



# Voluntary Principles on Security & Human Rights Report for the Calendar Year 2021

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building  
local promise.

## A. Commitment

### *A.1 Statement of commitment or endorsement of the Voluntary Principles*

Pact is an international development organization with nearly 40 country offices worldwide across Africa, Asia, Europe, and Latin America. Pact enables systemic solutions that allow those who are poor and marginalized to earn a dignified living, be healthy, and take part in the benefits that nature provides. Pact accomplishes this by strengthening local capacity, forging effective governance systems, and transforming markets into a force for development.

Through our 'Mines to Markets' (M2M) program, Pact works extensively with the mining sector at all levels and often in post conflict and high-risk areas. As such, Pact views the Voluntary Principles on Security and Human Rights (VPSHR) as a valuable mechanism and tool to manage risk, achieve improved governance and security practices, and strengthen community rights. The VPSHR creates a forum and coalition for positive change through responsible practices and this presents an invaluable opportunity for civil society, industry, and government to share challenges, lessons, approaches, and messages. Such collaboration and communication are essential if all sectors of society are to gain lasting benefit from the equitable and responsible use of their mineral resources.

Pact is a Founding Member of the Voluntary Principles Association (VPA).

## B. Policies, Procedures, and Related Activities

### *B.1 Relevant policies, procedures, and/or guidelines (or any changes thereof from the previous reporting year) to implement the Voluntary Principles.*

No change to report this year.

### *B.2 Examples of promoting awareness of the Voluntary Principles throughout the organization or government.*

Since 2010, Pact has been working in partnership with the International Tin Association and the Tantalum-Niobium International Study Center (T.I.C.) for field implementation of the International Tin Supply Chain Initiative (ITSCI).

The ITSCI program is currently implemented in the Democratic Republic of the Congo, Rwanda, Burundi, and Uganda. ITSCI is a joint-industry initiative that provides traceability and due diligence for 3T (tin, tantalum, tungsten) minerals, in compliance with international, regional and national laws, such as the US Dodd Frank Act and its section 1502, the EU Regulation 2017/821 laying down supply chain due diligence obligations for

Union importers of tin, tantalum, tungsten and gold as well as national laws and regulations, and in compliance with the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRAs). To date, ITSCI is the only industry initiative with standards 100% aligned with the OECD Guidance. ITSCI transparently reports OECD Annex II risks and promotes whistleblowing in the DRC in 500 monthly radio spots.

Since December 2018, Pact also implements the Sustainable Mine Site Validation (SMSV) Project in the DRC, a four-year cooperative agreement awarded to Pact by the United States Agency for International Development (USAID). The project aims to reduce conflict that builds off the illegal mining and trade of 3TG (tin, tantalum, tungsten, and gold) by implementing a new Mine Site Qualification and Validation (Q&V) model in North and South Kivu, DRC that:

- Is financially and technically sustainable.
- Meets all requirements in the OECD Due Diligence Guidance (DDG) for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRAs), the International Conference on the Great Lakes Region (ICGLR) Regional Certification Mechanism (RCM), and DRC law.
- Allows for adequate flexibility on the ground to enable Q&V of new mine sites in a timely fashion and in accordance with local needs.

SMSV fully builds the capacity of DRC Mining Inspectors/Controllers and local multi-stakeholder committees (CLS) to conduct Q&V missions, adequately monitoring mining activities at all sites and addressing/mitigating identified risks at these sites. Independent monitoring is ensured through a whistleblowing and rapid-alert mechanism.

A particular emphasis is placed on gender and child labor by:

- Raising awareness of local stakeholders and developing strategies to fight child labor.
- Increasing the representation of women in mining.

Since February 2021, Pact also partners with DRC state-owned *Entreprise Générale du Cobalt* (EGC) and international trader Trafigura Pte Ltd. to formalize the ASM cobalt sector in the DRC. EGC is a state-owned company created in November 2019 with the mandate of being the sole buyer of ASM cobalt produced in the DRC.<sup>1</sup> In order to operationalize its role, on October 27th, 2020, EGC signed a trading agreement with Trafigura, one of the world's leading independent commodity trading houses. The agreement includes the provision of finance by TRAFIGURA to fund the creation of strictly controlled artisanal mining zones, the installation of ore purchasing stations, and financing costs related to buying, transforming, and delivering of cobalt hydroxide to end buyers. The EGC project will take stock of the previous experience gained by the consortium of Pact and Trafigura in the framework of the Mutoshi project.<sup>2</sup>

Pact is responsible for widespread training and monitoring the implementation of the EGC responsible sourcing standards<sup>3</sup> on the ground, developing robust stakeholder engagement forums, providing technical assistance to mitigate traceability, health, safety, environment, and community risks while maintaining a permanent presence on operating sites and supporting continuous improvement of conditions for miners, ASM Cooperatives, government, and other key stakeholders. Implementation of the VPSHR at and around

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<sup>1</sup> [https://www.egcobalt-rdc.com/app/uploads/2021/02/Decret\\_Num19\\_15\\_du\\_05\\_Nov\\_2019.pdf](https://www.egcobalt-rdc.com/app/uploads/2021/02/Decret_Num19_15_du_05_Nov_2019.pdf)

<sup>2</sup> For more information on the Mutoshi project, please confer to Pact Annual report to the VPI, 2019.

<sup>3</sup> <https://www.egcobalt-rdc.com/app/uploads/2021/03/20210326-EGC-Responsible-Sourcing-Standards-English.pdf>



EGC mine sites is also a key part of the project. As such, Pact promotes awareness of the VPSHR to the project’s partners and supports the implementation of the VPSHR on the ground.

### ***B.3 Examples of promoting and advancing implementation of the Voluntary Principles internationally***

In December 2021, Pact Deputy Director of Mining Mickaël Daudin participated in a webinar organized by the VPI on Managing Risks and Creating Opportunities for Interactions Between LSM and ASM. As panelist, Mickaël Daudin promoted engagement with ASM sector and how ASM-LSM cooperation can decrease and/or mitigate security risks in the mining sector.

Pact also attended the T.I.C. annual conference in October 2021 in London. Pact representative Mickaël Daudin presented the ITSCI programme, including Pact activities that are linked with the implementation of the VPSHR on the ground.

## **C. Country Implementation**

### ***C.1 Overview of country operations selected for reporting***

#### **DEMOCRATIC REPUBLIC OF CONGO, RWANDA, BURUNDI, and UGANDA**

##### **➤ *ITSCI Program***

Pact is the field implementation partner of the ITSCI program in the DRC, Rwanda, Burundi, and Uganda. Pact is directly engaged in vetting mines, i.e., verifying conditions at and around the mine as well as along mineral transport routes, and assess whether there are potential links to conflicts. Whenever risks are observed on the ground, based on OECD Due Diligence Guidance Annex II risks and beyond, incidents are recorded, verified, reported and followed-up. ITSCI teams facilitates regular meetings of 56 local multi-stakeholder committees to promote response to Annex II risks (see chapter C.10 below).



*Awareness raising session with miners in Lubona, Kalehe territory, South Kivu, December 2021*

ITSCI supports all stakeholders in the practical implementation of the theoretical recommendations of the OECD Due Diligence Guidance. We provide advice to companies and authorities on a daily basis regarding policies, procedures, assessments, risk management and reporting, and also organize official training events for different stakeholder groups, including the local committees and high-level officials.

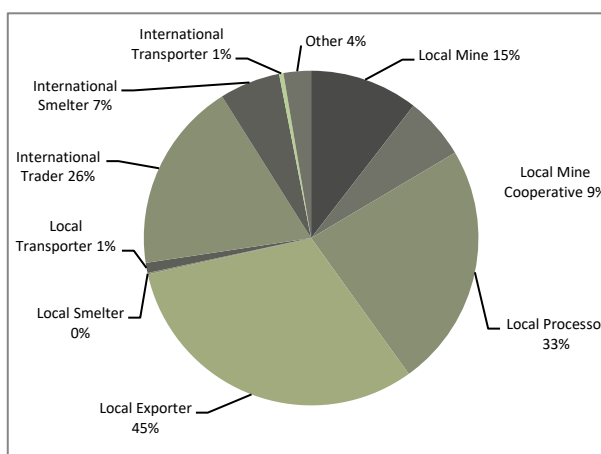
In 2021, Pact/ITSCI teams reported 1,343 incidents related to due diligence, chain of custody, corruption, security, and human rights. At the end of the year, 828 of them were closed, whereas 515 remained open for continuous monitoring and follow-up.

This project is an active demonstration of how responsible comportment of the police and army can be promoted through an industry initiative that incentives security and human rights. The project footprint is now as follows:

Country	Province	Number of monitored sites	Number currently active	Number of miners
DRC	Tanganyika	78 sub-sectors covering 167 pits	69 are active	9,582
	Haut-Lomami	87 sub-sectors covering 132 pits	77 are active	11,138
	Haut-Katanga	44 sub-sectors covering 57 pits	29 are active	2,460
	Lualaba	17 sub-sectors covering 17 pits	8 are active	367
	Maniema	113 sub-sectors covering 495 pits	209 are active	6,148
	South Kivu	79 sub-sectors covering 208 pits	132 are active	6,248
	North Kivu	72 sub-sectors covering 215 pits	133 are active	6,462
Rwanda	All	359 companies covering 1,010 sites	211 are active	24,450
Burundi	All	206 sub-sectors covering 216 pits	108 are active	4,477
Uganda	All	2 companies covering 6 sites	1 is active	300
REGIONAL	TOTAL	<b>1,057 sub-sectors/companies, 2,523 sites/pits</b>	<b>977 are active</b>	<b>71,632</b>

Further, the ITSCI system has a corporate membership system, the requirements, and the monitoring/auditing processes of which ensure that these companies are meeting the specific requirements of the OECD Guidance. The corporate membership at present is as follows:

- **494 engaged upstream companies as Full Members;** 301 are evaluated and approved members, 67 in process of application, 295 withdrawn, inactive, suspended or failed
- In a **global upstream supply chain across 46 countries;** 68% in Africa, 16% Asia and middle east, 12% Europe, and 4% in the Americas
- **6 engaged downstream companies as Associate Members;** Apple, Intel, Motorola Solutions, Qualcomm Technologies, Eizo Corporation and HP inc.



➤ ***ASM Cobalt Formalization Project with EGC and Trafigura***

One key aspect of the ASM Cobalt Formalization project is to ensure that the security provided at the EGC mining sites and throughout the supply chain respect miners' rights as well as the rights of the neighbouring communities. In order to ensure project partners' buy-in and understanding of the VPSHR at the highest level, Pact conducted two training sessions for the EGC project's senior leadership on the VPSHR on July 6<sup>th</sup> and 13<sup>th</sup>, 2021. During the training, Pact representatives provided key information on the VPSHR and how they can be implemented. The sessions were participative to enable the drafting of practical next steps for the VPSHR implementation by the project partners.

Following the training, a roadmap was adopted by EGC Technical Committee members, and participants declared their commitment to uphold the VPSHR. A declaration of commitment for the implementation of the VPSHR was approved by the Technical Committee in October 2021.

Furthermore, Pact has been supporting EGC to make sure that international best practices as mentioned in the VPSHR and the International Code of Conduct for Private Security Providers are met in the selection of the security provider, based on resources produced by the VPI and its members. In that sense, in the framework of an open tender, Pact developed a set of selection criteria to be applied to ensure that the process followed is fair, transparent, and that the selected company's procedures and practices respond to national law and international best practices (notably in relation to human rights and the use of force).

Pact is also working on a training of trainers for the EGC project's main stakeholders. One key subject of this training is in relation to the VPSHR.

In relation with these activities, Pact will also support the implementation of a grievance mechanism to give miners and the community access to a complaint mechanism notably in relation to the conduct of public or private security. The development of an effective risks and grievances mechanism will serve not only as a way to meet requirements, but it will prevent and address community concerns, reduce risks, and assist larger processes that create positive social change.

➤ ***USAID-Pact Sustainable Mine Site Validation Project***

The core activity of this project consists in building the capacity of key stakeholders. Pact and its sub-partner BEPAT are training local and provincial committees. At a local level, Pact is training Mining Inspectors/Controllers from state mine services (SAEMAPE and Division of Mines) and all CLS members on understanding all requirements of the Qualification & Validation mission—how to prevent, assess, mitigate, and resolve risks to keep mine sites validated as 'green.' Additional training components include sensitization on child labor and sexual and gender-based violence. Pact is integrating the VPSHR in the training curriculum of local and provincial stakeholders.

## ***C.2 Engagements with stakeholders on country implementation***

➤ ***With the VPs National Working Group in Kinshasa***

In the DRC, Pact participates to the VPs National Working Group. A meeting was notably organized in September 2021 to discuss the DRC's government application process to the VPI. Pact actively participated and provided some feedbacks/suggestions in relation to the application process.

➤ **With the ITSCI programme**

In the DRC, Rwanda, Burundi and Uganda, stakeholder engagement is carried out a local, provincial, and national level through local and provincial multi-stakeholder committees which meet on regular basis to discuss mining activities in their area, monitor any human rights abuses in the mining sector, and agree on mitigation measures that should be implemented to address and resolve those risks.

Country	Province	Local Consultation and Mitigation facilitated by ITSCI
DRC	Tanganyika	<b>Provincial Committee</b> established plus <b>4 Local Committees</b> in Manono, Kalemie, Nyunzu, and Kongolo. <b>2 sub-committees</b> in Kisengo and Kiambi.
	Haut-Lomami	<b>Provincial Committee</b> established plus <b>2 Local Committees</b> in Malemba-Nkulu and Luena.
	Haut-Katanga	<b>Provincial Committee</b> established and <b>1 Local Committee</b> in Mitwaba.
	Lualaba	<b>Provincial Committee</b> established and <b>1 Local Committee</b> in Busanga.
	Maniema	<b>Provincial Committee</b> established; plus <b>5 Local Committees</b> in Kailo, Kalima, Punia, and Lubutu with <b>2 Sub-Committees</b> in Kampene and Kasese.
	South Kivu	<b>Provincial Committee</b> established; plus <b>16 Local Committees</b> in Nyabibwe, Nyamukubi, Numbi, Lijiwe, Chambombo, Bitale, Lemera, Katogota, Idjwi North, Idjwi South, Shabunda, Mulungu, Nzibira, Luntukulu, Luhago, and Mwenga with <b>6 Sub-Committees</b> in Lulingu, Matili, Lumbishi, Nzovu, Kigulube, and Nyambembe.
	North Kivu	<b>Provincial Committee</b> established; plus <b>5 Local Committees</b> in Rubaya, Bweremana, Ngungu, Walikale, and Lubero with <b>3 Sub-Committees</b> in Bandulu, Itebero and Manguredjipa.
Rwanda	All	No <b>National Committee</b> established. As of the end of Q4, there are <b>13 District Mining Task Forces</b> across the country.
Burundi	All	<b>National Committee</b> established (inactive); no <b>Local Committees</b> created.
Uganda	Company-based	<b>No committees</b> established.

In 2021, ITSCI facilitated 255 multi-stakeholder committee meetings at the local and provincial levels, empowering security, governmental, industry, and civil partners to agree upon and enforce risk mitigation measures.

➤ **With the ASM Cobalt Formalization project with EGC and Trafigura**

In Kolwezi, DRC, in the framework of the ASM Cobalt Formalization project, Pact worked with local representatives, including the *Chef de Quartier* of Kasulo to set up a local multi-stakeholder committee (CLS). The CLS is led by the *Chef de Quartier* of Kasulo and composed of representatives of the Provincial Ministry of Mines, SAEMAPE, Mine Division, CEEC, FARDC, PNC, PMH, Mining cooperatives, EGC, representatives of miners, negociants and civil society. The CLS meets at least once a month and is a key actor in the risk identification, analysis, and mitigation. The CLS was officially launched in June 2021. On June 3<sup>rd</sup>, Pact facilitated the first CLS meeting with a total of 63 participants (50 men and 13 women).

In 2021, monthly meetings were held, with an average attendance of 20-30 CLS participants for a total of 7 meetings. There were continual meetings providing the opportunity for EGC and Pact to share information about the project and the EGC Responsible Sourcing Standard as well as answering questions from the representatives of the community about the project. The CLS also developed an initial risk assessment for

EGC's foreseen initial mine site with possible mitigation measures as a crucial step to realizing CLS's members' roles and responsibilities.

Supporting the efforts of the CLS, Pact also organized and conducted a training on Occupational Health and Safety and Environment, Due Diligence and the VPSHR on September 22-24<sup>th</sup>. Participants included members from the government, private sector, and civil society organizations including 22 men and 3 women. The participants learned about the VPSHR and what they mean in the ASM context. They conducted exercises around risk analysis and possible interactions with both public and private security. Lastly, the module on VPSHR ended with an exercise describing a scenario of an interaction with security and what they should or should not do.

### *C.3 Examples of supporting outreach, education, and/or training of (i) relevant personnel, (ii) private security, (iii) public security, and/or (iv) civil society (e.g., local NGOs, community groups)*

In 2021, ITSCI convened 638 training and coaching sessions in the DRC, reaching a total of 8,669 participants, including state agents, miners, traders, cooperatives, exporters, state security forces, and local authorities. Participants learned about tagging procedures, due diligence, Organizational Health and Safety, and the Voluntary Principles on Security and Human Rights.

As part of the ITSCI whistleblowing mechanism, a radio campaign raising awareness on the toll-free rapid-alert hotline, due diligence and risks in the mineral supply chain continued to be carried out smoothly. In 2021, 6,152 spots were broadcasted on 29 community radio stations across the DRC.

In 2021, Pact continued implemented the SMSV project in North and South Kivu and achieved the following results:

- **298 mines sites** validated by the Ministry of Mines.
- **7 validation decrees released** by the National Ministry of Mines.
- **7 local committees (CLS) trained** on legal aspects related to the Q&V according to OECD, ICRGL, EU regulations, and US and DRC laws, **3** of which were newly created by the project.
- **217 CLS members including 20 women** participated in these trainings in Shabunda Center, Mugembe, Matili and Mapimo.
- **63 SAEMAPE and DIVIMINES agents trained** on the legal framework around Q&V, International Conference on the Great Lakes Region (ICGRL), Regional Certification Mechanism (RCM), DDG, Voluntary Principles on Security and Human Rights (VPSHR), worst form of child labor (WFCL), risks and incident migration including tools on how to address child labor, sexual and gender-based violence (SGBV) and women in mining issues.
- Training materials developed and updated which contain specifics topics including practical exercises on analyzing risks in mining areas.
- At least **3,000 people sensitized** on the whistleblowing mechanism and mining risks.
- 18 awareness-raising material (billboards, flyers, banners) on child labor displayed in mining areas.
- 384 radio broadcast emissions produced in all visited zones.
- **7 women associations trained** in the establishment of a cooperative.
- **387 people** including CLS members, mining inspectors/controllers and women mining workers trained in gender issues, SGBV and in the establishment of an association.
- Production and disbursement of specific materials on women's right, SGBV, women in mining, child labor and whistleblowing mechanism.



- **7 women associations trained** in the establishment of a cooperative.
- **1 women's cooperative** trained and officially recognized in Shabunda territory in South Kivu.
- **70 women mining workers trained** in gender issues, SGBV and in the establishment of an association.
- **1 Incident Monitoring and Management Protocol implemented** to ensure better monitoring, reporting and mitigation of risks and incidents occurring in and around the mining sites visited in Shabunda territory in South Kivu and Masisi, Beni and Lubero territories in North Kivu.
- **10 new Local Monitoring Units (ULSs) deployed, and 40 investigators' capacity strengthened** in the areas and mining sites covered by the SMSV project.

## D. Lessons and Issues

### *D.1 Lessons or issues from this reporting year, as well as plans or opportunities to advance the Voluntary Principles for the organization*

Pact has continued to support the implementation of the VPSHR throughout Pact's project activities in the DRC, working both in large scale mining and artisanal and small-scale mining contexts. To enable a more sustainable approach to VPSHR implementation, Pact has built VSPHR components to long term project activities. This has led to progressively improve knowledge of stakeholders from the civil society, government, and private sector on the VPSHR.

For instance, by addressing security risks through the ITSCI incident reporting mechanism as well as in the multi-stakeholder committees that Pact/ITSCI field teams facilitate, the ITSCI programme plays a critical role in making security forces along with mining companies more accountable and in contributing to the resolution of incidents that involve public or private security forces. This being said, despite trainings and active monitoring and risk mitigation, Pact and its partners are still facing range of issues which need to be addressed in relation to the conduct of public and private security forces. Incidents are still recorded when it comes to illegal taxation on mineral transport routes, abusive conducts from public security forces or their illegal presence on mine sites. Pact is continuing to monitor, report and mitigate on such risks. Such incidents are discussed during local or provincial committee meetings (CLS or CPP) where public security forces (such as the Mine Police or the Army are represented). These fora have been instrumental in getting more oversight, transparency, and resolutions of issues. These issues highlight the need to carry out regular training of local stakeholders, in particular state security forces, to sustain the progress achieved on the ground and prevent risks. However, more implications of national actors (from the Ministry of Interior or Defense for instance) is also needed for more long-term improvements. Therefore, Pact welcomes the effort of the DRC government to become member of the VPI and considers that this application will lead to higher political traction at the national level to improve the conduct of security forces in or around mine sites.

In the copper belt, Pact is continuing to witness the presence of FARDC on several large-scale mine concession. The risks linked to FARDC presence to secure LSM sites are important in term of human rights violation of neighboring communities, as well as disproportionate use of force to remove informal ASM workers from LSM concessions. Pact is continuing to advocate for a more permanent solution to manage the relations between ASM and LSM. Pact's work within the ASM Cobalt Formalization Process with EGC is a real potential to provide a viable alternative for ASM miners who could work on formalized mine sites with improved working conditions, and sites secured following the best practices of the VPSHR.