The aim was to provide the sector with the capacity to implement a wide spectrum of best practices, transforming it into a modern, efficient and sufficiently responsive to the global mineral markets standards.

We diligently complied with the Dodd Frank Legislation on “conflict minerals” to leapfrog on a process already underway, which led us to achieve significant quick wins.

Along with complying with Dodd Frank, the following interventions have been affected to date:

- An MoU was signed with ITRI in October 2010;
- 1<sup>st</sup> April 2011, tagging started for most of the mineral exports from Rwanda under the iTSCi scheme. We immediately stopped internal movement of untagged minerals and imports of untagged minerals from neighboring Countries. Currently tagging concerns 100% of all mineral exports. A ministerial regulation was passed in March 2011 to provide a legal framework to this development.
- Rwanda participated in the designing of the Regional Mineral Certification Mechanism and integrated it into its legal framework in April 2012;
- We have put in place all requirements, expected from member States, to implement the Regional Certification Mechanism and have started the process of issuing the **Regional Mineral Export Certificate** to qualifying companies. The first certificate was issued to one of our major licensees, **Rutongo Mines** on 05/11/2013;
- We have developed a comprehensive mine site inspection manual incorporating OECD and RCM standards;

- Analytical Finger Printing (AFP) database from about 300 mine sites is now available and will be used by the Independent Mineral Chain Auditor when the procedure becomes operational. We have collected and analyzed, in partnership with BGR, more finger printing minerals samples than any other country in the World. Thanks to the cooperation with BGR once again, we have a fully-fledged AFP sample preparation laboratory and qualified staff to run it.
- We have authorized ITRI to sample mineral ores from all operating mines sites in the country in order to build a data base of plausibility of the existence of economic mineral ore deposits in Rwanda;
- Two baseline surveys have been conducted by ITRI on all operating mining sites in the country since mineral tagging and bagging began; and our mines and exporters have undergone several audits by third parties;
- We are currently, in partnership with ITRI, testing an electronic scanner to lower the risks that may arise through data delivery delays and human error in filling logbooks. It is being tested at some mines and the initial results are very promising.

### **Ladies and Gentlemen,**

Despite the benefits of the Dodd Frank legislation to the mining industry, which include: improved formalization, catalyzing raise in investment and globalizing the industry and therefore raising the miner's mindset to the level of the end users of their products, as far as Rwanda is concerned;

There are real challenges detrimental or even lethal to the local and regional industry: the buyers are jittery of the very stringent annual auditing requirements on minerals originating from the ICGLR nations, and would prefer to source these minerals from elsewhere. This will jeopardize the livelihoods of very many people who survive on these minerals and Governments whose economies heavily depend on them.

There is currently a near de-facto embargo on wolframite from the region and sometimes the practice sounds comical. There is an Austrian company with shares in a Rwandan wolframite mine with very clearly verifiable production, that has nevertheless stopped sourcing minerals from this Rwandan affiliate. This is because of the anticipated negative consequences through the backlash of the buyers of its tungsten metal. The costs of mineral certification/traceability and the current practice of verification is too high to the upstream end of the industry to the extent that some mines may become uneconomic to mine.

With due regard to the gains made in the mineral traceability process, we propose the following to be able to eliminate the above stated constraints: Integrating the auditing standards for purposes of simplification and lowering costs without compromising the outcome, work out a mechanism of cost sharing between the upstream and the downstream sectors of the industry, auditing requirements under Dodd Frank Legislation need to be revised to make them friendlier to business and ; stop unsubstantiated accusations on the "Illegal movement of materials" purported by a number of players because they have very negative consequences to the industry.

In conclusion, I wish to reiterate a warm welcome to Rwanda as I invite you to take full advantage of our hospitality. Take time to sample the wonders Kigali or any other place you may go will afford you.

It is now my distinct honour to declare open the **6<sup>th</sup> ICGLR-OECD\_UN GoE Joint Meeting on Due Diligence in the Tin, Tantalum, Tungsten and Gold Supply Chains.**

Thanks for your kind attention.