



THE COMPLEXITY OF RESOURCE GOVERNANCE IN A CONTEXT OF STATE FRAGILITY: AN ANALYSIS OF THE MINING SECTOR IN THE KIVU HINTERLANDS

Steven Spittaels

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Front cover image: Diggers preparing a pit for artisanal exploitation at 100 Kg / Mayi Baridi, a coltan mine in Kalemie Territory, Northern Katanga (IPIS, 2010)

The complexity of resource governance in a context of state fragility: An analysis of the mining sector in the Kivu hinterlands

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List of Acronyms

AFM	Administrateur de Foyer Minier
AMIKI	Association Minière du Kivu sprl
ANR	Agence Nationale de Renseignement
Bn	Battalion
CaMi	Cadastre Minier
CAR	Central African Resources
CEEC	Centre d'Évaluation, d'Expertise et de Certification des substances minérales précieuses et sémi précieuses
DGM	Direction Générale des Migrations
DDR	Disarmament, demobilisation and reintegration
DRC	Democratic Republic of the Congo
EC	European Commission
FARDC	Forces Armées de la République Démocratique du Congo
FDLR	Forces Démocratiques de Libération du Rwanda
Gemico	Générale des Mines du Congo
HR	Human rights
IDP	Internally displaced person
IGMC	Ituri Gold Mining Company
IPIS	International Peace Information Service
JV	Joint venture
KGL	Kilo Goldmines Ltd
MGL	Minière des Grands Lacs
MONUC	Mission de l'ONU en RD Congo (UN Mission in Democratic Republic of the Congo)
MONUSCO	Mission de l'Organisation des Nations Unies pour la stabilisation en RD Congo (UN Organisation Stabilisation Mission in Democratic Republic of the Congo)
MPA	Metal Processing Association
MPC	Mining Processing Congo
NDJOKAM	Société Ndjoka Agro-Minière
NGO	Non-governmental organisation
OCC	Office Congolais de Contrôle
OCHA	UN Office for the Coordination of Humanitarian Affairs
OECD	Organisation for Economic Coordination and Development
OFIDA	Office des Douanes et Accises
OKIMO	Office des mines d'or de Kilo-Moto
PABG	Pan African Business Group
PE	Permis d'exploitation
PK	Point kilomètre
PNC	Police Nationale Congolaise
PPRD	Parti du Peuple pour la Reconstruction et la Démocratie
PR	Permis de recherches
RCD	Rassemblement Congolais pour la Démocratie
SAESSCAM	Service d'Assistance et d'Encadrement du Small-Scale Mining
Sakima	Société Aurifère du Kivu-Maniema
SNCC	Société Nationale des Chemins de Fer du Congo
SOMINDO	Société Minière de Ndonga
Sominki	Société Minière et Industrielle du Kivu
SSR	Security sector reform
UN	United Nations
UNDP	UN Development Programme
WBK	Wa Balengela Kasai-Investments Congo sprl
ZER	Zone exclusive de recherches

Executive Summary

i) Background context

The report ‘Mining activity and mineral trade in the Kivu hinterland’ was commissioned by the Directorate General for Development (DG DEV) of the European Commission and aims to fill an information gap by identifying the principal mining sites and analysing the trade networks of the ‘eastern hinterland’ of the Democratic Republic of the Congo (DRC), located in Maniema, North Katanga and Orientale Province, and the transport networks from these territories to the regional hubs of Bukavu, Goma, Butembo and Bunia.

Following constant reports of insecurity and human rights violations related to mining activity in the Kivu provinces and Ituri over the past years, the mining sector in these areas has been the subject of several publications. In these texts, the conflict-ridden Kivu provinces are generally depicted as a region beyond the control of the state where shadow economies thrive (an analysis with which Congolese President Joseph Kabila seemed to agree when he suspended all mining activities in North Kivu, South Kivu and Maniema on 11th September 2010).

However, whether these shadow economies extend into other important mining areas bordering the Kivus and Ituri is unclear since little documentation exists on production circuits in the hinterland west of the Kivus. It was therefore felt that investigating the specific problems and opportunities of the mining sector in these less-known areas would be worthwhile.

The report is built around three chapters: the first examines mining activity in Northern Katanga; the second looks at Maniema territory on the east bank of the Congo River; and the third surveys the mining sector in Bafwasende and Mambasa territories in Orientale Province.

Each chapter follows the same structure. In a first section, the mineral resources of the area in question are discussed. In a second, the most important mines are presented. The third section deals with the mining sector: the traders, transport, mining companies, etc. The fourth section examines human rights violations, and the involvement of armed groups and the Congolese national army in mining areas.

As an integral part of this study, three detailed maps are published online at:

www.ipisresearch.be/maps/hinterland/Katanga/web/index.html

www.ipisresearch.be/maps/hinterland/Orientale/web/index.html

www.ipisresearch.be/maps/hinterland/Maniema/web/index.html

Besides the locations of mining sites discussed in this report, these maps show information on ownership, militia or army involvement, numbers of artisanal miners, mineral prices and several other important variables. Guidelines on their use are available online at the same webpage. Besides an array of other sources, each of the three main chapters builds on these maps.

ii) Key findings

- The hinterland region is by no means inferior to the Kivus in terms of mineral production. Maniema accounts for a considerable share of the cassiterite arriving in Bukavu and Goma, the main trade centres; Northern Katanga is the most important supplier of coltan to Bukavu

and possibly the most important coltan mining area in the whole of eastern DRC; and the Bafwasende and Mambasa territories produce a considerable percentage of Congolese gold.

- As a consequence of the hinterland's supply role to the Kivus, the main beneficiaries of the trade in hinterland minerals are traders based in the Kivu provinces. This is especially true for Maniema, where a degraded transport infrastructure requires most of its mineral production to be flown directly from airstrips dispersed all over the province, to Goma and Bukavu.

Traders from Butembo (and Bunia) are among the main beneficiaries of the gold trade from Bafwasende and Mambasa. However, in several areas of Mambasa, semi-industrial gold mining operators, and their political and administrative backers, also seem to be making substantial profits.

The situation in Northern Katanga is different. There, a single *comptoir* is handling sales of locally mined coltan and to a lesser extent, cassiterite. The recent arrival of this *comptoir*, with the support of the provincial government in Lubumbashi, has sidelined the traditional traders originating from the Kivus.

- Although there is no complex conflict situation as in the Kivus, armed groups are nevertheless present in the hinterland territories. Many of these armed groups, including the Congolese army, generate income from mining and informal trade in minerals.

The situation is probably the most serious in Bafwasende, where the *Forces Armées de la République Démocratique du Congo* (FARDC) are taking advantage of the protracted war with Mayi-Mayi militias to engage in the mineral trade. In both Bafwasende and Mambasa, there have been reports of serious human rights violations by the FARDC.

Though the security situation is better in Maniema, some mining areas suffer regular incursions from armed groups, including the *Forces Démocratiques de Libération du Rwanda* (FDLR), as well as extortion by elements of the army and civilian authorities. In the far north of Katanga, the FDLR has carried out a number of raids on small mining sites, while the FARDC generates income at several of the larger ones.

- The difficulties faced by artisanal miners in the hinterland are similar to those faced in the Kivus. They receive little support from the state and often work on dangerous sites in which the day-to-day necessities must be flown in, and sometimes traded for scarce grams of gold while the economic operators invest little in the social needs of their labour force. Moreover, the artisanal miners are rarely organised, which weakens their power to bargain when it comes to mineral pricing.

iii) Policy recommendations

The situation does not lend itself to quick and easy recommendations. Nevertheless, based on our research and analysis, we offer the following lines of action for consideration.

- The security problem in the hinterland is not as complex as that of the Kivus. Therefore, the Congolese government with support from its international partners should consider developing the mining sector in the hinterland.
- The relatively calm security situation in most of the hinterland offers an opportunity for international due diligence efforts as most of the mining sites are outside conflict zones.

- Thorough DDR and SSR processes are absolutely essential to improve security in the mining regions of the hinterland. As part of this, the Congolese army should aim to withdraw units from mining areas that are not under threat by armed groups. Where security forces are deployed, there should be safeguards in place to protect civilians. The strengthening of military justice should be prioritised during SSR.
- The rehabilitation of transport infrastructure should be one of the main priorities for donor and state investment in all three areas of the hinterland. The Congolese government should develop a plan for opening up the hinterland. This plan would have three cornerstones: infrastructure, transparent administration and security.
- Incentives could be introduced into the current trading system to encourage the installation of new *comptoirs* in the hinterland. In exchange for reaching certain benchmarks (in terms of transparency and professionalisation, etc.), they could benefit from material and/or technical support.
- Giving more responsibility to the provinces, including a greater stake in the taxation of the mineral trade, would motivate them to better manage the trade and clamp down on abuses. Increasing the responsibility of the provinces should imply the inclusion of all provincial stakeholders through the creation of stakeholder fora where the provincial administration meets with traders and civil society.
- Coordination between the different provinces is required. For example, more information-sharing and data comparison is needed between the state services working on mining issues in the different provinces and regions. The possibility of creating formal structures for coordination (for example between the Katanga and South Kivu provincial governments on coltan or between Maniema and North Kivu on cassiterite) should be explored.
- The formation of artisanal and trader representation groups (whether cooperatives, associations, or others) would be an important contribution to the evolution of better governance of the sector.

Introduction

This report, commissioned by the Directorate General for Development of the European Commission (EC), aims to fill an information gap about mining in the so-called “eastern hinterland” of the Democratic Republic of the Congo (DRC). It identifies the principal mining sites in the provinces of Maniema, North Katanga and Orientale, and analyses the trade networks from these areas to the regional hubs of Bunia (in Ituri) Bukavu (in South Kivu), Goma and Butembo (in the province of North Kivu).

After many reports of insecurity and human rights violations related to mining activity in North Kivu, South Kivu and Ituri in recent years, the mining sector in these areas has been the subject of several publications. In these texts, the conflict-affected Kivu provinces are usually depicted as a region beyond state control where shadow economies thrive – an analysis to which DRC President Joseph Kabila appeared to subscribe when he ordered the suspension of all mining activities in North Kivu, South Kivu and Maniema on 11th September 2010. However, whether these shadow economies extend into other important mining areas bordering the Kivu provinces remains unclear, as there is little existing documentation on the main networks in the hinterland.

This study supplements another EC-commissioned report, ‘The role of the exploitation of natural resources in fuelling and prolonging crises in the eastern DRC’, published in January 2010. That provides an analytic desk review of the recent literature; synthesises existing information on mining sites and commercial routes in the Kivu provinces and Ituri; assesses the political and economic factors; evaluates the measures prioritised by the international community for short and medium-term action; and formulates recommendations for further lines of enquiry.

After the publication of the current report, a third will follow in early 2011 under the title: ‘The complexity of resource governance in a context of state fragility: the case of eastern DRC’. It will provide insight into the complex mineral-trading chains that run through Bunia, Butembo, Goma and Bukavu to neighbouring countries in 12 detailed case studies. That report focuses on both the shadow economy and official circuits.

Structure and summary

This second report discusses the mining sector in three areas bordering on the Kivus. The first chapter examines activity in northern Katanga province; the second, mining on the east bank of the Congo River in Maniema; and the third, the mining sector in the territories of Bafwasende and Mambasa in Province Orientale.

Each chapter follows the same structure. The mineral resources of the area are discussed in a first paragraph, providing some perspective on the production of each mineral and historical background. The most important mines are presented in a second paragraph, as an entry point to the maps of mining sites that accompany each chapter (see below). The third section deals with the mining sector, describing the traders, transport routes and mining companies. The fourth focuses on human rights violations by and profiting by armed groups and the national army, the *Forces Armées de la République Démocratique du Congo (FARDC)*.

In Northern Katanga, two measures at the provincial level have had an important impact on the minerals trade. As a consequence, one trading house virtually monopolises the trade in cassiterite and coltan. Until September 2009, the mineral trading system was inextricably linked to that of

the Kivu provinces, but the provincial authorities have managed to transform it into a system of their own making.

In Maniema territory, “artisanal miners” have taken over what was previously industrial production. Having failed to restart industrial production, several mining companies turned to commercialising the ores extracted by artisans operating on their own concessions. Maniema benefits little from its mineral wealth. The neglected transport infrastructure means that most mineral production is flown out from airstrips across the province to *comptoirs* in Goma and Bukavu in the Kivu provinces.

Gold mining in Bafwasende and Mambasa territories has largely escaped the scrutiny of the provincial authorities and state mining agencies, and most of its product is sold in North Kivu. This is unlikely to change soon since many mining sites in Bafwasende are informally controlled by armed groups or soldiers within the FARDC. In neighbouring Mambasa territory, a number of private companies are running semi-industrial operations on the Ituri River without apparently declaring any production or export figures. Finally, the provincial system for supervising mining sites, which pre-dates the national Mining Code of 2002, has narrowed the space for state intervention even further.

Methodology and the research process

The following three chapters are based on documentation from local sources, interviews with key stakeholders, visits to mine sites in June and July 2010, and focus group discussions. The stakeholders consulted were traders, local authorities, international observers, local non-governmental organisations (NGOs) and civil servants from the many DRC state agencies responsible for mining, which provided much of the documentation.

Mine-site visits were largely made by local partners engaged by the authors. Teams of local researchers (two per chapter) collected fresh data by visiting mining locations with GPS devices and questionnaires. Personnel from local universities and NGOs coordinated the local research. Each had prior experience in mining research (four out of six cases) or had conducted field work on other topics with GPS devices (two out of six). In most cases the teams engaged with officials from the state mining agencies.

Several approaches were used to evaluate the output of local researchers. After a preliminary set of results was delivered, one of the authors would pay a visit to follow up and work out solutions to the problems encountered. The track-logs of the GPS devices were checked if there was any doubt about the teams’ movements. Thirdly, data was cross-referenced against existing maps and data already in the authors’ possession, or gathered during their field research. In general, and taking into account the short time-frame and the magnitude of the task, the research teams performed well and produced original data. Naturally, the data remains incomplete and subject to change since the mining sector in eastern DRC is in a permanent state of flux.

Each chapter was written by two authors from different backgrounds, who travelled the region together and peer-reviewed one another’s drafts. The combined chapters were edited by the International Peace Information Service (IPIS) and the final text reviewed by two independent experts: one a well-known academic; the other a former head of the UN Group of Experts. The majority of research work, including field visits, was executed from June–August 2010.

As an integral part of the study, IPIS has published three detailed maps online at:

www.ipisresearch.be/maps/hinterland/Katanga/web/index.html

www.ipisresearch.be/maps/hinterland/Orientale/web/index.html

www.ipisresearch.be/maps/hinterland/Maniema/web/index.html

In addition to mining sites, these maps show information on ownership, militia or army involvement, the number of miners, mineral prices and other variables. Guidelines on their use are available online at the same webpage. The following chapters build on these maps.

Difficulties encountered

Carrying out this kind of research posed serious challenges in the DRC, where a number of difficulties required managing.

The first is the unreliability of existing data on the mining sector. Official records are replete with inconsistencies, gaps and misinformation that make it impossible to paint a reliable and comprehensive picture of the trade. This is a region-wide phenomenon. In attempts to analyse this landscape, the one fact that analysts agree on is that there is no single, reliable source of accurate data.¹ One of the major reasons is the omnipresence of illicit trade – particularly the trade in gold, but also cassiterite, coltan and wolframite (tungsten ore) – along devious routes across the hinterland. The few official statistics that do exist are not integrated between various government offices due to communication and logistical challenges. Additionally, the paucity of registered *comptoirs* (officially recognised trading and export houses) means only a limited amount of the minerals mined and sold appear on official government records.

As a rule, all statistics on trade should be approached with a healthy degree of caution – which does not mean they cannot be used. The data may not be sufficiently reliable to draw trustworthy conclusions, but it can confirm certain trends when other information is also available. In individual chapters, the available data is discussed and some specific examples of reliability problems are given.

A second challenge relates to field research in the DRC. Interviewees refer to many locations, but they have rarely visited them and often cannot provide precise information on their location. This is particularly true for mining sites. The names of some mining sites feature on lists provided by the Division des Mines or the *Service d'assistance et d'encadrement du small-scale mining* (SAESSCAM), but little or no information is available on their precise location. There are several reasons for this: lack of centralised data collection by provincial authorities and mining agencies; difficult access due to poor roads; and bouts of insecurity. The only way to address the problem is by visiting the site with a GPS device, an approach the authors adopted as far as possible within their timeframe constraints.

Related to the previous challenge is the problem of reaching very remote mining areas or mining areas that are located in insecure areas. Local researchers acquainted with the region and its people were able to travel relatively easy to areas an expatriate would rarely reach, but there were a number of places that insecurity rendered off-limits even to them. For each of the three hinterland areas, the text explains which sites not even the local researchers could visit.

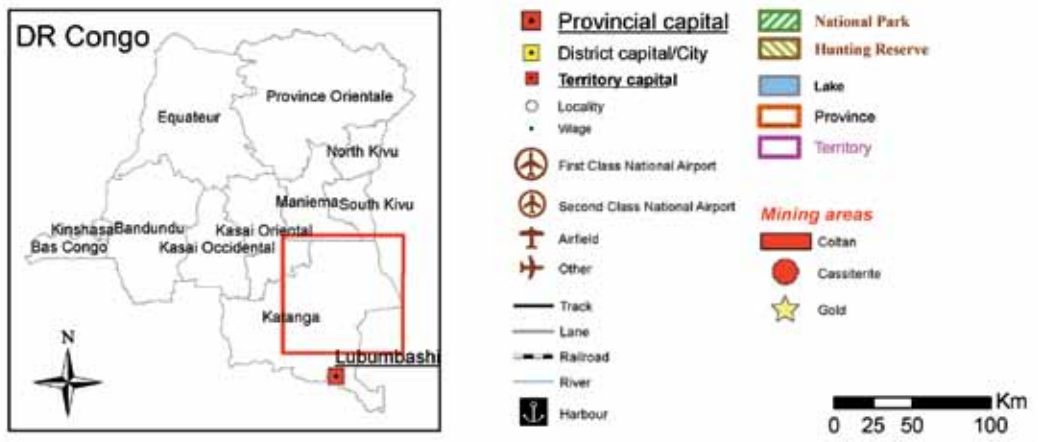
A fourth challenge was the difficulty of measuring the relative importance of mining sites, which is crucial to any analysis of the hinterland mining sector. Working with production figures provided by the interviewees was not a reliable option. One cannot assess such information without spending some significant time on each site in order to observe the production chain and to speak to the various individuals involved. Interviewees may inflate production figures to attract potential foreign investors and donors or, alternatively, they may lower them out of concern for any potential increase in taxes or hostile commercial interest.

An alternative approach – comparing the number of artisanal miners at the different sites – was used to produce more objective data. However, this method also has flaws. Estimates of miners are difficult to obtain since they fluctuate according to a site's profitability (driven by outside

1 Pact Inc. (June 2007) *Researching Natural Resources and Trade Flows in the Great Lakes Region*, DFID/USAID/COMESA, p. 5.

demand), the season (artisanal miners often combine mining with farming and petty trade) and personal circumstances (a miner may work for a specific end, such as paying school fees or hospital bills, and then abandon the activity). Thus, the estimates given to the research team may not be entirely accurate, although they provide some approximate measure of a specific mine's production and the extent of the trade in a given area.

Northern Katanga



Compiled by IPIS (Sources: IPIS, Référentiel Géographique Commun, Royal Museum for Central Africa)

Chapter 1: Northern Katanga

(Steven Spittaels & Elisabeth Caesens)

1.1 Minerals in Northern Katanga

The international mining community has been interested in the copper and cobalt reserves in the south of the province of Katanga for decades. More recently, the north is rumoured to be as much of a “geological scandal” as the south, albeit for minerals more closely related to those of the Kivus, such as coltan, cassiterite and gold. The soil also contains high levels of other minerals, such as silver.² The paragraphs below describe what is currently being extracted.

Cassiterite

Central Katangan territories, such as Manono, Malemba Nkulu and Mitwaba, have significant deposits of cassiterite (tin ore) and coltan, a byproduct. Manono hosted one of the few industrial companies operating north of the copper belt, the colonial tin company Géomines, later renamed Zaire-Etain (and Congo Etain after the downfall of former President Mobutu). Since the Second Congo War (1998–2003), artisanal miners have taken over former industrial sites and begun exploiting newly discovered deposits.³ Official cassiterite production in 2009 from Manono, Malemba Nkulu and Mitwaba combined amounted to approximately 1,368 tonnes.⁴

Coltan

Coltan has always been the principal mineral mined in Nyunzu and Kalemie territories, but it has also gained in popularity in Manono and Malemba Nkulu. Coltan deposits attract more and more miners,⁵ especially in the north of Manono. This heightened interest might reflect the evolution of the world market price, which has been better for coltan than cassiterite in the last two years (see the graphs of the evolution of world market prices 2008–10, and table of export prices in Annexe 2).

An additional explanation for coltan’s popularity is a new provincial tax on Katangese minerals travelling through other provinces. While its impact on the coltan trade was limited, it has considerably disrupted the cassiterite trade. The provincial tax and its impact on the mineral trade are discussed below.

Table 1: Coltan production at the four most important coltan mines in Tanganyika district (in kg)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	
Kisengo	5,314	3,459	13,501	8,978	5,601	9,094	5,590	9,355	6,356	7,413	74,661
Mayi Baridi	1,750		690	2,250	1,700		4,050		3,250	5,674	19,364
Malemba				1,246		650					3,094
Katonge		2,500	1,700	4,450	2,950	7,541	1,500	3,300			23,941
TOTAL											181,062

Source: Division des mines, Kalemie

² Interview, EITI representative, Lubumbashi, July 2010.

³ Part of production at the Congo-Etain sites has always been artisanal, even at the peak of industrialisation. The difference today is that the industrial component has entirely disappeared. New cassiterite miner Mining Mineral Resources (MMR) claims it wants to revive the production chain from extraction to transformation into tin in Katanga province over the next few years.

⁴ In comparison, Géomines produced about seven times as much on a yearly basis during World War II. Interview by IPIS, former Géomines employee, Manono, June 2010.

⁵ Interview, SAESSCAM staff, Lubumbashi, May 2010.

Gold

Gold was discovered in Northern Katanga in colonial times but, with the exception of Mutotolwa near Moba, production has always been small-scale and informal. Some sites have been active for decades; others were discovered in the past years. In spite of this vibrant activity, the provincial administration has not recorded any Katangan gold exports for the past few years, suggesting a pattern of smuggling comparable to other DRC regions.⁶

According to the electronic map data, the gold-mining sites visited for this research are exploited by an estimated 5,000 artisanal miners and more. Under the conservative hypothesis that each miner works five days a week and produces 0.5 grams of gold per day,⁷ the region's monthly gold production should amount to 50 kg.⁸ The total number of gold miners in Northern and Central Katanga is certainly higher than the estimated figure of 5,000. Several smaller mines in Manono, Malemba Nkulu, Kalemie and Nyunzu were not visited, and the estimate does not include gold mining areas in other territories such as Moba and Kongolo.⁹ Consequently, total monthly gold production of Northern Katanga is likely to be far higher.

Prices

The price the *négociants* pay to artisanal miners for minerals varies according to transport costs, purity and price competition. The table below gives an overview of the price range the authors encountered while working on the research. More detail on prices at individual mines can be found on the electronic map.

Table 2: Minimum and maximum prices paid to miners in mines featured on the accompanying map

	Cassiterite	Coltan	Gold
Minimum	4,500 FC*/Kg	21,000 FC/Kg	20,000 FC/k**
Average	5,016 FC/Kg	24,000 FC/Kg	28,857 FC/k
Maximum	5,500 FC/Kg	27,000 FC/Kg	34,000 FC/k

* 1 US Dollar = slightly under 900 Francs Congolais (exchange rate of June 2010)

** 1 k = 1.24 g

1.2 Mining sites in Northern Katanga

With a surface area of nearly 500,000 km², Katanga province is more than 16 times the size of Belgium, and Tanganyika and Haut-Lomami districts cover about half of this territory. Both districts combined are often referred to as “Northern Katanga”. It would have been impossible to research all the mining sites in such a wide and inaccessible area within the time-frame of this research, so the authors selected a number of territories for analysis: Malemba Nkulu, in Haut-Lomami, and Manono, Nyunzu and Kalemie, in Tanganyika district. These areas are the most important in terms of mineral production in Northern Katanga. Other territories, such as Mitwaba and Kongolo, feature in this chapter when they have a significant role in the trading chain.

Nyunzu

With the busiest coltan and gold mines of Tanganyika district in its borders, Nyunzu is the most important mining region in Northern Katanga. The most significant coltan mine in terms of workers and output is **Kisengo** in the north. Discovered in March 2007, Kisengo's small support village had

6 No *comptoir* was willing to elaborate on its involvement in the gold trade. All who were asked denied trading in gold despite its mention in official documentation and explicit signs in their warehouses.

7 PACT (2007), op. cit., pp. 31-32.

8 This is, of course, “guesstimating”. Some diggers find nothing for a whole week, and then a gram in a day. There is also huge variance between different gold-digging sites.

9 In a radio interview in 2009, the head of the mining division in Moba said there were six operational gold mines in the territory for which he had not a single statistic. He also claimed that most gold buyers in Moba came from Bukavu. *Radio Okapi, Moba: pas de statistiques dans l'exploitation de l'or*, 29th July 2010.

grown into a town of over 20,000 inhabitants, including several thousand miners, in less than a year.¹⁰ Although no longer as popular as in 2008, an estimated 3,000 artisans still dig for coltan at Kisengo, which has also become an informal market for surrounding mineral sites.¹¹ Kisengo is situated in a hunting reserve, making it theoretically illegal to award the area as a mining concession. Nevertheless, it was added to the list of potential ZEA areas (Zones d'Exploitation Artisanale).¹²

The map shows several relatively important gold sites north of the Kalemie–Nyunzu axis. Unlike the recent interest in coltan, there is an established tradition of gold mining in the northern territories of Katanga and some sites have been exploited for years. A number of currently active sites, such as **Mulunguyi**, halfway between Kongolo and Nyunzu, date back to the Mobutu era.¹³ Now, after a period of limited activity and with an estimated workforce of 500 miners, Mulunguyi is once again becoming a popular site for gold. **Lunga**, the biggest gold-mining site in Nyunzu, is located further north. This area suffers from persistent predation by army units (see paragraph 1.4).

Many gold sites are remote and difficult to access, but this does not impede mining since gold is easy to transport on foot or by motorbike. Mulunguyi, for instance, can only be reached by a mountainous 30km motorbike trail. It is another 60km by bike or on foot from there to **Lunga**.

New sites are discovered from time to time. Following fluctuations in world prices or local “get-rich-quick” stories, artisans migrate from one site to another.¹⁴ Most artisans at the newly discovered **Kalima** gold site come from Kisengo, 30km further west. More than 1,000 artisans have moved into the site in the past few months, stimulated partly by favourable gold prices.

The southern tip of Nyunzu territory is another important mining area. Here, situated among other, smaller sites, are the coltan and cassiterite mines of Luba and **Malemba**. Information on the area is scant since the mining police refused access to it during this research.

Kalemie

Mining in Kalemie occurs mainly in three areas. In the east, bordering the territory of Nyunzu, an important coltan mine, ‘100 Kilos’, is situated near the village of Mayi Baridi. 100 Kilos has only been productive since 2007 and, at the time of writing, production was up to two tonnes per month. A number of smaller gold mines are located further north, towards the border with South Kivu. It is the only mining area in Katanga where rebels from the *Forces Démocratiques de Libération du Rwanda* (FDLR) have a presence and profit from the ongoing activity.

A number of smaller gold mines of limited importance are located southeast of Kalemie. This is a secure area where neither the FARDC nor armed groups interfere with operations. Many more miners work in the gold sites of the adjoining territory of Moba, which is beyond the scope of this report.

Manono

In Manono and Malemba Nkulu, the parastatal company Zaire-Etain produced 1.5 million tonnes of tin between 1985 and 1995,¹⁵ when production halted because of national unrest and lack of investment. During the war, artisanal miners started working the former Zaire-Etain reserves, producing an estimated 200,000 tonnes in 1996. No private partner currently seems interested in injecting the US\$65 million the government considers necessary to rehabilitate industrial production.

10 S Spittaels and F. Hilgert, *Mapping Interests in conflict areas: Katanga. Update September-November 2007*, IPIS, January 2008, pp. 5-6.

11 R. De Koning, *Demilitarizing mining areas in the Democratic Republic of the Congo: The case of Northern Katanga province*, SIPRI Insights on Peace and Security, No. 2010/1, January 2010, pp. 4-5.

12 Information taken from data from the Congolese *Cadastre Minier*, 27 July 2010. IPIS has published the data as an electronic and interactive map. See <http://www.ipisresearch.be/maps/CaMi/web/index.html>.

13 Interview, Administration de Territoire and Division des Mines, Kongolo, June 2010.

14 See below for the reported discovery of a large nugget of gold at Lunga.

15 DRC Ministry of Mines, *Guide of Mining Investor*, June 2003, p.20.

Artisanal exploitation continues, though production and export volumes are far from the levels of the industrial era. In 2009, reported production at the renamed Congo-Etain sites was a mere 900 tonnes,¹⁶ though actual volumes may be higher. The most important Congo-Etain sites, where mining still takes place, are situated in and around the town of **Manono**. Artisanal miners even dig for cassiterite on the site of the former smelting plant.

To the north lies **Katonge**, a large coltan mine operated by more than 500 artisanal miners. Although it lies in the territory of Manono, Katonge is close to the border with Nyunzu and its mineral trade is therefore oriented towards Kalemie and the Lake Tanganyika coast.

Malemba Nkulu

Cassiterite is the mineral of choice in the territory of Malemba Nkulu, which is more productive than its neighbour, Manono. The mining potential of Malemba Nkulu is often underestimated for historical and geographic reasons. When Géomines was still operational, it processed cassiterite from Malemba Nkulu, but, unlike Manono, all exploitation in Malemba Nkulu was artisanal. Because Géomines/Congo-Etain's main installations were located around Manono, it became known as the tin-mining centre. Nowadays, all mining is artisanal but, as Malemba Nkulu is one of the most isolated territories in the province, Manono still serves as *the* regional centre for trade and transport – obscuring the fact that the majority of traded cassiterite originates from Malemba Nkulu.

Malemba Nkulu territory is divided by the Congo River and the western end is often referred to as the “left bank” and the eastern as the “right bank”. The latter depends on Manono for trade. The most important mining site is Kanya mine, near **Kanunka** village. Activity dramatically decreased in 2010 because of flooding but now appears on the rise again. Also worth mentioning are the mining sites near **Ngoya**.

There are a few cassiterite mines on the left bank, each exploited by several hundred miners. **Kabala** mine is close to the town of Malemba. Slightly further is the village of **Nsey**, where the Mining Mineral Resources (MMR) *comptoir* has a presence, and which is supplied by a number of mines in the vicinity.

1.3 General analysis of the mineral trade

Kivu traders

Until late 2009, traders originating from, and operating through, North and South Kivu provinces dominated the minerals trade from Northern Katanga. Businessmen from the Bashi and Nande ethnic groups bought cassiterite and coltan from local miners, and transported it by air or road to Goma or Bukavu. They combined these shipments with deliveries of consumer goods and food, providing Katangese communities with products that were previously hard to find, while making additional profits.

The dominant position of Kivu traders is reflected in the statistics of the Division des Mines in Kalemie, which recorded the shipping of 181 tonnes of coltan and 900 tonnes of cassiterite from or through Tanganyika district to the Kivu provinces between January–October 2009.¹⁷ Similarly, over 90 percent of cassiterite from Lomami district was transported through Kongolo to Bukavu from June–October 2009.¹⁸ It is impossible to check if these numbers correspond to statistics at the destination (see Box 1). The 2008 annual report of the Division des Mines in South Kivu

16 Division des Mines Katanga, *Rapport Annuel 2009*, p.48.

17 Division des Mines, District du Tanganika, *Rapport Annuel 2009*. The same document reports that in August 2009 alone air companies in Kongolo flew 126.2 tons of cassiterite originating from Manono to North and South Kivu. This figure does not include smuggled shipments.

18 According to the Manono mining administration, “frequent flyers” to Bukavu included Agence BMA, Coffret Express, Maison Mississikano, Mbusa Makalikali, Stella Via, Agence Luhusa.

does not mention the origin of minerals passing through Bukavu.¹⁹ The 2008 report of North Kivu mining division records 18.3 tonnes of cassiterite from Katanga and 26 tonnes of Katangese cassiterite tailings (“*scorie*”), eventually sold to Thaisarco, a Thailand-based tin smelter.²⁰

The Kivu *comptoirs* active in Northern Katanga were Muyeye, Olive, Panju, MDM, Global Minerals Company and TTT. These *comptoirs* mostly work through middlemen.

BOX 1

Comparison of statistics from Katanga and South Kivu

Not only is it impossible to verify the volume of Katangese mineral production in the South Kivu statistics, the comparison of data suggests large-scale smuggling. Statistics from the Mining Division in Kalemie show 30 tonnes of coltan shipped from Tanganyika to the Kivus in the first three months of 2010.²¹ The largest shipment – slightly over 10 tonnes – was shipped in February to Uvira, where the mining division approved the onward shipment to Bukavu on 21st February 2010.²²

However, data from the *Office Congolais de Contrôle* (OCC) and the Bukavu mining division shows exports of less than seven tonnes for the first half of 2010. This means that 24 of 30 tonnes of coltan that officially left Kalemie for Bukavu by the end of March 2010 were either stocked for three to six months, or smuggled across the border.

There is little doubt that detailed comparison of mineral statistics throughout eastern DRC would reveal similar discrepancies.

A first intervention from Lubumbashi

Traditionally agrarian and subject to control by the rebel *Rassemblement Congolais pour la Démocratie* (RCD) in Congo’s wars, Northern Katanga and its resources were somewhat forgotten by the provincial authorities, based in Lubumbashi. As the security situation improved and trade intensified, frustration built up in the provincial capital over the monopoly by the Kivu traders. Minerals that did not transit directly through Lubumbashi systematically escaped administrative, economic and tax control by the authorities, which were determined to regain control.

In October 2009, Governor Moise Katumbi Chapwe spectacularly raised administrative charges to US\$5 per kg on ‘all transit of cassiterite and its by-products from Katanga province to any other province’.²³ Fees had previously amounted to less than US\$0.10 per kg, a rate still applicable to cassiterite and coltan transiting through the provincial capital.²⁴ With cassiterite worth less than US\$5 per kg at the mine, the measure doubled costs for traders from other provinces and effectively banned export through the Kivu provinces.

The impact on the Central Katanga cassiterite trade was considerable. Under the protests of Kivu traders, northbound cassiterite flows fell significantly in the months after the measure was passed. Administration documents record no shipments of minerals from Manono in the first month after the new tax and, since December 2009 all minerals from the region have transited to Lubumbashi. No Kivu transporter formerly working in the trade now features among those shipping to Lubumbashi.

19 Division des Mines, Sud Kivu, *Rapport Annuel* 2008.

20 Division des Mines, Nord Kivu, *Rapport Annuel* 2008, Tables 11, 12 and 14

21 Division des Mines, District du Tanganika, *Statistiques des substances minérales déclarées au service des mines, 1er trimestre exercice 2010*. The *négociants* who sent these shipments were Yalala, Ntambaka, Buyoya and Cizungu.

22 *Attestation de transport des substances minérales des productions artisanales*, 21st February 2010.

23 Article 1 of the *Arrêté Provincial n°2009/0035/KATANGA du 9 Octobre 2009 instituant les modalités de transfert de la cassiterite et ses accompagnateurs de la Province du Katanga vers d’autres Provinces*.

24 Interview, SAESSCAM staff, Lubumbashi, May 2010.

The case of Kongolo

The most striking impact of the new measure is probably found in Kongolo. Until September 2009 Kongolo was *the* major transport hub for cassiterite from Manono and Malemba Nkulu, transiting to Goma and Bukavu. Minerals were shipped by boat from Muyumba (or Bukama) to the makeshift harbour of Kongolo, where they were transferred to Antonov planes heading for North and South Kivu. Kongolo airstrip was particularly attractive because larger planes could land, reducing transport costs.²⁵ At its peak, Kongolo would see two or three minerals flights every day. Seven transport agencies operated from the town, flying in consumer goods and food to the isolated town, and leaving with minerals. The population was pleased with the boost to the local economy.²⁶

However, in October 2009 the trade through Kongolo came to a complete halt. The US\$5 tax on export via other provinces meant the airlift between Kongolo and the Kivus was no longer profitable. For months, no commercial cargo planes landed in Kongolo. A limited service resumed in March/April 2010, with one or two landings each week. These planes are loaded with agricultural products and private shipments. They do not appear to transport minerals, although a small quantity of minerals was discovered beneath a shipment of agricultural products on one occasion.²⁷

Only two of Kongolo's seven transport agencies, AGEFRECO and COFRED, are still in business, but they claim to be struggling and risk closure. The abundant mineral cargoes of the past allowed agencies to charge less than US\$0.5 per kg, but they now charge US\$1.7\$. Few customers are attracted by such prices.²⁸

The impact of the provincial policy is also being felt at the port of Kongolo, although to a lesser degree. The same boats from Bukama arrive in Kongolo with the same frequency, but they no longer carry minerals. Two boats that used to operate from Muyumba and transport cassiterite exclusively no longer leave port.²⁹

Apart from the provincial tax measure, Kongolo's role as a transport hub has been further challenged by two road rehabilitation projects that make truck transport a cheap and therefore attractive alternative to airlifting. On the one hand, the road connection between Lubumbashi and the mining centre of Manono is being improved. On the other hand, the eastern access road to Kalemie is being repaired.

Moreover, a second measure from the Katangese provincial government further discourages the mineral trade with the Kivu provinces through Kongolo.

The second intervention from Lubumbashi

Although effective in curbing cassiterite traffic from Central Katanga, the US\$5 tax did not have a similar impact on the coltan trade further north. Not only is the distance to Lubumbashi greater and the road worse, coltan is worth more – a kg sells at up to US\$40 in Bukavu. Traders simply absorbed the fee by lowering the price paid to local miners, and kept on heading north.

25 Manono, which is closer to the mining areas, has an airstrip, but it has a smaller capacity than the one at Kongolo. Flight costs for cassiterite from Manono were over US\$4/kg in September 2009, compared to US\$3.5/kg for the combined river/air route via Kongolo.

26 Interview, local authorities, Kongolo, June 2010.

27 Interviews, local authorities and mining official, Kongolo, June 2010.

28 Interview, transport agency manager, Kongolo, June 2010. Why the flights resumed in March/April, despite the slender margins on agricultural cargo and private shipments, is unknown, but there are two possible explanations. On one hand, the planes might be smuggling gold. Checks on gold smuggling at the PK 25 (on the Kalemie/Bendera junction) have become increasingly strict for Kivu businessmen, forcing smugglers to use other routes. Furthermore, the important mining site of Mulunguyi lies "only" 110 km from Kongolo. Alternatively, the resumption of flights may be linked to the signature of the contract between MMR and the Provincial Minister of Mines on 25th March, and the subsequent seizure of a truckload of coltan from Bashi traders in Kisengo days later (see below). If traders prefer not to sell coltan to MMR, they might smuggle it in small quantities from Kongolo instead of risking the Kalemie-Bendera road. At least one hidden shipment of minerals was discovered on a plane leaving Kongolo.

29 Interview, FARDC commanding officer at Kongolo port, June 2010.

Recently, however, Kivu traders have faced another challenge from Lubumbashi. In March 2010, the Katangan Ministry of Mines signed a contract with MMR, a subsidiary of the Lubumbashi-based mining company Somika, to explore and commercialise deposits in Northern Katanga (BOX 2). In exchange for a list of social and technical improvements, the contract grants MMR exclusive rights over minerals from four major artisanal mining sites in Tanganyika district: Kisengo (coltan, Nyunzu), Lunga (gold, Nyunzu), Mayi Baridi/100 Kilos (coltan, Kalemie) and Katonge (coltan, Manono).

BOX 2 Some background on MMR/SOMIKA

According to the notarial act, Mining Mineral Resources sprl was created on 22nd January 2009. The company's objectives, as defined in its statutes, are: the prospecting, exploration and research of mining areas; the exploitation, conversion and development of mines; the sale of minerals and mines; mining; and import and export.

MMR holds 24 mining titles, all *permis de recherche*, of which 10 are located in Katanga.³⁰ It also holds several other titles through joint ventures. MMR claims to be aiming at mechanisation of mining operations and, as a first step, seeks to equip and support artisanal miners. By the end of 2011, MMR intends to install gravimetric concentrators at its production centres, and smelting installations at Lubumbashi and Kalemie.³¹

MMR is a subsidiary of Somika, an established player in the copper belt. Before the 2006 elections, the company bought artisanal production through partnerships with Gécamines. Chetan Chug is the CEO of Somika. The Chug family is Canadian and includes several brothers, notably Hitesh Chug and Rushi Chug. They have links with another Canadian family, the Jobanputras, who conduct business in the DRC and beyond (their best-known representative is Kirti Jobanputra, owner of Roffe Congo, a general trading business).

These two families have links with a number of other firms³². The two most important are:

- Vinmart. According to its website, Vinmart is a leading player in the export of commodities and trading in general merchandise. The company has offices in China, Dubai and Tanzania (Dar-Es-Salaam), among other places. Vinmart owns mining concessions in the DRC.³³
- Sogimpex. A mineral trader with offices in the Kivus, Sogimpex and MMR are both mentioned in 2009 statistics from the *Centre d'Évaluation, d'Expertise et de Certification des substances minérales précieuses et sémi-précieuses* (CEEC) in Kindu (Maniema) involving a single purchase of gold, indicating at least some confusion by the CEEC as to the nature of their relationship. Somika supported the *Parti du Peuple pour la Reconstruction et la Démocratie* (PPRD) in the build-up to the 2006 elections, which may have promoted a sympathetic attitude towards them from within the ruling party.³⁴

Staff shuttle back and forth between Somika and MMR. Kiran Joshi, president of MMR's Board of Directors, is listed as one of four contact persons at the Somika corporate office in Lubumbashi.³⁵

The various components of MMR's contract have been implemented unevenly. The company prioritised the biggest site, Kisengo, over the others. In early April, a provincial delegation visited

30 Others lie, for example, in Maniema (Pangi), South-Kivu (Shabunda) and North Kivu (Masisi).

31 MMR PowerPoint presentation

32 J. Cuvelier, *The political economy of resource trafficking in the Democratic Republic of the Congo*, unpublished IPIS report, September 2003.

33 <http://www.ipisresearch.be/maps/CaMi/web/index.html>

34 Africa Mining Intelligence, *Soutien minier au parti présidentiel*, 18th January 2006.

35 <http://www.somika.com/corporate-office-lubumbashi-katanga-d-r-congo.php>

Kisengo, apparently to enforce MMR's position as *comptoir unique*.³⁶ Three protesting South Kivu traders, including the *négociant* Buyoya, were detained until they agreed to sell MMR the 11 tonnes they had planned to transport to Bukavu.³⁷ A similar scenario seems to have occurred at Mayi Baridi/100 Kilos. When the authors visited the site in June 2010, traders said that they feared meeting the same fate as Kisengo traders. In particular, the management of an unofficial *comptoir*, Goshen,³⁸ which said it had invested over US\$50,000 to bring several pits into production, complained it would now be forced to sell without profit. Shortly after the visit, several Bashi traders were arrested at Mayi Baridi. MMR Kalemie has bought approximately 40 tonnes of coltan and 10 tonnes of cassiterite from these and other sites.³⁹

The *quid pro quo* for MMR's promising trading position is a promise to deliver social services to the region where it is expanding. However, it is implementing these obligations at a much slower rate than it is enforcing its monopoly. Under the contract, MMR is committed to building a camp site, wells, schools, medical centres and roads, and to guaranteeing health and education, in collaboration with a cooperative called CDMC. In practice, work in these areas did not begin until June 2010 and was limited to repairing the first of five bridges between Kisengo and Kalemie.⁴⁰ Instead of contracting a private company to complete the job, MMR is working with the FARDC military engineering corps. Moreover, the cooperative CDMC does not officially seem to exist as of yet.⁴¹

The social side of MMR's work may become more of a priority at a later date. In Manono, where MMR opened its *comptoir* a year ago – and where no “monopoly-vs-social obligations” contract exists – MMR has completed a number of infrastructure works in the area which do have a social benefit. It has, for example, made repairs to a number of schools and has installed four wells.⁴² More recently, two MMR trucks at its Lubumbashi headquarters were preparing to transport safety equipment for artisanal miners to sites where the company is active. Still, the rhetoric exceeds the action on the ground.⁴³

BOX 3

The influence of conflict mineral campaigns on provincial policy to increase control over trade

There could be several reasons behind the provincial measures to prevent the export of Katangese minerals via the Kivus and to prioritise a single *comptoir*. The primary motive is, presumably, to direct more tax revenues from the mineral trade in the north to Lubumbashi.

36 In June 2010, MMR tried to obtain a permis de recherche for the Kisengo area from the mining authorities, but the request was denied. <http://www.ipisresearch.be/maps/CaMi/web/index.html>.

37 Interviews, Bashi traders, UN Human Rights Division and Division des Mines, Kalemie, June 2010; interview, Ministry of Mines official, Lubumbashi, July 2010.

38 The enterprise was apparently built up around a clergyman, Muhiya Nyembo Gedeon, who possesses a *carte de négociant* and a registered business in Kalemie. Goshen is not an official *comptoir*, however, and is registered as a general trader mentioning other economic activities such as fishing, saw mills and pharmaceuticals. Goshen is an unusual mineral trader in that its owner originates from Kongolo, not the Kivus. The claim of US\$50,000 investment is hard to verify, but Goshen installed a number of pumps in the pits and posted at least one technician to the site.

39 Interview, MMR general manager of Kalemie, Kalemie, June 2010.

40 Interview, MMR general manager of Kalemie, Kalemie, June 2010.

41 Artisanal mining service SAESSCAM had still not received the cooperative's accreditation several months after the contract came into force, and MMR could not provide contact details of a CDMC representative. In any event, it is the intention of MMR to fund the CDMC structure, so it is unlikely the cooperative will defend the rights of its members (including fair prices for the artisanal miners) over the company's interests.

42 G. Ngoy Amisi, *Mining Mineral Resource, un exploit à Manono*, Tanganikanews, 6th June 2010. See <http://tanganikanews.centerblog.net/>.

43 There is some uncertainty about how the social projects are funded and by whom. In Manono, for instance, remunerated projects (such as a water well) executed by Solutions for Africa (a social-development arm of Somika, MMR's parent company) and those of MMR display sponsorship signboards from both. Likewise, an MMR brochure claims the company is repairing the Kalemie-Nuynzu road, but the works are actually being carried out by the government. MMR's activity seems to be confined to building a few bridges.

From explanations furnished by Congolese officials during several interviews, however, it seems that the measures were also inspired by international pressure to resolve the problem of “conflict” or “blood” minerals in eastern DRC.

The financing of armed groups through the trade in natural resources has been a longstanding issue in Congo. For more than a decade both rebels and soldiers have gained a proportion of their income from their control over the exploitation and transport of minerals. Consecutive UN Expert Groups and a number of NGOs have extensively documented the phenomenon since its emergence. Nevertheless, international pressure to tackle the issue has never been as strong as in the last three years.

In addition, Congolese policymakers have displayed increased political will to resolve the problem. Since 2009, a number of initiatives have been launched by a wide array of actors including the UN, the metal industry and several others.⁴⁴ These initiatives are closely followed by the same NGOs who have been trying to keep the issue high on the political agenda since 2008.⁴⁵

With all stakeholders of the mineral trade thoroughly sensitised on the issue, it is no surprise that the Katanga provincial government is trying to withdraw the trade of Katangese resources from the “compromised” trading networks operating from North and South Kivu. This policy is likely to be supported by a number of mineral traders, many of whom have suffered reputational damage from their involvement in trading minerals from the Kivu provinces as a direct consequence of featuring in so-called “name and shame” reports. Some claim it has caused them a number of serious banking problems, including the recall of loans.⁴⁶

The tin traders’ reaction to President Kabila’s recent decision to suspend all mining activities in North Kivu, South Kivu and Maniema seems to confirm this supposition. Malaysia Smelting Corp., the biggest buyer of cassiterite from DRC, and the tin group, ITRI Ltd., have both expressed support for the ban and specifically underlined that it will not impact on exports from Katanga.⁴⁷

They seem to believe that a clear distinction between the “clean” minerals from Northern Katanga (where, except for one exception discussed below, no rebel groups are based) and the “dirty” ones from the war-torn Kivu provinces, should allow them to trade undisturbed.⁴⁸

North and South Kivu and Maniema will, as a result, lose revenue, to Katanga’s benefit. As such, distancing itself from the Kivu trade has proven to be a convenient move by Lubumbashi.

Response of the Kivu traders

The Kivu traders strongly resent what they perceive as discrimination by the political and economic elite of Southern Katanga. All over the north, they complain of “MMR’s economic dictatorship”, “grave restrictions of our freedom of movement” and “violations of the Mining Code”.

In areas where they seem to have lost the battle – the cassiterite-rich territories of Central Katanga – Kivu traders have adapted their strategies. Instead of having *négociants* transport minerals to *comptoirs* in the Kivus, the Kivu *comptoirs* have opened branches in Lubumbashi. Among the

44 For a comprehensive description of these initiatives and their status until May 2010 consult the forthcoming report: Cuvelier J. e.a., *Voices from below: local views on initiatives to reform the Congolese mining sector*, Make IT Fair briefing paper, forthcoming.

45 For a comprehensive description of these initiatives and their status until May 2010, see: J. Cuvelier, ‘Voices from below: Local views on initiatives to reform the Congolese mining sector’, Make IT Fair briefing paper, forthcoming.

46 E-mail, traders’ representative, September 2009. The reputational damage was serious enough for some companies to suspend purchases of cassiterite from the Kivus. Belgian trader Traxys did so in May 2009. In September, AMC – one of the world’s largest tin smelters – followed suit after what seemed to be a direct confrontation with NGO Global Witness.

47 M. Kavanagh, ‘Congo Says Mining Ban Doesn’t Apply to Stockpiles’, Bloomberg, 13th September 2010.

48 It should be borne in mind however, that in Northern Katanga, soldiers from the regular army – often ex-militia – have committed serious human rights violations at mining sites. Consequently, it remains debatable whether such areas can be considered free of “blood minerals”. See the last paragraph of this chapter.

newcomers are well-established Kivu trading houses, such as Panju and Global Mining Company (GMC).⁴⁹ Officially, the Katangan authorities welcome the new *comptoirs*, but the Kivutians say they face regular harassment and are unsure whether to keep their shops open.

As for the competition over the coltan the Provincial Minister of Mines earmarked for MMR, the Bashi traders have not yet given up. The traders' union in Kisengo, in particular, has started a multi-faceted lobbying campaign. More than 20 Kisengo traders have signed a memo to denounce what they call '*Toute politique mercantiliste favorisant les indiens au détriment des nationaux*' ('All mercantilist policies favouring Indians to the detriment of local people').⁵⁰ In the same document, they call for the liberalisation of the Katanga mineral trade and MMR's withdrawal from the mining sites. These traders are well-organised and plan further actions to rally support to their cause, such as appealing to the government in Kinshasa.⁵¹ However, their efforts have yet to bear fruit.

A possibly related development is the establishment of an office in Kalemie by T.T.T., a *comptoir* based in the Kivus.

Current transport routes

Prior to the MMR contract almost all coltan from Nyunzu and Kalemie territories headed for the Kivu provinces. Since then, export routes have become uncertain. Bashi traders still try to find their way to the *comptoirs* in Bukavu, but are subject to strict controls at the mining sites and at *Point 25*, the junction 25km from Kalemie that points the way to Bendera and South Kivu. As noted above, some coltan may still transit through Kongolo.

During several conversations in Kalemie, MMR managers claimed they had recently exported a first shipment (52 tonnes of coltan and 22 tonnes of tin) over Lake Tanganyika to the port of Pulungu, Zambia, from where it was headed to Durban, South Africa.⁵² When asked why they did not ship the cargo to the much closer port of Kigoma, Tanzania, MMR representatives said they were seeking to avoid any confusion with "blood mineral" supply chains from the Kivus, which tend to transit through Dar-es-Salaam, Tanzania.⁵³ This claim, however, was contradicted by the cargo's shipping documents, which indicated a final destination of Dar-es-Salaam.

The route taken by MMR cassiterite from Central Katanga also coincides with the Kivu traders' minerals in Tanzania. After transport from Manono, Malemba Nkulu, Mitwaba and Bukama to Lubumbashi by road or train (from Luena) – and on receipt of the official paperwork – MMR cassiterite goes to Dar-es-Salaam from where it is shipped to the Malaysia Smelting Corporation.⁵⁴ Its local competitor, Global Mining Company, uses the same route: Lomami-Lubumbashi-Dar-es-Salaam-Malaysia Smelting Corporation.⁵⁵

1.4 Presence of armed groups and human rights violations

There has been almost no rebel activity in Northern Katanga since 2007, much less open warfare, but uniformed men continue to cause security problems and commit serious human rights violations at mining centres in Nyunzu and Kalemie. Of the several groups that have been identified, many are FARDC units. FARDC troops from Kalemie, Kongolo and Nyunzu are posted at several

49 Interview, senior advisor, Provincial Ministry of Mines, Lubumbashi, July 2010.

50 Association des Négociants de Kisengo (ANK), memo, 24th May 2010, p. 2.

51 Interview, ANK president and secretary, Kalemie, June 2010.

52 Interview, MMR director, Lubumbashi, July 2010.

53 Interviews, MMR management, Kalemie and Lubumbashi, June and July 2010.

54 Interview, MMR director, Lubumbashi, July 2010.

55 In the six months after its establishment in Lubumbashi early 2010, GMC shipped about 120 tonnes of cassiterite to Malaysia. Interview, GMC representatives, Lubumbashi, July 2010.

mining areas and frequently visit others. In recent years, these units have all been involved in serious security incidents and there have been violent clashes between them.⁵⁶

The behaviour of FARDC units in Nyunzu and Kalemie is similar to that in other parts of Eastern DRC. Their interference in mining takes a number of forms. Sometimes they have people working for them (whether voluntarily or by force). At some sites, they are paid as guards; at others they impose illegal taxes, or simply steal. Army units also prey on the mining sector away from the mines, primarily through illegal taxation and other forms of extortion at checkpoints. The two paragraphs below describe recent cases of armed groups profiting from mining activities.

Case 1: Lunga

A recent case illustrates the control armed men exert over some mining areas. At the end of March 2010 an artisanal miner discovered a large lump of gold at Lunga and was promptly “escorted” to an unknown destination by men loyal to the poorly integrated ex-Mayi-Mayi leader, “Tango Four” (real name, Stanis Kahezya).⁵⁷ Tango Four and an intelligence officer from the *Agence Nationale de Renseignement* then threatened a civil servant investigating and reporting on the incident. The victim, a mining-division official, fearing for his security, wrote to the administrator of Nyunzu territory pleading with him to “watch over” him, copying the letter to nine other authorities⁵⁸. Harassment by uniformed men is a widespread phenomenon in Nyunzu and Kalemie. Mining officials consistently denounce the problems caused by these poorly controlled groups in reports to their hierarchy.⁵⁹

Case 2: Bendera

The only area in Katanga where rebel groups continue to operate is to the north of Kalemie territory. Both the FDLR and a branch of the Mayi Mayi Yakutumba control positions in the area, and are believed to cooperate.⁶⁰ The FDLR force, about the size of a company, operates from the Mitumba range, with Kabobo as its main base of operations. Kabobo is situated at 25 km from Bendera. The area under FDLR control borders the Tanganyika lake.

In the first half of 2010, FDLR elements (possibly supported by the Bavon branch of the Mayi-Mayi Yakutumba) reportedly raided several gold-mining sites in the area.⁶¹

1.5 Conclusion

Two recent measures taken at the provincial level, the US\$5 tax and the *comptoir unique* contract with MMR, have had a major impact on the mineral trade in Northern Katanga.

The trade in Katangese cassiterite and coltan is now almost monopolised by a single trader. Whereas before September 2009 the trading system was similar and inextricably linked to mineral business in the Kivu provinces, since March 2010 it has been transformed by the provincial authorities into a system of their own making. The province has acted on its own in this matter, which is exceptional and raises questions of legality.

56 For the period September 2007-September 2008, such incidents have been extensively documented in a series of IPIS reports by Steven Spittaels and Filip Hilgert at: <http://www.ipisresearch.be/updates-katanga.php>

57 It is not clear if Tango Four is actually integrated into the FARDC. General Padiri, commander of the 6th Military Region (Katanga), said in May 2010 that he served as a “special advisor” in ongoing operations against the FDLR in the border area between Katanga and South Kivu.

58 Confidential written sources, dated 2010, acquired by researchers.

59 Confidential written sources, dated 2010, acquired by researchers.

60 Confidential written UN source.

61 A local researcher visited Mibombo mine (see electronic map) where activity was seriously reduced after an FDLR attack. Other sites where FDLR attacks were reported are Kilwe-Mapanda and Kinyama, but these sites were not visited.

The subsequent redirection of trade has generated more tax revenues for Lubumbashi and strengthened its control over remote mining areas, possibly reducing the power of local strongmen. Channelling most of the trade through a single company brings some clarity to an opaque situation where a plethora of middlemen intervened, and may offer an opportunity to reduce local corruption. The other side of the coin is that *négociants* and transporters are almost forced out of the trading chain. This has created real tension since the *négociants*, who paid for a yearly licence to buy and sell minerals, now find they are barred from the most productive mining sites. Meanwhile little will change for the *creuseurs* (artisanal miners) and the local population. Although MMR has certain social obligations that are included in its contract with the provincial Minister of Mines, it seems these are not its priority.

The trading routes have also changed and except for gold they have become rather clear. In general, most cassiterite is transported by road to Lubumbashi, and most coltan is trucked to Kalemie.

One difference that distinguishes Northern Katanga from the Kivu provinces is that, apart from a small FDLR presence in the northeast, the local mining sector does not suffer from interference from armed groups. Nevertheless security incidents are common in mining areas, and are often due to misbehaviour by FARDC soldiers or other armed officials.

It is clear from the above that international companies will find it easier to carry out due diligence efforts in Northern Katanga than in the Kivu provinces. Although some mines are very remote and some security problems persist, a test run is absolutely possible at a large number of selected sites.

Moreover, the few existing statistics indicate that the production of minerals, especially coltan, is highly promising in the southern part of the Kivu hinterland, adding to incentives for companies to carefully monitor their supply chain in this region and isolate it from those in other areas.

A necessary precondition for credible due diligence, however, is a clearer stand on how to deal with the human rights violations committed by FARDC troops.

Chapter 2: Maniema

(Ken Matthysen & Gérard Nimpagaritse)

2.1 Minerals in Maniema

After being joined to the Kivus for 22 years, Maniema province was detached and re-established in 1988.⁶² The province was sub-divided into seven territories: Lubutu and Punia in the north, Kailo and Pangi in the centre, and Kabambare, Kasongo and Kibombo in the south. Maniema covers 132,500 km² – or 5.6 percent – of the DRC's surface area.⁶³ In 2008 OCHA estimated its population at about 2.25 million.⁶⁴

Maniema is rich in rivers and three-quarters of the province is covered by forest. The Congo River runs from the south to north, draining the water of its tributaries spread throughout the province.⁶⁵ Maniema used to have an important agricultural sector, producing rice, maize, manioc, peanuts and bananas,⁶⁶ but successive wars have had a devastating effect on Maniema's agricultural production.

Maniema also has considerable mining potential. According to the Congolese government, the province's sub-soil is the country's fourth richest after Katanga, Province Orientale and Eastern Kasai. The most important minerals found are cassiterite, wolframite, coltan, gold and diamonds.⁶⁷

Artisanal mineral extraction took off in the colonial era. As a rich tin-mining zone, Maniema attracted several Belgian private companies such as the Empain Group's Symetain and Cobelmines.⁶⁸ As production rose throughout the 1940s and early 1950s, the companies scaled up to industrial exploitation, fuelling a further rise in production that lasted until the end of the 1960s, when several deposits were close to depletion. In 1976, the *Société Minière et Industrielle du Kivu* (Sominki) was created, merging several companies (including MGL, Cobelmines and Symetain) in which the Zairian state held a 28-percent stake.⁶⁹

None of Sominki's shareholders showed real interest or confidence in the company⁷⁰, partly due to the isolation of Maniema's mines, and the company was unable to withstand the global tin price crash of 1985.⁷¹ Further crises in 1987 and 1991 led Sominki to confine its operations to the commercialisation of minerals extracted from its concessions by artisanal miners. Sominki, however, paid the “*creuseurs*” very little for their ore, reducing incentives and causing further falls in output.

Industrial exploitation has still not revived although many exploration permits have been issued. Mineral exploitation in Maniema remains exclusively artisanal. The province's mining sector has been further thrown into disarray by the wars the country has suffered. The few existing production figures indicate that mineral production has been rising in recent years. This is due to the growing number of artisanal miners, who have been encouraged by improved security since

62 Maniema province existed as a sole entity from May 1962 until President Mobutu's centralisation programme in December 1966. T. Turner (2007) *The Congo wars: Conflict, myth & reality*. London: Zed Books p. 78.

63 UN Development Programme, *Province du Maniema, profil résumé: Pauvreté et conditions de vie de ménages*, March 2009.

64 International Alert, *The role of the exploitation of natural resources in fuelling and prolonging crises in the Eastern DRC*, January 2010, p. 12.

65 UN Development Programme (2009), op. cit.

66 K. M. Donatien, *Les transformations des relations économiques dans les zones de conflit Nord-Kivu et Maniema*, UNDP, January 2004; RDC Ministère du Plan, *Monographie de la province du Maniema*, March 2004, pp. 41-42.

67 RDC Ministère du Plan, op. cit.

68 International Alert (2010), op. cit.

69 Gregory Mthemba-Salter, *Social and economic dynamics of mining in Kalima, DRC*, Institute for Security Studies, April 2009, p. 2.

70 Ibid, p. 3

71 International Alert (2010), op. cit.

the end of the war, and by the rise in prices paid by Sakima⁷² between 2002–08, when tin prices performed well on the world market.⁷³

Tables 3 and 4: Overview of minerals in Maniema

Area	Minerals exploited
Lubutu	Cassiterite, gold and diamonds. Diamonds used to be Lubutu's most exploited mineral, but they have lost their primacy and <i>creuseurs</i> have turned increasingly to the exploitation of the other minerals. ⁷⁴
Punia	Cassiterite, coltan, gold (in the forest) and diamonds (largely abandoned).
Kasese	Cassiterite and small amounts of coltan and wolframite .
Kailo	Cassiterite, wolframite and gold (in the forest).
Kalima	Cassiterite , no longer wolframite.
Kampene	Gold and small amounts of cassiterite, coltan and wolframite .
Kama	Gold and small amounts of cassiterite .
Kibombo territory	Diamonds
Bikenge	Gold
Salamabila/Namoya	Gold and small amounts of cassiterite
South east Kabambare territory (Bahombo and Babuyu sectors)	Gold, coltan and cassiterite.

Sources: CEEC, *Statistiques générales sur la production et la commercialisation des substances minérales précieuses et semi-précieuses au Maniema, 2007–09*.

Interviews by IPIS with SAESSCAM, MONUC and civil society organisations, Kindu, June 2010.

Mineral production figures per territory, Maniema (2009)					
Territories	Wolframite (kg)	Coltan (kg)	Cassiterite (kg)	Gold (grams)	Diamonds (carats)
Kindu	68,370		995,811	213	
Lubutu		300	67,600	750	
Punia	1,925	8750	1,016,416	2,314	671
Kailo	71,679		10,745		
Pangi			469,783	1,023	15
Kabambare			8,057	6,779	
Kasongo			10,305	5,904.5	
Kibombo					
Total	141,974	9,050	2,578,717	16,983.5	686

Source: Annual report 2009, *Division des Mines de la province du Maniema*

There are a few inconsistencies between the two tables shown above, but they provide a good overview of the spread of mineral exploitation in the province.

Cassiterite

The most important axis runs through the center of the province from Kalima to Kasese, including Pangi, Kindu, Kailo and Punia territories. Cassiterite is also produced elsewhere, but in smaller quantities.

Wolframite

Wolframite is particularly exploited in the area around Kailo centre, though it is not as important as cassiterite.

⁷² Gregory Mthemba-Salter (2009), op. cit.

⁷³ IPIS, *Culprits or scapegoats? Revisiting the role of Belgian mineral traders in eastern DRC*, May 2009, p. 7

⁷⁴ Interview, SAESSCAM officials, Kindu, June 2010.

Gold

A key area for gold is located in southern Maniema. The tail of the “Golden Furrow” running from Twangiza, over Kamituga and Lugushwa to Namoya, can be found in the territories of Kabambare, northwest Kasongo and southwest Pangi. It includes, among others, the mining areas in Namoya-Salamabila, Bikenge, Kama and Kampene.

Diamonds

A smaller amount of gold production occurs in Maniema’s northern territories. Lubutu and the northern part of Punia contain several gold-mining sites. This area also used to produce a considerable quantity of diamonds. In recent years however, this production has experienced a setback as miners turn increasingly to cassiterite. Kibombo territory, on the Congo River’s left bank, also contains diamond deposits.

Coltan

Punia currently seems to be the only territory where coltan is exploited in significant quantities.

Prices

The prices *négociants* pay artisanal miners for their minerals vary according to transport costs, purity and competition. The table below gives an overview of the range encountered during the research. More detail on pricing at individual mines can be found on the accompanying map.

Table 5: Minimum and maximum prices paid to miners in the mines featured on the accompanying map.

	Cassiterite	Coltan	Gold
Minimum	2,000 FC*/Kg	8,000 FC/Kg	20,000 FC/g**
Average	4,508 FC/Kg	13,333 FC/Kg	28,904 FC/g
Maximum	5,500 FC/Kg	17,000 FC/Kg	40,000 FC/g***

* US\$1 = slightly under 900 Francs Congolais (exchange rate of June 2010)

** Data received in grams (1g = 0.806 k)

*** The maximum gold price recorded by local researchers is impossibly high (above world market prices). The most likely cause is confusion between the many different gold measures. Because there are a few of these outliers in the data collected, we assume the average gold price is significantly lower than the figure shown in the table.

Production

Information on Maniema’s mining sector is scarce compared to the Kivu provinces.⁷⁵ This makes it difficult to obtain reliable statistics on the province’s production figures.

Table 6: Production figures

	Wolframite (kg)	Coltan (kg)	Cassiterite (kg)	Gold (kg)	Diamonds (carats)
CEEC 2007	106,638	70	2,272,282	7,495.5	21.71
CEEC 2008	138,540	1,906	3,142,124	8,267.9	40.8
SAESSCAM 2008	56,513	13,900	1,456,449.5	3,975.9	6.75
CEEC 2009	73,604	8,750	3,239,301	15,035	/
Division des Mines 2009	141,974	9,050	2,578,717	16,983.5	686

Sources:

- Annual report 2009, *Division des Mines de la province du Maniema*.
- Maniema Libertés, *Rapport sur la revisitation des contrats miniers au Maniema*, commissioned by OSISA, January 2008.
- Draft report by Theophile Vivi Kalombo
- CEEC, *Statistiques générales sur la production et la commercialisation des substances minérales précieuses et semi-précieuses au Maniema, 2007–09*

75 International Alert (2010), op. cit.

Although the table contains detailed numbers, they cannot be trusted sufficiently to draw any conclusions (see BOX 4). In the introduction of this report it was explained that the causes of unreliable data are lack of information, the incapacity of state services and a lack of coordination between the stakeholders involved. An additional factor is that many actors, including some in state agencies, have an interest in undervaluing the minerals traded for tax-evasion purposes. This view is shared by the former head of Maniema's *Division des Mines* who denounced the incompetence of his former employer, allegedly caused by the unauthorised interference of former governor, Didier Manara Linga.⁷⁶ In the same letter he highlighted corruption and nepotism as problems in the province's mining sector.

BOX 4

A detailed explanation of why the Maniema statistics on mining are unreliable

The unreliability of statistics becomes clear when comparing figures in the table above. For example, CEEC records 21.71 carats of diamonds produced for 2007 and 40.8 carats for 2008. SAESSCAM reports that no more than 6.75 carats were produced in 2008, while the *Division des Mines* reports 686 carats for 2009. Similar differences can be found in the figures for other minerals.

The gap between recorded and actual mineral production is further illustrated by UN observations in Kasese, Punia territory. Some five to eight flights a day carry Kasese's mineral output, largely cassiterite, from a 1,200-metre-long airstrip, nine km south of Kasese town. Based on an estimated weightload of two tonnes per rotation, some 10–16 tonnes of minerals are flown out of Kasese every day – 300,000–540,000 kg per month – which contrasts sharply with official annual production for the province as a whole.⁷⁷

This enormous discrepancy is confirmed by Sakima, the state-owned company responsible for the old Sominki cassiterite concessions. Its director states that Kalima alone produces 100–120 tonnes of cassiterite per month.⁷⁸

Maniema's former mining division head indicates that a similar discrepancy exists in gold reporting. Kama and Bikenge, he claims, produced more than 300 kg of gold in 2009, and Kampene more than 100 kg.⁷⁹

Similar inconsistencies can be observed in the figures for the number of *creuseurs* working in the Maniema province. According to SAESSCAM, there are 11,124⁸⁰ artisanal miners, whereas the *Division des Mines* recorded 7,071 artisanal miners.⁸¹ These figures refer only to registered *creuseurs*. It is estimated that there are 150–200,000 unregistered miners in the province.⁸²

2.2 Mining sites in Maniema

Artisanal miners extract diamonds, gold and cassiterite ore in Lubutu territory. To the west of Lubutu town this occurs in a relatively secure environment, but there is a high level of militarisation in the eastern part of the territory, with FARDC present in numbers. Simba rebels are reportedly present at mining sites in Maiko National Park, discussed in 2.4.

Many small gold-mining sites, with no more than a few hundred *creuseurs*, are spread across the north of the territory. Larger mining sites exist to the south and southeast of Lubutu town.

76 Letter from François Muhemedi to the president of the Maniema provincial assembly, *Situation de la Division Provinciale des Mines et Géologie du Maniema*, 23rd February 2010.

77 Confidential UN source, April 2010.

78 Interview, Sakima director Feruzi Mukonde, June 2010.

79 Letter from François Muhemedi to the president of the provincial assembly of Maniema, *op.cit.*

80 Written SAESSCAM source, June 2010.

81 Division des Mines de la province de Maniema, *Rapport Annuel 2009*.

82 Interviews NGO representative, Kindu, June 2010.

Near Kalongolongo, in Babondjele *groupement*, there are a few gold and diamond mines, such as the **Amilulu I and II**, with around 2,000 *creuseurs*. In Musafiri *groupement*, in the extreme south of the territory, several sites exist, such as the **Trois Mille Ans** cassiterite mine, whose output is exported to nearby Punia. Another well-known mine is **Tshamaka**, formerly owned by Cobelmines.

There are also some important sites on the Lubutu-Bitule axis, especially near Amisi, which has a 1,500-metre airstrip. Because it is Simba General Mando's home base, the area is heavily militarised and currently experiences frequent FARDC incursions. At **Ntufia** mine, 1,300 *creuseurs* dig for cassiterite, and a further 2,000 miners are searching for gold and diamonds in **Masabu** and **Ekolo**. Today, 2,500 artisanal miners are working at Libaku Ya Suka mine, though 10,000 were observed digging for diamonds there in its mid-decade heyday. Other sources say Libaku Ya Suka is located in Punia territory.⁸³

The biggest mines in Punia territory are east of the River Oku in the forest around **Kasese**. Cassiterite is the most exploited mineral in this region. Thousands of *creuseurs* work in mines around **Nkumwa** in the southeast, such as D25, Mwame Mokota and Kalenda. The price the miners receive for their cassiterite ores is considerably lower here than elsewhere, between FC2,000 and 4,000 per kg. Nkumwa is seriously affected by FDLR incursions, while FARDC extortions are reported all over the region around Kasese. During field visits, serious fighting broke out between FARDC and FDLR rebels in Nkumwa area. As a result, local partners were unable to visit mining sites in the Kasese area. Information on the mining sites was obtained in Kasese town but accurate GPS coordinates for the area could not be collected. The western part of Punia is quite different. Alongside cassiterite and coltan, gold, wolframite, diamonds and some monazite are extracted in relative security.

In the mines around the town of **Kailo**, such as Mokama, artisanal miners dig for wolframite and cassiterite. To the north of Kailo territory's chief town, on the axis toward the River Ulindi, there is gold exploitation. For example, at Tambula Malembe mine, there are 150 diggers. Most cassiterite leaves the province through Kindu, while the gold ore is transported to Kalima. The minerals mined in areas around Kumba-Basoko and Zamba-Zamba, east of Kailo, exit through Kalima for reasons of proximity. Although mineral extraction takes place in relative security in the east of the territory, "self-demobilised" Mayi Mayi rebels once loyal to General Kalonda Pamphilé are hostile towards *creuseurs* who come from elsewhere.⁸⁴

Maniema's western mining sites, on the Congo's left bank, are not covered in this report because, insofar as the mineral trade is concerned, they do not belong to the hinterland of eastern DRC. Kibombo's diamonds, produced in the *chefferie* Bahina, are, for example, transported to Lubefu and Mbuji-Mayi, Kasai Oriental and, from there, to Kinshasa.⁸⁵ Geologically the left bank belongs to the DRC's *Cuvette Centrale*, which differs from the right bank's sub-soil structure, with more deposits of diamonds and oil. Historically, the territory west of the Congo River has been less explored and analysed since the Belgian colonial rulers were more interested in the province's tin deposits in the east.

Kalima, in the north of Pangi territory, is the former centre of the colonial tin-mining industry. Industrial exploitation collapsed around 1990. Nowadays thousands of *creuseurs* extract cassiterite in numerous small-scale mines around Kalima, and generate a significant amount of tin production. For example, several hundred miners work the mines around **Makundju**. Artisanal mining activity in Kalima region appears to be free from major human rights violations.⁸⁶

83 Interview, SAESSCAM officials, Kindu, June 2010; and Maniema Libertés, *L'exploitation minière dans la province de Maniema/RDC*, 2006.

84 Interview, MONUC, Kindu, June 2010.

85 Maniema Libertés (2006), op. cit.

86 Interview, MONUC, Kindu, June 2010; and Gregory Mthemba-Salter (2009), op. cit.

Kampene is an important gold-mining area in the south of Pangi. Cassiterite, coltan and wolframite are also exploited, but in smaller quantities. About 1,100 *creuseurs* are working in the area, spread over several mining sites, such as Nyangulube, Kamilanga, Baseme and Kalemba. West of Kampene is **Kama**, another important gold mining area where 1,500 artisanal miners work, for example in Kabobola and Wamanga.

In the north of Kasongo territory lies **Bikenge**, Maniema's second largest gold-mining area after Salamabila, with more than 4,000 *creuseurs*. The area is closely linked to Kama as an export route due to its proximity. FARDC soldiers, commanded by Captain "John", are reportedly present in the mines.

The most important gold-mining area is around **Salamabila**, in north Kabambare, where Banro Corporation's **Namoya** concession is located. About 8,000 artisanal miners work in the mines, digging for gold, cassiterite and coltan. Among the mines are Mwendamboko, Filon B and Kakula.

Further south, around Kabambare, there is some small-scale mining activity, for coltan and especially cassiterite. Four hundred miners work at the cassiterite mines of **Malota**. Both FARDC troops and Rahiya Mutomboki rebels have been reported on the area's mining sites.

2.3 General analysis of the mineral trade

Transport infrastructure

The degeneration of transport infrastructure in Maniema has turned the province into a true enclave.⁸⁷ The wars of 1996 and 1998 destroyed most of the remaining road network, impeding development and the free flow of agricultural and mineral products.⁸⁸

Historically, the railway was the means by which minerals were exported from the province. Sominki transported ore by road from Kalima to Kindu, where it was loaded on the train to Kalemie, on the shores of Lake Tanganyika. In 1998, however, the *Société Nationale des Chemins de Fer du Congo* (SNCC) ceased activities because of the war, and only one train arrives in Kindu every few months.⁸⁹

Maniema's roads are mostly impassable. Of the province's 8,700 km network, 5,300 km are mere pathways and only 177 km paved, but in very bad condition.⁹⁰ Consequently, most territories are isolated from each other and for this reason most of the mineral production exits not from Maniema's main town, Kindu, but from airstrips across the province to the DRC's eastern border towns. Kindu's role in the mineral trade has become very limited, and the province as a whole profits little from its mineral wealth.

Comptoirs and négociants

Only a small number of *comptoirs* have a presence in Maniema. Goma-based *comptoirs* JMT/TTT (JMT has changed its name to TTT)⁹¹ and Tengen Metal Congo have offices in Kindu, and GMC in Punia and Kalima.⁹² TTT is also present in Punia and seems to be the province's most important *comptoir*. Tengen Metal indicates it is considering shutting its Kindu office.⁹³

87 Maniema province is termed an enclave because it is isolated from other provinces and the supply of commodities which have to be flown in.

88 IPIS, unpublished UN Environmental Programme commissioned report 2010.

89 'La BAD vote au secours de la SNCC agonisante avec un apport de 14 millions USD pour soutenir les réformes de relance de cette entreprise', *L'Observateur*, 15th May 2009.

90 RDC Ministère du Plan, *Monographie de la province du Maniema*, March 2004, pp. 51-52.

91 Division des Mines de la province du Nord Kivu, *Rapport Annuel 2008*.

92 Division des Mines de la province du Maniema, *Rapport Annuel 2009*.

93 Interview, CEEC officials, Kindu, July 2010.

Table 7: Commercialisation figures of Maniema's *comptoirs* (kg)

	Cassiterite 2007	Cassiterite 2008	Cassiterite 2009	Cassiterite January- June/2010	Coltan 2008	Coltan 2009
GMC Punia	-	-	40,500 ^A	-	-	-
GMC – Kalima	-	-	5100 ^A	-	-	-
JMT	289,100 ^A	475,066 ^A	-	-	1,806 ^A	-
TTT Kindu	-	-	496,000 ^A	166,500 ^B	-	-
TTT Punia	-	-	182,400 ^A	-	-	8,750 ^A
Tengen Metal Congo	-	-	10,950 ^A	39,850 ^B	-	-

A: CEEC statistics

B: OCC statistics

Sources:

- CEEC, *Statistiques générales sur la production et la commercialisation des substances minérales précieuses et semi-précieuses au Maniema, 2007–09*

- OCC, *Exportation 2009*, handwritten document, received July 2010.

A number of *négociants* are active in the province, selling ores directly to *comptoirs* in DRC border towns. In Goma and Bukavu, MPC and Olive reportedly buy in Kalima and Kasese; MDM and Panju in Kasese; Muyeye in Kasese and Lubutu; and Cotracom and Namukaya in Bikenge.⁹⁴ According to the CEEC, *comptoirs* in Maniema exported 27.4 percent of the province's cassiterite production in 2009, while the rest was transported by *négociants* to the border towns. This was only 15.1 percent in 2008 and 17.2 percent a year earlier.⁹⁵

Transporters and freight companies

Maniema Union is a private transport company in Kindu whose head is the FARDC land force chief of staff, General Gabriel Amisi, also known as Tango Four. Amisi is a former RCD officer who integrated into the FARDC in July 2003.⁹⁶ Maniema Union owns whaleboats (*baleinières*)⁹⁷ and lorries, and also charters aircrafts.⁹⁸ Although officially a freight company,⁹⁹ it also buys minerals and is a significant actor in ore transport from Kalima to Goma: by road from Kalima to Kindu, and by plane to Goma.¹⁰⁰

Agefreco was founded in Bukavu in 1998 and flies between Bukavu and several Maniema towns with cargo and passengers. The company was cited in the UN Group of Experts reports of 2007 and 2008 for carrying ore from Namoya to Bukavu. During the field research, *Agefreco* was reportedly transporting minerals from Kalima, Kama and Bikenge.

Mining companies

The other important actors in the local mineral trade are the mining companies. Some have limited their activities to the commercialisation of minerals mined artisanally on their concessions. Sominki was the first to apply this method after industrial exploitation collapsed following the tin price crashes of 1987 and 1991.¹⁰¹

94 IPIS 'Comptoirs 2008' table, at <http://www.ipisresearch.be/mining-sites-kivus.php>; G. Mthembu-Salter (2009), op. cit.; interview, Sakima director Feruzi Mukonde, June 2010; field research by IPIS' partners in Maniema.

95 CEEC, *Statistiques Générales sur la production et la commercialisation des substances minérales précieuses et semi-précieuses au Maniema 2007-2009*.

96 J. Stearns, *The art of Mai-Mai negotiating*, 8th February 2010 at: <http://congosiasa.blogspot.com/2010/02/art-of-mai-mai-negotiating.html>

97 'Kindu: voyage inaugural du bateau MV/Malela vers Ubundu', Radio Okapi, 19th December 2008.

98 In 2005, for example, a Victoria Air Antonov 12 on its way from Goma to Kindu crashed near Bitale. The aircraft was reportedly chartered by Maniema Union. See Amnesty International, *Democratic Republic of Congo: Arming the east*, July 2005, p. 64.

99 *Dynamique Debut Maniema, Acteurs de Développement au Maniema*. October 2008.

100 Interview, NGO observers Kindu, June 2010. One documented example can be found in 'Kindu: saisie de deux tonnes de cassitérite', Radio Okapi, 17th January 2008.

101 G. Mthembu-Salter (2009), op. cit.

Sakima, the state-owned enterprise responsible for the former Sominki cassiterite concessions, is tolerant of Kalima's *creuseurs* and artisanal extraction has become a *fait accompli*. Sakima has no intention of reversing this situation because it is unable to restart industrial exploitation and thousands of diggers depend on small-scale mining for survival. Sakima is not involved in the commercialisation of the artisanal ore, but charges US\$0.15 per kg on the cassiterite *négociants* buy from its concessions.¹⁰²

Another company active in Maniema's mining sector is *Générale des Mines au Congo* (Gémico), founded by Aaron Shabani Asumani, a local businessman. Shabani ran for the post of provincial governor in the June 2010 elections, and was one of the founders of Jean-Pierre Bemba's *Mouvement de Libération du Congo*.¹⁰³ In the second part of 2006, Sakima leased several exploitation permits to Gémico in Lubutu (Tshamaka and Ntufia), Punia (Saulia, Ona-Kasese and Bilu Kamabea) and Pangi (Kampene), in a bid to relaunch mining activity.¹⁰⁴

The agreement was soon disputed by Central African Resources (CAR), a subsidiary of Kivu Resources, which was created in January 2007 and owns Mining Processing Congo (MPC) and Metal Processing Association (MPA).¹⁰⁵ CAR signed an agreement to take over the management of Sakima's cassiterite concessions in 2003. When Sakima subsequently started to lease exploitation permits to other companies, CAR claimed it was not entitled to do so because of their previous agreement. Sakima rejected the argument on the basis that CAR had not honoured its own undertakings and had failed to launch any operations on the ground.¹⁰⁶ The Ministry of Mines and the *Commission de revisitation des contrats miniers* backed Sakima.¹⁰⁷

The agreements between Gémico and Sakima provoked conflicts with artisanal miners, who were forbidden to mine and trade cassiterite by the local authorities, further hampering Gémico's activities.¹⁰⁸ Furthermore, the company was disappointed by the extent of the deterioration of infrastructure on Sominki's former concessions. It proved impossible to develop industrial exploitation immediately, as Gémico had hoped. Disappointed investors quit, and the company decided to concentrate solely on commercialising artisanal ores.¹⁰⁹

Gémico's imposition of fixed prices for ores on the local markets, judged too low by artisanal miners, led to a further loss of local support.¹¹⁰ In early 2009, the UN reported that company employees were being forced to quit by Mayi Mayi Simba, who wanted to open their own trading business in Lubutu.¹¹¹

As well as exploration and exploitation activities, Gémico owns a *comptoir* in Goma. Traxys SA, for instance, seems to have been buying cassiterite from the company.¹¹² CEEC statistics indicate that Gémico exported 60,348 kg of cassiterite from Maniema in 2007 and 149,000 kg¹¹³ between January–April 2009, after which it ceased production following rebel attacks.¹¹⁴

Another dispute hampering industrial mineral extraction in Maniema involves La Quinta Resources, a Canadian mining company that has been in the DRC since 2006, and has been

102 Interview, Sakima director Feruzi Mukonde, June 2010.

103 IPIS, *Culprits or scapegoats?* (2009), op. cit. p. 12.

104 RDC Ministère des Mines Commission de Revisitation des contrats miniers *Rapport des travaux*, November 2007, p.172.

105 MPC is an important Goma-based cassiterite and coltan *comptoir* with a *comptoir* in Kigali and tin smelter in Gisenyi. According to Global Witness, the latter is no longer fully operational. Kivu Resources, *Fact Sheet*, September 2007; Global Witness, 'Faced with a gun, what can you do?', July 2009.

106 G. Mthembu-Salter (2009), op. cit.

107 RDC Ministère des Mines Commission de Revisitation des contrats miniers (2009), op. cit. pp. 184-187

108 Africa Mining Intelligence, *Tin: Local inhabitants shun Gemico*, 6th June 2007

109 Interview, Maniema Libertés, Kindu, July 2010.

110 Ibid.

111 Confidential written UN source.

112 IPIS *Culprits or scapegoats?* (2009), op. cit.

113 In OCC, *Exportation 2009*, 147.254 kg of cassiterite are mentioned.

114 CEEC, *Statistiques Générales 2007-2009*, op. cit.

operating in two concessions in Maniema. The 49-km² Kampene project, leased from *Association Minière du Kivu sprl* (AMIKI), involves an exploration licence and a small miner's licence to mine and commercialise the concession's minerals, which include gold and cassiterite.¹¹⁵

Another La Quinta project comprises 32 exploration licences over an area of 7,010 km² situated between Banro Corporation's Lugushwa and Namoya projects in the Twangiza-Namoya gold belt, and extending 120 km to the west. BelgikaOr mined the area before decolonisation, mostly exploiting alluvial gold, but it remains largely unexplored. The permits are currently owned by Wa Balengela Kasai-Investments Congo sprl (WBK), a Congolese company which signed a Memorandum of Understanding with La Quinta in August 2006 to create a joint venture (JV) to explore the area.¹¹⁶ The agreement has been contested by Banro Corporation on the grounds that its Congolese subsidiary, Banro Congo Mining, had applied for the properties in 2003. WBK claimed priority on the permit on the basis of a ZER (*zones exclusives de recherche*) application, which it filed under the old mining code. Banro has disputed this claim.¹¹⁷ WBK and La Quinta signed formal agreements after WBK received the exploration permits from the government in March 2008.¹¹⁸ At the end of 2008, WBK demanded that the JV agreement with La Quinta be cancelled because the latter could not meet its financial commitments. The Canadian company responded that its lack of financial resources was due to the international economic crisis and that it was discouraged by political uncertainty in the DRC.¹¹⁹

Banro Corporation is an important mining company in Maniema. It became financially involved with Sominki in the mid-1990s, buying out another shareholder in later years before negotiating a new deal with the government in February 1997 that gave it a 93 percent stake. During the war, Sominki was replaced by Sakima, and Banro ended in litigation with the government and the RCD rebellion over Sominki's former concessions.

On 18th April 2002, Kinshasa and Banro Corporation resolved their dispute with an agreement that gave the latter rights over 35 Sakima concessions, including the Twangiza-Namoya gold belt, while the cassiterite deposits remained in the hands of Sakima, which became a 100 percent state-owned company.¹²⁰

The Namoya concession is located in the northern part of Kabambare territory. It is owned by Namoya Mining, a Banro subsidiary, and consists of an exploitation permit over an area of 174 km². It comprises five ore bodies: Mwendamboko, Muviringu, Kakula, Namoya Summit and Filon B. There is no mineral exploitation in Namoya officially, but thousands of gold *creuseurs* are extracting alluvial and primary ore on the site illegally.¹²¹

A local NGO claimed in 2006 that Banro was producing gold industrially at its Namoya concession and exporting the crude ore directly to Dar-es-Salaam.¹²² Banro has been present in Namoya since December 2004, but denies the allegation and claims not to have completed the exploration phase.¹²³

115 http://www.laquintaresources.com/project_kampene.php

116 http://www.laquintaresources.com/project_south_maniema.php

117 The dispute has been covered in Banro's press release, 'Banro responds to statements regarding status of properties applied for', 21st March 2007. La Quinta's perspective can be examined in 'La Quinta Resources Corporation: WBK commences court action against Banro sprl in Democratic Republic of Congo', Marketwire, 2nd February 2007.

118 'La Quinta signs final agreements for the acquisition of 7,010 km² in Maniema-South Kivu gold belt DRC', Marketwire, 23rd April 2008.

119 'Canadian junior walks away from DRC JV', Mining Weekly, 18th November 2008; 'La Quinta works to re-negotiate terms of Congo joint venture, directors Bodika, Morton and Gee resign', Marketwire, 4th November 2008; 'La Quinta receives termination notice for Congo joint venture', Marketwire, 18th November 2008.

120 D. Johnson and A. Tegera, *Digging deeper: How the DR Congo's mining policy is failing the country*, Pole Institute, December 2005, p.35.

121 SENET, *Preliminary assessment NI 43-101 technical report, Namoya Gold Project, Maniema Province, Democratic Republic of Congo*, Banro corporation commissioned report, 17 August 2007, p. 57.

122 Maniema Libertés (2006), op. cit.

123 D. Johnson and A. Tegera (2005), op. cit. p.37.

Banro's presence at Namoya sparked local discontent when the provincial authorities expelled artisanal miners from the gold mines. The miners said they had obtained exploitation permits from the provincial and local administrative authorities. Maniema's *Division des Mines* argued the permits were no longer valid since the Ministry of Mines in Kinshasa had allocated the rights over Namoya to Banro.¹²⁴

Overview of transport routes¹²⁵

Lubutu:

Diamonds are transported by road to Kisangani because the diamond *comptoirs* are well-established there and the road is good. Gold also appears to be transported mostly to Kisangani, but coltan and cassiterite ores are air-freighted to Goma. A large share of the minerals in Musafiri *groupement* are reportedly transported to the nearby town of Punia.

Punia:

Diamond production has largely been abandoned. The (limited) remaining production is transported to Lubutu and Kindu, and from Kindu to Kinshasa. Coltan and cassiterite ores from the mines around Punia centre and Kasese are exported by plane to Goma, while gold is sent to Bukavu.

Kailo:

Cassiterite and wolframite from the area around Kailo centre are transported by road through the chief town to Kindu. Minerals from the Kumba-Basoko area and Zamba-Zamba in east Kailo territory are carried to Kalima because it is nearby. Gold ore from the Ulindi river basin, the border area between Kailo and Punia territories, also passes through Kalima.

Pangi:

Minerals arriving in Kindu from Kailo and Kalima are flown into Goma. From Kalima, minerals are transported by road to Kindu (about 50 percent)¹²⁶ and airlifted from Kinkungwa to Bukavu and, to a lesser extent, to Goma. The Kalima traders' ethnic background is mostly Bashi (from South Kivu) and Nande (North Kivu). The Bashi presence is larger in the area, and therefore there are more rotations between Kalima and Bukavu than to Goma.¹²⁷

Kama and Kampene's minerals are airlifted directly to the Kivu provinces. These two mining areas chiefly produce gold, which is mainly transported to Bukavu.

Kasongo:

Bikenge borders Kama in Pangi territory, and the mineral trade is consequently oriented towards Kama. Gold production is exported through airstrips in Kama and Lusenge to Shabunda territory in South Kivu. However, the Kama airstrip has been temporarily closed because of a boycott by economic actors following a decision by Maniema's governor to prohibit Bikenge's traders from using Lusenge.¹²⁸

Kabambare:

Gold production from Salamabila is flown into Bukavu. Coltan, cassiterite and gold from the Bahombo sector are reportedly transported by road to Kabeya, in Babuyu sector. From there they are driven, together with Babuyu's cassiterite and gold, to Fizi and Uvira.

124 'Maniema : Les exploitants artisanaux des mines d'or de Kabambare expulsés de leurs concessions au profit de la firme BANRO', Radio Okapi, 25th August 2005.

125 Interviews with civil society organisations, *Division des Mines de la province de Maniema* and SAESSCAM, June 2010.; Maniema Libertés (2006), op. cit.

126 Interview, Sakima director Feruzi Mukonde, June 2010.

127 Interview, local expert, June 2010.

128 'Maniema - Les populations de Kama et Wakabango se regardent en chiens de faïence', *Le Potentiel*, 8th March 2010.

2.4 Presence of armed groups and human rights violations

The security situation in Maniema province is calm in comparison to the Kivu provinces. In three territories (Lubutu, Punia and Kabambare), however, there are reports of rebel incursions, extortion and armed confrontations, notably in eastern sectors near the Kivu border. Furthermore, community conflicts over land exist in other territories, for example Pangi and Kailo.¹²⁹ Although the general security situation is calm, and in spite of the existence of mining areas where mineral exploitation seems to be free from militarisation, natural resources represent a motivating factor for armed groups in Maniema.

In the paragraphs below, a few cases illustrating involvement in Maniema's mining sector by armed units – including both rebel groups and FARDC – will be discussed. These cases are not an exhaustive list of the province's militarised mining zones, but are some striking examples that help to illuminate the problem.¹³⁰

Kasese

Kasese is located in the centre of Babira Bakwame sector, Punia territory, an area well-known for its cassiterite production. Kasese used to be an important rice and palm-oil producer, but agricultural activities have ceased and have been replaced by artisanal mining.¹³¹ Nowadays, all provisions have to be imported from the Kivu provinces. Since the sector can only be reached on foot or by plane, these are flown in.

Access to Kasese's natural resources is an important factor fuelling local conflict and has resulted in a number of security incidents. Local conflict derives from ethnic tension between the BaKwame and BaBira peoples. The BaKwame are a minority group which is well-represented in two of the sector's six collectivities, including Kasese town, where they constitute the majority. BaKwame are considered the customary holders of land titles, while the BaBira, on the other hand, are seen as newcomers even though they constitute the majority in the sector as a whole. They also have the most administrative power, and consequently have more influence on the distribution of mining titles. This is a significant source of frustration for the BaKwame, who see it as an infringement of their traditional rights. This discord could be exploited by armed factions present in the area.

It must be emphasised that the presence of armed groups concerns only incursions, as they have no permanent bases in Babira Bakwame sector. The Mayi Mayi Simba, from Walikale territory – not to be confused with General Mando's Mayi Mayi Simba who operate in Lubutu territory – are attracted by Kasese's natural resources and every few months there are confrontations between them and the FARDC. In July 2010, for example, the latter clashed with the Mayi Mayi Simba over the mining sites of Pumuzika and Ujumo, west of Kasese, where the rebels tried to seize control.¹³²

The FARDC, which is supposed to protect the population and consolidate security, often does the opposite. Since the Kimia II military operations, there is a larger FARDC presence and the soldiers regularly seek to gain control of mining sites and to loot from the local population. In May 2010, for example, FARDC elements under the command of Eric Malonga are said to have pillaged 400

129 IPIS, unpublished UN Environmental Programme commissioned report 2010.

130 IPIS, unpublished UN Environmental Programme commissioned report, 2010.

131 The two consecutive Congolese wars have had a devastating effect on Maniema's agricultural sector. Insecurity in the countryside caused a population movement towards the cities, leading to a loss of workforce. This was further reinforced when people turned to mineral exploitation in the hope of making rapid profits. Insecurity and poor road conditions stopped farmers who remained in the country from reaching the markets. Furthermore, there was a lack of adequate farming equipment, either because it was stolen or because it was abandoned by farmers when they fled. Most of these effects persist to the present day. Moreover, in those areas where mining activity is booming, and because the mineral wealth attracts immigrants, the demand for food (and agricultural products in general) rises at the same time as agricultural production declines, exacerbating shortages and pushing up prices. (Source: IPIS, unpublished United Nations Environmental Programme commissioned report, 2010.)

132 Confidential written UN source.

kg of cassiterite at the mine of Mwame Mokota.¹³³ It has even been reported that disputes have broken out between FARDC elements from the 7th (Maniema) and 10th Military Regions (South Kivu) over control of the mines.

Alongside the FARDC's extortions, other state services, including elements of the *Police Nationale Congolaise* (PNC), *Direction Générale des Migrations* (DGM), *Agence Nationale de Renseignement* (ANR) and others are said to harass and extort civilians in the mining town of Kasese.¹³⁴

Forces of the FDLR/Mayi-Mayi Cheka coalition have also launched regular incursions into Kasese since Kimia II. Babira Bakwame sector in Punia has witnessed an increase in FDLR incursions, in coalition with the Mayi Mayi Cheka, from Walikale territory, North Kivu.¹³⁵ In Kasese, this rebel alliance restricts its activities to pillaging the mineral stocks present at almost all mining sites.¹³⁶ In February, it was considered responsible for looting the D25 mine in Nkumwa, burning down a large number of huts, killing two soldiers, capturing a tonne of cassiterite and abducting 50 civilians to carry it.¹³⁷ An FDLR incursion in early May in the Kalenda mine resulted in the abduction of 450 civilians and the looting of two tonnes of cassiterite.¹³⁸

Maiko National Park

The southwestern zone of the Maiko National Park, which extends over the provinces of Maniema, Province Orientale and North Kivu, lies in Lubutu territory.

In Lubutu, there is fierce fighting between the FARDC, General Mando's Simba rebels, the FDLR and Mayi Mayi for control of several of the mining sites in and around the park. The security and human rights situation is reported to have seriously deteriorated since December 2009 following the increased FARDC presence in the territory.

The Simba rebels have been present in Maiko park for over 40 years. Their political motivation has dwindled over time and it seems the exploitation of the park's natural resources now constitutes their main rationale. The Simbas reportedly control the access to gold, diamonds, coltan and cassiterite mines in Maiko, and force *creuseurs* to pay illegal taxes. During an IPIS field visit in October 2009, the provincial authorities stated that, due to the remoteness of the areas of the park in which the rebels operate, they considered the Simbas an 'environmental', rather than humanitarian hazard.

The situation has changed dramatically since fierce fighting occurred between FARDC and the Simba rebels in December 2009. The security situation has especially deteriorated between Bitule and Osso, in the villages along the road between Lubutu and Walikale (such as Obogena, Amisi, Salibollo, Mungele Kingombe and Kapuluma). Reportedly, the population in this area, east of Bitule *collectivité*, is for the most part supportive of the Simbas since the rebellion's leader, General Mando, was born in Mungele.¹³⁹ In this area, there has been violence against the local population by the FARDC's 104th Battalion of the 10th Brigade of the 9th Military region of Kisangani¹⁴⁰, which accuse them of cooperating with the rebels. According to local authorities, 8,000–10,000 civilians have been

133 'Des soldats des FARDC pillent la carrière de Mwame à Kasese', Radio Okapi, 20th May 2010.

134 Confidential written UN source.

135 Ibid.

136 According to a UN source, artisans stockpile minerals at mine sites because they prefer to carry them in bulk through the forest to reach the airstrips.

137 'Kindu: deux militaires FARDC tués, 50 personnes déportées, bilan d'une attaque des FDLR à Nkumwa', Radio Okapi, 10th February 2010.

138 'Retour au calme à la cité minière de Kalenda', Radio Okapi, 9th May 2010.

139 Confidential written UN source.

140 GRAADE, *Rapport Circonstancier de monitoring sur la situation humanitaire et des droits humains dans les localités de Osso et Mungele en territoire de Lubutu, Province de Maniema/RDC*, 19th January 2010.

displaced.¹⁴¹ Fifty percent of these IDPs have fled to Walikale, 20 percent to Lubutu town and 30 percent into the forest.¹⁴²

It has been reported that the Simbas are forming an alliance with the FDLR and Mayi Mayi Cheka, based in Walikale territory, who also wish to profit from Lubutu's mineral wealth. It should be noted that the FDLR/Mayi Mayi Cheka involvement in Bitule's mineral sector differs from their looting activities in Kasese. In Bitule, the rebels are trying to control some mines, though they have no bases in the sector. Their presence has been reported mostly near the border with Walikale, and in the *collectivités* of Batike, Mandimba and Batikamvanga.¹⁴³

The FDLR

The Kimia II military operations in the Kivu provinces have forced the FDLR rebels to move further west. Since July 2009, the FDLR influx in Maniema has increased significantly, and their presence has been reported in Lubutu, Punia, Pangi and Kabambare territories.

The FDLR activities in Lubutu and Punia territory have been addressed above. In Kabambare, where the FDLR has operated for a long time, one battalion of 400–500 fighters operates along the Kabeya-Kasanga road in Babuyu sector, parallel to the border with Fizi, South Kivu.¹⁴⁴ Apparently, it is the only FDLR unit in Maniema with a permanent base in the province itself. Living in the hills around Kasanga, the rebels conduct monthly incursions into the area south of Kimano II to Kasanga, pillaging minerals, fish and other foodstuffs. They regularly abduct locals to transport the looted goods to their hideouts.¹⁴⁵ FDLR activity has also been reported in Luama Reserve, a hunting ground in Babuyu, where they kill game and exploit minerals.¹⁴⁶

Since December 2009, fewer FDLR movements have been observed in Kabambare territory, resulting in an improvement of the security situation. This may have been caused by the installation of FARDC troops in Wamazaza, Salamabila and Kabambare town. It was even reported that the FDLR had abandoned their bases in Babuyu sector.¹⁴⁷ Recent field observations, however, have noted FDLR incursions in this area.¹⁴⁸

2.5 Conclusion

The subsoil of Maniema is rich in mineral deposits. Although industrial exploitation disappeared in the early 1990s, artisanal miners have maintained the province's mineral output. The province supplies significant quantities of cassiterite to Goma and Bukavu, in particular.

Maniema, however, gains too little from its wealth. A degenerated transport network causes most mineral production to be flown directly, from airstrips dispersed all over the province, to the Kivus' border towns. As a result few *comptoirs* have a presence in the province and a large number of *négociants* sell their minerals directly to *comptoirs* in Goma and Bukavu.

Several mining companies are, or have been, present in the province but industrial exploitation has not restarted, despite the allocation of many exploration permits. Mining companies have failed to restart industrial exploitation for several reasons, such as financial problems, lack of investment capital, disputes with local miners and disputes with other companies, in addition to poor security. Some have turned to commercialising the ores mined by artisanal miners on their own concessions.

141 Confidential written UN source, April 2010.

142 GRAADE (2010), op. cit.

143 Confidential written UN source.

144 Confidential written UN source.

145 Interview, MONUC, Kindu, June 2010.

146 Interview, Maniema Provincial Division of Environment, October 2009.

147 Confidential written UN source.

148 Interview, MONUC, Kindu, June 2010.

The phenomenon of rebels and army units profiting from the mineral exploitation and trade is a widespread problem in eastern DRC. Compared to the neighbouring Kivu provinces, the security situation is generally calm in Maniema and large parts of its mining areas are free from military presence. Much of the province's deposits could, therefore, be termed "clean minerals".

Some mining areas, however, have to endure an armed presence, regular incursions by armed groups and extortions by armed factions and civilian authorities. This chapter (more examples can be found on the accompanying digital map) has highlighted several examples of human rights violations by FARDC elements linked to their involvement in the province's mining sector. Comprehensive security sector reform (SSR) is therefore of vital importance to the restoration of security and the development of Maniema's mining sector.

This will not be sufficient, and needs to be combined with a comprehensive and sustainable disarmament, demobilisation and reintegration (DDR) exercise to convince existing rebel groups, such as the Rahiya Mutomomboki and the Simbas, to demobilise. The DDR exercises should focus on "self-demobilised" ex-combatants, such as the ex-Mayi Mayi rebels loyal to General Kalonda Pamphilé in east Kailo territory. To date, DDR exercises in the Eastern hinterland have not been very thorough.

The main impediment to formalising the mining sector in Maniema and generating revenues for the province, however, is the deplorable condition of its transport infrastructure. Rehabilitation of road and rail infrastructure would open up Maniema and its isolated mining zones, and help Kindu play a more central role in the province's mining sector. Rehabilitating the railway to Katanga and the main roads to the Kivu provinces would lessen the need for expensive airfreight, decrease mineral prices and increase the province's share of revenues.

Southeastern Orientale



Compiled by IPIS (Sources: IPIS, Référentiel Géographique Commun, Royal Museum for Central Africa)

Chapter 3: Bafwasende and Mambasa (Filip Hilgert & Rachel Perks)

3.1 Minerals in Bafwasende and Mambasa

Orientele province occupies 503,239 km² and comprises 22 percent of the nation's land surface. It has a population of 6.6 million (12 percent of the total population) and an average 4.7 people per household. The administrative capital is Kisangani and there are four districts (Bas-Uele, Haut-Uele, Tshopo, Ituri). Some 75.5 percent of the population lives in poverty, with an average monthly household income of US\$25. Agriculture (cassava, plantain, rice) is the main livelihood for 84 percent of the population, and there is a history of growing coffee, cocoa and palm oil for export. Animal husbandry and fishing are other important activities.¹⁴⁹

Minerals play an important, though largely informal, economic role for a significant amount of the population. While large-scale mining has historically played a central role in the economy of the eastern part of Orientale province, most mining today is artisanal and small-scale.

This chapter does not look at mine sites across the entire province;¹⁵⁰ but focuses just on those in the least-known areas bordering North Kivu, namely southern Bafwasende territory (Tshopo district) and Mambasa territory (Ituri district). These hinterlands mainly service the trading towns of Butembo, Beni and Bunia, and the minerals extracted from them include gold, diamonds, cassiterite, coltan and wolframite.

Diamonds

Though an important source of income and revenue across the country, diamonds will not be treated in depth. Despite the strides made in the Kimberley Process, sizeable amounts of diamonds continue to be exported illegally from the province, but diamond production and exports fell sharply between 2008 and 2009, in value and in volume, as a result of the global financial crisis.¹⁵¹ CEEC figures for the first five months of 2010 show a further decrease in production compared to 2009, but a 32 percent increase in value.¹⁵² In Orientale the crisis has led to the abandonment of the majority of the diamond sites, the bankruptcy of most diamond *négociants* and a large shift by artisanal diamond miners into gold.

Gold

The 2009 CEEC Orientale activity report declared 86.829 kg (US\$2,134,547) of gold bought and “sealed” within the province¹⁵³. Compared to 2008 (16.618 kg for US\$336,315) this was an increase in volume of 422.5 percent and an increase in value of 534.69 percent. To provide context for these figures, the entire DRC legally exported only 123 kg of gold in 2008, for an estimated five tonnes of production.¹⁵⁴ CEEC Orientale attributes the large rise in production in 2009 to the influx of many former diamond miners into gold, and especially the opening of two official *comptoirs* in Bunia (COPEL and OKIMO/MIKUBA) and the subsequent installation of a CEEC office. In fact, over 96.5 percent of the total official gold production of the province in 2009 was declared in Bunia, and the remainder by just one *comptoir* in Kisangani (Abner Congo

149 UN Development Programme (2009) 'Province Orientale. Profil Résumé', op. cit.

150 See IPIS natural resources map of Province Orientale, with accompanying report by S. Spittaels and F. Hilgert, 'Mapping conflict motives: Province Orientale (DRC), March 2010, at http://www.ipisresearch.be/mapping_orientale.php.

151 According to Direction Provinciale du CEEC, *Synthèse du rapport d'activités 2009*, from 244,160.44 carats (US\$16,864,069) in 2008 to 96,666.94 carats (US\$4,927,901) in 2009, a decrease of 60.41 percent in production and 70.78 percent in value.

152 36,666.57 carats (US\$2,159,026) in January–May 2010, and 40,176.52 carats (US\$1,634,730) in January–May 2009. Over 38 percent of production comes from mines just north of Kisangani (Lubuya Bera collectivity), and 25 percent from Bafwasende territory.

153 The Provincial *Division des Mines* 2009 annual report has only 62.79389 kg (US\$1,556,441.24).

154 'RDC, Exploitation d'or, une perte sèche de près de 70 millions USD suite à la fraude', Radio Okapi, 13th July 2009.

Diamond), which was only active in March and April.¹⁵⁵ CEEC figures for January–April 2010 already total 59,929 kg (US\$1,792,302).¹⁵⁶

Cassiterite

There are currently no cassiterite *comptoirs* in the province, although the Pan African Business Group (PABG)¹⁵⁷ was active in Kisangani until the end of 2009. It acted as a branch of the company's Goma office to where the mineral was transported by plane.¹⁵⁸ PABG bought a total of 94,479 kg (US\$272,693) in 2009. In the same year cassiterite *négociants* declared 411,440 kg (US\$1,403,200) in transit, making a 2009 total of cassiterite in transit through Kisangani of 505,919 kg for a value of US\$1,675,893.

At present Kisangani merely serves as a transit station for cassiterite coming from Maniema and North Kivu (Walikale) and going to North Kivu (Butembo, Goma). For January–April 2010 CEEC records a figure of 113,910 kg (US\$541,489) declared by cassiterite *négociants* in Kisangani. The volume is less than half that in the same period in 2009, but the value only slightly lower.¹⁵⁹

Coltan and wolframite

No coltan or wolframite is registered in the province. At the end of May 2010, a coltan *comptoir*, Société d'Investissements Miniers (SIM sprl) – Bureau Bijou Lombeya, opened in Kisangani, but at the time of this research (July 2010), the company had not yet bought or exported any coltan. Reasons cited for this include low coltan prices; insecurity in the source areas (notably around Opienge, where FARDC and Mayi-Mayi Kumu clashes are ongoing) and poor road infrastructure. Future sourcing will include Punia and Lubutu territories (Maniema), Walikale (North Kivu), the Opienge area (Bafwasende territory) and Mambasa territory, with exports directed to Kampala. According to the *comptoir's* manager, there are large coltan stocks in warehouses in Butembo, Mambasa, Bafwasende and other centres waiting for the market prices to rise again.

Prices

The prices *négociants* pay to artisanal miners for minerals vary according to transport costs, purity and price competition. The table below gives an overview of the range encountered during the research period. More detail on prices at individual mines can be found on the accompanying map.

Table 7: Minimum and maximum prices paid to miners in the mines featured on the accompanying map

	Gold
Minimum	18,000 FC/g**
Average	24,242 FC/g
Maximum	31,500 FC/g

* US\$1 = slightly under 900 Francs Congolais (exchange rate of June 2010)

** Data received in grams (1g = 0.806 k)

155 According to Direction Provinciale du CEEC *Synthèse du rapport d'activités 2009*, op. cit. one *comptoir* in Isiro, Gold-Invest, was registered, but could not function 'à cause des conditions de marché qui, selon ses analyses, lui étaient défavorables' ['because of market conditions, which, according to its analysis, were unfavourable'].

156 Covering two *comptoirs*: OKIMO in Bunia (COPED closed at the end of 2009) and GAMA in Kisangani. Two other gold *comptoirs* have since opened in Kisangani: CUT Congo in June and Divas in July 2010.

157 The Final Report of the UN Group of Experts, dated 9th November 2009, cites PABG, owned by a group of Congolese and Russian businessmen, as sourcing from the militarised mine at Bisie, in Walikale territory (§206-207, 216). See also Global Witness, 'Faced with a gun, what can you do? War and the militarisation of mining in eastern Congo', July 2009, pp. 57-60.

158 There were several reasons for closure. According to CEEC, the prices offered were too low, there was no crusher (so *négociants* could not assess the grade of the ore and, most persuasively, the reopening after three years of the Ituri bridge near Komanda in October 2009 made road transport cheaper than air.

159 January–April 2009: *comptoir* PABG + *négociants*: 261,320.20 kg for US\$566,708.41 (Direction Provinciale du CEEC, *Synthèse du rapport d'activités 2009*).

3.2 Mining sites in Bafwasende and Mambasa

The mining areas in Bafwasende and Mambasa are numerous but small-scale. In contrast to the first two chapters, it is therefore not possible to single out the most important mining sites.

Mining areas surveyed

The local partners engaged for this research split into two field teams. The first team gathered information on 34 sites¹⁶⁰ in the southern part of Bafwasende territory, starting with the administrative capital of Bafwasende and working their way along two main mine axes: one to the eastern edge of the territory bordering Mambasa, and the other southwards to Maiko National Park.¹⁶¹ On both axes they were prevented access further south by the FARDC. The region is currently a military operational zone, with frequent clashes with the Mayi-Mayi of Major Luc (see below). A limited amount of information on a number of mining sites inside the Maiko National Park was available from other sources.

The second team gathered information on over 100 sites¹⁶² in two distinct axes of Mambasa territory: one on the western edge of the territory, bordering Bafwasende and Wamba territories,¹⁶³ and one west and south of Mambasa town¹⁶⁴. A considerable part of the territory is occupied by the Okapi Wildlife Reserve (*Réserve de Faune à Okapis*) where mining is prohibited. In 2006, park wardens successfully cleared most of the gold sites that existed in the reserve at the time, and systematic mineral exploitation does not seem to have resumed.¹⁶⁵ Only limited information could be gathered on Bakaiko *groupement*, south of Okapi Reserve, due to its remoteness (five to twelve days' walk) and the FARDC presence. The team was not permitted to visit semi-industrial sites on the River Ituri.

A large majority of the sites in the areas covered are gold mines. In Mambasa territory, the coltan and diamond mines identified were currently closed, and only one cassiterite mine was identified. As it is within the Bakaiko *groupement*, no credible information could be obtained on its status.

In southern Bafwasende territory, of 23 mines surveyed in the area presently occupied by the Mayi-Mayi of Major Luc, four contain cassiterite (with two of those mines equally containing wolframite); three contain gold and wolframite; and six coltan. It was not clear from interviews if coltan and wolframite are currently extracted. At least two diamond mines, west of Opienge town, still seem to be active.¹⁶⁶

The mines are illustrated in the accompanying map and are distinguished in clusters of importance.

Artisanal mining estimates and production

In Bafwasende territory, of the 34 mines included in the field research, 23 are in volatile areas where FARDC and Mayi-Mayi Kumu (Major Luc) control made any census extremely difficult to verify. According to records from mine operators in the 23 sites, approximately 5,000 individuals were estimated to be working in the mines in 2008.

¹⁶⁰ The team could not visit all these sites due to military restrictions, but gathered information from local stakeholders in urban centres and *centres de négoce*.

¹⁶¹ Covering parts of Bakundumu, Barumbi-Opienge and Bakumu d'Angumu collectivities.

¹⁶² The team visited 23 of the sites and collected information on other areas from stakeholders in the urban centres, *centres de négoce* and surrounding villages. GPS coordinates of 30 other sites between Teturi and Okapi Wildlife Reserve (Babila-Babombi collectivity) were made available by a local NGO from a field visit in March 2010.

¹⁶³ Parts of Bandaka and Bombo collectivities.

¹⁶⁴ Parts of Babila-Babombi, Mambasa and Bakwanza collectivities.

¹⁶⁵ Interview, Chief Conservator of the Reserve, Epulu, June 2010. Another source stated that artisanal miners follow the movements of the wardens and dig for one or two weeks on sites the wardens have already passed.

¹⁶⁶ Many more diamond sites exist in Bafwasende territory, which accounts for 25 percent of diamond production in the province (CEEC, January–May 2010), but most are located in the north, with Bomili one of the most important centres.

In the mines surveyed in Mambasa territory, the total artisanal population for 112 mines for which information was available is estimated at 4,622 persons,¹⁶⁷ a small number for such a large number of sites. Local stakeholders pointed out that the most productive sites are located in Bakaiko *groupement* in the south of the territory, for which no figures are available. The largest site the team was able to visit is Maka,¹⁶⁸ with an estimated 400 artisanal miners.

In southern Bafwasende territory, according to the most important mine operator, Marc Ndjoka (see below), his 13 sites produce roughly 1 kg of gold per week. Production in the few other gold mines surveyed ranges between 11 and 145 grams each week.

Of the 35 mines most closely surveyed in Mambasa territory, only one third claimed to produce more than 10 grams a day. This is a very low figure when compared to the OKIMO sites in northeastern Orientale where one artisanal miner produces 1–1.5 grams a day on average. It must be recalled that the average mine size in the Mambasa area is very small.

3.3 General analysis of the mineral trade

Unlike the previous two chapters, where the focus is exclusively on economic operators and trade routes, this section also provides an overview of a number of other dynamics around the mines, including issues of mine governance, internal organisation and micro-level trade.

Ownership and permits

In Orientale province, all artisanal mining sites are managed by a so-called AFM (*Administrateur de Foyer Minier* or mining site administrator). The role of AFM pre-dates the 2002 Mining Code, in which it is not included.¹⁶⁹ The AFM submits a *déclaration d'ouverture (d'un chantier d'exploitation artisanale)* for a specific area to the Provincial Division of Mines, which authorises him to exploit it by signing the document.¹⁷⁰ This “declaration of opening” is mentioned in the Mining Code¹⁷¹ and was later specified in the 2003 Mining Regulations,¹⁷² but there it refers to the holder of an official mining title, which is issued by the *Cadastre Minier* (Mining Registry, CaMi). CaMi does not recognise these provincial artisanal-exploitation permits, and does not consult with the Provincial Division of Mines before issuing large-scale mining concessions.¹⁷³ Generally, permits issued by CaMi therefore relate to areas where artisanal miners are already working, under the direction of an AFM possessing a *déclaration d'ouverture*.

The AFM is considered the owner of his site(s) and acts as such. He sets rules and imposes taxes on miners, suppliers and traders. He has his own – unarmed – security service¹⁷⁴ and “*douane*” (“customs”).¹⁷⁵

The most important AFM in Opienge region (Bafwasende Territory) is Marc Ndjoka Kabasele, whose company NDJOKAM (*Société Ndjoka Agro-Minière*) has “owned” most¹⁷⁶ of the sites in the region since 1983. Despite being from the area, he faced intimidation by Mayi-Mayi

167 Bureau Minier Isolé du District de l'Ituri gives an estimate of around 10,000 for 45 *foyers miniers ou regroupements miniers* in its *Rapport annuel exercice 2009*, p. 6.

168 Administratively, Maka is located in Wamba territory, a few kilometers from Mambasa Territory, but the *Poste Minier* of Nia-Nia is in charge of its mining administration. Furthermore, officials from the *Antenne Minière* of Wamba also frequent the site.

169 See also Orientale province. Division Provinciale des Mines, *Rapport annuel 2009*, p. 24.

170 Sometimes it is signed – albeit illegally – by the head of the local *Bureau minier* or *Antenne minière*.

171 Article 218.

172 Article 484.

173 Interview, Provincial Division of Mines officials, Kisangani, July 2010. See also Partnership Africa Canada (PAC), *Diamonds and Human Security. Annual Review 2009*, p. 12; and R. de Koning (2009), op. cit. p. 14.

174 Known as “BD” (*brigade disciplinaire*).

175 These employees collect entrance [and, sometimes, exit] fees on the site.

176 Some 22 in all, in a very wide area in the forest around Elonga, east of Opienge.

forces and fled the region in 2008 when the FARDC resumed operations against the Mayi-Mayi (Major Luc).¹⁷⁷

As mentioned, CaMi in Kinshasa issues the only legal mining permits, pursuant to the 2002 Mining Code, which give concession-holders exclusive rights to explore (PR, *Permis de Recherches*) and subsequently to exploit (PE, *Permis d'Exploitation*). CaMi has issued permits to several small-, medium- and large-scale operators in the study area. Distinctions are made between internationally listed and privately owned companies. The former do not employ artisanal miners or buy their product, and adhere to accepted international standards of practice, in regard to health, safety and the environment. The latter are generally small- to medium-scale operations, often employing artisanal miners and not observing the aforementioned standards.

There seem to be no active exploitation permits in Bafwasende territory at the moment,¹⁷⁸ but large parts are covered by exploration permits. It seems none of the companies holding these permits currently work there, due to insecurity. However, SOMINDO (*Société Minière de Ndonga*), which has held an exploration permit for cassiterite and wolframite since February 2007, has reportedly extracted minerals – illegally – from its concession in the past.¹⁷⁹ The area is now occupied by the Mayi-Mayi (Major Luc), with whom the company is trying to negotiate access (see below).

In Mambasa territory, two internationally listed industrial companies hold exploration and exploitation permits. The first is Kilo Goldmines Ltd., a gold exploration and development company listed on the Toronto Stock Exchange. The company is headquartered in Toronto, with offices in Kinshasa, Lubumbashi, Beni and Isiro. It holds exploitation permits for gold and diamonds in its Somituri Project (*Société Minière de l'Ituri*), which overlaps with most of the artisanal sites west of the Okapi Wildlife Reserve, along the Nia-Nia–Isiro axis. It is currently drilling and sampling.¹⁸⁰

Kilo Goldmines also holds several exploration permits in the framework of two other projects in Mambasa territory. The KGL-ERW Project¹⁸¹ is, strangely enough, located almost entirely inside the Okapi Wildlife Reserve, at its southeastern edge, overlapping the Ituri River. The KGL-Masters Project involves 11 contiguous exploration permits, originally granted to the Congolese company, Masters sprl, and subsequently transferred to KGL-Masters sprl.¹⁸² These concessions are located in the territories of Mambasa, Irumu and Djugu in Orientale province and in the territory of Beni, North Kivu. The concession area in Mambasa, on the Mambasa-Beni axis between Lwemba and Bella, overlaps with several artisanal mining sites, and the ENRA forestry concession.¹⁸³

Another internationally listed company is Canadian Loncor Resources,¹⁸⁴ which holds exploration permits in the spaces left by Kilo Goldmines' Somituri concessions on the western edge of Mambasa Territory, by the Ngayu River.

The above-mentioned Masters sprl, a Congolese company based in Lubumbashi, also signed a joint venture agreement with the Swiss company, Auris AG, in June 2010. In this, it transferred to

177 Interview, Marc Ndjoka Kabasele, Bafwasende, June 2010.

178 According to CaMi, two exploitation permits close to the Mambasa territory border, northeast of Bafwando, show their status as 'active' but the expiry dates were December 2007.

179 Interview, "dignitary" from Opienge region, June 2010.

180 See also <http://www.kilogold.net/properties/KGL-somituri.cfm>.

181 See also <http://www.kilogold.net/properties/KGL-ERW.cfm>. The area in Mambasa territory is not indicated on the map.

182 See also <http://www.kilogold.net/properties/KGL-masters.cfm>. To date, only five of these permits are officially registered in the name of KGL Masters sprl, according to CaMi's data for 27th July 2010. See also Kilo Goldmines Ltd., Consolidated financial statements for the six months ended March 31, 2010, p. 9.

183 This is known to both Kilo and to ENRA. Kilo wrote to ENRA on 21st January 2008, copied to the Minister of Mines, the Minister of Environment and the *Cadastre Minier*, to explore "cohabitation" arrangements, but ENRA has not responded.

184 Loncor is operating through an option agreement with Rio Tinto Exploration RDC Orientale Sprl for the exclusive gold rights at Ngayu. See <http://www.loncor.com/s/Ngayu.asp>.

the latter its exploration permits for the remote but allegedly very productive Bakaiko *groupement*, south of Okapi Wildlife Reserve and bordering North Kivu.¹⁸⁵

Beyond these internationally listed companies, Russian La Conmet, re-registered in Kampala in December 2006, holds 16 gold exploitation permits in the province, mostly lying on the Ituri River in Mambasa territory. It is not clear whether these permits are still valid. According to CaMi data, their status is active, but they all seem to have expired at the end of 2007 or early 2008. Several sources confirm that they are, indeed, active, and working with dredges in the Ituri River, but La Conmet has never delivered production or export data to the mining administrative authorities. A senior civil servant revealed that their sites are guarded by FARDC, and that the company is backed by a former head of the Provincial Division of Mines, and a former Secretary-General of Mines.¹⁸⁶ During the Second Congo War, La Conmet was known to transport coltan from Beni and Lubero territory (North Kivu) via Uganda and the United Arab Emirates to Kazakhstan.¹⁸⁷ The company was then represented and operated by Valentina Piskounova and her husband, Anatoly Piskounov. The 2006 re-registry cites the same Anatoly Piskounov as representative, together with a Yuriy Nevedomskyy.

At the time, La Conmet's Valentina Piskounova had already taken an interest in gold through a partnership with Ituri Gold Mining Company (IGMC), for which she acted as manager.¹⁸⁸ According to the Ugandan Judicial Commission of Inquiry in November 2002, IGMC owned 1 percent of the shares in La Conmet.¹⁸⁹ At the time of writing, the latter still held 21 exploitation permits, many of which in Mambasa territory, and several on the Ituri River. Sixteen of these are 'in the course of revocation for non-payment'. The others still have active status, but appear to have expired in December 2007. They are still active in at least three of their concessions, working with dredges.¹⁹⁰

Another interesting case is Gold Dragon Resources RDC, a Chinese company that was granted two exploration permits on 29th April 2010 on the Ituri River, southeast of Nia-Nia and straddling the border between Mambasa and Bafwasende territories. The head of the Provincial Division of Mines tried to pay them a visit in May, but was halted by FARDC soldiers guarding the sites. The same soldiers told him the Chinese are 'exploiting', rather than exploring. The Chinese are reportedly backed by a former vice-minister, and a 'doctor' from the presidential entourage.¹⁹¹

Another company holding exploration permits but actually exploiting, according to the Division of Mines, is Golden Valley Services Ltd. (GAC sprl). No further information could be found about the company.

The role of government agencies

An overwhelmingly large number of various government agencies and departments is present or frequents mine sites in Mambasa territory, compared to Bafwasende territory. This may largely be explained by the relative social stability of the former territory compared to the latter. Despite this difference, it is interesting to note the virtually identical challenges that face mining-sector actors

185 AURIS AG was founded in July 2009. It is finalising a prospectus for listing on the Frankfurt stock exchange. See <http://www.aurisag.ch/>. (last accessed 10th September 2010).

186 Interview, Mr Kanonyo, July 2010.

187 The UN Panel of Experts report of October 2002 named La Conmet (§ 109-111; see also IPIS, 'The Political Economy of Resource Trafficking in the Democratic Republic of Congo', September 2003, p. 21) as did the November 2002 Ugandan Judicial Commission of Inquiry. The Panel obtained a document granting La Conmet 'full exoneration' for 'all activities involving exploitation for the territory of Beni-Lubero', signed on 5 January 2000 at Kampala by Mbusa Nyamwisi, then Commissioner General for RCD-Kisangani. The document identified Salim Saleh, brother of the Ugandan President Yoweri Museveni, as La Conmet's ultimate owner.

188 IPIS (2003), op. cit. p. 21.

189 Republic of Uganda. 'Judicial Commission of Inquiry into Allegations into Illegal Exploitation of Natural Resources and Other Forms of Wealth in the DRC 2001 Final Report' (May 2001 – November 2002), p. 187.

190 See Bureau Minier Isolé du District de l'Ituri, *Rapport annuel exercice 2009*, p. 9.

191 Interview, high-ranking official, July 2010.

– government and non-government alike – in the two territories. It seems that greater government presence alone does not necessarily correlate with more responsible, efficient and transparent management of the sector. The level of taxation, both formal and informal, is far higher in the surveyed areas of Mambasa than in Bafwasende – as is the number of agents – but the authors did not witness a substantive difference in terms of overall sector management in field interviews and site visits. The presence of government agencies does little to improve the observance of artisanal mining regulations and standards (BOX 5). The only ones generally enforced relate to the mine’s hierarchical management and the fees to be paid. This means that in general, a plethora of actors claim legitimate roles and functions, with corresponding fees for their services, though do little to actually fulfil their obligations once fees have been collected.

BOX 5

Official artisanal mining regulations and standards

Artisanal and small-scale mining and its trade are recognised under the 2002 Mining Code and the 2003 Mining Regulations as legitimate activities with legal articles that determine the authorised actors, practices and locations of their operations. However, the level of awareness, understanding and respect for these legal conditions is extremely low. The provisions of the Mining Code are expanded in the Artisanal Miners Code of Conduct, provided in Annex V of the Mining Regulations.

In some areas, the Code of Conduct is superseded by a local *Statut de Foyer Minier et Règlement d’Ordre Intérieur*. These two documents outline the standards that local authorities have determined ‘should’ be observed in artisanal mining, and may include detailed regulations on the behaviour of miners and camp management.

The role of cooperatives and associations

If a group of artisanal miners wishes to exploit an artisanal mining zone, they must first form a mining cooperative.¹⁹² This must be registered as an *Association Sans But Lucratif* (ASBL), or “not-for-profit” organisation, with the final approval of the Provincial Division of Mines.

No cooperatives or associations were identified in Bafwasende territory and only three mines in Mambasa territory claimed to have associations for artisanal miners on site. However, some miners’ representative groups do exist in Mambasa town (15) Nia-Nia (10) and along the Nia-Nia-Isiro axis (14), suggesting a somewhat higher level of understanding of worker and trader interests. This may be a result of greater social stability in these areas, compared to the surveyed areas of Bafwasende territory. However, it is unlikely that these associations – mainly based in the major towns – perform site visits adequately enough to accurately represent the concerns and interests of their constituencies.

Caution should also be exercised when gauging the level of legitimacy of representation for artisanal miners by associations and cooperatives that are by and large operated by traders and middlemen. This rarely translates into improved conditions for the miners themselves, unlike in select areas of northern Orientale and southern Katanga where the culture of cooperatives and associations has a more established history.¹⁹³ Tangible and significant benefits only emerge when artisanal miners are able to organise and represent their interests independently.

¹⁹² See 2003 Mining Regulations, Articles 234–237.

¹⁹³ The International Labour Organisation did remarkable work on this subject in southern Katanga from 2006–08. Pact Inc. built on this in Kolwezi and is piloting new work on miner-only cooperatives in an attempt to balance the power dynamics with traders.

Trade routes: the Kisangani detour

Kisangani plays a less pivotal role in most mineral trade in the province, apart from when it comes to diamonds. The relative absence of gold, cassiterite and coltan *comptoirs* in Kisangani makes capturing the trade dynamics challenging. For these minerals, government data in the trade destination towns of Butembo, Bunia and, to a lesser extent, Goma, is more revealing. Field interviews and CEEC reports indicate an increased transshipment of cassiterite from Lubutu territory, Maniema province and Walikale territory, in North Kivu, through Kisangani before arriving at Beni, Butembo and Goma.

It is important to understand the dynamics around this increase in minerals transiting from Lubutu and Walikale. Traders argue that now the road from Kisangani to Beni/Butembo is open, transport costs are significantly less than by plane from Walikale, Lubutu or Kisangani straight to Butembo or Goma, and that they are seeking the most cost-effective means of transport for their product.¹⁹⁴

This choice of route may also reflect an attempt by traders to evade the tightening of traceability in the sector. Since 2009, with increased advocacy on the issue of the links between conflict and resource exploitation, the minerals trade has been threatened by a real risk of embargo. As some sources point out, by the time minerals reach Kisangani they have been effectively “*blanchis*” (“whitened”).¹⁹⁵ For example, part of the cassiterite transiting through Kisangani is declared as originating from Lubutu when it is actually mined in Walikale.¹⁹⁶ The Butembo CEEC acknowledges that a circuitous route is being used and claims to have launched investigations and vehicle controls as of May 2009.¹⁹⁷ By July 2009, CEEC reported that cassiterite coming from Walikale via Kisangani had become a ‘regular’ occurrence.¹⁹⁸

Kisangani aside, two major axes of mineral trade routes exist for the areas concerned in this research. The first extends upwards towards Bunia, eventually fanning out through a series of eastern corridors north of the town, along the porous borders with Uganda and Sudan. This well-established trade route for gold has been described in detail in previous reports by international organisations, and was not the primary focus of this mission.¹⁹⁹

The second major axis is through a number of subsidiary routes across the southern edge of the province towards Butembo, via Beni, and in some cases, eventually towards Goma. We have focused on this series of trade routes, given the paucity of existing documentation for this part of the province.

Trade routes: Bafwasende territory

The challenges in terms of accessibility to Opienge, and the virtual absence of government representation beyond Opienge and Balobe, make it hard to draw substantive conclusions on trade routes and dynamics. Most government officials are no longer stationed in Opienge and prefer to stay in Bafwasende due to the protracted insecurity experienced in this part of the territory (BOX 6).

194 Field interviews, June and July 2010.

195 Interview, economic operators, Kisangani, June and July 2010.

196 Interviews, June 2010.

197 CEEC Butembo. 2009 Statistical Report, p. 4.

198 Ibid. p. 8.

199 See Trading for Peace (DFID/USAID/COMESA), International Crisis Group, and Human Rights Watch reports for Ituri District since 2004.

BOX 6 Insecurity in Opienge and Maiko National Park

Maiko National Park, and the areas extending north to the urban centre of Opienge, have a turbulent history. The area has been occupied by successive military movements for nearly half a century, due to the richness of its resources (predominantly minerals, but also bushmeat and ivory). The original Mulelist Mayi-Mayi Simba rebels settled in the area in 1964, extracting minerals and bartering them for arms.

The formation of Maiko National Park in 1970 led to increasing local demands for the right to manage and make use of the Park's resources. The area's social and political marginalisation, which was already true before the protracted civil war and reinforced by years of military confrontations, has had a disastrous impact on the population. It is widely believed that this marginalisation has bred a strong sense of community support for Mayi-Mayi movements, who are seen as the "rightful sons" of the area and thus owners of its resources.

In particular, the Mayi-Mayi Kumu group was originally a movement to defend local interests from resource encroachment and exploitation, first by government (since the Park's creation), and later by Ugandan and Rwandan troops, who hunted and mined illegally inside the Park borders during the Second Congo War.²⁰⁰

Successive re-integration processes in the area have disillusioned those Mayi-Mayi combatants who had been prepared to leave the bush.²⁰¹ Several Mayi-Mayi movements and their commanders participated in the 2003–04 DDR process. Having been assured that their rank and file would be integrated, they suddenly found themselves stripped of military functions and completely disarmed. The Mayi-Mayi leader, Major Luc Yabili, had not participated in the DDR, and the subsequent failure to keep the pledges made to other Mayi Mayi groups provided further impetus for him and his troops to remain in the bush.²⁰²

As in any situation of protracted insecurity, livelihoods are precarious for local communities. Successive military offensives have led populations to retreat further into the forests or to establish themselves in urban areas. Given that agriculture is the prime economic activity, many communities find it hard to provide for their families.

Frustrated and disillusioned young men turn to illegal mining and hunting as a means of livelihood. Local populations are further angered by the exploitation by military and park officials of resources which they have expressly told the population should be protected. Thus the question of access to, and use of, natural resources in this part of the territory is tied up not just with armed conflict, but equally with serious political and social unrest.

It should be noted that until at least 2007, small aircraft used the 800m-long Opienge airstrip to transport minerals out of the region, with one to two commercial flights per week from North Kivu (Beni and Butembo).²⁰³ This runway has now become inoperable.

Three trade routes were evident from the research. One traverses east through, or along the northern edges of, Maiko National Park before reaching the main export centre of Butembo. This

200 L. Wande, *La militarisation du territoire de Bafwasende et le pillage des ressources naturelles dans le Parc National de Maiko (Province Orientale, RDC)*, July 2009, p. 15.

201 Confidential communiqué to GoDRC from Lubutu Mayi-Mayi leadership, January 2010.

202 Major Luc, who now proclaims himself "Brigade General", went to Kisangani in June 2007 for *brassage*, but was reportedly humiliated and tortured by FARDC officers, after which he returned to his base in Balobe.

203 Rapport de la mission inter-agences d'évaluation des besoins humanitaires des retournés à Opienge, Territoire de Bafwasende en Province Orientale, 11-13 juillet 2007.

route primarily serves mines in areas under Mayi-Mayi control; which constitute the majority of mines researched in this study. It takes an average of 10 days on foot to reach Manguredjipa, North Kivu, a trade town that Mambasa stakeholders cited as a transit point for gold from the southern and eastern part of Mambasa territory.²⁰⁴ From there, minerals are transported by truck or motorbike a further 99 km to Butembo.

A second trade route serves the gold mines in areas currently under FARDC control. Of the 34 sites covered during the research, six used the rehabilitated national Kisangani-Mambasa road, accessing it from Bafwabalinga or Bafwanduo, to transport minerals to Bunia or Butembo. It takes between an hour and three days to walk from these sites – located south and northeast of Bafwasende town – to the national road.

A third route concerns Lubutu, Maniema province, near the western edge of the park. This route appears to serve the mines in the west and central park areas, and is historically linked to mineral extraction by Simba Mayi-Mayi as far back as the movement's creation in 1964.²⁰⁵ Minerals then transit north to Kisangani, before reaching Butembo and sometimes as far as Goma.

Of the 34 sites covered by this research, only one transported its product directly to Kisangani. This is a cassiterite mine in an area under Mayi-Mayi control, belonging to SOMINDO, which has its warehouse in Kisangani.

Trade routes: Mambasa territory

Gold is the most popular mineral mined in this part of the province, and is by and large extracted artisanally. Some 10–15 semi-mechanised drag operations exist on the Ituri River, run by companies with CaMi permits. As stated above, these operators do not provide information on their activities and so no trade statistics are available for the operations. *Négociants* in Mambasa claim these operators prefer to sell to *comptoirs* in Bunia or Butembo, given their higher production quantities.²⁰⁶

The remaining gold operations exist in a plethora of small *chantiers* in the west of the territory, along the axis north of Nia-Nia to Wamba and Isiro, and in the forest south and southeast of the Okapi Wildlife Reserve.

At most of the 35 sites for which information could be collected, only the AFM can buy gold from miners. In two cases the *chef de chefferie* was mentioned as the sole buyer; in three cases, both AFM and Nande traders were buyers; and in three more, Nande traders were the only buyers. Butembo was mentioned as the destination of production for most sites, but in several cases both Butembo and Bunia, or Butembo and Beni, were cited. In six sites in the west, Bunia, Butembo and Isiro are favoured. Isiro is reportedly a major hub for gold from the surrounding territories,²⁰⁷ although it has no official *comptoirs*. From Isiro, gold is either flown²⁰⁸ to Butembo (or straight to Uganda), or transported by motorbike to Ariwara, a major business centre in Aru territory, close to the Ugandan border.

Minerals mined south of Okapi Reserve pass through Kenia village before being sold to *négociants* in Manguredjipa, who bring them to Butembo.

Stakeholders claim Butembo *comptoirs* are financing gold production in Nia-Nia, buying on the spot through middlemen and transporting the gold through Mambasa to Butembo. In this case,

²⁰⁴ See section on Mambasa territory below.

²⁰⁵ L. Wande (2009), *op. cit.* pp. 12-13.

²⁰⁶ Field interviews, June 2010.

²⁰⁷ PAC (2009) *op. cit.*, p. 13.

²⁰⁸ Some sources stated that the FARDC control transport at Isiro airport.

merchandise is brought up to Mambasa and Nia-Nia to exchange for gold, or cash is used. The pre-financing of artisanal sites by Butembo *comptoirs* is an important dimension in terms of the power and trade dynamics.

Other observations regarding the mineral trade

Some important observations made by the authors throughout the research on the local trade dynamics are worth mentioning.

First is the role and involvement of FARDC soldiers in trading goods around mine sites, notably cigarettes and marijuana. This will be treated in Section 3.4.

Second is the virtual absence of cash circulating in the large majority of sites surveyed in Bafwasende territory.²⁰⁹ Several sources confirm the existence of entrenched bartering systems in which the day-to-day goods needed by artisanal miners are traded for gold and cash is banned (BOX 7).

BOX 7 Bartering systems and their consequences

The widespread existence of bartering systems at mining sites means artisanal miners operate outside the cash economy. The practice, referred to as *troc*, does not seem to be very common in other mining areas of the province but barter has been a known practice in other trade economies of DRC's history, whether through lack of cash or as a safeguard against inflation. In some militarised areas, the army and armed groups are also known to barter minerals for commodities such as charcoal, cattle or arms.²¹⁰

Léonard Wande, in his July 2009 report on the Opienge area, notes that the Mayi-Mayi Simba traded minerals for arms as early as 1964, using middlemen from Walikale and Lubutu territories.²¹¹ Field interviews for the current research indicate *troc* continues to exist today.

Two observations can be made on this bartering system in civilian mining contexts. Firstly, a bartering economy is generally found in areas far from major town centres. Secondly, it may indicate the limited financing a mine operator has at his or her disposal.

Regardless of its rationale, bartering systems have crippling effects on the social and economic conditions of artisanal miners and their families. Often *troc* effectively renders miners captive to the mine's operators, making them similar to indentured labourers. One interviewee in Mambasa suggested that *troc* denies miners upward economic and social mobility since they have no cash to buy goods, nor to send back to families.²¹²

This last point is very important since artisanal miners rarely bring their wives and children to mine sites, and can be away from home for months if not years. It is not uncommon to hear accounts of wives who are left to support their families alone once a man leaves for the mine. Female-headed, single-earning households are common in DRC mining communities.²¹³

Thirdly, Butembo is mostly supplied with gold from Orientale.²¹⁴ CEEC recognises that a large part of the gold traded in Butembo originates from Orientale, particularly Haut-Uele and Ituri

209 This is also true in Bakaiko Groupement in Mambasa territory, although little information is available.

210 There are known examples of this system in North Kivu, both in Virunga and Maiko National Parks, and in mines near Walikale.

211 L. Wande (2009) op. cit. Pp12-13.

212 Field interview, June 2010.

213 Pact Inc. has extensively documented cases in Orientale and Katanga Provinces.

214 Observation based on an analysis of CEEC Butembo statistical records for 2009 and 2010.

districts. Though these areas are vast, this corresponds in part with the mineral flows being studied in this research. In fact, gold originating from Orientale, on average, comprises two-thirds of the total amount of gold bought per month by Butembo traders.²¹⁵

Fourthly, resources other than gold are currently less in vogue in the region.²¹⁶ No coltan was purchased from December 2008–May 2010, except for January 2010. Wolframite purchases also drastically decreased in the same period. No cassiterite was bought in 2009, and only in May in 2010. The cassiterite, wolframite and coltan that were eventually purchased in May 2010 mainly originated from Manguredjipa, with a very small amount (9.1 kg) from Mambasa. The former is a well-known *centre de négoce* in North Kivu. Stakeholders on several occasions claimed that most minerals with an “official” origin are actually transiting from Bafwasende and Mambasa territories.

3.4 Presence of armed groups and human rights violations

The involvement of FARDC soldiers in the mineral sector and its supply chains is an unmistakable trend. Here, a clear distinction needs to be made between “institutional” FARDC control of mines and FARDC soldiers exerting their power to make individual profit. It is important to note this distinction in the light of the current focus on “conflict minerals” in DRC. There is a difference between war economies used by armed groups to finance their war efforts, and what in this case appear to be shadow economies in which soldiers use their power, influence and networks to maintain and consolidate power bases outside the control of the state. The shadow economy is ‘easily captured by combatants, either directly or in close cooperation with criminal entrepreneurs. Shadow economies, thus, often become the basis for combat economies, while also providing income for criminal elites and mafia structures.’²¹⁷

The information ascertained by the field mission revealed FARDC involvement in the mineral trade in both Bafwasende and Mambasa. This appears to be highly organised by their superiors, and mirrors the pre-war Zairian trade patterns later criminalised during Congo’s war in that: ‘The development of informal trade networks is not just the result of the recent wars but has to be analysed from the perspective of the very nature of the pre-war Zairian state... This intertwining of the previously existing local parallel networks and war economies at present makes it extremely difficult to separate those “criminalised” networks ... from the pre-war situation.’²¹⁸

The second trend noted is the application of an informal taxation system by both FARDC and PNC, often under pressure from their superiors. This practice mirrors in its motivation and application the illegal taxation performed by government agents, and is discussed in more detail below.

Opienge, Bafwasende territory

As pointed out, only limited information emerges from the Opienge area. By virtue of the local conflict dynamics in the area, this information, particularly concerning the Mayi-Mayi Kumu and Simba, needs further verification as the field researchers were unable to access most locations south and east of Opienge and thus could not triangulate the information provided by stakeholders.

The difficulties faced by the research team in accessing mines in areas under FARDC control may indicate that informal involvement by individual soldiers and their commanders is occurring at these sites. Certainly, the initial observation regarding shadow economies, raised above, has been documented and discussed in the field interviews for southern Bafwasende territory. There is clear evidence of FARDC soldiers profiting from mineral extraction and trade, using military

215 CEEC Butembo, *Renseignements sur les négociants*, 2009, p. 5.

216 Observation based on an analysis of CEEC Butembo statistical records for 2009 and 2010.

217 IPI (2003) ‘Transforming war economies: Challenges for peacemaking and peacebuilding’, Wilton Park. Report. p 13.

218 K. Vlassenroot and H. Romkema, ‘The emergence of a new order? Resources and rar in Eastern Congo, in: *Journal of Humanitarian Assistance*, October 2002. <http://jha.ac/articles/a111.htm>

operations as an entry point into the area. FARDC troops, deployed to the area for military operations quickly assert their power in the local mines.²¹⁹

Often cited is the 908th Battalion, commanded by Colonel Alain Ilunga and based in Bafwasende town, which controls the eastern part of the Bafwasende operational zone.²²⁰ Soldiers of this battalion allegedly recruit youths from surrounding villages to work in the mines, often under duress. They also perform hard labour such as transporting goods to and from mines. Recently it was stated that ‘systematic and widespread misconduct by the FARDC continues to be reported along the Bafwando-Elonga axis (908 Battalion)’.²²¹ This “misconduct” is said to include forced labour, extortion, illegal taxation, arbitrary arrest, sexual violence, and even cutting off people’s hands on suspicion of being Mayi-Mayi accomplices. The 908th Battalion is also reportedly involved in bushmeat and ivory trafficking.

It is important to note the potential trend in military interest in mining areas within the context of this report as it is believed that the continuing clashes between FARDC and Mayi-Mayi in and around the park are resource-motivated, though political and social dialogue is seen as the only real vehicle for bringing peace to the area.²²² Several interviews hint that the FARDC does not want to find a power-sharing solution because it has become so entrenched in trade, and that it has subsequently adopted a hardline military approach to maintaining control of the area. The protracted conflict around Opienge, moreover, attracts further funds for military operations, potentially offering opportunities for their diversion. The same sources speak of possible complicity with political authorities.

A recent attempt in May 2010 by a local dignitary to broker discussions on behalf of SOMINDO with the Mayi-Mayi, near Balobe, indicates the importance of mining interests in the area, and may suggest that traditional and business actors do not believe military solutions alone will resolve the conflict.

Not all battalions operating in the area are accused of such grave human rights violations. The 103rd Battalion, under Major Mbenza Pepe, currently commands the Bafwabalinga-Opienge-Balobe axis, and is reportedly doing commendable work to re-develop and stabilise the area.²²³ Since the deployment of the 103rd, the security situation and relations with the local population on the Bafwabalinga-Opienge axis have improved.

Little filters through regarding the behaviour of Mayi-Mayi in areas under their control. Artisanal miners are reportedly allowed to exploit minerals in return for “taxes” paid to Major Luc. Mayi-Mayi are allegedly also involved in ivory and bushmeat trafficking. No evidence was found to confirm rumours that Major Luc delivers gold, diamonds and ivory to national-level and provincial politicians, in exchange for weapons. These rumours seem to be spread by the military²²⁴. Although the role of traders from Beni and Butembo, and FARDC from North Kivu, in supplying the Mayi-Mayi with weapons in exchange for minerals has been raised during this research, it seems that a large proportion of these arms have been captured from FARDC.²²⁵ Rumours of collaboration between the Mayi-Mayi Kumu and the FDLR also appear groundless.²²⁶ On the other hand, collaboration between the Mayi-Mayi Simba from Lubutu and Mayi-Mayi Oninga from North Kivu appears plausible.²²⁷

219 The following paragraphs on FARDC behaviour are based on field interviews in June and July 2010 and on confidential written sources.

220 Including Bafwasende town, Bafwando, Avakubi, Bigbulu, and, until they were pushed back by the Mayi-Mayi of Major Luc, also further south to Ndonga and Elonga.

221 Confidential report.

222 Field interviews, June 2010.

223 Field interviews, June 2010

224 Cf. AFP, *Combats dans le nord-est de la RDC: plus de 30 tués depuis fin mai (armée)*, 22 June 2008.

225 ‘Nine machine guns seized from the 908th Bn.

226 Several MONUC reports exist of Mayi-Mayi confronting FDLR to deny them access to their home areas.

227 Confidential UN report.

Mambasa territory

In most of the mines researched for the territory, FARDC and the PNC were cited as having a sporadic presence on sites.

As asserted in the introduction to this chapter, the most striking conclusion from the field research is the role played by FARDC soldiers in mineral trade routes and patterns, and in illegal taxation. In Mambasa territory this occurs by and large in the gold sector.

The field mission attempted to reconstruct some patterns of trade and behaviour that typically take place in the area:²²⁸

A soldier sells a load of charcoal at Komanda²²⁹ and buys general goods, such as cigarettes, beer, bushmeat and marijuana. He then brings these goods to a remote mine site. Artisanal miners are forced to buy as the soldiers have ensured that few other sources of basic goods will arrive at the sites. Goods are sold at roughly double their town value to miners, but the sale does not necessarily occur in cash. Bartering basic goods for gold is common as gold is viewed as a more stable currency than cash.

The gold is then brought to market in Bunia, Mambasa or Butembo. Mambasa has little sales profit and is often disregarded in favour of Bunia or Butembo. Commanders usually take a cut from the sale, and their payment is an important part of the trade dynamic if soldiers wish to remain posted to profitable mining areas within the province.

Other forms of military predation at the mining sites include providing security to mine operators and informal taxation. These two practices were the most commonly cited during on-site research. Many interviewees described FARDC soldiers who establish themselves on a gold mining site for a month or two, living off the AFM, selling goods and demanding payment for protection services at a minimum of 10 grams per miner.²³⁰ Most stakeholders recounted sporadic visits and site checks by army and police that often led to one-off payments, as described above. This *taxe militaire*, referred to locally as *mabonza*, is collected by low-ranking soldiers but destined for their commanders.

Theft and violence on sites may not be uncommon, though opportunities to report incidents are few, and victims may be intimidated out of doing so for fear of potential repercussions. As a result, there are few written reports about violence at mines. For instance, Maka, the largest site covered in the area, was comprehensively pillaged in August 2009. A confidential UN document described the incident as follows: ‘Reportedly, on 23–24 August, a group of uniformed men looted the gold-mining site in Maka village (between Nia Nia and Wamba). Five thousand persons present at the site fled into the forest. The gold and diamond trading posts were reportedly completely looted and the men stole a sum of about US\$30,000 and packages of precious materials.’ People at Maka identified the “uniformed men” as FARDC from Isiro. The AFM of the site revealed that, since the attack, he frequently sends *unités* (cell-phone credits) to an unspecified officer at the 9th Military Region headquarters in Kisangani to avoid further looting. Units from the *Régiment Spécial*, based in Isiro, allegedly pass by regularly to sell cigarettes and marijuana. When our team was on the site, they met a man who testified to having been severely beaten by the FARDC. He said a soldier had sold him marijuana, after which another soldier arrested him for possession. These FARDC had been sent by their commander, Major John Kapenga,²³¹ on a two-week mission to three mining areas to ‘arrest uncontrolled soldiers in the mines’. (fig.). As early as 2005, long

228 Field interviews, June 2010.

229 A town 70 kms southwest of Bunia.

230 Field interviews, June and July 2010.

231 Major Kapenga was previously posted in Opienge. In late 2008 or January 2009, Gen. Kifwa recalled him to Kisangani for “consultation”. Kapenga was reportedly involved in the disappearance of ammunition destined for poaching. After his recall, he was taken hostage, together with 12 other FARDC, by Major Luc in Balobe, according to an OCHA security report from Province Orientale, 1st November–1st December 2008.

before Major Kapenga was appointed commander of the *Régiment Spécial* in Isiro, the western Mambasa sites were ‘in part under the sway of the military authorities from Isiro’, who collected cash or “*rations militaires*”.²³² The *Régiment Spécial* receives orders directly from the 9th Military Region headquarters in Kisangani.

The situation in Bakaiko *groupement*, the area south of Okapi Wildlife Reserve, bordering North Kivu, is worth further investigation to corroborate information gathered during this research. As the area is very remote and insecure, information was sourced from local stakeholders with contacts in the *groupement*. These sources allege that most mining sites have a significant FARDC presence. At the end of 2009, the chief of the *poste d’encadrement administratif* of Bella, under whose competence the area falls, became the first official to go there on a mission. He described it as ‘a world apart’, where the FARDC are heavily present in most trade and other economic activities. As in southern Bafwasende, no money circulates and everything is bartered for minerals. Interviewed stakeholders claim that the FARDC at Bakaiko *groupement* come from North Kivu (Butembo, Beni and Mangina were cited) and, at the sites closer to Mambasa town, from Ituri (Mambasa and Irumu). One source referred to clashes between FARDC from North Kivu and others from Orientale (Ituri) over control of the mine areas.²³³

Further stakeholder interviews during the field research confirmed the frustration of all mine actors with the predatory behaviour and intimidation of both the military and other public security providers such as the PNC, and with the impunity they enjoy, which makes it impossible for civil and traditional authorities to tackle the violations. Civil and traditional authorities, however, often play a role in exacerbating the situation. They frequently welcome artisanal mining in their areas because of the start-up taxes and fees they receive, but then do little to institute governance systems to protect artisanal miners or to establish local security. It is only when the army and police start collecting fees and impose their presence in several other aspects of trade that these actors start to raise concerns about governance.

3.5 Conclusion

The hinterlands of southern Orientale largely escape the official control of provincial authorities and mining control agencies, with minerals by and large being sold in North Kivu. Figures for gold are most striking, with 67 percent of all gold, on average, bought by Butembo traders originating in Orientale Province in 2009 (and the first half of 2010). This has implications for government revenues at the provincial level now and possibly even more in the future as the DRC’s decentralisation process unfolds.

Gold is the most important mineral extracted in the areas studied, but production from artisanal mining is certainly lower than in Djugu territory, the most productive territory in Ituri district. Production from semi-industrial gold-mining operations on the Ituri River in Mambasa territory may be considerably higher, but is unknown. A few very productive areas of southern Bafwasende (north of Maiko National Park) and Mambasa (Bakaiko *groupement*), could not be reached due to FARDC presence and/or remoteness.

Regarding mining rights and site management, the provincial system where the AFM runs artisanal sites (a system pre-dating the 2002 Mining Code), is problematic. The AFM exerts total authority over the miners, and many use their power to exploit diggers to a greater extent than elsewhere in the DRC. They impose their own taxes, while most hold a monopoly over the on-site mineral trade (often imposing barter systems), and ignore social, health, safety and environmental standards.

232 T. Hart and C. Aveling (2006), ‘Rapport de mission de monitoring de l’état de conservation de la Réserve de Faune à Okapis 12 – 23 Mai’, UNESCO, p. 13.

233 Field interview, June 2010.

Second, the mining permits granted to the AFM by the Provincial Division of Mines, constitute a considerable source of provincial income but are not recognised by the central government. This causes conflict when companies holding exclusive titles from CaMi appear in areas covered by provincial permits.

Internationally listed, transparent companies, such as Kilo Goldmines, have begun exploration in Mambasa territory. On the other hand, a number of more opaque private companies, with high-level, official backing, are conducting semi-industrial mining operations on the Ituri River, guarded by the military, without declaring any production or exports. This comes close to outright plundering and begs the urgent restoration of state authority.

Among the trade routes leading to North Kivu, the most deserving of note is the route from Walikale (North Kivu) and Maniema province to Butembo and Goma, via Orientale's capital, Kisangani. An increasing amount of cassiterite is transported along this circuitous detour, which will require attention during efforts to regulate the mineral trade in eastern DRC, especially in the light of the recent ban on Kivu minerals declared by President Kabila.

FARDC soldiers frequent mining sites in both southern Bafwasende and Mambasa territories, and are involved in the mineral trade. Most common, though irregular in frequency, is their role in the forced trade of goods around mine sites, especially cigarettes and marijuana, in exchange for gold. This trade appears to be highly organised by the soldiers' superiors.

In Opienge region, southern Bafwasende, the FARDC use military operations against the Mayi-Mayi Kumu as an entry point into the mining areas and are reported to commit serious human rights violations against the local population. The Mayi-Mayi Kumu also appear to be involved in mining and the mineral trade in areas under their control.

Mambasa territory is not a military operational zone, but FARDC soldiers regularly appear at artisanal sites there as well to trade goods for gold, and for informal taxation. Soldiers are employed by private companies to guard semi-industrial sites, and predatory practices, intimidation and violence by both the military and the police are reported.

General Conclusion and Recommendations

Box 8

The recommendations in a nutshell

If the Congolese government – in cooperation with provincial governments and with the support of international donors – were to secure the relatively calm hinterland and open it up to trade, it would be good for business, would increase government revenues, would benefit the local population and could at the same time serve as a pilot project for due diligence efforts.

It is clear from the findings detailed above that the hinterland surrounding North and South Kivu is by no means inferior in terms of mineral production. The areas are important suppliers of minerals to trading towns in the two provinces, and each of the three areas studied has its own “speciality”. Maniema accounts for an important share of the cassiterite arriving in Bukavu and Goma; North Katanga is the most important supplier of coltan to Bukavu and quite possibly the most important coltan mining area in eastern DRC as a whole; and Bafwasende and Mambasa territories produce a large amount of gold. Gold from Orientale province constitutes the majority of the gold traded in Butembo, North Kivu, although production from Bafwasende and Mambasa – at least from artisanal mining²³⁴ – is markedly lower than in Djugu territory, for example. Furthermore, Maniema and Northern Katanga have significant potential for gold production.

As a consequence of the hinterland’s supply role to the Kivus, the main beneficiaries of its resources are the traders based in the Kivu provinces. This is especially true for Maniema, where the degraded transport infrastructure requires that most of Maniema’s mineral production is flown from airstrips directly to Kivu border towns.

The rehabilitation of transport infrastructure should be one of the main priorities for donor and state investment in all three areas of the Kivu hinterland. It would further the development of the mining sector by stimulating legal trade and serious investment. However, several challenges have to be taken into account, including insecurity, logistical problems and maintenance of the repaired infrastructure. As such, building a road is in fact much more than simply building a road.

The Congolese government should develop a plan for opening up the hinterland. This plan should be based on three cornerstones: infrastructure, transparent administration and security. Opening up the hinterland will benefit the local population in several other ways. As the case of Kongolo illustrated, the hinterland is in general an isolated region that needs business and business competition to enjoy the supply (import) of affordable foodstuffs and consumables. At a later stage, the same argument could be made concerning energy supply.

Only a small number of *comptoirs* have a presence in the province and therefore, a large number of *négociants* sell their minerals directly to *comptoirs* in Goma and Bukavu. This is one of the biggest obstacles for greater transparency in the minerals trade in the hinterland and for generating revenues for provincial treasuries.

Additional *comptoirs* should establish offices in the hinterland areas, ideally installing mineral crushers to increase the value of their product.

²³⁴ Production from semi-industrial gold mining operations on the Ituri River in Mambasa territory may be considerably higher, but is unknown.

Incentives could be introduced to encourage the installation of new *comptoirs* in the hinterland. In exchange for reaching certain benchmarks (in terms of transparency, professionalisation and treatment of minerals) they could benefit, for example, from material and/or technical support. Such measures require the involvement of many stakeholders, including the DRC government, international donors, international metal traders and Congolese business federations. Granting exclusive buying rights to a *comptoir* is also giving an incentive for *comptoirs* to move into the hinterland. It is, however, unlikely that such measures would create a sustainable trading environment as the *comptoir* is responsible for generating the support itself (and can do so without concerning himself much with social or other benchmarks).

Traders from Butembo and Bunia are among the main beneficiaries of the gold trade from Bafwasende and Mambasa. However, in several areas of Mambasa semi-industrial gold mining operations – and their political and administrative backers – seem to be making considerable profits too.

Because of recent developments, the situation in Northern Katanga is different. There, a single *comptoir* is reaping the profit from locally mined coltan and, to a lesser extent, cassiterite. The arrival of this *comptoir*, with the support of Lubumbashi, has sidelined the traders from the Kivus.

The case of the unilateral measures taken by the Katangese government (whether a transgression of its competence or not) suggests that giving more responsibility to the provinces (including a greater stake in the taxation of the mineral trade) might incentivise them to better manage the trade and clamp down on abuse. As this might result in competition with the national government or other provinces, it would require coordination between these different stakeholders. Additionally, more information-sharing and data comparison is needed between the state services working on mining issues in the different provinces and regions. The possibility of creating formal structures for coordination between provinces (for example, between Katanga and South Kivu on coltan or between Maniema and North Kivu on cassiterite) should be explored.

In this light, the next stages of the DRC's delayed decentralisation process should be borne in mind. The Congolese constitution stipulates that after decentralisation the provinces will keep 40 percent of the revenues they have generated instead of being "reimbursed" by Kinshasa (it should be noted, however, that this particular provision might be revised). Moreover, the 11 provinces are to be subdivided in 26 new provinces along the borders of the current districts (this is particularly important for the Tanganyika district in Northern Katanga). These two measures would most likely motivate local politicians and civil servants to take control over "their" area of Congolese mineral production. Naturally it remains to be seen how much of the provincial money would flow back to the *territoires* and *secteurs*.

The local opposition to the drastic measures taken by the Katangese provincial government has shown that they were taken without consultation. Increasing the responsibility of the provinces should therefore imply the inclusion of all provincial stakeholders. Examples of such stakeholder fora already exist, albeit in nascent form, in both the Kivus and Ituri. In South Kivu, a so-called Tripartite – including the provincial government, civil society and trader representatives – organised a three-day workshop at the beginning of 2010. In Goma, a round table gathering organised in March 2010 led to the creation of a think tank/lobby group, in which local community representatives participate. In Ituri, the *Cadre de Concertation de la Société civile de l'Ituri sur les Industries Extractives* has existed since 2007 and has organised a wide range of activities. Similar mechanisms would have to be created in the Kivu hinterland as they are necessary to ensure broadly supported policies and reforms.

Officially, industrial mining does not take place in any of the three areas studied. In Maniema, some of the mining companies who failed to restart industrial exploitation have turned their hand to commercialising the minerals mined by artisanal miners on their concessions.

Apart from the economic operators, members of armed groups and the Congolese army generate an income from the widespread mining in the eastern hinterland. This phenomenon exists in all

three of the hinterland areas and is similar to the situation in the Kivus, in that it is usually the local populations who suffer the brunt of the impact from armed extortion or worse.

Despite serious human rights violations related to mining activity being committed by both armed groups and the FARDC, it should be stressed that the security problem in the hinterland is not as complex as that of the Kivus, where several underlying conflict issues are more important drivers of the behaviour of armed groups. None of the armed groups in the hinterland areas has put forward a real political agenda or insurmountable grievances.

In the Kivu provinces, the armed conflict will not be solved by regulating the mineral trade, and real development of the mining sector is probably impossible as long as the conflict situation persists. Therefore, it might make more sense to start developing the mining sector in the hinterland, where it will be easier to re-establish state authority.

In Northern Katanga, the FDLR has carried out a limited number of raids on small mining sites and the FARDC shows predatory behaviour at several of the larger ones, especially in the territory of Nyunzu.

The security situation is generally calm in Maniema and a large proportion of the mining areas in the province are free from military presence. There are, however, some mining areas where there is an armed presence, regular incursions from armed groups, or extortions committed by army factions and civilian authorities.

The relatively calm security situation in most of the hinterland offers a real opportunity for international due diligence efforts, as most of the mining sites are outside conflict zones. These efforts, as outlined by the Organisation for Economic Cooperation and Development (OECD) and US legislation, require companies to report whether their supply chain contains minerals sourced from conflict zones that could have contributed to the financing of armed groups. However, this, in turn, requires a mechanism to distinguish between “clean” and “dirty” minerals.

As a first step, this distinction needs to be clearly defined, including taking a clear position on how to deal with the issue of human rights violations committed by soldiers of the Congolese army. Next, three complementary systems need to be created:

- Certification at the source would be the most reliable way to identify conflict-free minerals. Setting up a full system for certification is, however, a lengthy process. Therefore, it could start with small islands of transparency. This is already happening at a limited number of mining sites in the Kivus under the coordination of BGR. Another pilot project is being run by the tin industry itself at two mines in the Kivus. It is currently limited to setting up a system for traceability and has therefore been subject to criticism. Extending such initiatives (or an improved version) to the hinterland is crucial and will most likely prove to be less complicated.

As a full certification scheme is costly in terms of both time and money, an assessment has to be made whether the long-term strategies of donors to fight the “blood minerals” phenomenon might be better focused instead on supporting peacebuilding initiatives and defending human rights. It has to be kept in mind that certification deals with the consequences of a certain problem, not the causes.

- Neither due diligence nor certification are possible without the availability of complete and up-to-date information. Therefore a rigorous mapping team should regularly chart out which mining sites are occupied by armed groups. MONUSCO produces some internal maps every now and then and the US State Department has been obliged by its legislator to publicise maps, but both base their maps on existing information, primarily an IPIS map that dates back to the summer of 2009. Likewise, the DRC government has been working on a map of its own, relying on the US and MONUSCO maps. In short, although several map-making

initiatives exist, no new data is gathered and consequently no up-to-date maps are currently being published.

- Finally, as certification is established – a process that could take several years – a thorough oversight mechanism should be established to carry out investigations and to conduct spot checks. A credible third party oversight mechanism would be independently funded and would include a partnership with the Congolese government, which should designate an institution that would be in charge of sanctioning individuals.

The situation is probably the most serious in Bafwasende, where FARDC profits from its involvement in the mineral trade (alongside ivory and bushmeat). In both Bafwasende and Mambasa, there have been reports of serious human rights violations by the FARDC. The *Mayi Mayi* of Major Luc, the FARDC's opponents, are engaged in mining and poaching, but there are no reports of widespread human rights abuses from the (remote) area they control.

Thorough DDR and SSR are absolutely essential to improve security in the mining regions of the hinterland. There is often no good reason for the FARDC to be deployed at a mining site. The Congolese army should aim to withdraw all soldiers from mining areas that are not under threat by armed groups. Where security forces are deployed there should be safeguards in place, such as regular visits by the army's inspector general, a military prosecutor or intelligence officers. The integrity of this controlling body is crucial and military justice should therefore be prioritised during SSR. Furthermore, to set an example and end impunity, army units and commanders should be held accountable for the crimes they have committed.

A renewed DDR effort is equally important. The few armed groups that are still active have no elaborate agendas and are limited in size. It should be possible to convince them to enter a full DDR program that pays sufficient attention to the reintegration aspect. The many ex-combatants who have "self-demobilised" constitute another group which should be included.

Generally speaking, among the armed groups, large profits are probably only made by some of the FARDC units working for their superiors. These units often establish and maintain a shadow economy apart from the official circuit. Furthermore it has to be kept in mind that military officers sometimes have business interests in "legitimate" economic operators such as Maniema Union. Congolese officials, beyond the FARDC, often take part in the shadow economy.

Government agents in hinterland areas reveal high levels of frustration concerning lack of resources and support to carry out their functions. Such a lack of support often breeds predatory behaviour and illegal taxation practices by government agents at mine sites. Unofficial taxation and fees become a substitute for regular salary payments, and are often subsidised by mine operators. A common assumption made by both the government and development actors is that in order to resolve the governance problems plaguing the mining sector, one need only increase the number of government agents available for a site or series of sites. However, new government agents are rarely deployed with sufficient resources to perform their duties, forcing them to adopt the same predatory behaviour as their peers. So an increase in personnel alone, without any accompanying resources and training, will rarely fundamentally improve services rendered by government agents. Any attempts to improve mining governance cannot overlook the issue of quantity versus quality (i.e. number of agents versus their capacity) and furthermore the importance of ensuring that solutions respond accurately to the fundamental constraints the sector faces.

Finally, artisanal miners are no better off in the hinterland areas than in the Kivus. The conditions in which they work are equally bad as they receive no support from the state and the current economic operators invest little in the social needs of their labour force. Moreover, the artisanal miners are rarely organised, so they have virtually no bargaining power when it comes to mineral pricing.

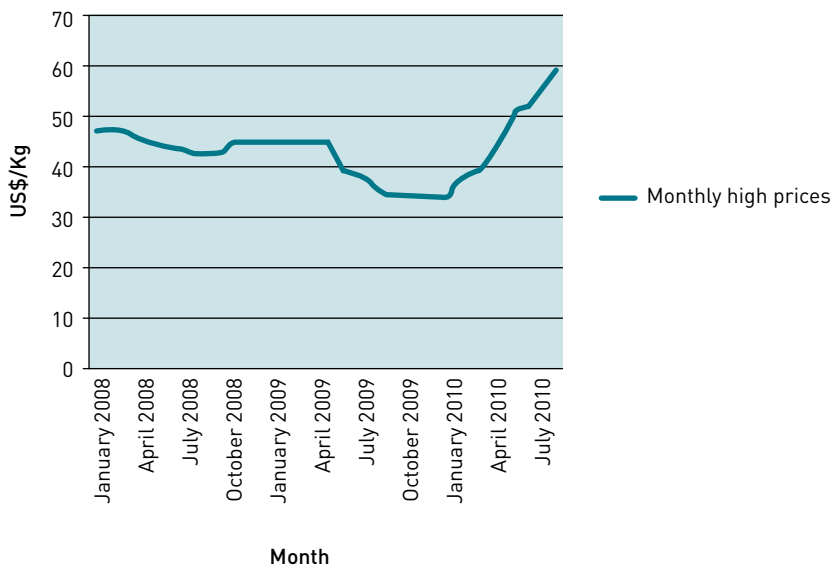
The establishment of artisanal and trader representation groups (whether cooperatives, associations, or others) would make an important contribution to the evolution of better governance of the sector, including its trade.

Appendix

Coltan and Cassiterite Prices

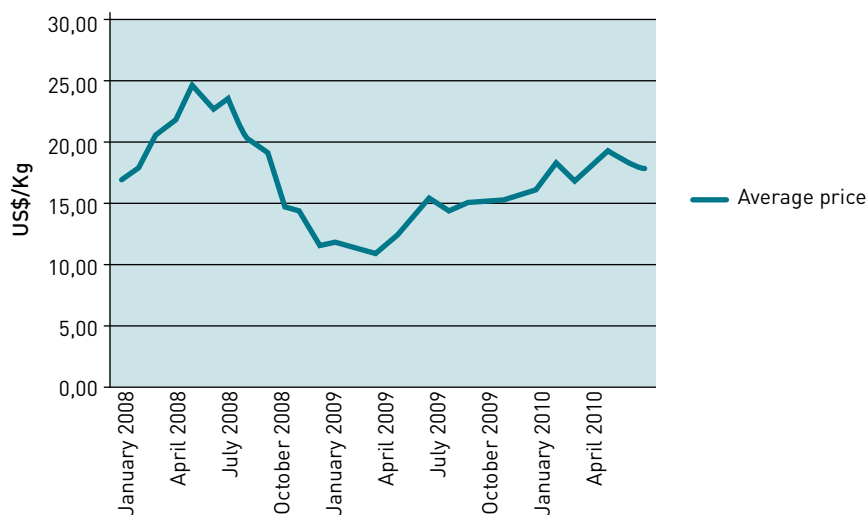
A. World market prices (US\$)

Evolution coltan price



Prices are in current \$
 Source: www.asianmetal.com

Evolution cassiterite price



Prices are in current \$, cash price
 Source: London Metal Exchange (LME)

Whereas tin prices halved between the end of 2008 and the first half of 2009 (the time when the global financial crisis struck) and have only slowly recovered, the price of coltan fell less dramatically and has skyrocketed since the start of 2010.²³⁵

B. Export prices

That cassiterite prices dropped much more in proportion to coltan in 2009 is also clear from the average export prices for minerals in the DRC.

Average export prices per year

	2007 US\$/Kg	2008 US\$/Kg	2009 US\$/Kg (first 6 months)
Cassiterite	3.05	9.95	6.64
Coltan	9.37	17.66	15.80

Source: CEEC, Direction technique, *Division des matières semi-précieuses*

²³⁵ Because coltan is not LME registered, the price graph was taken from Asian Metal, an information company providing reliable metal prices. Asian Metal provides monthly minimum/maximum prices for coltan instead of average prices. The period shown runs from January 2008 until July 2010 as to provide the most recent information on the one hand and still include the 2008 global crisis on the other hand, allowing for an analysis of the evolution of prices.

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