



Activity brief (December 2014)

International Conference on the Great Lakes Region (ICGLR) Regional Initiative against the illegal exploitation of Natural Resources (RINR) – Support to the Audit Committee

1 March 2014 – 27 February 2015



Background: The Regional Initiative against the Illegal Exploitation of Natural Resources (RINR) is an initiative of the International Conference of the Great Lakes Region (ICGLR), based in Burundi, designed to prevent armed groups from profiting from the exploitation of natural resources.

A key element of the RINR is a new Regional Certification Mechanism (RCM) for conflict minerals being established in ICGLR member states. An Audit Committee oversees the integrity of the certification mechanism's due diligence system. The AAPF will fund a series of activities to build the capacity of both individual audit committee members and the committee itself, to enhance their performance and the overall integrity of the certification mechanism, which is aimed at reducing the use of conflict minerals.

Objective: An expanded mining sector in ICGLR member states will generate growth in: mineral exports; tax and royalty revenues to governments; construction of infrastructure that serves industry, government and communities; and jobs and incomes. To ensure the sector's expansion, the key objectives of this activity are to:

- enhance capacity of the Audit Committee to perform its duties, including setting standards for the RCM, granting/withdrawing accreditation for auditors, reviewing audit reports on the minerals custody chain, and imposing sanctions on auditors;
- establish an audit regime that meets international standards of good practice, so that it creates confidence on the part of buyers of minerals from ICGLR member states that certified minerals have not generated profits for armed groups; and
- ensure consistency in approach and decision making by the audit committee through good knowledge management.

Activity description: The activity combines participatory learning, field visits and mentoring. Specific activities include:

- site visits to mines, export facilities and other points on the minerals supply chain;

- shadowing of Audit Committee members by auditors or other experts;
- a series of workshops that focus on key aspects of due diligence for mineral custody chains; building practical skills for handling and reviewing of audit reports, managing fraud and corruption risks; and building trust and communication between committee members;
- enhanced security of electronic communications regarding Audit Committee activities;
- new guides for committee members; and
- the identification of local/international mentors for executive committee members.

Expected outcomes: The expected outcomes are:

- the enhanced capacity of the Audit Committee to perform its duties;
- an audit regime that meets international standards of good practice to create buyer confidence that certified minerals from ICGLR member states have not generated profits for armed groups; and
- a consistent approach and decision-making by the audit committee through good knowledge management.

The activity builds inter-African relationships at a government-to-government level. It also enhances the capability of the ICGLR institution to engage with member states on governance and economic issues, and will promote collaboration between donors, civil society, government and industry. Furthermore, the activity promotes a relationship between the Australian Government and the ICGLR.

The activity improves mining sector governance in ICGLR member states, specifically by ensuring the integrity of due diligence of mineral supply chains. A credible certification scheme will expand mineral exports – a specific economic priority of ICGLR member states.

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Implementation partner:	Partnerships Africa Canada (PAC)
Total cost:	AUD 386 371