

Peace and Security in the Great Lakes Region

The European Union's Commitment to Supporting ICGLR Member States to Unlock the Development Power of their Natural Resources

A Key Objective: Addressing Root Causes of Insecurity

In 2023, the European Union (EU) outlined a new strategy for the Great Lakes region which promotes peace, democracy, and sustainable development in the region as a key objective.¹ The new strategy builds on the priorities, results, and lessons learned from implementing the 2013 EU Strategic Framework for the Great Lakes Region. It adopts a regional integrated approach and is action-oriented, focusing where the EU can bring added value.

The strategy commits the EU to support addressing root causes of insecurity, such as the mismanagement of natural resources. Competition for natural resources and their illicit trade have been identified as a major contributor to violence, armed conflict, and insecurity in the Great Lakes region. They are also cited as having an untapped potential to support economic and social development for the region.

As part of its 2023 strategy, the EU commits to contribute to the management and sustainable governance of natural resource supply chains, "encouraging the passage from trafficking to a legitimate commerce-based economy."² It further commits to supporting intra-regional mechanisms, such as the International Conference on the Great Lakes Region (ICGLR) that can work towards improved governance of supply chains.

The ICGLR was created in response to the recognition that political instability and conflicts in Central Africa have a considerable regional dimension and require a concerted effort to promote sustainable peace and development. With 12 Member States, it is the only platform regionally that has a strong political mandate, continued support, and technical expertise to work on illicit trade of the minerals sector.



Traceable, conflict-free artisanal gold from Democratic Republic of Congo. Sven Torfinn.

- 1 European Union, A renewed EU Great Lakes Strategy: Supporting the transformation of the root causes of instability into shared opportunities – Council Conclusions, 6631/23, February 23, 2023, <https://data.consilium.europa.eu/doc/document/ST-6631-2023-INIT/en/pdf>.
- 2 European Union, A renewed EU Great Lakes Strategy, pp. 10.



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How Mismanagement of Natural Resources Contributes to Insecurity

Artisanal and small-scale mining (ASM) is an important livelihood for over five million people in the region. While much spotlight has been on Democratic Republic of Congo's (DRC) minerals sector and its ties to conflict financing, the linkages to cross-border smuggling, and informal supply chains of other ICGLR countries have increasingly come into focus as contributing drivers.

Artisanal mining remains largely informal and is often poverty driven. It is often associated with widespread corruption or human rights abuses. For example, artisanal mining communities are susceptible to being exploited by armed groups and other illicit actors, especially where they are producing lucrative, high-value minerals like gold. At mines where armed forces are present, there have been instances of human rights abuses, dangerous working conditions, child labour, and gender-based violence. While women take on a variety of roles in gold mining, they often face discrimination that limits their opportunities to fully benefit from the sector.

Of the four recognized conflict minerals—tin, tantalum, tungsten (3Ts) and gold—gold is considered the most significant in terms of conflict financing and revenue lost by African governments because of the large volumes of contraband gold that are illegally smuggled out of Member States. As an alternative to paper currency, gold is often favoured for facilitating money laundering and illicit trade. It is a high-value, easy-to-transport mineral, making it vulnerable to smuggling and an ideal target for armed groups. In 2015, research estimated that the smuggling of ASM gold deprives governments of the region of tax revenue up to \$22 million USD per year.³ A 2020 study found that Africa is losing almost \$89 billion USD annually to illicit flows—with much concentrated in high-value, low-weight commodities like gold.⁴

Many traceability and due diligence mechanisms have been implemented for the 3Ts, and conflict financing tied to these minerals seems to have decreased.⁵ However, it appears that smuggling of DRC gold is thriving. Many buyers of artisanal DRC gold in transit points and trading centers don't seem to question where it comes from, whether it's been traded and exported legally, whether it's funding armed groups or corruption, or contributing to human rights violations.⁶

The ICGLR's Efforts to Tackle Illicit Trade

The Regional Initiative against the Illegal Exploitation of Natural Resources (RINR) was adopted through the Lusaka Declaration by Heads of State in December 2010. The RINR outlines the six tools to implement the Protocol against the Illegal Exploitation of Natural Resources, including the Regional Certification Mechanism (RCM), harmonization of national legislations, a regional database on mineral flows, formalization of the artisanal mining sector, promotion of the Extractives Industries Transparency Initiative (EITI), and a Whistleblowing mechanism.

The RCM is a compulsory regional standard for certification of the 3Ts and gold sourced from or transiting across an ICGLR Member State. It is fully compliant with the OECD Due Diligence Guidance for Responsible Chains of Minerals from Conflict-Affected and High-Risk Areas. The first certificate was issued by Rwanda in 2013. Five Member States are currently implementing the RCM: Burundi, DRC, Rwanda, Tanzania, and Uganda.

Despite important progress, much remains to be done across the countries of the region, both for those that have begun applying the RCM and those that have not. At the same time, ICGLR Member States are increasingly turning their attention to using the mining sector as an engine for economic growth and are keen to broaden the scope of the RINR to support the development of their mineral sectors.

In addition, the surge in demand for critical minerals has brought similar struggles to other supply chains—emphasizing the need for a holistic approach to their natural resource sector that can drive sustainable development and economic growth.

3 IMPACT, *Contraband Gold in the Great Lakes Region: In-region Cross-border Gold Flows versus Out-Region Smuggling*, May 2015, p. ii, <https://impacttransform.org/wp-content/uploads/2017/09/2015-May-Contraband-Gold-in-the-Great-Lakes-Region-In-Region-Cross-Border-Gold-Flows-Versus-Out-Region-Smuggling.pdf>.

4 A 2020 study found that Africa is losing almost \$89 billion USD per year to illicit financial flows. See: "Africa could gain \$89 billion by curbing illicit financial flows," UCTAD, September 28, 2020, <https://unctad.org/press-material/africa-could-gain-89-billion-annually-curbing-illicit-financial-flows-un-says>.

5 IPIS, *Comparative analysis between cobalt and 3T sourcing from DRC*, 2021, <https://ipisresearch.be/wp-content/uploads/2021/07/Comparative-Analysis-between-cobalt-and-3T-sourcing-from-the-DRC.pdf>.

6 IMPACT, *A Golden Web: How India Became One of the World's Largest Gold Smuggling Hubs*, November 2019, https://impacttransform.org/wp-content/uploads/2019/11/IMPACT_A-Golden-Web_EN-Nov-2019_web.pdf.

EU Investment to Improve Mineral Governance

To address these root causes of instability in the region, the EU is funding a four-year project from 2023-2027 which aims to improve mineral governance in the Great Lakes region of Africa while contributing to the consolidation of peace and security in the region.

This project builds on the first phase of the regional Project on Peace and Security in the Great Lakes Region which ended in 2022. The project's focus on improved mineral governance is one component of the larger EU project on the consolidation of peace and security in Africa's Great Lakes Region, which will also strengthen the ICGLR's contribution to conflict prevention and resolution.

Peace and Security in the Great Lakes Region: Supporting the ICGLR and its Member States to Improve Governance of their Mineral Resources

The Peace and Security in the Great Lakes Region project aims to improve mineral governance in the region while advancing security, stability, and development. The project builds the capacity of the International Conference on the Great Lakes Region (ICGLR) and its Member States to address artisanal mineral flows and harness their potential as drivers for economic and social development, as well as stability and security. This four-year, 7.1 million € (\$7.5 million USD) project is funded by the European Union (EU).

How will the Peace and Security in the Great Lakes Region project improve mineral governance?

1 Control artisanal mineral resources, including environmental and social impacts with a particular attention to women and youth



The importance of the artisanal mining sector to economic and social development is still untapped—with it mostly seen as a driver of conflict and insecurity. The project will update the Regional Initiative against the Illegal Exploitation of Natural Resources (RINR) to reflect stakeholder needs and investment in value addition within the region, as well as support its implementation. Sensitization on the ICGLR's Formalization Guidance will be carried out and support will be provided to implement it, with a particular attention to the impact on women and youth. Analysis of value-addition in the region will generate guidelines for Member States.

2 Apply strategies and best practice models to artisanal gold export regimes



The project will identify and provide training on best practice models to reform artisanal gold export regimes, to align with the ICGLR's ASM gold strategy. Additionally, the project will support the ICGLR to develop a strategy addressing willing and non-compliant aggregators of artisanal 3T and gold minerals. The project will provide support to the ICGLR for continued engagement with international markets, including importing countries and trading hubs.

3 Adopt improved Regional Certification Mechanism (RCM) systems and procedures



The project will support more efficient and cost-effective RCM systems and procedures that meet market expectations. For the RCM to be recognized by the international market, a benchmarking exercise in collaboration with market actors will be undertaken. A data compatibility review and training will support data analysis and reporting, and the project will ensure data security and data sharing protocols are in place. The project will support the ICGLR to identify in-region chain of custody or auditing service providers and address market alignment gaps.

The Peace and Security in the Great Lakes Region project is implemented by IMPACT, an international non-profit organization with more than thirty years of experience transforming how natural resources are managed in areas where security and human rights are at risk. IMPACT has a strong history of collaborating with the ICGLR and its Member States as a technical partner to support the implementation of the Regional Initiative against the Illegal Exploitation of Natural Resources (RINR).

EU's Commitments to Improved Mineral Governance in the Great Lakes Region

● February 2020

EU-AU Joint Vision for 2030: During the 6th Joint EU-AU Summit, leaders agree on a renewed and enhanced cooperation for peace and security—including tackling the root causes of conflicts and addressing the entire conflict cycle through an integrated approach.

● March 2023

EU Raw Minerals Act: The regulation ensures the EU has access to a sustainable supply of critical raw materials by streamlining permits and access to finance for critical raw material projects in the EU and third-party countries.

● January 2021

EU Conflict Minerals Regulation: All EU-based importers of 3Ts and gold originating from conflict-affected and high-risk areas must identify and mitigate risks in their supply chain by implementing the OECD Due Diligence Guidance.

● October 2023

Global Gateway: In line with the EU Raw Minerals Act, the EU signs a strategic partnership agreement with DRC and Zambia to support sustainable raw materials value chains. The agreement supports the development of the Lobito Corridor, a main railway to regional and global markets for critical minerals such as cobalt.

● February 2023

A renewed EU Great Lakes Strategy: Building on the priorities, results, and lessons learned from the 2013 EU Strategic Framework for the Great Lakes Region, the new strategy adopts a regional integrated approach and is action-oriented, focusing on where the EU can bring added-value. It sets out promoting peace, democracy, and sustainable development in the region as a key objective, by addressing the root causes of insecurity.

● November 2023

Peace and Security in the Great Lakes Region: Funding for a new, four-year project commences to build the capacity of the ICGLR and its Member States to address artisanal mineral flows and harness their potential as drivers for economic and social development, as well as stability and security. IMPACT is the implementing organization.

● December 2023

EU Corporate Sustainability Due Diligence Directive (CSDDD): A provisional agreement reached on the proposed regulation that would require companies to implement practices to mitigate human rights violations and negative environmental impacts in their supply chains. It goes further than previous reporting requirements, by mandating companies demonstrate risk mitigation.

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