



Transforming natural resource management
Empowering communities

Transformer la gestion des ressources naturelles
Renforcer le pouvoir d'agir des communautés

Cobalt, Communities, and Artisanal Mining in the Democratic Republic of Congo

IMPACT: How We Drive Change

REVEAL

We investigate, monitor and analyze how natural resources are managed and how these systems can be improved.

INNOVATE

We develop, test and deliver improved systems for the management of natural resources through technical assistance, information sharing, and capacity building.

ENGAGE

We advance constructive dialogue with stakeholders including civil society, policymakers, industry, and communities to improve how natural resources are managed.

Artisanal Mining: What is it?

OFTEN CHARACTERIZED BY:

- Disorganized or informally organized
- Subsistence mining
- Rights often severely limited - mostly unlicensed
- Harsh working and living conditions
- Low yields and low income
- Informality / 'illegality' = Vulnerability to predatory actors
 - armed groups, criminal networks, extortion, predatory lending, sexual violence, etc.
- Poverty driven AND poverty alleviating
- Often along side large-scale industrial mining



Artisanal and Small-Scale Mining: Numbers

40.5 million people
working in ASM

90% of the global mining
workforce works in ASM

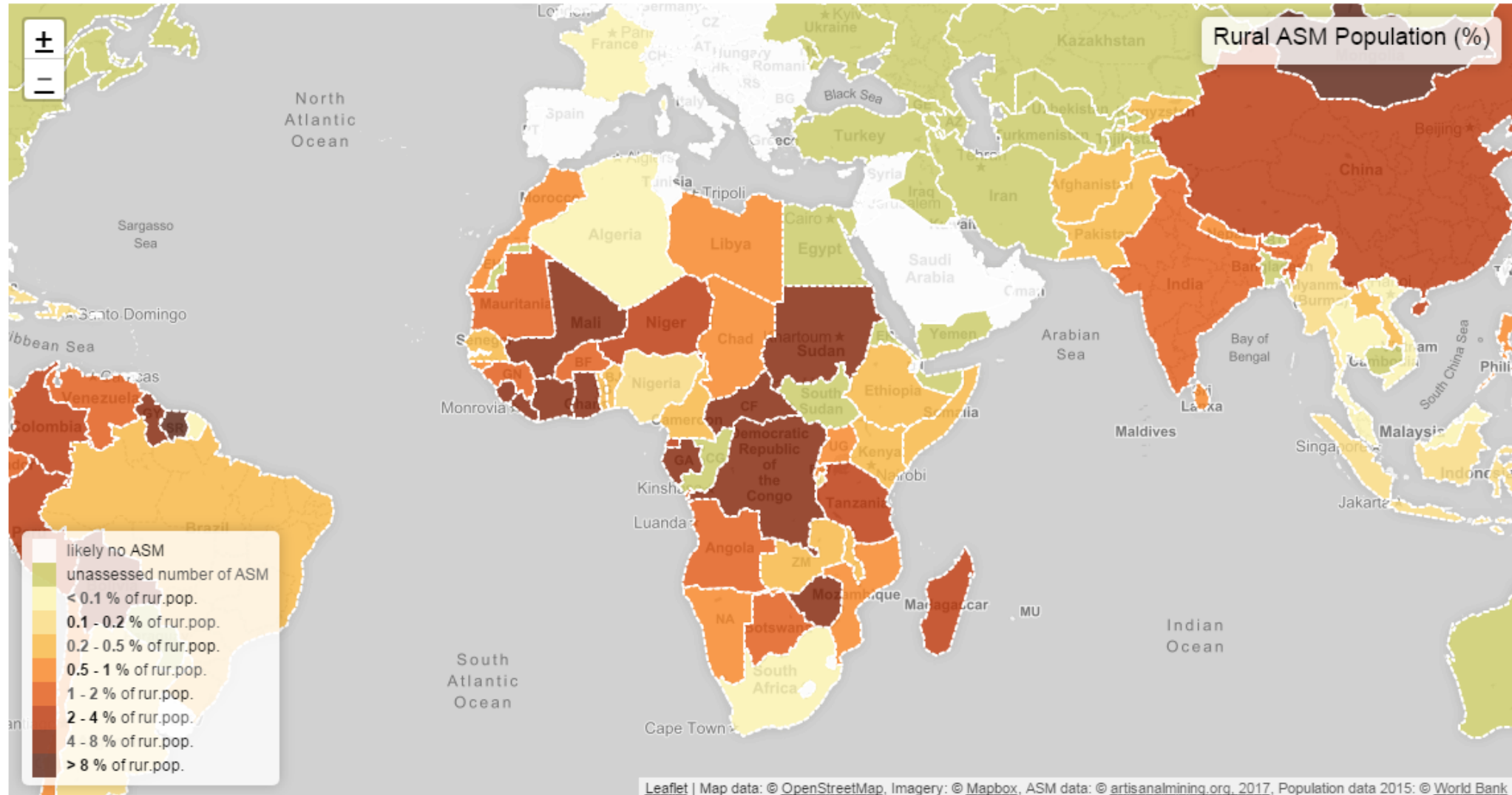
150 Million depend on
ASM across **80 countries** in
the global South

40-50 % of the ASM
workforce in Africa are
women



Globally: Artisanal mining provides an important source of livelihood

Map 2: Estimated number of artisanal and small-scale miners as percentage of rural population



COBALT: Democratic Republic of Congo



- Most of the global cobalt reserves are located in DRC
- Estimated that the DRC produces 60-70% of the world's cobalt
- ASM accounts for 20-30% of DRC's cobalt production
- Artisanal cobalt mining is one of the most important sources of income for local people

COBALT: Security, Human Rights, & Environment

ASM cobalt mining is **informal and lacks regulation** or adequate safety standards

- Dangerous working conditions for miners
 - Tunnel and pit collapse
 - Lack of appropriate safety equipment
 - Exposure to toxic metal contamination
 - Low pay

Poor environmental management

- Environmental degradation increases potential for local conflict
 - Processing of cobalt requires a significant amount of water, the implications and the strain of water being diverted away from the community
 - Water and air pollution in local communities

Significant **human rights abuses** to the artisanal mining of cobalt

- Child labour
- Gender-based violence



GLOBALLY: Growing the Demand for Responsible Minerals

Political	Legal & Regulatory	Consumers/Reputation
<ul style="list-style-type: none"> • G7/8 (2007, 2008, 2009, 2011, 2013, 2015) • UN Security Council Resolutions on the DRC (2009, 2010) and Ivory Coast (2015) • Adoption by the Heads of State of 11 African nations (ICGLR 2010) • Recommendations of the OECD Council (2011) 	<ul style="list-style-type: none"> • Legal requirements in DRC, Burundi and Rwanda (OECD DD) • Dodd-Frank Wall Street Reform and Consumer Protection Section 1502 • EU Conflict Minerals law and regulations (Jan 2021; importing companies) (OECD DD) • French “Duty of Vigilance” law (accountability of MNCs) (OECD DD) • Draft law in China (OECD DD) 	<ul style="list-style-type: none"> • International campaigns (NGOs) • Industry association (auto, electronics, battery alliances; e.g. Responsible Minerals Initiative) <div data-bbox="1824 746 2262 1053" data-label="Image"> </div>



What is the OECD Due Diligence Guidance?

- **Full name:** *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*
- **Objective:** to provide **companies** with clear, practical guidance to ensure that they do not contribute to conflict or human rights abuses through their mineral and metal production and procurement practices
- First example of a collaborative government-backed **multi-stakeholder initiative** on this issue
- Scope:
 - Global (not just Africa)
 - All mineral resources (now not just 3Ts and Gold)
 - All OECD-adherent countries, including Canada, are responsible for up-holding the guidance
- Guidance, not legislation



Underlying principles of the Guidance

- **One set of expectations:** a **common framework** for due diligence expectations throughout the entire mineral supply chain - from mines until end users
- **Risk-based approach:** intensity of due diligence **proportional to risk**
- **Progressive approach:** promotion of constructive engagement with suppliers in order to **gradually affect change**
- **Reasonable and good faith efforts:** **not 100% compliance** overnight
- **Intended to enable investment and trade** in conflict-affected and high-risk areas – **no blacklists**, embargos, or protectionism



What are the risks OECD Due Diligence looks at?

- Risks related to sourcing from **conflict-affected** and **high-risk areas**
- The priority risks referred to in the OECD Due Diligence Guidance
 - **Serious human rights abuses** (child labour; forced labour)
 - Direct or indirect support to **non-state armed groups**
 - Direct or indirect support to **public or private security forces**
 - **Bribery and fraudulent** misrepresentation of the origin of minerals
 - **Money laundering**



Supply Chain Reporting and Transparency

- Provides **detailed recommendations** to help companies respect human rights and avoid contributing to conflict through their mineral purchasing decisions and practices
- Requires companies to **know their supply chain** to ensure they are not contributing to risks
- Requires all companies along the supply chain to **report** on their due diligence efforts (*Step 5 Report*)
- **Challenge: Low transparency** in sector



Way Forward

- Hold OECD-adherent **countries accountable** for advocating for greater Due Diligence of their private sector
- Advocate for greater **transparency** in supply chains
- Support **formalization and regulation** in ASM sector – one of the best ways to protect vulnerable populations
- **Alignment** of other initiatives and programs OECD Due Diligence
- Understand **unintended consequences** of implementing Due Diligence
- Understand **limitations** of OECD Due Diligence Guidance – environment, gender
- **Poverty** largest contributor to participation in ASM



Project: Cobalt for Development



- Funded by **private sector** by BMW, BASF, Samsung SDI, and Samsung Electronics
- Implemented in partnership with GIZ and Bon Pasteur
- Aims to improve the living and working conditions of **people employed** in the artisanal cobalt sector and surrounding **communities**
- Project scope:
 - Strengthen legal compliance - **formalization**
 - Improve **health and safety** conditions
 - Improve **environmental** management
- **Replicable** to other sites



The logo for IMPACT features the word "IMPACT" in a bold, dark brown, sans-serif font. The letter "O" is replaced by a circular emblem consisting of a solid olive-green center, a white ring with a dotted pattern, and a thin white outer border. The background of the slide is a light beige, textured paper with decorative dotted lines in olive green forming a large, partial circular shape on the left and right sides.

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Learn more at:
www.impacttransform.org